(Convenience translation of interim condensed consolidated financial statements into English originally issued in Turkish)

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiary

Interim condensed consolidated financial statements for the interim period January 1 - March 31, 2015

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiary

Table of contents

(Convenience translation of interim condensed consolidated financial statements into English originally issued in Turkish)

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiary

Interim condensed consolidated balance sheet as at March 31, 2015
(Currency –Turkish Lira (TL) unless otherwise indicated)

	Notes	Current period Not reviewed March 31, 2015	Previous year Audited December 31, 2014
Assets			
Current assets		**1.949.092.028**	1.767.709.192
Cash and cash equivalents		**870.975.540**	702.158.128
Trade receivables			
- Trade receivables from related parties	13	**91.421**	246.651
- Trade receivables from third parties		**529.654.662**	522.028.996
Other receivables			
- Other receivables from related parties	13	**2.638.039**	18.721.644
- Other receivables from third parties		**1.211.692**	2.582.910
Derivative financial instruments		**2.957.958**	1.445.166
Inventories	4	**459.798.586**	431.973.190
Prepaid expenses			
- Prepaid expenses to third parties		**47.884.188**	43.238.711
- Prepaid expenses to related parties	13	**12.878.087**	12.878.087
Other current assets		**21.001.855**	32.435.709
Non-current assets		**2.191.442.684**	2.020.547.900
Other receivables			
- Other receivables from related parties	13	**100.808.146**	51.791.682
Financial investments		**8.910.000**	-
Investment property		**1.461.758**	1.461.758
Property, plant and equipment	5	**1.875.662.152**	1.817.284.723
Intangible assets		**16.568.485**	16.697.372
Prepaid expenses			
- Prepaid expenses from third parties		**64.409.321**	24.712.059
- Prepaid expenses from related parties	13	**26.829.347**	30.048.869
Deferred tax assets	9	**61.411.747**	44.480.315
Other non-current assets		**35.381.728**	34.071.122
Total assets		**4.140.534.712**	3.788.257.092

The accompanying policies and explanatory notes on pages 7 through 38 form an integral part of the interim condensed consolidated financial statements.

(Convenience translation of interim condensed consolidated financial statements into English originally issued in Turkish)

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiary

Interim condensed consolidated balance sheet
as at March 31, 2015
(Currency –Turkish Lira (TL) unless otherwise indicated)

	Notes	Current period Not reviewed March 31, 2015	Previous year Audited December 31, 2014
Liabilities			
Current liabilities		**1.424.801.332**	1.136.768.697
Short-term financial liabilities		**372.816.520**	352.914.646
Current portion of long term financial liabilities		**48.532.589**	43.108.180
Trade payables			
- Trade payables to related parties	13	**35.049.061**	37.895.925
- Trade payables to third parties		**881.671.444**	631.153.338
Short term liabilities for employee benefits		**14.616.586**	25.793.321
Other payables			
- Other payables to related parties	13	**1.868.725**	11.213.876
- Other payables to third parties		**2.643.997**	1.487.502
Deferred income			
- Deferred income from related parties	13	**12.281.394**	4.286.908
- Deferred income from third parties	6	**41.870.313**	14.090.157
Short term provisions			
- Provision for employee benefits	7	**3.163.793**	3.517.037
- Other short-term provisions	14	**4.500.145**	5.166.629
Other current liabilities		**5.786.765**	6.141.178
Non-current liabilities		**486.849.904**	468.227.528
Long-term financial liabilities		**337.451.689**	324.567.369
Deferred income			
- Deferred income from related parties	13	**15.624.571**	16.579.501
- Deferred income from third parties	6	**48.351.148**	48.490.336
Long term provisions			
- Provision for employee benefits	7	**85.422.496**	78.590.322
Total liabilities		**1.911.651.236**	1.604.996.225
Equity		**2.228.883.476**	2.183.260.867
Share capital	8	**1.000.000.000**	1.000.000.000
Adjustment to share capital	8	**486.852.283**	486.852.283
Other comprehensive income / (expense) not to be reclassified to profit or loss			
- Actuarial loss arising from defined benefit plan		**(15.228.165)**	(15.228.165)
Other comprehensive income / (expense) to be reclassified to profit or loss			
- Hedging reserve		**2.366.366**	1.156.133
Gain on sale of subsidiary that do not result in loss of control		**466.324.085**	466.324.085
Restricted reserves		**36.548.777**	8.356.700
Retained earnings		**156.442.236**	178.181.398
Net profit for the period / year		**49.640.049**	6.452.915
Equity holders of the parent		**2.182.945.631**	2.132.095.349
Minority interest		**45.937.845**	51.165.518
Total equity and liabilities		**4.140.534.712**	3.788.257.092

The accompanying policies and explanatory notes on pages 7 through 38 form an integral part of the interim condensed consolidated financial statements.

(Convenience translation of interim condensed consolidated financial statements into English originally issued in Turkish)

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiary

Interim condensed consolidated statement of profit or loss and comprehensive income for the three-month period ended March 31, 2015

(Currency –Turkish Lira (TL) unless otherwise indicated)

	Notes	Current period Not reviewed January 1 – March 31, 2015	Previous year Not audited Restated (Note 2.4) January 1 – March 31, 2014
Sales		**937.510.057**	1.190.171.150
Cost of sales (-)		**(853.519.687)**	(1.106.045.517)
Gross profit		**83.990.370**	84.125.633
General administrative expenses (-)	10	**(39.209.199)**	(31.126.531)
Selling, marketing and distribution expenses (-)		**(7.482.900)**	(6.338.195)
Research and development expenses (-)		**-**	(3.175.489)
Other operating income	11	**45.937.239**	37.564.154
Other operating expense (-)	11	**(74.947.736)**	(43.647.942)
Operating profit		**8.287.774**	37.401.630
Income from investment activities		**13.119**	14.240
Expense from investment activities (-)		**-**	-
Operating profit before financial income		**8.300.893**	37.415.870
Financial income		**106.727.136**	49.847.900
Financial expenses (-)		**(87.849.644)**	(43.351.221)
Profit before taxation		**27.178.385**	43.912.549
Taxes			
- Current year tax		**-**	-
- Deferred tax income / (expense)	9	**17.233.991**	(6.602.819)
Net profit for the period		**44.412.376**	37.309.730
Other comprehensive income			
To be reclassified to profit or loss			
- Hedging reserve gain		**1.512.792**	**-**
- Deferred tax effect of hedging reserve gain		**(302.559)**	**-**
Other comprehensive income (after tax)		**1.210.233**	**-**
Total comprehensive income		**45.622.609**	**37.309.730**
Distribution of income / (expense) for the period			
Minority interest		**(5.227.673)**	-
Equity holders of the parent		**49.640.049**	37.309.730
Earnings per share (Kuruş) - Minority interest	**12**	**(0,01)**	**-**
Earnings per share (Kuruş) - Equity holders of the parent	**12**	**0,0496**	**0,0373**
Distribution of total comprehensive income:			
Minority interest		**(5.227.673)**	**-**
Equity holders of the parent		**50.850.282**	**37.309.730**

The accompanying policies and explanatory notes on pages 7 through 38 form an integral part of the interim condensed consolidated financial statements.

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiary

Interim condensed consolidated statement of changes in equity
for the three-month period ended March 31, 2015
(Currency –Turkish Lira (TL) unless otherwise indicated)

			Other comprehensive income / (expense) not to be reclassified to profit or loss	Other comprehensive income / (expense) to be reclassified to profit or loss							
	Share capital	Adjustment to share capital	Actuarial loss arising from defined benefit plan	Hedging reserve	Gain on sale of subsidiary	Restricted reserves	Net profit / (loss) for the period / year	Retained earnings	Equity holders of the parent	Minority interest	Total equity
January 1, 2014	1.000.000.000	486.852.283	(12.885.403)	-	-	3.653.928	48.896.680	180.987.490	1.707.504.978	-	1.707.504.978
Transfers	-	-	-	-	-	4.702.772	(48.896.680)	44.193.908	-	-	-
Dividend payment	-	-	-	-	-	-	-	(47.000.000)	(47.000.000)	-	(47.000.000)
Other comprehensive income / (loss)	-	-	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	-	37.309.730	-	37.309.730	-	37.309.730
Total comprehensive income	-	-	-	-	-	-	37.309.730	-	37.309.730	-	37.309.730
March 31, 2014	1.000.000.000	486.852.283	(12.885.403)	-	-	8.356.700	37.309.730	178.181.398	1.697.814.708	-	1.697.814.708
January 1, 2015	**1.000.000.000**	**486.852.283**	**(15.228.165)**	**1.156.133**	**466.324.085**	**8.356.700**	**6.452.915**	**178.181.398**	**2.132.095.349**	**51.165.518**	**2.183.260.867**
Transfers	**-**	**-**	**-**	**-**	**-**	**28.192.077**	**(6.452.915)**	**(21.739.162)**	**-**	**-**	**-**
Other comprehensive income / (loss)	**-**	**-**	**-**	**1.210.233**	**-**	**-**	**-**	**-**	**1.210.233**	**-**	**1.210.233**
Net profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**49.640.049**	**-**	**49.640.049**	**(5.227.673)**	**44.412.376**
Total comprehensive income	**-**	**-**	**-**	**1.210.233**	**-**	**-**	**49.640.049**	**-**	**50.850.282**	**(5.227.673)**	**45.622.609**
March 31, 2015	**1.000.000.000**	**486.852.283**	**(15.228.165)**	**2.366.366**	**466.324.085**	**36.548.777**	**49.640.049**	**156.442.236**	**2.182.945.631**	**45.937.845**	**2.228.883.476**

The accompanying policies and explanatory notes on pages 7 through 38 form an integral part of the interim condensed consolidated financial statements.

(Convenience translation of interim condensed consolidated financial statements into English originally issued in Turkish)

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiary

Interim condensed consolidated cash flow
for the three-month period ended March 31, 2015
(Currency –Turkish Lira (TL) unless otherwise indicated)

	Notes	Current period Not reviewed January 1 – March 31, 2015	Previous period Not audited January 1 – March 31, 2014
Cash flows from operating activities:			
Profit / (Loss) before taxation		**27.178.385**	43.912.549
Adjustments to reconcile profit before tax to net cash generated from operating activities:			
Depreciation and amortization		**28.109.774**	21.269.244
Interest income		**(6.434.788)**	(3.482.532)
Interest expense		**4.266.952**	2.752.255
Provision for legal cases, net	14	**642.865**	(31.175)
Provision for employment termination benefits, net	7	**1.069.543**	1.186.600
Gain on sale of property, plant and equipment		**(13.119)**	(14.240)
Provision for doubtful receivables		**169.402**	369.403
Provision for seniority incentive bonus, net	7	**1.504.816**	1.715.152
Provision for unused vacation rights, net	7	**6.758.478**	5.932.600
Provision for inventories, net		**(26.334.480)**	-
Energy Market Regulatory Authority (“EMRA”) contribution provision	14	**390.651**	461.539
Unrealized foreign currency losses on borrowings		**65.180.787**	9.121.967
Net cash generated before changes in assets and liabilities		**102.489.266**	83.193.362
Changes in the operating assets and liabilities:			
Trade receivables		**(7.639.838)**	(6.972.057)
Inventories		**(1.490.916)**	4.030.210
Other receivables		**(31.561.641)**	6.052.626
Other current assets and prepaid expenses		**6.398.019**	(29.106.833)
Other non-current assets and prepaid expenses		**(37.788.346)**	(12.280.839)
Trade payables		**250.518.106**	50.238.849
Trade payables to related parties		**(11.756.864)**	(6.527.014)
Other payables		**(8.188.656)**	103.822
Short term provisions for employee benefits, deferred income, current tax liabilities and other liabilities		**28.363.176**	(9.934.175)
Other long term liabilities		**(1.094.118)**	(28.759)
Seniority incentive bonus paid	7	**(1.675.711)**	(1.438.786)
Employment termination benefit paid	7	**(1.178.196)**	(8.120.713)
Notice pay liability paid		**(4.119.682)**	2.684.201
Tax penalties paid		**(1.721.600)**	-
Net cash generated by operating activities		**279.552.999**	71.893.894
Investing activities:			
Purchase of property, plant and equipment and intangible assets	5	**(86.358.316)**	(80.160.195)
Proceeds from sales of property, plant and equipment and intangible assets		**13.119**	1.034.080
Net cash used in investing activities		**(86.345.197)**	(79.126.115)
Financing activities:			
Interest received		**6.846.746**	3.392.925
Proceeds from borrowings		**281.829.148**	24.305.482
Redemption of borrowings		**(309.499.348)**	(36.078.024)
Interest paid		**(3.566.936)**	(936.923)
Net cash used in financing activities		**(24.390.390)**	(9.316.540)
Net increase / (decrease) in cash and cash equivalents		**168.817.412**	(16.548.761)
Cash and cash equivalents at the beginning of the period		**702.158.128**	279.042.424
Cash and cash equivalents at the end of the period		**870.975.540**	262.493.663

The accompanying policies and explanatory notes on pages 7 through 38 form an integral part of the interim condensed consolidated financial statements.

1. Organization and nature of operations

Petkim Petrokimya Holding A.Ş. ("Petkim" or "the Company") was established on April 3, 1965. The Company started its investment activities in İzmit-Yarımca and initially established the Ethylene, Polyethylene, Chlorine Alkali, VCM and PVC plants in 1970 in the Yarımca Complex. During the course of the Company, construction of other plants continued. In 1985, Aliağa Petrochemical Complex was established. The Company has 14 main plants, 1 bag production unit and 1 solid waste incineration facility. The Company operates its facilities in the petrochemical sector in Turkey.

The Company is mainly engaged in the following fields:

- To establish and to operate factories, plants either at home or abroad in relation to the petro-chemistry, chemistry and such other industrial sectors,

- To process and to treat the raw materials and supplementary/auxiliary substances, materials and chemicals necessary for the production of petrochemicals, chemicals and such other materials/substances by procuring such materials/substances either from home or abroad, to produce such materials/substances, and to carry out and to perform the domestic and international trading thereof,

- In accordance with the Law 4628 on the Electricity Market, and the related legislation thereto, to establish power plants as per the auto-producer's license in order to meet its own need for electricity and heat/thermal energy at first, to generate electricity and heat/thermal energy, to sell the generated electricity and heat/thermal energy and/or the capacity to other legal persons holding the requisite licenses or to the eligible consumers as per the mentioned legislation in case of any surplus production, and to carry out and to perform the activities in relation to the obtainment of any and all kinds of equipment and fuel in relation to the electricity power/generating plant provided that such activities are not of commercial nature

- To carry out and to perform the activities in relation to the importation or purchase from domestic resources, of natural gas on wholesale and retail basis, utilization, storage of natural gas imported and purchased, in accordance with the legislation thereto,

- To carry out and to perform pilotage, trailer and mooring activities, to operate ports, cruise ports, passenger terminals, seaports, docks, harbors, berths, liquid fuel/liquefied petroleum pipeline and buoy systems, and such other similar onshore facilities/plants, and to be involved in port management activities, to offer port, agency, provision, bunkering services, and to provide that such services are offered by 3rd parties either by way of leasing or such other methods when required, and to purchase, to have built and to lease, to sell the necessary vessels/naval platforms, and to establish either domestic or international partnerships in relation thereto, to operate warehouses, and to offer warehousing services,

- To support and to donate to the foundations, associations, educational institutions, which have been established for social purposes, and to such other persons, institutions and organizations in accordance with the principles prescribed by the Capital Market Board.

The "Share Sales Agreement", with respect to the sales of 51% of shares of Petkim Petrokimya Holding A.Ş. (which has been in the privatization process for several years) to SOCAR & Turcas Petrokimya A.Ş. ("STPAŞ"), 44% of which previously owned by the Republic of Turkey Ministry Privatization Administration ("Administration") and 7% State Pension Fund ("Emekli Sandığı Genel Müdürlüğü") transferred to Republic of Turkey Social Security Institution, was signed on May 30, 2008.

(Currency –Turkish Lira (TL) unless otherwise indicated)

1. Organization and nature of operations (continued)

On June 22, 2012, the public shares amounting to 10,32% of the Company capital which belonged to Prime Ministry Privatization Administration was sold to SOCAR İzmir Petrokimya A.Ş (“SİPAŞ”) which is the subsidiary of the Company’s main shareholder, SOCAR Turkey Enerji A.Ş. (“STEAŞ”)

SOCAR Turkey Enerji A.Ş. and SOCAR İzmir Petrokimya A.Ş., which is the %100 subsidiary of SOCAR Turkey Enerji A.Ş and owns 10,32% shares of the Group, have merged as of September 22, 2014.

As of March 31, 2015 and December 31, 2014 the ultimate shareholder of the Company is State Oil Company of Azerbaijan Republic (“SOCAR”).

The Group is registered at the Capital Markets Board (“CMB”) and its shares have been quoted in Istanbul Stock Exchange (“ISE”) since July 9, 1990.

Consolidated financial statements were approved to be issued by the Board of Directors April 29, 2015 and signed by Mr. Sadettin Korkut, General Manager and Mr. Riza Bozoklar, Vice President of Finance, on behalf of the Board of Directors. General Assembly and relevant regulators has the right to modify legal financial statements and the consolidated financial statements.

Subsidiaries

The Company has participated to Petlim Limancılık Ticaret A.Ş. (“Petlim”) with the capital of TL 100.000 and the share of 99,99%, according to the decision of Board of Director dated April 28, 2010 and numbered 64/132, to implement port activities. With the general assembly resolution dated, November 13, 2012, the share capital of Petlim has been increased to TL 8.000.000. With the general assembly resolution dated, September 30, 2013, the share capital of Petkim has been increased from TL 8.000.000 to TL 83.000.000 and the share of 100% transferred to Petkim. With the general assembly resolution dated, November 17, 2014, the share capital of Petlim has been increased from TL 83.000.000 to TL 150.000.000. Petkim and its subsidiary are referred together as “the Group”.

45 million shares, representing 30% of share capital of Petlim Limancılık Ticaret A.Ş., which is subsidiary of the Company, has been purchased by Goldman Sachs International ("GSI", together with its subsidiaries "GS") as of December 18, 2014 in exchange for 250 million USD Dollars.

At the same date, in the consequence of put option contract signed by STEAŞ with GSI, it has undertaken guarantor liability regarding of liabilities of Petkim due to share transfer agreement, if required and in the event of contract conditions the right of selling shares of Petlim by GSİ to STEAŞ has been originated (“Put option Contract”). Within the mentioned put option contract, no later than 7 years following the signed share transfer agreement, it has been agreed on public offering of shares of Petlim (public offering), in accordance with those regulations agreed by the parties and in consequence of option relation, loss of GSI shall be compensated by STEAŞ.

The number of personnel in the Group is 2.391 as of March 31, 2015 (December 31, 2014 - 2.425).

	March 31, 2015	December 31, 2014
Union (*)	**1.859**	1.907
Non-union (**)	**532**	518
	2.391	2.425

(*) Indicates the personnel who are members of Petrol İş Union.
(**) Indicates the personnel who are not members of Petrol İş Union

The registered address of the Group as of the date of these consolidated financial statements is as follows:

PK. 12, 35800
Aliağa, İzmir

2. Basis of presentation of interim condensed consolidated financial statements

2.1 Basis of presentation

Accounting standards

The interim condensed consolidated financial statements of Petkim have been prepared in accordance with the accounting and reporting principles accepted by the CMB, namely "CMB Financial Reporting Standards". The CMB regulated the principles and issued of preparation, presentation and announcement of financial statements prepared by the entities with the Communiqué XI, No: 29, "Principles of Financial Reporting in Capital Markets" ("the Communiqué"). The Communiqué is effective for the annual periods starting from January 1, 2008 and supersedes Communiqué XI, No: 25, "The Accounting Standards in the Capital Markets". According to the Communiqué, entities shall prepare their financial statements in accordance with International Financial Reporting Standards ("IAS/IFRS") endorsed by the European Union. Until the differences of the IAS/IFRS as endorsed by the European Union from the ones issued by the International Accounting Standards Board ("IASB") are announced by Turkish Accounting Standards Board ("TASB"), (As of November 2011, TASB has been closed and its duties have been transferred to Public Oversight Accounting and Auditing Standards Authority, "POA") IAS/IFRS issued by the IASB shall be applied. Accordingly, Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") issued by the POA, which do not contradict with the aforementioned standards shall be applied.

In accordance with the Communiqué No: XI-29, entities are allowed to prepare a complete or condensed set of interim financial statements in accordance with IAS 34, "Interim Financial Reporting". In this respect, the Group has chosen the option to prepare interim condensed consolidated financial statements for the period ended March 31, 2015 and prepared these interim condensed consolidated financial statements in compliance with the CMB Financial Reporting Standards.

As the differences of the IAS/IFRS endorsed by the European Union from the ones issued by the IASB have not been announced by TASB as of the date of preparation of these interim condensed consolidated financial statements, the interim condensed consolidated financial statements have been prepared within the framework of Communiqué XI, No:29 and related promulgations to this Communiqué as issued by the CMB, in accordance with the CMB Financial Reporting Standards which are based on IAS/IFRS. The interim condensed consolidated financial statements and the related notes to them are presented in accordance with the formats recommended by the CMB, with the week announcements numbered 2008/16, 2008/18, 2009/02 and 2009/04, including the compulsory disclosures.

The Group maintains its books of account and prepares its interim condensed consolidated financial statements in accordance with the requirements and regulations of the CMB and Turkish Commercial Code (the "TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The interim condensed consolidated financial statements are prepared by posting the adjustments and reclassifications to the statutory financial statements prepared according to historical cost convention in order to comply with the fair presentation principle in accordance with the CMB Financial Reporting Standards. The interim condensed consolidated financial statements are prepared in Turkish Lira ("TL") based on the historical cost convention except for the financial assets and liabilities, which are expressed with their fair values.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2014.

2. Basis of presentation of interim condensed consolidated financial statements (continued)

2.2 Summary of significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements as at March 31, 2015 are consistent with those followed in the preparation of the consolidated financial statements of December 31, 2014.

2.3 Changes in TFRS

The new standards, amendments and interpretations

The accounting policies adopted in preparation of the interim condensed consolidated financial statements as at 31 March 2015 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1 January 2015. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as at 1 January 2015 are as follows:

TAS 19 Defined Benefit Plans: Employee Contributions (Amendment)

TAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. The amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. These amendments are to be retrospectively applied for annual periods beginning on or after 1 July 2014. The amendment did not have an impact on the consolidated financial statements of the Group.

Annual Improvements to TAS/TFRSs

In September 2014, POA has issued the below amendments to the standards in relation to "Annual Improvements - 2010–2012 Cycle" and "Annual Improvements - 2011–2013 Cycle. The changes are effective for annual reporting periods beginning on or after 1 July 2014.

Annual Improvements - 2010–2012 Cycle

TFRS 2 Share-based Payment:

Definitions relating to vesting conditions have changed and performance condition and service condition are defined in order to clarify various issues. The amendment is effective prospectively.

TFRS 3 Business Combinations

Contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of TFRS 9 Financial Instruments. The amendment is effective for business combinations prospectively.

2. Basis of presentation of interim condensed consolidated financial statements (continued)

TFRS 8 Operating Segments

The changes are as follows: i) Operating segments may be combined/aggregated if they are consistent with the core principle of the standard. ii) The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments are effective retrospectively.

TAS 16 Property, Plant and Equipment and TAS 38 Intangible Assets

The amendment to TAS 16.35(a) and TAS 38.80(a) clarifies that revaluation can be performed, as follows:
i) Adjust the gross carrying amount of the asset to market value or ii) determine the market value of the carrying amount and adjust the gross carrying amount proportionately so that the resulting carrying amount equals the market value. The amendment is effective retrospectively.

TAS 24 Related Party Disclosures

The amendment clarifies that a management entity – an entity that provides key management personnel services – is a related party subject to the related party disclosures. The amendment is effective retrospectively.

Annual Improvements – 2011–2013 Cycle

TFRS 3 Business Combinations

The amendment clarifies that: i) Joint arrangements are outside the scope of TFRS 3, not just joint ventures ii) The scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is effective prospectively.

Amendment to the Basis for Conclusions on TFRS 13 Fair Value Measurement

The portfolio exception in TFRS 13 can be applied to financial assets, financial liabilities and other contracts. The amendment is effective prospectively.

TAS 40 Investment Property

The amendment clarifies the interrelationship of TFRS 3 and TAS 40 when classifying property as investment property or owner-occupied property. The amendment is effective prospectively.

The amendments did not have a significant impact on the interim condensed consolidated financial statements of the Group.

ii) Standards issued but not yet effective and not early adopted

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

2. Basis of presentation of interim condensed consolidated financial statements (continued)

TFRS 9 Financial Instruments – Classification and measurement

As amended in December 2012 and February 2015, the new standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. Phase 1 of this new TFRS introduces new requirements for classifying and measuring financial instruments. The amendments made to TFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option (FVO) liabilities and requires that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is adopted by POA.

TFRS 11 Acquisition of an Interest in a Joint Operation (Amendment)

TFRS 11 is amended to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. This amendment requires the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in TFRS 3 Business Combinations, to apply all of the principles on business combinations accounting in TFRS 3 and other TFRSs except for those principles that conflict with the guidance in this TFRS. In addition, the acquirer shall disclose the information required by TFRS 3 and other TFRSs for business combinations. These amendments are to be applied prospectively for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments will not have an impact on the financial position or performance of the Group.

TAS 16 and TAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to TAS 16 and TAS 38)

The amendments to TAS 16 and TAS 38, have prohibited the use of revenue-based depreciation for property, plant and equipment and significantly limiting the use of revenue-based amortisation for intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments will not have an impact on the financial position or performance of the Group.

TAS 16 Property, Plant and Equipment and TAS 41 Agriculture (Amendment) – Bearer Plants

TAS 16 is amended to provide guidance that bearer plants, such as grape vines, rubber trees and oil palms should be accounted for in the same way as property, plant and equipment in TAS 16. Once a bearer plant is mature, apart from bearing produce, its biological transformation is no longer significant in generating future economic benefits. The only significant future economic benefits it generates come from the agricultural produce that it creates. Because their operation is similar to that of manufacturing, either the cost model or revaluation model should be applied. The produce growing on bearer plants will remain within the scope of TAS 41, measured at fair value less costs to sell. Entities are required to apply the amendments for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendment is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

2. Basis of presentation of interim condensed consolidated financial statements (continued)

TAS 27 Equity Method in Separate Financial Statements (Amendments to TAS 27)

In February 2015, Public Oversight Accounting and Auditing Standards Authority (POA) of Turkey issued an amendment to TAS 27 to restore the option to use the equity method to account for investments in subsidiaries and associates in an entity's separate financial statements. Therefore, an entity must account for these investments either:

- At cost
- In accordance with IFRS 9 or,
- Using the equity method defined in TAS 28

The entity must apply the same accounting for each category of investments. The amendment is effective for annual periods beginning on or after 1 January 2016. The amendments must be applied retrospectively. Early application is permitted and must be disclosed. The amendment is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)

In February 2015, amendments issued to TFRS 10 and TAS 28, to address the acknowledged inconsistency between the requirements in TFRS 10 and TAS 28 in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture, to clarify that an investor recognises a full gain or loss on the sale or contribution of assets that constitute a business, as defined in TFRS 3, between an investor and its associate or joint venture. The gain or loss resulting from the re-measurement at fair value of an investment retained in a former subsidiary should be recognised only to the extent of unrelated investors' interests in that former subsidiary. An entity shall apply those amendments prospectively to transactions occurring in annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendment is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

TFRS 10, TFRS 12 and TAS 28: Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 and IAS 28)

In February 2015, amendments issued to TFRS 10, TFRS 12 and TAS 28, to address the issues that have arisen in applying the investment entities exception under TFRS 10 Consolidated Financial Statements. The amendments are applicable for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendment is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

TAS 1: Disclosure Initiative (Amendments to TAS 1)

In February 2015, amendments issued to TAS 1. Those amendments include narrow-focus improvements in the following five areas: Materiality, Disaggregation and subtotals, Notes structure, Disclosure of accounting policies, Presentation of items of other comprehensive income (OCI) arising from equity accounted investments. The amendments are applicable for annual periods beginning on or after 1 January 2016. Earlier application is permitted. These amendments are not expected have significant impact on the notes to the consolidated financial statements of the Group.

2. Basis of presentation of interim condensed consolidated financial statements (continued)

Annual Improvements to TFRSs - 2012-2014 Cycle

In February 2015, POA issued, Annual Improvements to TFRSs 2012-2014 Cycle. The document sets out five amendments to four standards, excluding those standards that are consequentially amended, and the related Basis for Conclusions. The standards affected and the subjects of the amendments are:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations – changes in methods of disposal
- IFRS 7 Financial Instruments: Disclosures – clarification on the assessment of servicing contracts for the continuing involvement of financial assets
- IAS 19 Employee Benefits – regional market issue regarding discount rate
- IAS 34 Interim Financial Reporting – disclosure of information 'elsewhere in the interim financial report'

The amendments are effective for annual periods beginning on or after 1 January 2016, with earlier application permitted. . The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

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

The following standards, interpretations and amendments to existing IFRS standards are issued by the IASB but not yet effective up to the date of issuance of the financial statements. However, these standards, interpretations and amendments to existing IFRS standards are not yet adapted/issued by the POA, thus they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the new standards and interpretations are issued and become effective under TFRS.

Annual Improvements – 2010–2012 Cycle

IFRS 13 Fair Value Measurement

As clarified in the Basis for Conclusions short-term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial. The amendment is effective immediately.

Annual Improvements – 2011–2013 Cycle

IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers. The new five-step model in the standard provides the recognition and measurement requirements of revenue. The standard applies to revenue from contracts with customers and provides a model for the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., the sale of property, plant and equipment or intangibles). IFRS 15 is effective for reporting periods beginning on or after 1 January 2017, with early adoption permitted. Entities will transition to the new standard following either a full retrospective approach or a modified retrospective approach. The modified retrospective approach would allow the standard to be applied beginning with the current period, with no restatement of the comparative periods, but additional disclosures are required. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

2. Basis of presentation of interim condensed consolidated financial statements (continued)

IFRS 9 Financial Instruments - Final standard (2014)

In July 2014 the IASB published the final version of IFRS 9 Financial Instruments. The final version of IFRS 9 brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 is built on a logical, single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics. Built upon this is a forward-looking expected credit loss model that will result in more timely recognition of loan losses and is a single model that is applicable to all financial instruments subject to impairment accounting. In addition, IFRS 9 addresses the so-called 'own credit' issue, whereby banks and others book gains through profit or loss as a result of the value of their own debt falling due to a decrease in credit worthiness when they have elected to measure that debt at fair value. The Standard also includes an improved hedge accounting model to better link the economics of risk management with its accounting treatment. IFRS 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. In addition, the own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

2.4 Comparative information and restatement of previous year financial statements

In order to allow for the determination of financial situation and performance trends, the Group's consolidated financial statements have been presented comparatively with the previous year. For the purpose of convenience with the presentation of current period consolidated financial statements, comparative information is restated when necessary and major changes are disclosed.

The reclassifications made to the consolidated income statement of the Group dated March 31, 2014 are as follows:

- Trade payable rediscount income amounting to TL 2.058.408 shown in other operating income classified to cost of goods sold.
- Idle capacity expenses amounting to TL 10.191.796 shown in other operating expense were classified to cost of goods sold.

2.5 Seasonality of operations

There are no significant impacts on the interim condensed consolidated financial statements of the Group due to the seasonality of operations.

3. Segment reporting

Besides, the primary operation of the Group is to produce and sell petrochemical products and these operations have similar economical features, production processes, customer classes and distribution methods, the port operations exist.

(Currency –Turkish Lira (TL) unless otherwise indicated)

4. Inventories

	March 31, 2015	December 31, 2014
Raw materials	**116.609.088**	68.815.200
Work-in-progress	**109.230.149**	190.828.746
Finished goods	**98.765.533**	132.406.770
Trade goods	**8.106.955**	25.623.038
Goods in transit	**106.887.117**	14.434.214
Other inventories	**21.245.017**	27.244.975
	460.843.859	459.352.943
Less: Provision for impairment on inventories	**(1.045.273)**	(27.379.753)
	459.798.586	431.973.190

Movements of provision for impairment on inventory for the periods ended March 31, 2015 and 2014 were as follows:

	2015	2014
January 1	**(27.379.753)**	(840.728)
Changes during the period, net	**26.334.480**	-
March 31	**(1.045.273)**	(840.728)

Allocation of the provision for impairment on inventories in terms of inventory type is as follows:

	March 31, 2015	December 31, 2014
Raw materials	**-**	(2.483.300)
Work-in-progress	**(204.855)**	(11.920.373)
Finished goods	**-**	(11.470.833)
Trade goods	**-**	(662.734)
Other inventories	**(840.418)**	(842.513)
	(1.045.273)	(27.379.753)

(Currency –Turkish Lira (TL) unless otherwise indicated)

5. Property, plant and equipment

	January 1, 2015	Additions	Transfers	Disposals	March 31, 2015
Cost:					
Land	**13.208.763**	**-**	**-**	**-**	**13.208.763**
Land improvements	**108.396.415**	**-**	**329.554**	**-**	**108.725.969**
Buildings	**169.032.795**	**-**	**298.452**	**-**	**169.331.247**
Machinery and equipment	**6.381.145.390**	**-**	**874.636**	**-**	**6.382.020.026**
Motor vehicles	**10.576.693**	**-**	**180.573**	**(29.115)**	**10.728.151**
Furniture and fixtures	**67.789.913**	**-**	**281.935**	**-**	**68.071.848**
Other fixed assets	**996.152**	**-**	**-**	**-**	**996.152**
Leasehold improvements	**581.831**	**-**	**-**	**-**	**581.831**
Construction in progress	**488.649.086**	**86.358.316**	**(2.371.982)**	**-**	**572.635.420**
	7.240.377.038	**86.358.316**	**(406.832) (*)**	**(29.115)**	**7.326.299.407**
Accumulated depreciation:					
Land improvements	**(82.575.675)**	**(558.608)**	**-**	**-**	**(83.134.283)**
Buildings	**(95.524.377)**	**(909.865)**	**-**	**-**	**(96.434.242)**
Machinery and equipment	**(5.179.977.175)**	**(25.172.525)**	**-**	**-**	**(5.205.149.700)**
Motor vehicles	**(9.276.064)**	**(138.074)**	**-**	**29.115**	**(9.385.023)**
Furniture and fixtures	**(54.532.020)**	**(746.497)**	**-**	**-**	**(55.278.517)**
Other fixed assets	**(996.152)**	**-**	**-**	**-**	**(996.152)**
Leasehold improvements	**(210.852)**	**(48.486)**	**-**	**-**	**(259.338)**
	(5.423.092.315)	**(27.574.055)**	**-**	**29.115**	**(5.450.637.255)**
Net book value	**1.817.284.723**				**1.875.662.152**

(*) Construction in progress amounting to TL 406.832 has been transferred to the intangible assets as of March 31, 2015.

	January 1, 2014	Additions	Transfers	Disposals	March 31, 2014
Cost:					
Land	9.367.988	-	-	(651)	9.367.337
Land improvements	101.187.700	-	-	-	101.187.700
Buildings	166.065.628	992	302.184	-	166.368.804
Machinery and equipment	6.062.574.658	-	19.655.171	(1.019.189)	6.081.210.640
Motor vehicles	10.151.874	-	95.926	-	10.247.800
Furniture and fixtures	62.239.292	31.396	996.979	(809.032)	62.458.635
Other fixed assets	996.152	-	-	-	996.152
Leasehold improvements	581.831	-	-	-	581.831
Construction in progress	409.087.104	80.093.772	(24.588.665)	-	464.592.211
	6.822.252.227	80.126.160	(3.538.405) (*)	(1.828.872)	6.897.011.110
Accumulated depreciation:					
Land improvements	(80.457.199)	(519.401)	-	-	(80.976.600)
Buildings	(91.957.310)	(878.606)	-	-	(92.835.916)
Machinery and equipment	(5.101.542.319)	(18.642.028)	-	-	(5.120.184.347)
Motor vehicles	(8.821.318)	(111.470)	-	-	(8.932.788)
Furniture and fixtures	(53.078.079)	(523.215)	-	809.032	(52.792.262)
Other fixed assets	(996.152)	-	-	-	(996.152)
Leasehold improvements	(16.909)	(48.486)	-	-	(65.395)
	(5.336.869.286)	(20.723.206)	-	809.032	(5.356.783.460)
Net book value	1.485.382.941				1.540.227.650

(*) Construction in progress amounting to TL 3.538.405 has been transferred to the intangible assets as of March 31, 2014.

(Currency –Turkish Lira (TL) unless otherwise indicated)

6. Deferred Income

a) Short term deferred income

	March 31, 2015	December 31, 2014
Advances taken	**40.506.935**	13.280.798
Income relevant to following months	**1.363.378**	809.359
	41.870.313	14.090.157

b) Long term deferred income

	March 31, 2015	December 31, 2014
Income relevant to following years (*)	**48.351.148**	48.490.336
	48.351.148	48.490.336

(*) For a container port to be established inside Petkim facilities to be operated by APM Terminalleri Liman İşletmeciliği A.Ş. (APM Terminalleri), an operation agreement was signed between the Group APMT BV, and APM Terminalleri on February 22, 2013. According to this agreement, the amounts paid to the Group by APM Terminalleri will be recognized under the account group of future period income until the date when the port starts operating. The transition to operation will take place after the year 2015. After the transition to operation, the related income of the period will be recognized in the income statement, during the term of agreement.

7. Employee benefits

	March 31, 2015	December 31, 2014
i) Short-term employee benefits:		
Provision for seniority incentive bonus	**3.163.793**	3.517.037
	3.163.793	3.517.037
ii) Long-term employee benefits:		
Provision for employment termination benefits	**69.802.804**	69.911.457
Provision for unused vacation rights	**13.305.843**	6.547.365
Provision for seniority incentive bonus	**2.313.849**	2.131.500
	85.422.496	78.590.322

Unused vacation rights

Movements of the provision for unused vacation rights are as follows:

	2015	2014
January 1	**6.547.365**	6.192.081
Changes in the period, net	**6.758.478**	5.932.600
March 31	**13.305.843**	12.124.681

(Currency –Turkish Lira (TL) unless otherwise indicated)

7. Employee benefits (continued)

a) Provision for employment termination benefits:

Under Turkish Labour Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies or retires after completing 25 years of service (20 years for women).

The amount payable consists of one month's salary limited to a maximum of TL 3.541,37 for each year of service as of March 31, 2015 (December 31, 2014 – TL 3.438,22).

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

The provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees.

IAS 19 requires actuarial valuation methods to be developed to estimate the enterprises' obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	March 31, 2015	December 31, 2014
Discount rate (%)	**3,80**	3,80
Probability of retirement (%)	**100,00**	100,00

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of TL 3.541,37, which is effective from January 1, 2014, has been taken into consideration in the calculation of employment termination benefits of the Group (January 1, 2014 – TL 3.438,22).

The movements of the provision for seniority incentive bonus are as follows:

	2015	2014
January 1	**69.911.457**	85.484.667
Interest cost	**664.159**	873.995
Payments during the period	**(1.178.196)**	(8.120.713)
Service cost	**405.384**	312.605
March 31	**69.802.804**	78.550.554

(Currency –Turkish Lira (TL) unless otherwise indicated)

7. Employee benefits (continued)

b) Provision for seniority incentive bonus:

Seniority incentive bonus is a benefit provided to the personnel to promote their loyalty to the job and workplace

The bonus amounting to 40 days of gross salary for 5 years seniority, 50 days of gross salary for 10 years seniority, 65 days of gross salary for 15 years seniority, 80 days of gross salary for 20 years seniority, 90 days of gross salary for 25 and 100 days of gross salary for 30 years seniority is paid to the union personnel with the gross salary of the month when they are reached to the seniority level. In case of termination of employment for any reason that does not prevent gaining severance pay, 20% of seniority incentive which the employee will gain, for each year last first seniority incentive level. In this calculation the periods which are shorter than six months are not considered. Periods which are more than six months are considered as one year.

For the non-union personnel working at the Company, the bonus amounting to 40 days of gross salary for 5 years seniority, 50 days of gross salary for 10 years seniority, 65 days of gross salary for 15 years seniority, 80 days of gross salary for 20 years seniority, 90 days of gross salary for 25 years and 100 days for 30 years seniority for the seniority levels in which they are entitled as of the aforementioned date and 30 days of gross salary for the following seniority levels that they are going to be entitled is paid with the gross salary of the month when they are reached to the seniority level. In case of termination of employment for any reason that does not prevent gaining severance pay, 20% of seniority incentive which the employee will gain, for each year last first seniority incentive level. In this calculation the periods which are shorter than six months are not considered. Periods which are more than six months are considered as one year.

The seniority incentive bonus provision is calculated by estimating the present value of the future probable obligation arising from the qualification of the employees for the bonus.

IAS 19 requires that actuarial valuation methods to be developed to estimate the employee benefit provisions. The following actuarial assumptions have been used in the calculation of the total provision:

	March 31, 2015	December 31, 2014
Discount rate (%)	**3,80**	3,80
Probability of retirement (%)	**100,00**	100,00

The movements of the provision for seniority incentive bonus are as follows:

	2015	2014
January 1	**5.648.537**	5.318.371
Interest cost	**53.661**	54.380
Payments during the period	**(1.675.711)**	(1.438.786)
Service cost	**1.451.155**	1.660.772
March 31	**5.477.642**	5.594.737

(Currency –Turkish Lira (TL) unless otherwise indicated)

8. Equity

The shareholders of the Company and their shareholdings as of March 31, 2015 and December 31, 2014 were as follows:

		March 31, 2015		December 31, 2014	
Group:	**Shareholder:**	**Amount**	**Share (%)**	Amount	Share (%)
A	SOCAR Turkey Petrokimya A.Ş.	**510.000.000**	**51**	510.000.000	51
A	Publicly owned	**436.784.318,9**	**43,67**	386.784.319	38,68
A	SOCAR Turkey Enerji A.Ş.	**53.215.681,09**	**5,32**	103.215.681	10,32
C	Privatization Administration	**0,01**	**-**	0,01	-
	Total paid share capital	**1.000.000.000**	**100**	1.000.000.000	100
	Adjustment to share capital	**486.852.283**		486.852.283	
	Total share capital	**1.486.852.283**		1.486.852.283	

Adjustment to share capital represents the difference between the amounts of cash and cash equivalents contributions, restated for inflation, to share capital and the amounts before the restatement.

As the ordinary general meeting decision taken at the March 29, 2013, companies registered capital is increased to TL 4.000.000.000 from TL 300.000.000; it is divided to 400.000.000.000 shares with a face value of Kuruş 1 (“Kr”) each. The Company’s authorized share capital comprises, with a face value of Kr 1 each, 99.999.999.999 shares of type A, and 1 share of type C type preferred share belonging to the Administration (31 December 2014-The Company’s authorized share capital comprises, with a face value of Kr 1 each, 59.999.999.999 shares of type A, 40.000.000.000 shares of type B and 1 share of type C type preferred share belonging to the Administration).

The transformation of the type B shares into type A shares which are owned by the Group have been approved within the extraordinary general assembly meeting that is held on February 20, 2015 Friday at 13:30.

9. Tax assets and liabilities

i) Corporate tax expense:

	January 1 – March 31, 2015	January 1 – March 31, 2014
Deferred tax income/(expense)	**17.233.991**	(6.602.819)
Current income tax expense	**-**	-
Total tax income (expense)	**17.233.991**	(6.602.819)

The corporation tax rate of the fiscal year 2015 is 20% (2014: 20%). Corporation tax is payable at a rate of 20% on the total income of the companies after adjusting for certain disallowable expenses, exempt income (exemption for participation in subsidiaries, exemption for investment incentive allowance etc.) and allowances (such as research and development expenditure allowances). No other tax liabilities arise other than the event of dividend distribution (except for the 19,8% withholding taxes paid in the event of the utilization of investment incentive allowance within the scope of Income Tax Law temporary clause 61).

9. Tax assets and liabilities (continued)

With the article 5 of the law 6009 adopted by Turkish National Assembly on July 23, 2011 and published on the official gazette on August 1, 2011, phrase in the temporary article numbered 69 of Income Tax Law numbered 193 stating that" might be offset from the fiscal gain within the context of the laws and regulations(including tax rate) applicable at this date", was substituted as " might be offset from fiscal gain within the context of the laws and regulations(including tax rate specified in paragraph 2 article 61 of this law) applicable at this date". In addition, a phrase coming after the substituted phrase stating that "investment incentives which will be deducted from fiscal gain during determination of tax base cannot be greater than 25% of the gain and tax is calculated from remaining gain according to applicable tax rate" was also added..

With the above mentioned amendments,

a. Unused and carried investment incentive amounts might be used without any period limitation but the amount of investment incentive that can be deducted was restricted up to the limit of 25% of fiscal gain.

b. The practice of applying income tax rate (20%- 40%) applicable as of December 31, 2005 for income tax payers and 30% for corporate tax payers after deducting investment incentive was abandoned and principle of using applicable tax rate of the period investment incentive used is adopted (For income tax payers %15 - %35, for corporate tax payers %20).

c. With the phrase added to paragraph 1 of article 69 ("including tax rate specified in paragraph 2 article 61 of this law") 19,8% of income tax cut is applied to fiscal gains for which investment incentive (applied before April 24, 2003) is applied but ceded to following period due to inadequate fiscal gain, parallel to former application. Hence, 19,8% stoppage application, formerly called "withholding investment incentive" remained unchanged.

Tax returns are open for 5 years from the beginning of the year that follows the date of filling during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings. Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods

ii) Deferred tax

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between their financial statements as reported under the CMB Financial Reporting Standards and the statutory tax financial statements.

For the companies operating in Turkey, deferred income taxes are calculated on temporary differences that are expected to be realized or settled based on the taxable income in future periods under the liability method using a principal tax rate of 20% (December 31, 2014: 20%).

(Currency –Turkish Lira (TL) unless otherwise indicated)

9. Tax assets and liabilities (continued)

Details of cumulative temporary differences and the resulting deferred income tax assets and liabilities provided as of March 31, 2015 and December 31, 2014 were as follows:

	Taxable temporary differences		**Deferred income tax assets/(liabilities)**	
	March 31, 2015	December31, 2014	**March 31, 2015**	December 31, 2014
Difference between the carrying values and tax bases of property, plant, equipment and intangible assets	**(344.774.185)**	(343.525.095)	**(68.954.837)**	(68.705.019)
Unincurred finance cost	**(3.018.422)**	(2.716.301)	**(603.685)**	(543.260)
Income accrual of hedging reserve	**(2.957.958)**	(1.445.166)	**(591.592)**	(289.033)
Adjustment to internal rate of return	**(13.175)**	(718.924)	**(2.635)**	(143.785)
Other	**-**	(874.479)	**-**	(174.896)
Deferred tax liabilities	**(350.763.740)**	(349.279.965)	**(70.152.749)**	(69.855.993)
Unused investment incentives	**397.705.727**	351.002.892	**105.056.450**	82.622.109
Employment termination benefits and seniority incentive bonus provision	**75.280.447**	75.559.940	**15.056.089**	15.111.988
Inventory impairment	**1.045.434**	27.379.753	**209.087**	5.475.951
Payable for employment termination benefits, seniority incentives, unused vacation	**-**	12.209.996	**-**	2.441.999
STEAŞ guarantee cost	**40.942.875**	40.942.875	**2.047.144**	2.047.144
Unearned credit finance income	**6.986.374**	8.033.938	**1.397.275**	1.606.788
Rent allowance fee	**7.938.206**	7.551.178	**1.587.641**	1.510.236
Provision for unused vacation rights	**13.305.843**	6.547.365	**2.661.169**	1.309.473
Adjustment to foreign currency transaction of goods are lack of documents	**10.059.935**	4.105.116	**2.011.987**	821.023
Provision for doubtful receivables	**3.969.181**	3.969.181	**793.836**	793.836
Provision for legal cases	**2.629.091**	1.986.226	**525.818**	397.245
Recognizing research & development expenses, net	**528.306**	528.306	**105.661**	105.661
Other	**561.694**	464.275	**112.339**	92.855
Deferred tax assets	**560.953.113**	540.281.041	**131.564.496**	114.336.308
Deferred tax asset / (liabilities) - net			**61.411.747**	44.480.315

The movement of deferred tax is as follows:

Deferred tax assets – net

	2015	2014
January 1	**44.480.315**	(1.723.230)
Income/(expense) recognized in income statement	**17.233.991**	(6.602.819)
Income/(expense) presented under comprehensive income statement	**(302.559)**	-
March 31	**61.411.747**	(8.326.049)

As of March 31, 2015, the Group has also unused investment incentive amounting to TL 397.705.727 (December 31, 2014: TL 351.002.892). The Group management recognized deferred income tax asset on the portion of unused investment incentive for which the realization of the related tax benefit through the future taxable profit has deemed probable with respect to its projections.

(Currency –Turkish Lira (TL) unless otherwise indicated)

10. General administrative expenses

	January 1- March 31, 2015	January 1- March 31, 2014
Personnel expense	**23.114.019**	17.008.711
Outsourced services	**6.017.504**	5.953.892
Energy expenses	**4.600.553**	3.795.568
Depreciation and amortization expense	**1.857.628**	1.653.032
Taxes, funds and fees	**1.186.444**	732.859
Employment termination benefits, net	**405.384**	312.605
EMRA contribution share	**394.991**	465.654
Other	**1.632.676**	1.204.210
	39.209.199	31.126.531

11. Other operating income/ (expense)

Other operating income:

	January 1 - March 31, 2015	January 1- March 31, 2014
Foreign exchange gains on trade receivables	**24.892.866**	9.654.954
Interest income	**8.303.715**	10.160.159
Foreign exchange gains on trade payables	**6.288.202**	13.600.992
Rent income	**5.097.884**	2.833.827
Energy maintenance income	**360.472**	254.771
Infrastructure income	**265.150**	243.803
Income from insurance recoveries	**114.254**	177.758
Rediscount income on trade receivables	**76.390**	-
Compensation from customers	**11.911**	4.599
Other	**526.395**	633.291
	45.937.239	37.564.154

Other operating expenses:

	January 1- March 31, 2015	January 1- March 31, 2014
Foreign exchange losses on trade payables	**(66.351.810)**	(32.832.693)
Interest expense on trade payables	**(4.041.704)**	(4.258.063)
Foreign exchange losses on trade receivables	**(1.439.072)**	(3.055.713)
Provision for doubtful receivables	**(812.267)**	(338.228)
Compensation and penalty charges	**(702.111)**	(401.482)
Rediscount expense on trade receivables	**-**	(2.482.487)
Other	**(1.600.772)**	(279.276)
	(74.947.736)	(43.647.942)

12. Earnings per share

Companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of (loss)/earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect to bonus shares issues without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and for each earlier year.

(Loss)/earnings per share are calculated by dividing net income for the period to weighted average number of shares in issue during that period.

	January 1- March 31, 2015	January 1- March 31, 2014
Net profit for the period of the equity holders of the parent	**49.640.049**	37.309.730
Weighted average number of shares with nominal value of Kr1 each (thousand)	**100.000.000**	100.000.000
Earnings / (loss) per share (Kuruş)	**0,0496**	0,0373

13. Disclosures with related parties

Summary of the intercompany balances as of March 31, 2015 and December 31, 2014 and significant intercompany transactions during the period were as follows:

i) Balances with related parties

	March 31, 2015	December 31, 2014
a) Short term other receivables from related parties:		
SOCAR Turkey Enerji A.Ş.("STEAŞ") (1)	**2.037.972**	9.275.600
Star Rafineri A.Ş. ("STAR") (2)	**600.067**	9.446.044
	2.638.039	18.721.644
b) Long term other receivables from related parties:		
STEAŞ (1)	**52.133.928**	-
SOCAR Power Enerji Yatırımları A.Ş. (2)	**48.674.218**	51.791.682
	100.808.146	51.791.682
c) Trade receivables from related parties:		
SOCAR Azeri Kimya (2)	**91.421**	246.651
	91.421	246.651

(Currency –Turkish Lira (TL) unless otherwise indicated)

13. Disclosures with related parties (continued)

	March 31, 2015	December 31, 2014
d) Short term trade payables to related parties:		
Socar Gaz Ticareti A.Ş. (2)	**34.155.904**	37.668.892
Petrokim Trading Ltd. ("Petrokim") (2)	**699.406**	-
Azoil Petrolcülük A.Ş. (2)	**371.572**	390.220
STAR (2)	**-**	19.714
	35.226.882	38.078.826
Less: Unincurred finance costs	**(177.821)**	(182.901)
	35.049.061	37.895.925

Short term trade payables to related parties mainly resulted from natural gas and oil purchases. Average maturity for short-term trade payables to related parties is 16 days.

e) Other payables to related parties:

	March 31, 2015	December 31, 2014
STAR Rafineri A.Ş. ("STAR") (2)	**1.101.335**	-
SOCAR Turkey Enerji A.Ş.("STEAŞ") (1)	**492.051**	11.126.571
SOCAR Power Enerji Yatırımları A.Ş. (2)	**188.034**	-
Due to shareholders (1)	**87.305**	87.305
	1.868.725	11.213.876

f) Short term deferred income from related parties

	March 31, 2015	December 31, 2014
STAR (2) (*)	**12.277.531**	4.277.252
SOCAR Power Enerji Yatırımları A.Ş. (2)	**3.863**	9.656
	12.281.394	4.286.908

g) Long term deferred income from related parties

	March 31, 2015	December 31, 2014
STAR (2) (*)	**15.624.571**	16.579.501
	15.624.571	16.579.501

(*) Short term and long term deferred income from STAR, consists of rent income that arise from one shot cash collections of the Group at the beginning of rent agreement.

(1) Shareholders of the Company
(2) Shareholders of the Company or SOCAR's subsidiaries

(Currency –Turkish Lira (TL) unless otherwise indicated)

13. Disclosures with related parties (continued)

e) Short term prepaid expense to related parties

	March 31, 2015	December 31, 2014
STAR (2) (*)	**12.878.087**	12.878.087
	12.878.087	12.878.087

f) Long term prepaid expense to related party

STAR (2) (*)	**26.829.347**	30.048.869
	26.829.347	30.048.869

(*) Long and short term prepaid expense to STAR, consists of rent expense of naphtha tank.

ii) Transactions with related parties

During the interim financial period ended March 31, 2015, the purchases from SOCAR Trading S.A and Petrokim are consisted of natural gas, trade goods and LPG that was used for production by the Group.

	January 1- March 31, 2015	January 1- March 31, 2014
a) Other income / (costs) from related party transactions - net:		
SOCAR Power Enerji Yatırımları A.Ş. (2)	**5.354.938**	1.255.573
STEAŞ (1)	**1.240.850**	946.943
STAR (2)	**215.428**	1.935.717
SOCAR Azerikimya Production Union (2)	**10.153**	-
Petrokim (2)	**(9.790)**	(386.370)
	6.811.579	3.751.863

	January 1 - March 31, 2015	January 1- March 31, 2014
b) Service and rent purchases from related parties		
STAR (2)	**5.064.393**	10.567.868
STEAŞ (1)	**3.369.670**	1.004.758
SOCAR Power Enerji Yatırımları A.Ş. (2)	**301.692**	12.929
	8.735.755	11.585.555

Service purchases from STEAŞ consist of invoices and expenses of STEAŞ staff, works on behalf of Petkim.

(1) Shareholders of the Company
(2) Shareholders of the Company or SOCAR's subsidiaries

(Currency –Turkish Lira (TL) unless otherwise indicated)

13. Disclosures with related parties (continued)

	January 1 - March 31, 2015	January 1 - March 31, 2014
c) Product purchase from related parties:		
Socar Gaz Ticareti A.Ş. [2]	**83.704.140**	88.741.065
Petrokim [2]	**7.746.859**	13.491.460
Azoil Petrolcülük A.Ş. [2]	**336.026**	378.785
SOCAR Turkey Petrol Ener. Dağ. A.Ş. [2]	**404.179**	-
	92.191.204	102.611.310
d) Product and service sales to related parties:		
SOCAR Azeri Kimya [2]	**331.049**	294.873
STAR [2]	**281.705**	122.910
STEAŞ [1]	**31.390**	47.108
SOCAR Power Enerji Yatırımları A.Ş. [2]	**527**	879
	644.671	465.770
e) Rent income from related parties:		
STAR [2]	**3.876.442**	1.834.083
SOCAR Power Enerji Yatırımları A.Ş. [2]	**5.267**	7.484
	3.881.709	1.841.567
f) Key management emoluments:		
i. Key management emoluments - short term:		
Payments for salary and seniority incentives	**2.687.686**	1.256.814
Provision for unused vacation	**537.105**	567.077
	3.224.791	1.823.891
ii. Key management emoluments - long term:		
Provision for employment termination benefits	**75.294**	47.090
Provision for seniority incentives	**34.609**	12.502
	109.903	59.592
	3.334.694	1.883.483

The Group classifies the general manager, assistant general managers, and board of directors and audit committee members as executive management.

Key management emoluments consist of salary and travel payments; employment termination benefits, seniority incentive bonus and vacation pays made to the key management and their provisions for the period in which they incurred.

[1] Shareholders of the Company
[2] Shareholders of the Company or SOCAR's subsidiaries

(Currency –Turkish Lira (TL) unless otherwise indicated)

14. Provisions, contingent assets and liabilities

	March 31, 2015	December 31, 2014
a) Short-term provisions:		
Provision for legal cases	**2.629.091**	1.986.226
Provision for EMRA (*) contribution share	**1.871.054**	1.480.403
Provision for tax inspection settlement fee	**-**	1.700.000
	4.500.145	5.166.629

(*) Energy Market Regulatory Authority

	March 31, 2015	December 31, 2014
b) Guarantees received:		
Bank guarantees within the context of DOCS	**676.540.007**	738.632.376
Letters of guarantee received from customers	**284.483.183**	278.268.951
Letters of guarantee received from suppliers	**167.654.970**	99.212.914
Receivable insurance	**34.893.683**	29.998.145
Letters of credit received	**34.207.111**	8.838.974
Checks received	**4.783.885**	2.864.606
Policies received	**2.125.869**	865.440
Mortgages	**2.000.000**	2.000.000
	1.206.688.708	1.160.681.406

	March 31, 2015	December 31, 2014
c) Guarantees given:		
Letters of guarantees given	**479.034.694**	347.421.165
	479.034.694	347.421.165

Collaterals, Pledges and Mortgages ("CPM") provided by the Group:

	March 31, 2015	December 31, 2014
A. Total amount of CPMs given for the Company's own legal personality	**479.034.694**	347.421.165
B. Total amount of CPMs given on behalf of fully consolidated companies	**-**	-
C. Total amount of CPMs given for continuation of its economic activities on behalf of third parties		
D. Total amount of other CPMs	**-**	-
i. Total amount of CPMs given on behalf of the majority shareholder	**-**	-
ii. Total amount of CPMs given to on behalf of other	**-**	-
group companies which are not in scope of B and C.	**-**	-
	479.034.694	347.421.165

(Currency –Turkish Lira (TL) unless otherwise indicated)

14. Provisions, contingent assets and liabilities (continued)

	March 31, 2015	December 31, 2014
EXIM Bank	**267.937.030**	143.308.020
Customs offices and Republic of Turkey Prime Ministry Undersecretaries of Customs	**113.691.381**	113.584.281
Türkiye Elektrik Ticaret ve Taahhüt A.Ş.	**8.478.465**	8.478.465
EMRA	**8.475.000**	8.475.000
Other	**80.452.818**	73.575.399
	479.034.694	347.421.165

Annual income plans and amounts (not discounted) regarding to the operational lease income, which are not recognized in the consolidated financial statements of the Group as of March 31, 2015 are as follows:

Operational leases	**2015**	2014
0-1 year	**11.352.883**	10.968.926
1-5 year(s)	**51.254.398**	45.691.663
5 years and more	**397.764.556**	358.975.604
Total	**460.371.837**	415.636.193

15. Financial instruments and financial risk management

a) Credit risk:

Holding of financial assets involves the risk that counterparties may be unable to meet the terms of the agreements. These risks are managed by collecting collaterals and by restricting the average risk range for counterparties (except intercompany) in every agreement. As part of its sales policy, the Group obtains collateral at on amount of 100% of total outstanding TL trade receivables from its customers. The use of credit limits is regularly monitored and financial position of the customers, past experiences, reputation in the market and other factors are considered by the Management in order to evaluate the quality of the credits.

(Currency –Turkish Lira (TL) unless otherwise indicated)

15. Financial instruments and financial risk management (continued)

The credit risk exposure in terms of financial instruments as of March 31, 2015 and December 31, 2014 were as follows:

March 31, 2015

	Receivables					
	Trade receivables (1)		Other receivables			
	Related parties	Third parties	Related parties	Third parties	Bank deposits	Total
Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E) (2)	**91.421**	**529.654.662**	**103.446.185**	**1.211.692**	**870.973.020**	**1.505.376.980**
- The part of maximum credit risk covered with guarantees etc.	-	**501.811.055**	-	-	-	**501.811.055**
A. Net book value of financial assets neither past due nor impaired (3)	**91.421**	**513.050.791**	**103.446.185**	**1.211.692**	**870.973.020**	**1.488.773.109**
B. Net book value of financial assets whose conditions are renegotiated, otherwise will be classified as past due or impaired (3)	-	-	-	-	-	-
C. Net book value of assets past due but not impaired (4)	-	**16.603.871**	-	-	-	**16.603.871**
- The part covered by guarantees etc.	-	**14.271.569**	-	-	-	**14.271.569**
D. Net book value of assets impaired	-	-	-	-	-	-
- Past due (gross book value)	-	**13.702.367**	-	**933.608**	-	**14.635.975**
- Impairment amount (-)	-	**(13.702.367)**	-	**(933.608)**	-	**(14.635.975)**
- The part of net value covered with guarantees etc.	-	-	-	-	-	-
- Not due (gross book value)	-	-	-	-	-	-
- Impairment amount (-)	-	-	-	-	-	-
- The part of net value covered with guarantees etc.	-	-	-	-	-	-
E. Off-balance items exposed to credit risk	-	-	-	-	-	-

(Currency –Turkish Lira (TL) unless otherwise indicated)

15. Financial instruments and financial risk management (continued)

December 31, 2014

	Receivables					
	Trade receivables (1)		Other receivables			
	Related parties	Third parties	Related parties	Third parties	Bank deposits	Total
Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E) (2)	246.651	522.028.996	70.513.326	2.582.910	702.157.204	1.297.529.087
- The part of maximum credit risk covered with guarantees etc.	-	478.292.343	-	-	-	478.292.343
A. Net book value of financial assets neither past due nor impaired (3)	246.651	512.238.006	70.513.326	2.582.910	702.157.204	1.287.738.097
B. Net book value of financial assets whose conditions are renegotiated, otherwise will be classified as past due or impaired (3)	-	-	-	-	-	-
C. Net book value of assets past due but not impaired (4)	-	9.790.990	-	-	-	9.790.990
- The part covered by guarantees etc.	-	6.573.018	-	-	-	6.573.018
D. Net book value of assets impaired	-	-	-	-	-	-
- Past due (gross book value)	-	13.532.966	-	933.608	-	14.466.574
- Impairment amount (-)		(13.532.966)	-	(933.608)	-	(14.466.574)
- The part of net value covered with guarantees etc.	-	-	-	-	-	-
- Not due (gross book value)	-	-	-	-	-	-
- Impairment amount (-)	-	-	-	-	-	-
- The part of net value covered with guarantees etc.	-	-	-	-	-	-
E. Off-balance items exposed to credit risk	-	-	-	-	-	-

(1) Trade receivables of the Group are mainly composed of thermoplastic and fiber material sales.
(2) Unearned credit finance income and covered parts of due and overdue receivables are taken into consideration while determining aforementioned amounts.
(3) Considering the past experiences, the Group management believes that no additional credit risk for the collection of these receivables.
(4) Group management; predict that there will not be any problems with the collection of overdue financial assets based on its past experiences. The aging of related amounts is as follows:

March 31, 2015	Trade receivables		
	Related parties	Third parties	Total
1-30 days overdue	**-**	**9.106.988**	**9.106.988**
1-3 months overdue	**-**	**3.639.471**	**3.639.471**
Over 3 months overdue	**-**	**3.857.412**	**3.857.412**
Total overdue receivables	**-**	**16.603.871**	**16.603.871**
The part covered by the guarantees	**-**	**14.271.569**	**14.271.569**
	-	**2.332.302**	**2.332.302**

December 31, 2014	Trade receivables		
	Related parties	Third parties	Total
1-30 days overdue	-	7.250.043	7.250.043
1-3 months overdue	-	2.032.808	2.032.808
Over 3 months overdue	-	508.139	508.139
Total overdue receivables	-	9.790.990	9.790.990
The part covered by the guarantees	-	-	6.573.018
			3.217.972

(Currency –Turkish Lira (TL) unless otherwise indicated)

15. Financial instruments and financial risk management (continued)

b) Liquidity risk:

Prudent liquidity risk management comprises maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The ability to fund the existing and prospective debt requirements is managed by maintaining the availability of fund providers' lines from high-quality lenders. In order to maintain liquidity, the Group management closely monitors the collection of trade receivables on time in order to and to prevent any financial burden that may result from late collections and arranges cash and non-cash credit lines with banks for the use of the Group. The Group's financial liabilities and liquidity analysis into relevant maturity groupings based on the remaining period as of March 31, 2015 and December 31, 2014 are as follows:

March 31, 2015:

Agreement terms	**Book value**	**Total cash outflows per agreement (=I+II+III)**	**Less than 3 months (I)**	**3 - 12 months (II)**	**1 - 5 years (III)**
Non-derivative financials liabilities					
Bank borrowings-short term	**372.816.520**	**373.150.045**	**190.436.045**	**182.714.000**	**-**
Bank borrowings-current maturity of long term loans	**48.532.589**	**54.446.329**	**23.726.644**	**30.719.685**	**-**
Bank borrowings-long term	**337.451.689**	**363.602.777**	**-**	**-**	**363.602.777**
Trade payables	**881.671.444**	**885.087.477**	**814.153.524**	**70.933.953**	**-**
Trade payables to related parties	**35.049.061**	**35.235.466**	**35.235.466**	**-**	**-**
Other payables to related parties	**2.643.997**	**2.643.997**	**2.643.997**	**-**	**-**
Other payables	**1.868.725**	**1.868.725**	**1.868.725**	**-**	**-**
Short term liabilities for employee benefits	**14.616.586**	**14.616.586**	**14.616.586**	**-**	**-**

December 31, 2014:

Agreement terms	Book value	Total cash outflows per agreement (=I+II+III)	Less than 3 months (I)	3 - 12 months (II)	1 - 5 years (III)
Non-derivative financials liabilities					
Bank borrowings-short term	352.914.646	353.272.546	283.705.546	69.567.000	-
Bank borrowings-current maturity of long term loans	43.108.180	48.799.930	6.876.595	41.923.335	-
Bank borrowings-long term	324.567.369	351.324.375	-	-	351.324.375
Trade payables	631.153.338	633.414.699	489.910.461	143.504.238	-
Trade payables to related parties	37.895.925	38.078.826	38.078.826	-	-
Other payables to related parties	11.213.876	11.213.876	11.213.876	-	-
Other payables	1.487.502	1.487.502	1.487.502	-	-
Short term liabilities for employee benefits	25.793.321	25.793.321	25.793.321	-	-

15. Financial instruments and financial risk management (continued)

c) Market risk:

i) Foreign exchange risk

The Group is exposed to currency risk on assets or liabilities denominated in foreign currencies. Management has set up a policy to balance and manage their foreign exchange risk. Existing risks are followed in meetings held by the Group's Audit Committee and Board of Directors and foreign currencies, closely in terms of the Group's foreign exchange position.

Although the raw materials, which comprise the significant portion of production and import volume, are foreign exchange-denominated cost items, the determination of sales prices by the Group in foreign exchange terms is a factor that decreases the foreign exchange risk in the cash flows.

(Currency –Turkish Lira (TL) unless otherwise indicated)

15. Financial instruments and financial risk management (continued)

Foreign currency position

	March 31, 2015				December 31, 2014			
	TL equivalent	**USD dollar**	**Avro**	**Other**	TL equivalent	USD dollar	EUR	Other
1. Trade receivables	**301.488.601**	**89.453.769**	**24.019.349**	**-**	312.455.746	95.433.453	32.316.486	-
2a. Monetary financial assets (Cash, bank accounts included	**722.575.725**	**267.119.068**	**8.947.295**	**3.856**	641.410.589	273.486.143	2.446.709	16.500.868
2b. Non-monetary financial assets	**-**	**-**	**-**	**-**	-	-	-	-
3. Current assets (1+2)	**1.024.064.326**	**356.572.837**	**32.966.644**	**3.856**	953.866.335	368.919.596	34.763.195	16.500.868
4. Trade receivables	**-**	**-**	**-**	**-**	-	-	-	-
5a. Monetary financial assets	**43.778.833**	**16.772.214**	**-**	**-**	46.517.134	20.060.000	-	-
5b. Non-monetary financial assets	**-**	**-**	**-**	**-**	-	-	-	-
6. Other	**-**	**-**	**-**	**-**	-	-	-	-
7. Non-current assets (4+5+6)	**43.778.833**	**16.772.214**	**-**	**-**	46.517.134	20.060.000	-	-
8. Total assets (3+7)	**1.067.843.159**	**373.345.051**	**32.966.644**	**3.856**	1.000.383.469	388.979.596	34.763.195	16.500.868
9. Trade payables	**833.411.074**	**313.246.010**	**5.413.635**	**116.775**	579.382.717	243.887.824	4.843.340	7.861.264
10. Financial liabilities	**414.040.635**	**154.409.790**	**3.885.761**	**-**	391.022.396	163.348.482	4.337.080	-
11a. Monetary other liabilities	**616.007**	**236.000**	**-**	**-**	9.899.771	4.269.167	-	-
11b. Non-monetary other liabilities	**-**	**-**	**-**	**-**	-	-	-	-
12. Short-term liabilities (9+10+11)	**1.248.067.716**	**467.891.800**	**9.299.396**	**116.775**	980.304.884	411.505.473	9.180.420	7.861.264
13. Trade payables	**-**	**-**	**-**	**-**	-	-	-	-
14. Financial liabilities	**337.451.689**	**60.738.184**	**63.200.000**	**-**	324.567.369	60.738.184	65.133.333	-
15a. Monetary other liabilities	**-**	**-**	**-**	**-**	-	-	-	-
15b. Non-monetary other liabilities	**-**	**-**	**-**	**-**	-	-	-	-
16. Long-term liabilities (13+14+15)	**337.451.689**	**60.738.184**	**63.200.000**	**-**	324.567.369	60.738.184	65.133.333	-
17. Total liabilities (12+16)	**1.585.519.405**	**528.629.984**	**72.499.396**	**116.775**	1.304.872.253	472.243.657	74.313.753	7.861.264
18. Net (liability)/asset position of off-balance sheet derivative instruments (19a-19b)	**-**	**-**	**-**	**-**	-	-	-	-
18a. Amount of asset nature off-balance sheet derivative instruments								
18b. Amount of liability nature off-balance sheet derivative instruments	**-**	**-**	**-**	**-**	-	-	-	-
19. Net foreign (liability) / asset position (8-17+18)	**(517.676.246)**	**(155.284.933)**	**(39.532.752)**	**(112.919)**	(304.488.784)	(83.264.061)	(39.550.558)	8.639.604
20. Net foreign currency (liability) / asset position of monetary items (IFRS 7.B23) (=1+2a+4+5a-9-10-11a-13-14-15a) (=1+2a+4+5a-9-10-11a-13-14-15a)	**(517.676.246)**	**(155.284.933)**	**(39.532.752)**	**(112.919)**	(304.488.784)	(83.264.061)	(39.550.558)	8.639.604
21. Total fair value of financial instruments used for foreign currency hedging	**2.957.959**	**-**	**1.044.883**	**-**	1.445.166	-	512.343	-
22.Hedged amount for current assets	**59.731.990**	**-**	**21.100.000**	**-**	52.747.090	-	18.700.000	-
23.Hedged amount for current liabilities	**-**	**-**	**-**	**-**	-	-	-	-

15. Financial instruments and financial risk management (continued)

Table of sensitivity analysis for foreign currency risk:

March 31, 2015	**Profit/(Loss)**		**Equity**	
	Appreciation of foreign currency	**Depreciation of foreign currency**	**Appreciation of foreign currency**	**Depreciation of foreign currency**
Change of USD by 10% against TL:				
1- Asset/Liability denominated in USD - net	**(40.532.473)**	**40.532.473**	**-**	**-**
2- The part hedged for USD risk (-)	**-**	**-**	**-**	**-**
3- USD effect - net (1+2)	**(40.532.473)**	**40.532.473**	**-**	**-**
Change of EUR by 10% against TL:				
4- Asset/Liability denominated in EUR – net	**(11.191.327)**	**11.191.327**	**-**	**-**
5- The part hedged for EUR risk (-)	**5.973.199**	**(5.973.199)**	**-**	**-**
6- EUR effect - net (4+5)	**(5.218.128)**	**5.218.128**	**-**	**-**
Change of other currencies by 10% against TL:				
7- Assets/Liabilities denominated in other foreign currencies – net	**(43.824)**	**43.824**	**-**	**-**
8- The part hedged for other foreign currency risk (-)	**-**	**-**	**-**	**-**
9- Other foreign currency effect - net (7+8)	**(43.824)**	**43.824**	**-**	**-**
Total (3+6+9)	**(45.794.426)**	**45.794.426**	**-**	**-**

December 31, 2014	Profit/(Loss)		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TL:				
1- Asset/Liability denominated in USD - net	(19.308.103)	19.308.103	-	-
2- The part hedged for USD risk (-)	-	-	-	-
3- USD effect - net (1+2)	(19.308.103)	19.308.103	-	-
Change of EUR by 10% against TL:				
4- Asset/Liability denominated in EUR – net	(11.156.026)	11.156.026	-	-
5- The part hedged for EUR risk (-)	5.274.709	(5.274.709)	-	-
6- EUR effect - net (4+5)	(5.881.317)	5.881.317	-	-
Change of other currencies by 10% against TL:				
7- Assets/Liabilities denominated in other foreign currencies – net	15.251	(15.251)	-	-
8- The part hedged for other foreign currency risk (-)	-	-	-	-
9- Other foreign currency effect - net (7+8)	15.251	(15.251)	-	-
Total (3+6+9)	(25.174.169)	25.174.169	-	-

(Currency –Turkish Lira (TL) unless otherwise indicated)

15. Financial instruments and financial risk management (continued)

The total export and import amounts as of March 31, 2015 and December 31, 2014 are as follows:

		2015		2014
	Original amount	**TL**	Original amount	TL
USD	**53.174.232**	**132.482.174**	407.647.779	883.966.438
EUR	**35.724.306**	**99.483.914**	115.643.321	336.619.543
Total export		**231.966.088**		1.220.585.981
USD	**184.358.694**	**450.625.858**	1.472.804.025	3.209.950.347
EUR	**5.526.831**	**15.205.055**	49.613.574	144.348.766
British Sterling	**398.648**	**1.553.736**	418.250	1.523.221
Japanese Yen	**22.341.360**	**469.140**	79.159.606	1.670.650
Swiss Frank	**-**	**-**	394.710	963.677
Total import		**467.853.789**		3.358.456.661

ii) Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. These exposures are managed by balancing and limiting interest rate sensitive assets and liabilities.

The Group's interest rate position as of March 31, 2015 and December 31, 2014 is presented below:

	March 31, 2015	December 31, 2014
Financial instruments with fixed interest rate		
Financial liabilities		
- USD financial liabilities	**219.283.199**	193.107.167
- EUR financial liabilities	**56.672.054**	56.413.999
- TL financial liabilities	**7.308.475**	5.000.430
Financial instruments with variable interest rate		
- USD financial liabilities	**342.296.043**	326.526.750
- EUR financial liabilities	**133.241.027**	139.541.849

In case of +/ (-) 1% change in variable rate loans interest expense will change by +/ (-) TL 4.755.371 (December 31, 2014 – +/(-) TL 4.660.686).

(Currency –Turkish Lira (TL) unless otherwise indicated)

15. Financial instruments and financial risk management (continued)

iii) Price risk

The Group's operational profitability and cash inflows from its operations are exposed to risk arising from fluctuations in naphtha prices which are affected by competition in the petrochemical sector and raw material prices. The Group management manages the risk by regularly reviewing the amount of inventory held on hand and takes action for cost reduction to decrease the pressure of cost on the prices. Existing risks are monitored through regular meetings by the Group's Board of Directors.

The Group sets its sales prices considering certain indicators of petrochemical products in domestic and foreign markets. The changes in foreign markets are monitored through the worldwide publications comparing most attainable competitive market prices of Western Europe, Asia and US contract, spot and factory prices and computing actual import costs to Turkey. While the Group determines the domestic market prices, it considers the indicators such as price information obtained from the market players and sector publications and Group's production levels, stock levels and order amounts received.

d) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of debt/equity ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities (including short term financial liabilities, current portion of long term financial liabilities, long term financial liabilities, trade payables, other payables, deferred income, other current liabilities and short term liabilities for employee benefits, as shown in the balance sheet) less cash and cash equivalents.

	March 31, 2015	December 31, 2014
Total debt	**1.818.564.802**	1.517.722.237
Less: Cash and cash equivalents	**(870.975.540)**	(702.158.128)
Net debt	**947.589.262**	815.564.109
Total equity	**2.228.883.476**	2.183.260.867
Debt/equity ratio	**43%**	37%

16. Subsequent events

None.