

**MENDERES TEKSTİL SANAYİ VE TİCARET A.Ş.  
FINANCIAL STATEMENTS  
AND AUDITOR'S REVIEW REPORT  
FOR THE INTERIM PERIOD ENDED AT 30 JUNE 2015**

**MENDERES TEKSTİL SANAYİ VE TİCARET A.Ş.**

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## REVIEW REPORT RELATED TO THE INTERIM CONSOLIDATED FINANCIAL INFORMATION

Menderes Tekstil Sanayi ve Ticaret Anonim Şirketi  
Board of Management  
İzmir

### *Introduction*

1. We have reviewed the accompanying condensed consolidated financial statements of Menderes Tekstil Sanayi ve Ticaret Anonim Şirketi (the Company) as of 30 June 2015, which comprise the statement of consolidated financial position and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows with the summary of the important accounting policies and other explanatory notes for the six-month-period then ended. The management of the Company is responsible for the preparation and fair presentation of these interim financial information in accordance with Turkish Accounting Standards. Our responsibility is to express a conclusion on these interim financial information based on our review.

### *Scope of Review*

2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Limited Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim consolidated financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit performed in accordance with the Turkish Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review on the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

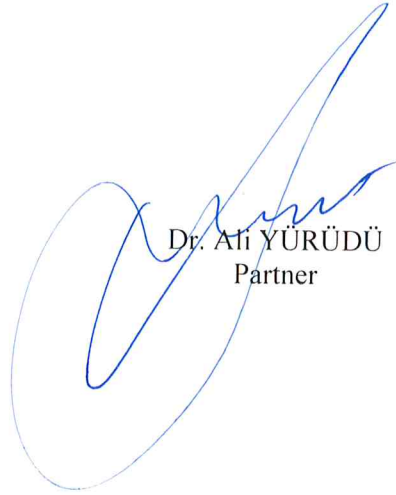
### *Basis of Qualified Opinion*

3. As of 30 June 2015, The Group's subsidiary, which is consolidated through equity pick up method, Aktur Araç Muayene İstasyonu İşletmeleri A.Ş. has cash in hand amount of TRY 16,905,468. This amount is not invested in an interest bearing instrument due to policy pursued by company's management. The effects of this case on the accompanying consolidated financial statements can not be identified and can not be calculated the possible losses of the Group.

*Qualified Opinion*

In our opinion, excluding the impact of the above including the terms of paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of Group's as of 30 June 2015, and of its financial performance and its cash flows for the six months then ended in accordance with the financial reporting standards endorsed by the Turkish Accounting Standards.

ATA Uluslararası Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.  
Member Firm of Kreston International



Dr. Ali YÜRÜDÜ  
Partner

İstanbul 17 August 2015

**MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
**CONSOLIDATED BALANCE SHEETS**  
**AS OF 30 JUNE 2015 AND 31 DECEMBER 2014**  
(Currency - Turkish Lira "TRY" unless expressed otherwise.)

		<i>Reviewed</i>	<i>Audited</i>
		<i>Current Period</i>	<i>Prior Period</i>
	<b>Footnote</b>		
<b>ASSETS</b>	<b>References</b>	<b>30.06.2015</b>	<b>31.12.2014</b>
<b>Current Assets</b>		<b>533,174,815</b>	<b>487,021,178</b>
Cash and Cash Equivalents	4	83,757,924	124,275,728
Financial Investments	5	10,968,880	4,809,201
<b>Trade Receivables</b>		<b>48,163,113</b>	<b>41,173,630</b>
<i>Trade Receivables from Related Parties</i>	6-7	4,159,331	1,707,631
<i>Trade Receivables from Third Parties</i>	7	44,003,782	39,465,999
<b>Other Receivables</b>		<b>108,781,369</b>	<b>96,142,159</b>
<i>Other Receivables from Related Parties</i>	6-9	102,601,935	92,269,614
<i>Other Receivables from Third Parties</i>	9	6,179,434	3,872,545
Derivative Financial Instruments	10	1,473,696	1,614,300
Inventories	11	258,195,767	188,413,621
Biological Assets	12	1,146,559	4,449,108
Prepaid Expenses	13	1,842,955	4,600,265
Assets Related to Current Year Tax	14	209,466	5,404,563
Other Current Assets	21	18,635,086	16,138,603
<b>Non-Current Assets</b>		<b>299,601,493</b>	<b>284,436,721</b>
Other Receivables	9	66,005	26,184
Investments Valued by Equity Method	15	127,518,183	119,612,639
Tangible Assets	16	155,513,911	155,713,214
Intangible Assets	17	187,411	87,772
Prepaid Expenses	13	466,724	441,521
Deferred Tax Assets	28	15,849,259	8,555,391
<b>TOTAL ASSETS</b>		<b>832,776,308</b>	<b>771,457,899</b>
<b>LIABILITIES</b>			
<b>Short Term Liabilities</b>		<b>454,794,677</b>	<b>360,326,896</b>
Short Term Borrowings	8	261,539,044	200,122,976
Current Installments of Long Term Borrowings	8	27,186,340	16,574,898
<b>Trade Payables</b>		<b>132,056,718</b>	<b>99,694,152</b>
<i>Trade Payables to Related Parties</i>	6-7	4,295,773	5,179,201
<i>Trade Payables to Third Parties</i>	7	127,760,945	94,514,951
Employee Benefit Liabilities	20	5,207,408	5,718,780
<b>Other Payables</b>		<b>1,598,221</b>	<b>2,001,908</b>
<i>Other Payables to Related Parties</i>	6-9	696,676	159,750
<i>Other Payables to Third Parties</i>	9	901,545	1,842,158
Derivative Financial Instruments	10	1,957,944	79,825
Deferred Income	13	23,473,001	30,620,959
Tax Liabilities of Period Profit	28	-	4,000,888
<b>Short Term Provisions</b>		<b>1,776,001</b>	<b>1,512,510</b>
- <i>Short Term Employee Benefits</i>	19	1,469,160	1,252,310
- <i>Short Term Other Provisions</i>	19	306,841	260,200
<b>Long Term Liabilities</b>		<b>81,057,804</b>	<b>88,208,574</b>
Long Term Borrowings	8	65,234,147	77,875,416
Long Term Provisions for Employee Benefits	19	14,879,973	9,612,627
Deferred Tax Liability	28	943,684	720,531
<b>Equity</b>		<b>296,923,827</b>	<b>322,922,429</b>
<b>Parent Company's Equity</b>		<b>295,319,472</b>	<b>321,009,662</b>
Paid in Capital Share	22.1	250,000,000	250,000,000
Inflation Adjustments to Paid in Capital	22.2	485,133	485,133
Other comprehensive income/(expense) not to be reclassified to profit or loss			
<i>Actuarial gain/loss arising from retirement benefits</i>	22.3	(3,995,077)	(1,181,579)
Reserves on Retained Earning	22.4	10,209,777	9,754,762
Retained Earnings / Losses	22.5	61,496,331	36,482,865
<b>Net Income / Loss for the Period</b>		<b>(22,876,692)</b>	<b>25,468,481</b>
<b>Minority Interest</b>	22.6	<b>1,604,355</b>	<b>1,912,767</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>832,776,308</b>	<b>771,457,899</b>

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

**MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
**CONSOLIDATED STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME STATEMENTS**  
**FOR THE PERIOD OF 30 JUNE 2015 AND 2014**  
(Currency - Turkish Lira 'TRY' unless expressed otherwise.)

	Footnote References	<i>Reviewed</i> Current Period 01.01- 30.06.2015	<i>Reviewed</i> Prior Period 01.01- 30.06.2014	Unreviewed Prior Period 01.04- 30.06.2015	Unreviewed Prior Period 01.04- 30.06.2014
Revenue	23.1	212,276,307	255,992,486	110,694,548	124,967,616
Cost of sales (-)	23.2	(197,868,312)	(205,657,280)	(99,206,359)	(103,844,079)
<b>Gross profit / (Loss)</b>		<b>14,407,995</b>	<b>50,335,206</b>	<b>11,488,189</b>	<b>21,123,537</b>
General Administrative Expenses (-)	24.2	(6,217,337)	(2,997,592)	(3,085,160)	(1,780,759)
Marketing Expenses (-)	24.1	(6,157,597)	(6,951,395)	(3,283,614)	(3,933,404)
Other Operating Income	25.1	6,086,302	10,959,863	2,590,170	4,780,311
Other Operating Expenses (-)	25.2	(13,393,068)	(13,264,376)	(2,853,893)	(5,878,060)
<b>Operating Profit / (Loss)</b>		<b>(5,273,705)</b>	<b>38,081,706</b>	<b>4,855,692</b>	<b>14,311,625</b>
Income from Investment Activities	26.1	330,938	181,220	160,563	45,410
Expense from Investment Activities (-)	26.3	-	(4,500)	-	(4,500)
Shares of Profit/(Loss) from Investments Evaluated by Equity Pick-up Method	26.2	7,905,544	4,996,009	3,018,901	2,954,052
<b>Operating Activity Profit/(Loss) Before Financial Expense</b>		<b>2,962,777</b>	<b>43,254,435</b>	<b>8,035,156</b>	<b>17,306,587</b>
Financial Income	27.1	16,650,068	26,159,047	5,592,815	11,845,061
Financial Expenses (-)	27.2	(49,165,290)	(28,390,065)	(18,215,681)	(6,368,246)
<b>Operating Activity Profit/(Loss) Before Taxation</b>		<b>(29,552,445)</b>	<b>41,023,417</b>	<b>(4,587,710)</b>	<b>22,783,402</b>
<b>Operating Activity Tax Income/(Expense)</b>					
Current Tax Income/(Expense)	28	-	(5,285,603)	156,554	(2,107,851)
Deferred Tax Income/(Expense)	28	6,367,341	(3,356,189)	4,397,595	(3,229,951)
<b>Current Period Operating Activity Profit / (Loss)</b>		<b>(23,185,104)</b>	<b>32,381,625</b>	<b>(33,561)</b>	<b>17,445,600</b>
<b>Profit/(Loss) for the Period</b>		<b>(23,185,104)</b>	<b>32,381,625</b>	<b>(33,561)</b>	<b>17,445,600</b>
<b>Distribution of the Period Income/Loss</b>					
Minority Interest	22.6	(308,412)	(104,022)	(424,047)	(254,218)
Parent Company's Shares		(22,876,692)	32,485,647	390,486	17,699,818
<b>Earnings Per Share</b>	<b>29</b>	<b>(0.0927)</b>	<b>0.1295</b>	<b>(0.0001)</b>	<b>0.0698</b>
<b>Other Comprehensive Income:</b>					
<b>Income (Expenses) not to be Reclassified on Profit or Loss</b>					
- Actuarial Gain/Loss Arising from Retirement Benefits		(3,516,872)	(1,838,645)	(822,182)	(207,407)
- Deferred Tax Income / (Expense)		703,374	367,730	164,436	41,482
<b>Income (Expenses) to be Reclassified on Profit or Loss</b>					
Change in Foreign Currency Translation Differences		-	-	-	62,392
<b>Other Comprehensive Income</b>		<b>(2,813,498)</b>	<b>(1,470,915)</b>	<b>(657,746)</b>	<b>(103,533)</b>
<b>Total Comprehensive Income/(Expense)</b>		<b>(25,998,602)</b>	<b>30,910,710</b>	<b>(691,307)</b>	<b>17,342,067</b>
<b>Distribution of Total Comprehensive Income</b>					
Minority Interest		(308,412)	(104,022)	(424,047)	(247,997)
Parent Company's Shares		(25,690,190)	31,014,732	(267,260)	17,590,064

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

**MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
**STATEMENT OF CONSOLIDATED CHANGES IN SHAREHOLDER'S EQUITY FOR THE PERIOD OF 01 JANUARY - 30 JUNE 2015 AND 2014**  
(Currency - Turkish Lira 'TRY' unless expressed otherwise.)

	Footnote References	Paid in Capital	Inflation Adjustment To Paid In Capital	Income (Expenses) Not To Be Reclassified On Profit Or Loss	Other Comprehensive Income/(Loss) To Be Reclassified On Profit Or Loss	Retained Profits					
				Actuarial Gain/Loss Arising From Employee Benefits	Foreign Currency Translation Difference	Restricted reserves	Accumulated Profit/Loss	Net Profit/Loss Of The Period	Parent Company's Equity	Minority Interest	Total Equity
<b>Balances as at 01.01.2014</b>	22	250,000,000	485,133	(319,081)	(1,091,445)	8,507,915	12,010,490	25,713,140	295,306,152	2,146,062	297,452,214
Transfers	22	-	-	-	1,091,445	1,246,847	24,466,293	(25,713,140)	1,091,445	255,594	1,347,039
Because of the other changes	22	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income/Loss	22	-	-	(1,470,915)	-	-	-	32,485,647	31,014,732	(104,022)	30,910,710
<b>Balances as at 30.06.2014</b>	22	250,000,000	485,133	(1,789,996)	-	9,754,762	36,476,783	32,485,647	327,412,329	2,297,634	329,709,963
<b>Balances as at 01.01.2015</b>	22	250,000,000	485,133	(1,181,579)	-	9,754,762	36,482,865	25,468,481	321,009,662	1,912,767	322,922,429
Transfers	22	-	-	-	-	455,015	25,013,466	(25,468,481)	-	-	-
Total Comprehensive Income/Loss	22	-	-	(2,813,498)	-	-	-	(22,876,692)	(25,690,190)	(308,412)	(25,998,602)
Diğer Değişiklikler Nedeniyle Artış/A	22	-	-	-	-	-	-	-	-	-	-
<b>Balances as at 30.06.2015</b>	22	250,000,000	485,133	(3,995,077)	-	10,209,777	61,496,331	(22,876,692)	295,319,472	1,604,355	296,923,827

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

**MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD OF 01 JANUARY - 30 JUNE 2015 AND 2014**  
(Currency - Turkish Lira ‘TRY’ unless expressed otherwise.)

	Footnote References	Reviewed Current Period 01.01- 30.06.2015	Reviewed Prior Period 01.01- 30.06.2014
<b>A. CASH FLOWS FROM THE OPERATING ACTIVITIES</b>			
<b>Profit/Loss for the period before taxation</b>		<b>(91,486,845)</b>	<b>(12,698,686)</b>
Adjustment for Depreciation, Amortisation Expenses	16-17	8,927,991	7,562,062
Adjustment for Employee Termination Benefits	19-24.1	2,453,848	1,922,176
Adjustments Related to the Provisions	19	263,491	177,829
Adjustment for Interest Income and Expense	8-27.2	1,607,596	1,159,926
Rediscount on Receivables	25.2	909,797	1,170,758
Rediscount on Payables	25.1	1,309,382	1,303,631
<b>Changes in the Company Capital</b>			
Adjustments for Increase/Decrease in Financial Assets	5	(6,159,679)	(3,920,713)
Adjustments for Increase/Decrease in Trade Receivables	7	(7,899,280)	31,154,284
Adjustments for Increase/Decrease in Inventories	11	(69,782,146)	(109,479,892)
Adjustments Related to the Increase/Decrease in Biological Assets	12	3,302,549	2,381,085
Adjustments for Increase/Decrease in Other Receivables Related to the Operations	9	(12,679,031)	1,046,113
Prepaid Expenses	13	2,732,107	(9,139,342)
Other Assets	14-21	2,698,614	(5,496,901)
Adjustments for Increase/Decrease in Trade Payables	7	31,053,184	25,321,697
Adjustments for Increase/Decrease in Other Payables Related with Operations	9-13-20	(8,063,017)	13,567,988
Change in Investments Valued by Equity Method	15	(7,905,544)	(4,996,009)
Other Cash Entrance/Disposal	22	(703,374)	(969,694)
<b>Cash Flow Provided by Operating Activities</b>			
Tax Payments>Returns	28	(4,000,888)	(6,487,101)
<b>B. NET CASH FLOW PROVIDED BY INVESTMENT ACTIVITIES</b>			
Proceeds from Sale of Property, Plant, Equipment and Intangible Assets	16-17	80,327	23,797
Proceeds from Purchase of Property, Plant, Equipment and Intangible Assets	16-17	(8,908,654)	(19,501,257)
<b>C. NET CASH FLOW PROVIDED BY FINANCIAL ACTIVITIES</b>			
Cash Inflows/Outflows from Financial Liabilities	8	57,871,092	53,318,948
Cash Outflows from Finance Leases	8	(92,447)	(105,175)
Loss/Gain on Derivative Financial Instruments	10-27	2,018,723	(7,013,151)
<b>BEFORE THE IMPACT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES ON</b>			
<b>CASH AND CASH EQUIVALENTS NET INCREASE/DECREASE (A+B+C)</b>		<b>(40,517,804)</b>	<b>14,024,476</b>
<b>D. IMPACT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES ON CASH AND</b>			
<b>CASH EQUIVALENTS</b>		-	1,091,445
<b>NET INCREASE/ DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>		<b>(40,517,804)</b>	<b>15,115,921</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE PERIOD</b>	5	<b>124,275,728</b>	<b>59,971,644</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)</b>	5	<b>83,757,924</b>	<b>75,087,565</b>

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



**MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT**  
**30 JUNE 2015**

(Currency - Turkish Lira 'TRY' unless expressed otherwise.)

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

Menderes Tekstil Sanayi ve Ticaret Anonim Şirketi (“Company”), its Subsidiaries and Equity participations are referred as “Group” in the accompanying consolidated financial statements.

The entities mentioned below are applied “Full Consolidation Method”:

- Menderes Tekstil Sanayi ve Ticaret A.Ş.
- Smyrna Seracılık Ticaret A.Ş.

The entities mentioned below are applied “Equity Pick up Method”:

- Akça Enerji Üretim Otoprodüktör Grubu A.Ş.
- Menderes Tekstil Pazarlama A.Ş.
- Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.
- Tan Elektrik Üretim A.Ş.

**Menderes Tekstil Sanayi ve Ticaret A.Ş.**

Company produces cotton press, electric energy, yarn, fabric, valances, dust ruffles, ruffled and tailored shams, comforter shells, printed towels and linens in integrated cotton and synthetic textile establishment.

The Company’s address registered on the Trade Registry Gazette is Adalet Mahallesi, Manas Bulvarı, No:47/A 42. Kat Bayraklı, İzmir.

As of 30 June 2015, 4,024 personnel are employed by the Company and average number of personnel is 4,050 for the period of 01.01-30.06.2015.

Company shares are traded in the Istanbul Stock Exchange since 2000.

**Production Capacity (Textile)**

According to the capacity report from Denizli Industrial Chamber dated 23 June 2015, numbered 196 and valid until 26 June 2017, the Company’s annual production capacity is as follows: (Company’s production capacity has been calculated with daily 8 hours, yearly 300 days. Company works for 3 shifts a day):

<b>Products</b>	<b>Unit</b>	<b>Quantity</b>
Cotton yarn (is used in its production)	Kg	5,438,718
Raw fabric woven (is used in its production)	m <sup>2</sup>	59,151,060
Knitted Fabric (is used in its production)	Kg	1,004,400
Linens	Unit	4,200,000
Pillow case	Unit	12,600,000
Sheet	Unit	6,600,000
Fabric painting (is used in its production)	Kg	3,744,000
Fabric printing (is used in its production)	Kg	13,500,000
Digital fabric printing (is used in its production)	Kg	1,311,786

**Production Capacity (Energy)**

According to the capacity report from Denizli Industrial Chamber dated 29 January 2014, numbered 24 and valid until 30 January 2017, the Company’s annual production capacity is as follows: (Company’s production capacity has been calculated with daily 8 hours, yearly 300 days. Company works for 3 shifts a day):

	<b>Unit</b>	<b>Quantity</b>
Electricity energy	Kilowatt hour	161,827,000
Steam (is used in its production)	Joule	617,569,920,000
Hot water (is used in its production)	Joule	238,360,320,000

**MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT**  
**30 JUNE 2015**

(Currency - Turkish Lira 'TRY' unless expressed otherwise.)

**Smyrna Seracılık Ticaret A.Ş.**

Smyrna Seracılık Ticaret A.Ş. was established in 2007 in İzmir. It is engaged in agricultural production. In the Trade Registry Gazette numbered 7296 and dated 21 April 2009, the Company's name has been changed from Smyrna Organik Tarım Sanayi ve Ticaret A.Ş. to Smyrna Seracılık Ticaret A.Ş. The Company has been included to the complete consolidation in 2009.

Smyrna Seracılık Ticaret A.Ş. has signed an agreement with the construction company for increasing the capacity of the plant which will be increased from 82,500 m<sup>2</sup> to 206,232 m<sup>2</sup> with adding 114,432 m<sup>2</sup>. Smyrna Seracılık A.Ş. has started to design environment and infrastructure of the new area. The new area will be constructed on the existing area, which is 196,932 m<sup>2</sup>, of Smyrna Seracılık Ticaret A.Ş.

According to the capacity report from Denizli Industrial Chamber dated 27 May 2015, numbered 164 Company's production capacity has been calculated per 1 shifts and 8 working hours per day by main product is as follows:

<b>Product</b>	<b>Unit</b>	<b>Quantity</b>
Tomato	Ton	6,480
Quick-frozen tomato	Ton	684

In the Trade Registry Gazette numbered 6911 dated 08 October 2007, the Company's headquarter was changed to Denizli and the address is as follows;

The Company's recorded address to the trade registry is Köyiçi Mevkii, Tosunlar Kasabası Sarayköy, Denizli.

As of 30 June 2015, 195 personnel are employed by the Company and the average number of personnel is 196 for the period of 01.01-30.06.2015.

**Akça Enerji Üretim Otoprodüktör Grubu A.Ş.**

Akça Enerji Üretim Otoprodüktör Grubu A.Ş. is established on 13 July 1998 in Denizli. It is engaged in producing electricity, hot water and steam.

**Menderes Tekstil Pazarlama A.Ş.**

Menderes Tekstil Pazarlama A.Ş. was established in 1998. Head quarter of the Company is in İzmir. Company engaged in marketing of home textile productions.

**Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.**

Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş. was established in 2006. Head quarter of the Company is in İzmir. Company operates vehicle inspection stations which are privatized within the context of law numbered 4046, in Aydın, Manisa, Denizli and İzmir for 20 years. Company has integrated 20 established and 4 mobile vehicle inspection stations. License rights has been started in 2008 and will continue until 2028.

**Tan Elektrik Üretim A.Ş.**

Tan Elektrik Üretim A.Ş. was established in İzmir on 18 July 2006 as "MTT Elektrik Üretim A.Ş." The company name was changed to "Tan Elektrik Üretim A.Ş." on 9 November 2006. Main activity of company is building production facilities, joining in to operation, renting, generating electricity and marketing electricity to customers.

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

**2.a. Basis of Presentation**

**Compliance Statement**

The Group is predicated on Turkish Commercial Code ("TCC"), tax legislation of the Republic of Turkey and the Uniform Chart of Accounts issued by the Ministry of Finance while maintaining its legal accounting records and preparing statutory financial statements. Financial statements, except financial assets and liabilities which are signified by the fair value, on the basis of historical cost in Turkish Lira ("TRY") has been prepared. Financial statements prepared in accordance with the historical cost basis and in order to make fair presentation in accordance with IAS / IFRS, to the legal records required adjustments and reclassifications are reflected.

**The Preparation of Financial Statements**

The interim condensed consolidated financial statements and disclosures have been prepared in accordance with the communiqué numbered II-14,1 "Communiqué on the Principles of Financial Reporting In Capital Markets"(the Communiqué) announced by the Capital Markets Board (CMB) (hereinafter will be referred to as "the CMB Reporting Standards") on 13 June 2013 which is published on Official Gazette numbered 28676.

**Approval of Financial Statements**

Consolidated financial statements are approved by the Board of Directors and granted authority to publish on 17 August 2015. Boards of Directors have authority to change financial statements.

**Basis of Consolidation**

As of 30 June 2015 and 31 December 2014, the capital structure of subsidiaries and participations are as follows:

Menderes Tekstil Sanayi ve Ticaret A.Ş. (Parent Company)

	<b>30.06.2015</b>	<b>31.12.2014</b>
	<b>Ratio %</b>	<b>Ratio %</b>
Public Offered Shares	47.6	51.9
Akça Holding A.Ş.	50.01	45.7
Other	2.39	2.4
	<b>100%</b>	<b>100%</b>

Smyrna Seracılık Ticaret A.Ş. (Subsidiary)

	<b>30.06.2015</b>	<b>31.12.2014</b>
	<b>Ratio %</b>	<b>Ratio %</b>
Menderes Tekstil Sanayi ve Ticaret A.Ş.	79.17	79.17
Rıza Akça	10.31	10.31
Ahmet Bilge Göksan	5.16	5.16
Dilek Göksan	5.16	5.16
Other	0.20	0.20
	<b>100%</b>	<b>100%</b>

Aktur Araç Muayene İstasyon İşletmeleri A.Ş.  
(Participation)

	<b>30.06.2015</b>	<b>31.12.2014</b>
	<b>Ratio %</b>	<b>Ratio %</b>
Nihat Zeybekçi	49.5	49.5
Menderes Tekstil Sanayi ve Ticaret A.Ş.	48	48
Other	2.5	2.5
	<b>100%</b>	<b>100%</b>

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**Akça Enerji Üretim Otoprodüktör Grubu A.Ş. (Participation)**

	<b>30.06.2015</b>	<b>31.12.2014</b>
	<b>Ratio %</b>	<b>Ratio %</b>
Tan Elektrik Üretim A.Ş.	45.71	45.71
Menderes Tekstil Sanayi ve Ticaret A.Ş.	20.00	20.0
Akça Holding A.Ş.	17.53	17.5
Osman Akça Tarım Ürün. İth. İhr. San. ve Tic. A.Ş.	10.72	10.7
Selin Tekstil Sanayi Ticaret A.Ş.	5.55	5.6
Akçasaraylı Tekstil Ltd. Şti.	0.48	0.5
	<b>100%</b>	<b>100%</b>

**Menderes Tekstil Pazarlama A.Ş. (Participation)**

	<b>30.06.2015</b>	<b>31.12.2014</b>
	<b>Ratio %</b>	<b>Ratio %</b>
Menderes Tekstil Sanayi ve Ticaret A.Ş.	45.0	45.0
Akça Holding A.Ş.	45.0	45.0
Rıza Akça	5.0	4.5
Dilek Göksan	2.5	4.5
Ahmet Bilge Göksan	2.5	1.0
	<b>100%</b>	<b>100%</b>

**Tan Elektrik Üretim A.Ş. (Participation)**

	<b>30.06.2015</b>	<b>31.12.2014</b>
	<b>Ratio %</b>	<b>Ratio %</b>
Osman Akça Tarım Ürün. İth. İhr. San. ve Tic. A.Ş.	70.0	70.0
Smyrna Seracılık A.Ş.	21.0	21.0
Akça Holding A.Ş.	5.0	5.0
Rıza Akça	2.0	2.0
Dilek Göksan	1.0	2.0
Ahmet Bilge Göksan	1.0	-
	<b>100%</b>	<b>100%</b>

Equity participations are accounted for using the equity pick-up method. Equity participations are companies in which Group has a voting right between 20% and 50% of the ordinary share capital or significant influence is exercised on the operations of the company.

Subsidiaries are included or excluded from the consolidation since the date Group has control over or loses control.

Minority shares of shareholders are pursued in net assets of the subsidiaries in the result of the operations consolidated balance sheet and income statements.

Results of the operations, assets and liabilities of the subsidiaries are accounted by using the equity pick-up method in the accompanying consolidated financial statements. In equity method the associates in consolidated statement are stated after the amount obtained from decreasing any impairment occurred in share from associates net assets value. Loss exceeding the Group's associates share are not recorded. Additional loss reserve is only made when Group is exposed to legal or constructive obligation or payments made in name of associate or partner.

### **Reporting Currency**

As of 30 June 2015 and 31 December 2014, Group’s functional and reporting currency unit is represented in TRY compared to previous periods.

### **Offsetting**

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

### **2.b. Changes in Accounting Policies**

A group only could change its accounting policy under following circumstances;

- If a standard or interpretation makes it necessary or
- If the change make effect of operations or incidents on financial position and performance or cash flows more appropriate and reliable.

Financial statements have to be comparable to see trends in financial position of companies, performance and cash flows for user of financial statements. This is why, if the change is not granting one of above conditions, each interim and fiscal periods has to be applied same accounting policy.

### **2.c. Changes in Accounting Estimates and Errors**

The accompanying financial statements necessitate that some predictions about income and expenses regarding possible assets and liabilities in the financial statements prepared by group management to be compatible with statements required by Capital Market Board. Realized amounts can differ from the predictions. These predictions are observed regularly and reported periodically in income statements.

### **2.d. Comparative Information and Previous Periods Adjustments**

For the purpose of conducting a comparison of financial position and performance trend, Company’s current financial statements are prepared comparative with previous periods. Comparative information is reclassified to be compatible with the presentation of current financial statements, when necessary.

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**2.e. 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 consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, after the new standards and interpretations become in effect.

**IFRS 9 Financial Instruments – Classification and measurement**

As amended in December 2012, the new standard is effective for annual periods beginning on or after 1 January 2018. Phase 1 of this new IFRS 9 introduces new requirements for classifying and measuring financial assets and liabilities. The amendments made to IFRS 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. Early adoption is permitted. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

**IAS 16 and IAS 38 – Clarification of acceptable methods of depreciation and amortization**

The amendments to IAS 16 Property, Plant and Equipment explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The amendments to IAS 38 Intangible Assets introduce a rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate. The amendments are effective for annual periods beginning on after 1 January 2016, and are to be applied prospectively. Early adoption is permitted. The Group does not expect that these amendments will have significant impact on the financial position or performance of the Group

**IFRS 11 – Accounting for acquisition of interests in joint operations**

The amendments clarify whether IFRS 3 Business Combinations applies when an entity acquires an interest in a joint operation that meets that standard's definition of a business. The amendments require business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business. The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Early adoption is permitted. The Group does not expect that these amendments will have significant impact on the 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 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 to TFRS by the POA, thus they do not constitute part of TFRS. Such standards, interpretations and amendments that are issued by the IASB but not yet issued by the POA are referred to as IFRS or IAS. The Group will make the necessary changes to its consolidated financial statements after the new standards and interpretations are issued and become effective under TFRS.

**IFRS 9 Financial Instruments – Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39 - (2013)**

In November 2013, the IASB issued a new version of IFRS 9, which includes the new hedge accounting requirements and some related amendments to IAS 39 and IFRS 7. Entities may make an accounting policy choice to continue to apply the hedge accounting requirements of IAS 39 for all of their hedging transactions. Further, the new standard removes the 1 January 2015 effective date of IFRS 9. The new version of IFRS 9 issued after IFRS 9 (2013) introduces the mandatory effective date of 1 January 2018 for IFRS 9, with early adoption permitted. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

**IFRS 9 Financial Instruments (2014)**

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

**IFRS 14 Regulatory Deferral Accounts**

IASB has started a comprehensive project for Rate Regulated Activities in 2012. As part of the project, IASB published an interim standard to ease the transition to IFRS for rate regulated entities. The standard permits first time adopters of IFRS to continue using previous GAAP to account for regulatory deferral account balances. The interim standard is effective for financial reporting periods beginning on or after 1 January 2016, although early adoption is permitted. The Group does not expect that these amendments will have significant impact on the financial position or performance of the Group.

**IFRS 15 Revenue from Contracts with customers**

The standard replaces existing IFRS and US GAAP guidance and introduces a new control-based revenue recognition model for contracts with customers. In the new standard, total consideration measured will be the amount to which the Company expects to be entitled, rather than fair value and new guidance have been introduced on separating goods and services in a contract and recognizing revenue over time. The standard is effective for annual periods beginning on or after 1 January 2017, with early adoption permitted under IFRS. The Group is in the process of assessing the impact of the amendment on financial position or performance of the Group.

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**Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28)**

The amendments address the conflict between the existing guidance on consolidation and equity accounting. The amendments require the full gain to be recognized when the assets transferred meet the definition of a “business” under IFRS 3 Business Combinations. The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Early adoption is permitted. The Group does not expect that these amendments will have significant impact on the financial position or performance of the Group

**Equity method in separate financial statements (Amendments to IAS 27)**

The amendments allow the use of the equity method in separate financial statements, and apply to the accounting not only for associates and joint ventures, but also for subsidiaries. The amendments apply retrospectively for annual periods beginning on or after 1 January 2016. Early adoption is permitted. The Group does not expect that these amendments will have significant impact on the financial position or performance of the Group.

**Disclosure Initiative (Amendments to IAS 1)**

The narrow-focus amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements. In most cases the amendments respond to overly prescriptive interpretations of the wording in IAS 1. The amendments relate to the following: materiality, order of the notes, subtotals, accounting policies and disaggregation. The amendments apply for annual periods beginning on or after 1 January 2016. Early adoption is permitted. The Group does not expect that these amendments will have significant impact on the financial position or performance of the Group.

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

Before the amendment, it was unclear how to account for an investment entity subsidiary that provides investment-related services. As a result of the amendment, intermediate investment entities are not permitted to be consolidated. So where an investment entity’s internal structure uses intermediates, the financial statements will provide less granular information about investment performance – i.e. less granular fair values of, and cash flows from, the investments making up the underlying investment portfolio.

**Annual Improvements to IFRSs – 2012–2014 Cycle**

The IASB issued Annual Improvements to IFRSs - 2012–2014 Cycle. The amendments are effective as of 1 January 2016. Earlier application is permitted. The Group does not expect that these amendments will have significant impact on the financial position or performance of the Group.



### **IFRS 5 Non-current Assets Held for Sale and Discontinued Operations**

The amendments clarify the requirements of IFRS 5 when an entity changes the method of disposal of an asset (or disposal group) and no longer meets the criteria to be classified as held-for-distribution

### **IFRS 7 Financial Instruments: Disclosures**

IFRS 7 is amended to clarify when servicing arrangement are in the scope of its disclosure requirements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety. IFRS 7 is also amended to clarify that the additional disclosures required by Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7).

### **IAS 19 Employee Benefits**

IAS 19 has been amended to clarify that high-quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.

### **IAS 34 Interim Financial Reporting**

IAS 34 has been amended to clarify that certain disclosure, if they are not included in the notes to interim financial statements, may be disclosed “elsewhere in the interim financial report” – i.e. incorporated by cross-reference from the interim financial statements to another part of the interim financial report (e.g. management commentary or risk report).

## **2.f. Summary of Significant Accounting Policy**

### **Cash and Cash Equivalents**

Cash and cash equivalent values contain cash on hand, bank deposits and high liquidity investments. Cash and cash equivalents are showed with obtaining costs and the total of accrued interests.

Financial investments:

#### Initial measurement of financial assets and financial liabilities

When a financial asset or financial liability is recognised initially, an entity shall measure it at its fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

When an entity uses settlement date accounting for an asset that is subsequently measured at cost or amortised cost, the asset is recognised initially at its fair value on the trade date.

#### Subsequent measurement of financial assets

After initial recognition, an entity shall measure financial assets, including derivatives that are assets, at their fair values, without any deduction for transaction cost it may incur on sale or other disposal, except for the following financial assets:

- (i) Loan and receivables which shall be measured at amortized cost using the effective interest method;
- (ii) Held-to-maturity investments which shall be measured at amortized cost using the effective interest method; and
- (iii) Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that is linked to and must be settled by delivery of such unquoted equity instruments which shall be measured at cost.

#### Financial assets and liabilities at fair value through profit or loss:

It is classified as tangible assets hold for future sale. A financial asset or financial liability is classified as tangible assets hold for future sale if it is:

- (i) Acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- (ii) Part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit making; or
- (iii) A derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

#### Held-to maturity investments:

Non derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity.

- (i) Those that the entity upon initial recognition designates as at fair value through profit or loss;
- (ii) Those that the entity designates as available for sale; and
- (iii) Those that meet the defination of loans and receivable.

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Financial assets carried at cost:

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such unquoted equity instrument, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses shall not be reversed.

Marketable securities

Financial assets in which Parent Company has voting right below 20%, or over 20% which Parent Company does not exercise a significant influence, and subsidiaries or joint venture, which are not included in consolidation that they are immaterial or which are immaterial, that do not have a quoted market price in active markets and whose fair value cannot be measured reliably are carried at cost less any provision for diminution in value.

**Financial Borrowings**

Financial borrowings are recognized initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective yield method; any difference between proceeds, net of transaction costs, and the redemption value is recognized in the income statement over the borrowing period. Borrowing costs are charged to income statement when they incur and reclassified to bank loans.

**Trade Receivables and Payables**

The trade receivables and payables derived from providing services or selling goods by the Group and purchasing goods or receiving services are clarified with deferred financial income and expense in the accompanying financial statements. Post clarification, trade receivables and trade payables are calculated from the values of following the record of the original invoice values, by rediscounting with effective interest rate method. Short term receivables without designated interest rate are reflected the invoice values in case the effective interest rate effect is insignificant.

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**Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All of the other borrowing costs are recorded in the income statement in the period in which they are incurred.

**Provision for Doubtful Receivables**

The Company sets provisions for doubtful receivable when it is realized uncollectible due to objective findings. Amount of this provision is the difference of registered and collectible amounts. All cash flow including the collectible sum amount from guarantee and assurance is discounted on the base of the effective interest rate of trade receivable occurred.

In case of collecting doubtful receivable that is provided, the collected amount is deducted from the provision for doubtful receivable and in case of a remaining balance; the balance is added to other income.

**Inventories**

Inventories are valued at the lower of cost or net realizable value. Inventory costs include purchasing costs. The cost of inventories is determined on the first in first out (FIFO) basis for each purchase. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

**Biological Assets**

Group's biological assets consist of planted tomatoes. Due to no presence of active market for tomatoes, they were reflected in the accompanying combined financial statements with their costs minus if there is impairment in the cost then it is deducted.

**Tangible Assets**

Tangible assets are reflected with adjusted cost value according to the inflationary accounting effective as of 01 January 2005 for the entries purchased before 01 January 2005 and acquired cost of entries purchased after 01 January 2005 by deducting the accumulated depreciation.

Tangible assets are carried at cost less accumulated depreciation. Depreciation is provided on restated amounts of property, plant and equipment using the straight-line basis with prorates method based on the estimated useful lives of the assets. Expenses for the repair of property, plant and equipment are normally charged as an expense.

Economic useful lives of assets approximately are as follows:

	<u>Year</u>
Land improvements	10-30
Buildings	50
Machinery, plant and equipments	5-10
Motor vehicles	5
Fixtures and fittings	10

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**Intangible Assets**

Intangible assets are reflected with adjusted cost value according to the inflationary accounting effective as of 31 December 2004 for the entries purchased before 01 January 2005 and acquired cost of entries purchased after 01 January 2005 by deducting the accumulated amortization.

Intangible assets comprise acquired usage rights, information systems, research and development expenses and other identified rights. They are recorded at acquisition cost and amortized on a straight-line based on pro-rata over their estimated useful lives for a period not exceeding between 10% and 20% for a year.

**Leasing**

Group acquired assets under finance lease agreements and capitalized at the inception of the lease starting from acquired date. Payables to lease are pursued under financial leasing liability in balance sheet. Calculation of minimum leasing payment is to find out current market value as the valid proportion is calculated practically in financial leasing process then it is, otherwise proportion of interest rate of loan is used as discount factor. Expenses of asset acquisition through financial leasing are included in costs. The liability from financial leasing is decomposed into interest rate and the main loan. Expenses of interest rate are calculated with the fixed interest rate and are issued in related periods.

**Impairment of Assets**

In the case of detecting that carrying values of fixed assets fall below the level that can realize / can be gained from this asset in the future due to different events and situations, material and non-material fixed assets are tested in terms of value losses. In the case of being over the value of book value of material and non-material fixed assets realizable value or the value that can be gained from this asset in the future, provision are made for fixed asset value diminution.

**Employee Benefits / Severance Pay**

• **Severance Pay**

Under Turkish Labor Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who retires in accordance with social insurance regulations or is called up for military service or dies. As of 30 June 2015, such payments are calculated on the basis of 30 days' pay limited to a maximum of TRY 3,541 (31 December 2014: TRY 3,438) per year of employment at the rate of pay applicable at the date of retirement.

Group used "Projection Method" to calculate the termination benefits and the duration to be completed based on the past experience and discounted with rate of Treasury bond at balance sheet date. The calculated profits and losses are reflected in income statements.

• **Social Insurance Premium**

Group, pays social security contribution to social security organization compulsorily. So long as the company pays these premiums, it has no liability. These premiums are reflected as personnel expenses in the period in which they are paid.

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**Taxes**

Taxes on income for the period comprise current tax and the change in the deferred taxes. The charge for current tax is based on the results for the period as adjusted for items which are non-assessable or disallowed. It is calculated using tax rates enacted by the balance sheet date. Deferred tax is accounted for using the “liability” method in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable (statutory) profit. Deferred tax is accounted by temporary differences between the values of assets and liabilities in financial statements using “liability method” and the values of financial statements for the legal purpose. Deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit. Net deferred tax assets created from term differences deducted in proportion as tax allowances in conditions of there is no certain information for the coming periods.

**Accounting Estimates**

During the preparation of financial statements, the Company management is required to disclose the carrying amount of value of the assets and liabilities stated in the financial statements as of the balance sheet date and to give explanations regarding off balance sheet liabilities, and to provide assumptions that might affect the totals of income and expense realized during the period. However, actual results may vary from these results.

**Provisions, Conditional Liabilities and Conditional Assets**

Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Conditional liabilities and conditional assets

Transactions that may give rise to contingencies and commitments are those where the outcome and the performance of which will be ultimately confirmed only on the occurrence or non occurrence of certain future events, unless the expected performance is not very likely. Accordingly, contingent losses are recognized in the financial statements of Group if a reasonable estimate of the amount of the resulting loss can be made. Contingent gains are reflected only if it is probable that the gain will be realized.

**Investments Subject to Equity Pick-up Method**

Equities valued with equity pick-up method are carried at their initial acquisition cost. This amount is accounted by equity pick-up method by restating subject to Group accounting policies calculating the share of company from the net assets.

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**Revenue**

Revenue is recognized on accrual basis at the fair value of the amount obtained or to be obtained based on the assumptions that delivery is realized, the income can be reliably determined and the inflow of the economic benefits related with the transaction to the Group is probable. Net sales are calculated after the sales returns and sales discounts are deducted. The main activity of the Group and its subsidiaries manufacture of textiles and agricultural products, sales, marketing, production of electrical energy.

*Sales of goods:*

Revenue from sale of goods is recognized when all the following conditions are satisfied:

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

*Rendering of services:*

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognized by reference to the stage of completion of the transaction at the balance sheet date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The stage of completion of the transaction at the balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

*Interest income:*

Interest income is accrued in proportion as effective interest rate which reduces estimated cash addition to recorded value of the asset in corresponding period.

*Dividend and other incomes:*

Dividend income which obtained from share investments, is recorded when shareholders' have the right to get dividend.

Other incomes are recorded with the possibility of having the worth giving service or accrual of the facts related with income, making the transfer of risk and benefit, determination of income amount and enrollment of economic benefits related with the procedure.

**Leasing procedures**

*Operating lease as owner*

Leases where the lesser retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. In operating lease, the rented assets are classified under the tangible fixed assets in the balance sheet. The income from the rent and lease are reflected at the end of procedures in equal amounts in other incomes account. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Group's rental incomes derived from assets subjected to operating lease, are not fixed related to the contracts, those rent incomes are considered as future sales percentage described in the contracts.

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**The Effects of Exchange Rates**

Foreign currency transactions are entered in the accounts with current rates in transaction date. Foreign currency assets and liabilities in the balance sheet are converted to the TRY as the rates in the balance sheet date. Foreign exchange and losses are reflected to the financial statements.

The foreign currency rates for USD, EUR, GBP and CHF used at the end of the period are as following:

	30.06.2015	31.12.2014
USD	2.6863	2.3189
EUR	2.9822	2.8207
GBP	4.2104	3.5961
CHF	2.8636	2.3397

**Derivative Financial Instruments and Instruments to Protect from Risk**

The Group's derivative financial instruments include foreign currency forward contracts and interest rate swap transactions.

The acquisition cost is used by recording derived financial instruments and foreign exchange commitments and transaction cost is added to acquisition cost. Derived financial instruments are appreciated with reasonable value in the following periods. All derived financial instruments are reclassified as financial instruments of no balance sheet but associated with income sheet. All derived financial instruments are reclassified as financial instruments of no balance sheet but associated with income sheet.

At the end of valuation, the derived financial instruments which are appreciated with the reasonable value and associated with income statement will be reflected as a result of valuation to the income sheet.

It has been calculated with comparison of the revalued gains and losses in the forward purchase and sale agreements of foreign currency with the foreign exchange spot rate as of balance sheet date and the revalued original amount calculated with linear method with valid foreign exchange spot rate as of starting date of agreements. Amounts related with income statement have been classified as income/expense accruals under other receivables and other payables in the balance sheet.

**Effects of Change in Currency Rate**

Assets and liabilities in foreign currency and purchase and sale commitments create exchange risk. Foreign exchange risk stemming from depreciation or appreciation of Turkish Lira managed by top management by following the currency position of the Group and taking position according to approved limits.

**Earnings per Share / (Loss)**

The amount of gain / loss per share is calculated by dividing the period gain/ loss of the company with weighted average share unit in the period.

In Turkey, companies can increase their share capital by making distribution of "bonus shares" to existing shareholders from Inflation adjustment difference in shareholder's equity. For the purpose of the earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of "bonus shares" issued without corresponding change in resources by giving them retroactive effect for the period in which they were issued and each earlier period.



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**Other Balance Sheet Entries**

Other balance sheet entries are reflected with their book values.

**Cash Flow Statement**

Cash flow statement is prepared in accordance with communiqué by Capital Market Board.

**Subsequent Events**

Although subsequent events arise after the explanation of the financial information to the public or any announcement related to profitability, it encloses all the events with balance sheet date and authorization date for the diffusion of the balance sheet. Group adjusts the amounts in the financial statements if there exists any events necessitates adjustment.

**Related Parties**

In the presence of one of the following criteria, parties are considered as related to the Company,

- a) Directly, or indirectly through one or more intermediaries, the party,
  - (i) Controls, is controlled by, or is under common control with, the Company (this includes parents, subsidiaries and fellow subsidiaries);
  - (ii) Has an interest in Company that gives it significant influence over the Company; or
  - (iii) Has joint control over the Company;
- (b) The party is an associate of the Company,
- (c) The party is a joint venture, in which the Company is a venture,
- (d) The party is member of the key management personnel of the Company or its parent,
- (e) The party is a close member of the family of any individual referred to in (a) or (d),
- (f) The party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or
- (g) The party has a defined benefit plan for the employees of the Company or a related party of the Company.

Transactions with related parties are transfer of resources or obligations between related parties, regardless of whether a price is charged. Company interacts with its related parties within the frame of ordinary business activities (Note 6).

Details of related parties are as follows:

*Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.*

Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş. was established in 2006. Head quarter of the Company is in İzmir. The Company operates vehicle inspection stations which are privatized within the context of law b-numbered 4046, in Aydın, Manisa, Denizli and İzmir for 20 years. Aktur Araç Muayene İstasyonları İşletmeciliği has integrated 20 established and 4 mobile vehicle inspection stations.

*Osman Akça Tarım Ürünleri İthalat İhracat Sanayi ve Ticaret A.Ş."Osman Akça Tarım Ürünleri"*

Osman Akça Tarım Ürünleri İthalat ve İhracat San. ve Tic. A.Ş. was established on 25 July 1985. Head quarter of the company is in İzmir. Main activity is established to process the fruit and agricultural products.

*Tan Elektrik Üretim A.Ş."Tan Elektrik"*

Tan Elektrik Üretim A.Ş. was established in Izmir on 18 July 2006 as" MTT Elektrik Üretim A.Ş." The company name was changed to " Tan Elektrik Üretim A.Ş." on 9 November 2006. Main activity of company is building production facilities, joining in to operation, renting, generating electricity and marketing electricity to customers.

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*Akçamen Tekstil Sanayi ve Ticaret A.Ş. "Akçamen Tekstil"*

Akçamen Tekstil Sanayi ve Ticaret A.Ş. was established on 26 July 1994. Head quarter of the company is in İzmir. No. 7186 on 11 November 2008 in the Trade Registry Gazette the company was changed to the center of Denizli. Main activity is to produce cotton.

*Ak-San Sigorta ve Aracılık Hizmetleri Ltd. Şti. "Aksan Sigorta"*

Ak-San Sigorta Aracılık Hizmetleri Ltd. Şti. was established on 13 March 1997. Head quarter of the company is in İzmir. Main activity is insurance intermediary services.

*Selin Tekstil Sanayi ve Ticaret A.Ş. "Selin Tekstil"*

Selin Tekstil Sanayi ve Ticaret A.Ş. was established in 1992. Head quarter of the company is in Denizli. Main activity is outsourcing of textile manufacturing.

*Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti. "Akçasaraylı Tekstil"*

Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti. was established in 1990 in İzmir. It is engaged of the sale of textile products.

A Trademark Lease contract was made between Menderes Tekstil San. and Tic. A.Ş. and Akça Saraylı Tekstil San. ve Tic. Ltd. Şti. With this contract signed, Akça Saraylı Tekstil San. ve Tic. Ltd.Şti. is obliged to pay 2% of its annual net sales to Menderes Tekstil San. ve Tic. A.Ş. as a leasing fee. Consequently, Akça Saraylı Tekstil San. ve Tic. Ltd. Şti. leased the trademarks of Mendereshome Store-Menderesstore-Menderestore.

*Akça Holding A.Ş. "Akça Holding"*

Akça Holding A.Ş. was established in 1994 in İzmir. It is engaged in providing financial support to the group firms.

*Akça Solar Enerji Üretim Sanayi ve Ticaret A.Ş. "Akça Solar"*

Akça Solar Enerji Üretim Sanayi ve Ticaret A.Ş. was established in 4 September 2012 in Denizli. It is engaged in the production and sale of every kind of renewable energy (sun energy, wind energy, etc.).

*Naturak Gayrimenkul Geliştirme A.Ş. "Naturak"*

Naturak Gayrimenkul Geliştirme A.Ş. was established in 2 September 2014 in İzmir. It is engaged in selling and purchasing, building, to get built, renting, purchasing landed property and project development every kind of real estate property.

*İkitelli Turizm Ticaret A.Ş. "İkitelli"*

İkitelli Turizm Ticaret A.Ş. was established in 3 April 2015 in İstanbul. The main activity of the Company is beginning every kind of business, performing, hiring, investing, selling, taking over, renting out in tourism field in domestic and foreign areas, and also, organizing journeys and tours.

**2.g. Significant Accounting Judgments, Estimates and Assumptions**

There is no significant accounting judgments, estimates and assumptions on the accompanying financial statements.

**2.h. Segment Reporting of Results of Operations**

Group mainly operates in textile and agriculture sectors, agricultural production is conducting by Smyrna Balance sheet items and operating results are given in Note 3.

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**NOTE 3 – SEGMENT REPORTING**

<b>30 June 2015</b>	<b>Textile Sector</b>	<b>Agricultural Sector</b>	<b>Elimination</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	83,713,165	44,759	-	83,757,924
Financial Investments	10,968,880	-	-	10,968,880
Trade Receivables	46,606,491	1,556,622	-	48,163,113
Other Receivables	123,277,498	-	(14,496,129)	108,781,369
Derivative Financial Instruments	1,473,696	-	-	1,473,696
Inventories	257,033,715	1,162,052	-	258,195,767
Biological Assets	-	1,146,559	-	1,146,559
Prepaid Expenses	1,690,286	152,669	-	1,842,955
Current Taxes Assets	50,534	158,932	-	209,466
Other Current Assets	15,490,447	3,144,639	-	18,635,086
<b>Current Assets</b>	<b>540,304,712</b>	<b>7,366,232</b>	<b>(14,496,129)</b>	<b>533,174,815</b>
Other Receivables	51,284	14,721	-	66,005
Investments Valued With Equity Method	137,018,183	-	(9,500,000)	127,518,183
Tangible Assets	130,127,063	25,386,848	-	155,513,911
Intangible Assets	177,222	10,189	-	187,411
Prepaid Expenses	323,731	142,993	-	466,724
Deferred Tax Assets	16,245,780	716,408	(1,112,929)	15,849,259
<b>Non-Current Assets</b>	<b>283,943,263</b>	<b>26,271,159</b>	<b>(10,612,929)</b>	<b>299,601,493</b>
<b>TOTAL ASSETS</b>	<b>824,247,975</b>	<b>33,637,391</b>	<b>(25,109,058)</b>	<b>832,776,308</b>
<b>LIABILITIES</b>				
Short Term Borrowings	261,538,968	76	-	261,539,044
Current Installments of Long Term Borrowings	24,232,351	2,953,989	-	27,186,340
Trade Payables	131,234,296	822,422	-	132,056,718
Employee Benefits Liabilities	4,920,572	286,836	-	5,207,408
Other Payables	1,464,779	14,629,571	(14,496,129)	1,598,221
Derivative Financial Instruments	1,957,944	-	-	1,957,944
Deferred Incomes	23,374,145	98,856	-	23,473,001
Corporation Tax Liabilities	1,756,527	19,474	-	1,776,001
<b>Short Term Liabilities</b>	<b>450,479,582</b>	<b>18,811,224</b>	<b>(14,496,129)</b>	<b>454,794,677</b>
Long Term Borrowings	59,456,832	5,777,315	-	65,234,147
Provisions For Employee Long Term Benefits Include	14,674,132	205,841	-	14,879,973
Deferred Tax Liabilities	940,146	1,116,467	(1,112,929)	943,684
<b>Long Term Liabilities</b>	<b>75,071,110</b>	<b>7,099,623</b>	<b>(1,112,929)</b>	<b>81,057,804</b>
Paid in Capital Share	250,000,000	12,000,000	(12,000,000)	250,000,000
Inflation Adjustments to Shareholders' Equity	485,133	-	-	485,133
Accumulated other comprehensive income / expense not to be reclassified on profit or loss				
<i>Actuarial Benefit / Loss of the Retirement Plans</i>	(3,995,077)	-	-	(3,995,077)
Restricted Reserves	10,147,245	62,532	-	10,209,777
Retained Earnings / Losses	63,764,777	(2,855,679)	587,233	61,496,331
Net Profit / Loss for the Period	(21,704,795)	(1,480,309)	308,412	(22,876,692)
Minority Interest	-	-	1,604,355	1,604,355
<b>SHAREHOLDERS' EQUITY</b>	<b>298,697,283</b>	<b>7,726,544</b>	<b>(9,500,000)</b>	<b>296,923,827</b>
<b>TOTAL LIABILITIES</b>	<b>824,247,975</b>	<b>33,637,391</b>	<b>(25,109,058)</b>	<b>832,776,308</b>

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<b>30 June 2015</b>	<b>Textile Sector</b>	<b>Agricultural Sector</b>	<b>Elimination</b>	<b>Total</b>
Revenue	201,834,902	10,441,405	-	212,276,307
Cost of Sales (-)	(189,066,994)	(8,801,318)	-	(197,868,312)
<b>GROSS PROFIT/LOSS</b>	<b>12,767,908</b>	<b>1,640,087</b>	-	<b>14,407,995</b>
General Administrative Expenses (-)	(5,562,797)	(654,540)	-	(6,217,337)
Marketing expenses (-)	(5,450,071)	(707,526)	-	(6,157,597)
Other Operating Income	5,752,480	333,822	-	6,086,302
Other Operating Expenses (-)	(13,342,577)	(50,491)	-	(13,393,068)
<b>OPERATING PROFIT/LOSS</b>	<b>(5,835,057)</b>	<b>561,352</b>	-	<b>(5,273,705)</b>
Investing Activities Income	329,863	1,075	-	330,938
Investing Activities Expenses	8,445,984	(540,440)	-	7,905,544
<b>Profit /Loss from the Participations Valued by Equity Method</b>	<b>2,940,790</b>	<b>21,987</b>	-	<b>2,962,777</b>
<b>OPERATIONS PROFIT/LOSS BEFORE FINANCING EXPENSES</b>	<b>17,501,510</b>	<b>1,528</b>	<b>(852,970)</b>	<b>16,650,068</b>
Financial Income (+)	(48,543,727)	(1,474,533)	852,970	(49,165,290)
Financial Expenses (-)	<b>(28,101,427)</b>	<b>(1,451,018)</b>	-	<b>(29,552,445)</b>
<b>CONTINUING OPERATIONS PROFIT/LOSS BEFORE TAX</b>				
<b>Continuing Operations Tax Income/Expense</b>	-	-	-	-
- Income/Expense Tax for the Period	6,396,632	(29,291)	-	6,367,341
- Deferred Tax Income/Expense				
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>(21,704,795)</b>	<b>(1,480,309)</b>	-	<b>(23,185,104)</b>

**Information On The Geographical Region**

On a country basis distribution of foreign revenue obtained from the Group's textile sector activities as follows:

<b>Region</b>	<b>01.01-30.06.2015</b>	<b>01.01-30.06.2014</b>
Germany	49%	44%
Italy	9%	12%
U.S.A.	9%	11%
France	9%	7%
England	6%	4%
China	5%	5%
Other countries	13%	17%
	100%	100%

**Information About Major Clients**

Group's sales related activities are determined according to market fluctuations in domestic and foreign and conditions of competitions. As of 30 June 2015, it is being taken care of that any certain sector, country, individual and company are concentrated in terms of risk dispersions. The share of the biggest purchaser in the revenue achieved from textile activity is 69%. (2014: 39%).

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**NOTE 4 – CASH AND CASH EQUIVALENTS**

As of 30 June 2015 and 31 December 2014, the details of cash and cash equivalents are as following:

	<b>30.06.2015</b>	<b>31.12.2014</b>
Cash	93,551	9,037
Banks	83,589,199	124,126,889
Demand deposits	45,315,104	41,005,648
Time deposits	38,274,095	83,121,241
Interest accruals for banks	75,174	139,802
	<b>83,757,924</b>	<b>124,275,728</b>

As of 30 June 2015 and 31 December 2014, maturity schedule of time deposits in the cash and cash equivalents are as following:

	<b>30.06.2015</b>	<b>31.12.2014</b>
Within 1 month	38,274,095	78,761,276
1-3 month	-	4,359,965
	<b>38,274,095</b>	<b>83,121,241</b>

As of 30 June 2015, effective interest rates of time deposits in TRY and USD are 11.48 % and 1.98% (31.12.2014: for TRY 9.66%, USD 2.39%)

As of 30 June 2015, average maturity date of time deposits is 10 days (31 December 2014: 31 days). As of 30 June 2015, time deposits consist of TRY 35,453,480 and USD 1,050,000 (TRY 2,820,615) (31.12.2014: TRY 75,315,821 and USD 3,366,001 (TRY 7,805,420)).

As of 30 June 2015, the Group's time deposits within the 3 months has hypothec against loans used from Şekerbank T.A.Ş, USD 1,050,000 (TRY 2,820,615 ) and Odea Bank A.Ş. TRY 35,000,000, on demand deposits Denizbank A.Ş. TRY 45,000,000 (31.12.2014: TRY 20,000,000 and USD 1,850,000 (TRY 4,289,965)).

**NOTE 5 – FINANCIAL INVESTMENTS**

**Short term financial investments**

	<b>30.06.2015</b>	<b>31.12.2014</b>
Deposits with maturities over 3 months	10,928,034	4,753,745
Bank interest accruals	40,846	55,456
	<b>10,968,880</b>	<b>4,809,201</b>

As of 30 June 2015, the average maturity of time deposits are 204 days. (31.12.2014: 169). As of 30 June 2015, time deposit consist of USD 4,039,579 (TRY 13,672,137) (31.12.2014: USD 2,050,000 (TRY 4,753,745)).

As of 30 June 2015, the blockage's amount on the more than 3 months bank deposits of the Group is USD 2,850,000 (TRY 7,655,955) for the borrowings are taken from Şekerbank T.A.Ş (31.12.2014: USD 2,050,000 (TRY 4,753,745)).

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**NOTE 6 – RELATED PARTY TRANSACTIONS**

**i) Due from / to related parties:**

**a) Trade receivables from related parties (Note 7):**

	<b>30.06.2015</b>	<b>31.12.2014</b>
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	3,013,642	1,410,032
Menderes Tekstil Pazarlama A.Ş.	1,244,492	329,520
Rediscount	(98,803)	(31,921)
	<b>4,159,331</b>	<b>1,707,631</b>

**b) Trade payables to related parties (Note 7):**

	<b>30.06.2015</b>	<b>31.12.2014</b>
Selin Tekstil Sanayi ve Ticaret A.Ş.	3,715,516	4,647,522
Akça Holding A.Ş.	180,667	112,449
Ak-San Sigorta Aracılık Hizmetleri Ltd. Şti.	453,177	457,782
Discount	(53,587)	(38,552)
	<b>4,295,773</b>	<b>5,179,201</b>

**c) Due from shareholders (Note 9):**

	<b>30.06.2015</b>	<b>31.12.2014</b>
Osman Akça T. Ürün. İth. İhr. San. ve Tic. A.Ş.	36,139,978	31,461,273
Rıza Akça	-	63,314
	<b>36,139,978</b>	<b>31,524,587</b>

**d) Other receivables from related parties (Note 9):**

	<b>30.06.2015</b>	<b>31.12.2014</b>
Akça Enerji Üretim Otoprodüktör Grubu A.Ş.	64,295,537	56,149,986
Tan Elektrik Üretim A.Ş.	1,656,361	4,267,952
Akça Solar Üretim Sanayi Ticaret A.Ş.	510,059	327,089
	<b>66,461,957</b>	<b>60,745,027</b>

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**e) Due to shareholders (Note 9):**

	<b>30.06.2015</b>	<b>31.12.2014</b>
Rıza Akça	580,347	20,353
Ali Atlamaz	57,475	78,475
	<b>637,822</b>	<b>98,828</b>

**f) Due to related parties (Note 9):**

	<b>30.06.2015</b>	<b>31.12.2014</b>
Akçamen Tekstil A.Ş.	58,854	60,922
	<b>58,854</b>	<b>60,922</b>

**g) Advances received from related parties (Note 13):**

	<b>30.06.2015</b>	<b>31.12.2014</b>
Menderes Tekstil Pazarlama A.Ş.	-	5,788,862
	-	<b>5,788,862</b>

**h) Advances given to related parties (Not 13):**

	<b>30.06.2015</b>	<b>31.12.2014</b>
Rıza Akça	600,148	-
	<b>600,148</b>	-

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**ii) Major sales to related parties and major purchases from related parties:**

**a) Sales to related parties (Note 23.1):**

	<b>01.01.-</b>	<b>01.01.-</b>	<b>01.04.-</b>	<b>01.04.-</b>
	<b>30.06.2015</b>	<b>30.06.2014</b>	<b>30.06.2015</b>	<b>30.06.2014</b>
Menderes Tekstil Pazarlama A.Ş.	40,195,760	36,816,057	15,987,922	17,108,493
Osman Akça T. Ürün. İth. İhr. San. ve Tic. A.Ş.	-	61,957	-	61,957
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	2,193,302	881,818	886,287	532,166
Aktur Araç Muayene İstasyonları İşl. A.Ş.	24,052	21,700	10,052	11,700
	<b>42,413,114</b>	<b>37,781,532</b>	<b>16,884,261</b>	<b>17,714,316</b>

**b) Purchases from related parties (Note 23.2):**

	<b>01.01.-</b>	<b>01.01.-</b>	<b>01.04.-</b>	<b>01.04.-</b>
	<b>30.06.2015</b>	<b>30.06.2014</b>	<b>30.06.2015</b>	<b>30.06.2014</b>
Osman Akça T. Ürün. İth. İhr. San. ve Tic. A.Ş.	208,500	222,600	104,250	111,300
Selin Tekstil Sanayi ve Ticaret A.Ş.	16,426,000	15,890,900	8,868,000	8,980,900
Akça Enerji Üretim Otoprodüktör Grubu A.Ş.	216,700	128,050	118,200	64,025
Akça Holding A.Ş.	13,589	18,476	8,002	7,320
Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.	1,362	-	416	-
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	679	-	679	-
	<b>16,866,830</b>	<b>16,260,026</b>	<b>9,099,547</b>	<b>9,163,545</b>



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**iii) Other income and expenses resulting from transactions between related parties:**

**a) Benefits provided to member of the board of directors, gross (Note 24):**

	01.01.- 30.06.2015	01.01.- 30.06.2014	01.04.- 30.06.2015	01.04.- 30.06.2014
Members of the Board of Directors	154,848	131,845	84,435	77,795
	<b>154,848</b>	<b>131,845</b>	<b>84,435</b>	<b>77,795</b>

**b) Service expenses paid to related parties (Note 24):**

	01.01.- 30.06.2015	01.01.- 30.06.2014	01.04.- 30.06.2015	01.04.- 30.06.2014
Ak-San Sigorta Aracılık Hizmetleri Ltd. Şti.	117,173	58,465	65,582	11,524
Akça Holding A.Ş.	211,200	108,694	110,206	76,338
	<b>328,373</b>	<b>167,159</b>	<b>175,788</b>	<b>87,862</b>

**c) Rent incomes from related parties (Note 26.1):**

	01.01.- 30.06.2015	01.01.- 30.06.2014	01.04.- 30.06.2015	01.04.- 30.06.2014
Menderes Tekstil Pazarlama A.Ş.	6,000	5,400	3,000	2,700
Akça Enerji Üretim Otoprodüktör Grubu A.Ş.	15,000	14,010	7,500	7,005
Selin Tekstil Sanayi ve Ticaret A.Ş.	15,000	14,010	7,500	7,005
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	39,000	35,550	19,500	17,775
Akçamen Tekstil Sanayi Ticaret A.Ş.	4,800	4,500	2,400	2,250
Akça Holding A.Ş.	39,000	-	19,500	-
Osman Akça Tarım Ürünleri İthalat İhracat San. ve Tic. A.Ş.	39,000	-	19,500	-
	<b>157,800</b>	<b>73,470</b>	<b>78,900</b>	<b>36,735</b>

**d) Service income from related parties (Note 24):**

	01.01.- 30.06.2015	01.01.- 30.06.2014	01.04.- 30.06.2015	01.04.- 30.06.2014
Menderes Tekstil Pazarlama A.Ş.	33,000	30,000	16,500	15,000
	<b>33,000</b>	<b>30,000</b>	<b>16,500</b>	<b>15,000</b>

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**e) Foreign exchange income from the related parties (Note 27.1):**

	01.01.- 30.06.2015	01.01.- 30.06.2014	01.04.- 30.06.2015	01.04.- 30.06.2014
Akça Holding A.Ş.	8,165	-	5,834	-
Osman Akça T. Ürün. İth. İhr. San. ve Tic. A.Ş.	1,546,826	1,999,029	844	738,316
	<b>1,554,991</b>	<b>1,999,029</b>	<b>6,678</b>	<b>738,316</b>

**f) Interest income from related parties (Note 27.1):**

	01.01.- 30.06.2015	01.01.- 30.06.2014	01.04.- 30.06.2015	01.04.- 30.06.2014
Akça Holding A.Ş.	1,406	-	1,060	-
Osman Akça T. Ürün. İth. İhr. San. ve Tic. A.Ş.	6,449,752	3,646,865	3,098,843	1,804,907
Akça Enerji Üretim Otoprodüktör Grubu A.Ş.	3,038,060	2,292,110	1,559,884	1,070,730
Tan Elektrik Üretim A.Ş.	183,431	32,734	73,192	26,942
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	18,283	-	18,283	-
Akça Solar Enerji Üretim Sanayi ve Ticaret A.Ş.	20,142	-	10,988	-
	<b>9,711,074</b>	<b>5,971,709</b>	<b>4,762,250</b>	<b>2,902,579</b>

**g) Foreign exchange expenses paid to the related parties (Note 27.2):**

	01.01.- 30.06.2015	01.01.- 30.06.2014	01.04.- 30.06.2015	01.04.- 30.06.2014
Osman Akça T. Ürün. İth. İhr. San. ve Tic. A.Ş.	425,570	366	323,180	-
	<b>425,570</b>	<b>366</b>	<b>323,180</b>	<b>-</b>

**h) Interest expenses paid to related parties (Note 27.2):**

	01.01.- 30.06.2015	01.01.- 30.06.2014	01.04.- 30.06.2015	01.04.- 30.06.2014
Osman Akça T. Ürün. İth. İhr. San. ve Tic. A.Ş.	195,409	126	171,860	-
	<b>195,409</b>	<b>126</b>	<b>171,860</b>	<b>-</b>

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**i) Rent expenses paid to related parties (Note 24.2):**

	<b>01.01.-</b> <b>30.06.2015</b>	<b>01.01.-</b> <b>30.06.2014</b>	<b>01.04.-</b> <b>30.06.2015</b>	<b>01.04.-</b> <b>30.06.2014</b>
Menderes Tekstil Pazarlama A.Ş.	168,000	-	84,000	-
	<b>168,000</b>	<b>-</b>	<b>84,000</b>	<b>-</b>

**j) Maturity interest expenses paid to related parties (Note 27.2):**

	<b>01.01.-</b> <b>30.06.2015</b>	<b>01.01.-</b> <b>30.06.2014</b>	<b>01.04.-</b> <b>30.06.2015</b>	<b>01.04.-</b> <b>30.06.2014</b>
Osman Akça Tarım Ürünleri İthalat İhracat San. ve Tic. A.Ş.	4	-	4	-
Akça Enerji Üretim Otoprodüktör Grubu A.Ş.	-	18,956	-	9,813
Menderes Tekstil Pazarlama A.Ş.	-	66,952	-	-
Akçamen Tekstil Sanayi Ticaret A.Ş.	3,047	3,631	1,495	1,757
Akça Solar Üretim Sanayi Ticaret A.Ş.	-	6,146	-	2,380
	<b>3,051</b>	<b>95,685</b>	<b>1,495</b>	<b>13,950</b>

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**NOT 7 – TRADE RECEIVABLES AND TRADE PAYABLES**

**Short Term Trade Receivables**

	<b>30.06.2015</b>	<b>31.12.2014</b>
Trade receivables	40,257,700	36,003,124
Cheques and notes	3,799,504	329,520
Unearned interest on trade receivables	(117,506)	(149,741)
Doubtful trade receivables	698,128	247,204
Provision for doubtful receivables (-)	(698,128)	(247,204)
Income accruals	64,084	3,283,096
<b>Trade Receivables From Third Parties</b>	<b>44,003,782</b>	<b>39,465,999</b>
Receivables from related parties (Note 6-i-a)	4,258,134	1,739,552
Unearned interests on receivables from related parties	(98,803)	(31,921)
<b>Trade Receivables From Related Parties</b>	<b>4,159,331</b>	<b>1,707,631</b>
<b>Total Short-Term Trade Receivables</b>	<b>48,163,113</b>	<b>41,173,630</b>

Maturity schedule of notes receivable as of 30 June 2015 and 31 December 2014 are as following:

	<b>30.06.2015</b>	<b>31.12.2014</b>
1-30 days	-	89,629
31-60 days	30,000	90,000
61-90 days	44,559	90,223
91-120 days	31,095	59,668
181-210 days	945,000	-
211-240 days	930,185	-
241-270 days	1,354,679	-
271-300 days	433,986	-
331-360 days	30,000	-
	<b>3,799,504</b>	<b>329,520</b>

As of 30 June 2015 and 31 December 2014, movement of provision for doubtful receivables is as follows:

	<b>30.06.2015</b>	<b>31.12.2014</b>
Opening balance	247,204	251,802
Offsetting of balances that can not be collected (*)	-	(78,731)
Provision for the period	450,924	74,133
<b>Closing Balance</b>	<b>698,128</b>	<b>247,204</b>

(\*) The balances with no chance for collection and the provision reserved before were offsetting with each other.

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**Short Term Trade Payables**

	<b>30.06.2015</b>	<b>31.12.2014</b>
Trade payables	124,389,699	86,094,721
Unearned interests on trade payables	(1,048,029)	(599,091)
Notes payables	4,168,245	9,091,834
Unearned interests on notes payables	(26,104)	(55,845)
Expense accruals	277,134	20,896
<b>Trade Payables From Third Parties</b>	<b>127,760,945</b>	<b>94,514,951</b>
Due to related parties (Note 6-i-b)	4,349,360	5,217,753
Unearned interests on notes payables to related parties (Not 6-i-b)	(53,587)	(38,552)
<b>Trade Payables to Related Parties</b>	<b>4,295,773</b>	<b>5,179,201</b>
<b>Total Short Term Trade Payables</b>	<b>132,056,718</b>	<b>99,694,152</b>

As of 30 June 2015, sureties were given amounting to USD 9,434,190 ( TRY 25,343,065) and EUR 541,607 (TRY 1,615,180 for trade payables of the Group by bank (31.12.2014: USD 5,404,851 (TRY 12,533,309) and EUR 970,928 (TRY 2,738,694)).

As of 30 June 2015 and 31 December 2014, maturity breakdown of notes payables are as following:

	<b>30.06.2015</b>	<b>31.12.2014</b>
Overdue	7,648	-
1 – 30 days	3,504,858	5,987,947
31 – 60 days	655,739	3,073,887
61 – 90 days	-	15,000
91 – 120 days	-	15,000
	<b>4,168,245</b>	<b>9,091,834</b>

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**NOTE 8 – FINANCIAL BORROWINGS**

	<b>30.06.2015</b>	<b>31.12.2014</b>
<b>Short term borrowings:</b>		
TRY borrowings	1,389,829	810,488
USD borrowings	227,207,077	166,913,773
EUR borrowings	31,200,904	29,434,781
GBP borrowings	1,045,179	2,132,969
<b>Accrued interest of short term borrowings:</b>		
USD accrued interest of borrowings	495,830	724,106
EUR accrued interest of borrowings	200,225	106,859
<b>Short term financial borrowings</b>	<b>261,539,044</b>	<b>200,122,976</b>
<b>Current installments of long-term borrowings:</b>		
<b>Lease Payables:</b>		
USD lease payables, net	188,091	239,423
EUR lease payables, net	6,020,547	5,865,339
<b>Borrowings:</b>		
USD borrowings	10,890,031	7,303,197
EUR borrowings	9,176,130	2,732,223
<b>Accrued interests of long term borrowings:</b>		
TRY accrued interest of borrowings	-	15,434
USD accrued interest of borrowings	375,990	346,480
EUR accrued interest of borrowings	535,551	72,802
<b>Current installments of long-term borrowings</b>	<b>27,186,340</b>	<b>16,574,898</b>
<b>Long term lease payables:</b>		
USD lease payables, net	-	41,115
EUR lease payables, net	9,357,708	11,675,999
<b>Long term borrowings:</b>		
USD borrowings	2,852,594	10,035,837
EUR borrowings	53,023,845	56,122,465
<b>Long term financial borrowings</b>	<b>65,234,147</b>	<b>77,875,416</b>
<b>Total financial liabilities</b>	<b>353,959,531</b>	<b>294,573,290</b>

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As of 30 June 2015 and 31 December 2014, maturity analyses of borrowings and other financial borrowings are as following:

	<b>30.06.2015</b>	<b>31.12.2014</b>
Within 3 months	74,592,154	67,496,284
Between 3 - 12 months	206,316,996	141,831,147
Between 1 - 5 years	45,396,374	66,158,302
More than 5 years	10,480,065	-
	<b>336,785,589</b>	<b>275,485,733</b>

As of 30 June 2015 and 31 December 2014, maturity schedule of long term bank borrowings are as following:

	<b>30.06.2015</b>	<b>31.12.2014</b>
Between 1-2 years	11,337,230	10,305,612
Between 2-3 years	11,337,230	2,732,224
Between 3-4 years	17,255,542	10,886,147
Between 4-5 years	5,466,372	12,693,150
Between 5-6 years	5,466,372	29,541,169
Between 6-7 years	5,013,693	-
	<b>55,876,439</b>	<b>66,158,302</b>

As of 30 June 2015, effective interest rates for USD, EUR and GBP bank loans are 2.87%, 4.24% and 3.40%. (31.12.2014: USD-3.18%, EUR-4.16% and GBP-3.03%).

For the bank loans used, The Group has a pledge on their bank deposits.

The Group's shareholders and other group companies have guarantees on bank loans used by The Group.

Total amount of mortgage on lands and buildings for fixed assets of the Group given to financial institutions is USD 130,950,000 (TRY 351,770,985), EUR 21,000,000 (TRY 62,626,200) and TRY 73,910,000.

As of 30 June 2015 and 31 December 2014, details of financial leasing borrowings of group are as follows:

	<b>30.06.2015</b>	<b>31.12.2014</b>
Short term lease payables	6,763,643	6,764,691
Cost of deferred lease payables (-)	(555,005)	(659,929)
	<b>6,208,638</b>	<b>6,104,762</b>
	<b>30.06.2015</b>	<b>31.12.2014</b>
Long term lease payables	9,761,027	12,328,066
Cost of deferred lease payables (-)	(403,319)	(610,952)
	<b>9,357,708</b>	<b>11,717,114</b>

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As of 30 June 2015, maturity schedule of repayment of lease payables are as follows:

	<b>Lease payables</b>	<b>Cost of deferred lease payables</b>	<b>Total liabilities</b>
Between 0 – 1 years	6,763,643	(555,005)	6,208,638
Between 1 – 2 years	5,546,452	(293,686)	5,252,766
Between 2 – 3 years	3,444,982	(99,722)	3,345,260
Between 3 – 4 years	769,593	(9,911)	759,682
Between 4 – 5 years			
	<b>16,524,670</b>	<b>(958,324)</b>	<b>15,566,346</b>

As of 31 December 2014, maturity schedule of repayment of lease payables are as follows:

	<b>Lease payables</b>	<b>Cost of deferred lease payables</b>	<b>Total liabilities</b>
Between 0 – 1 years	6,764,691	(659,929)	6,104,762
Between 1 – 2 years	5,915,720	(396,936)	5,518,784
Between 2 – 3 years	4,436,689	(175,501)	4,261,188
Between 3 – 4 years	1,885,658	(37,598)	1,848,060
Between 4 – 5 years	89,999	(917)	89,082
	<b>19,092,757</b>	<b>(1,270,881)</b>	<b>17,821,876</b>



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**NOTE 9 – OTHER RECEIVABLES AND PAYABLES**

**Other Current Receivables**

	<b>30.06.2015</b>	<b>31.12.2014</b>
Deposit and guarantees given	-	44,083
VAT return receivables	6,179,434	3,828,462
<b>Other Receivables from Third Parties</b>	<b>6,179,434</b>	<b>3,872,545</b>
Due from shareholders (Note 6-i-e) (*)	36,139,978	31,524,587
Due from related parties (Note 6-i-d)	66,461,957	60,745,027
<b>Other Receivables From Related Parties</b>	<b>102,601,935</b>	<b>92,269,614</b>
	<b>108,781,369</b>	<b>96,142,159</b>

As of 30 June 2015, non-trade receivables from related parties comprise 19.24% of total current assets and 12.32% of total assets. (As of 31 December 2014, it composes 18.95% of the total current assets and 11.96% of total assets).

(\*) The amount of TRY 36,139,978 from shareholders consists of financial receivables from Osman Akça Tarım Ürün. İth. İhr. San. Ve Tic. A.Ş. and is not based on any type of protocol. The amount has been exhibiting increases and decreases in the period, interest for the amount is calculated and reflected to the accompanying consolidated financial statements. For the period of 01.01-30.06.2015, the calculated interest for the amount, TRY 6,449,752 is recorded on the accompanying income statement.

**Other non-current receivables**

	<b>30.06.2015</b>	<b>31.12.2014</b>
Deposits and guarantees given	66,005	26,184
	<b>66,005</b>	<b>26,184</b>

**Other current payables**

	<b>30.06.2015</b>	<b>31.12.2014</b>
Deposit and guarantees received	6,000	6,000
Taxes and funds payables	895,545	1,836,158
<b>Other Payables From Third Parties</b>	<b>901,545</b>	<b>1,842,158</b>
Due to shareholders (Note 6-i-e)	637,822	98,828
Due to related parties (Note 6-i-f)	58,854	60,922
<b>Other Payables from Related Parties</b>	<b>696,676</b>	<b>159,750</b>
	<b>1,598,221</b>	<b>2,001,908</b>

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**NOTE 10 – DERRIVATIVE INSTRUMENTS**

	<b>30.06.2015</b>	<b>31.12.2014</b>
Income accrual of forward exchange	1,473,696	1,614,300
	<b>1,473,696</b>	<b>1,614,300</b>
	<b>30.06.2015</b>	<b>31.12.2014</b>
Expense accrual of forward exchange	1,957,944	79,825
	<b>1,957,944</b>	<b>79,825</b>

**NOTE 11 – INVENTORIES**

	<b>30.06.2015</b>	<b>31.12.2014</b>
Raw materials	97,150,852	84,238,080
Work in progress	99,602,073	65,553,737
Finished goods	60,630,622	37,940,314
Merchandises	174,445	78,508
Other inventories	637,775	602,982
	<b>258,195,767</b>	<b>188,413,621</b>

As of 30 June 2015, inventories of the Group are insured for amounting to TRY 160,500,000.

**NOTE 12 – BIOLOGICAL ASSETS**

**Current biological assets**

	<b>30.06.2015</b>	<b>31.12.2014</b>
Biological assets (Tomato)	1,146,559	4,449,108
	<b>1,146,559</b>	<b>4,449,108</b>

Group's biological assets consist of tomatoes. If available impairment and cost is indicated after provision in the consolidated financial statements Due to no presence of active market for growing tomatoes, they were reflected in the accompanying combined financial statements with their costs minus if there is impairment in the cost then it is deducted.

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**NOTE 13 – PREPAID EXPENSES AND DEFERRED INCOME**

**Short term prepaid expenses**

	<b>30.06.2015</b>	<b>31.12.2014</b>
Order advances given	808,641	3,567,984
Prepaid expenses	410,338	651,525
Advances given for business purposes	623,976	380,756
	<b>1,842,955</b>	<b>4,600,265</b>

**Long term prepaid expenses**

	<b>30.06.2015</b>	<b>31.12.2014</b>
Advances given for purchases of tangible assets	331,962	303,577
Prepaid expenses	134,762	137,944
	<b>466,724</b>	<b>441,521</b>

**Short term deferred income**

	<b>30.06.2015</b>	<b>31.12.2014</b>
Advances received	23,473,001	30,620,959
	<b>23,473,001</b>	<b>30,620,959</b>

**NOTE 14 – CURRENT PERIOD TAX INCOME ASSET**

	<b>30.06.2015</b>	<b>31.12.2014</b>
Prepaid taxes and funds	209,466	5,404,563
	<b>209,466</b>	<b>5,404,563</b>

**NOTE 15 – INVESTMENTS VALUED WITH EQUITY PICK-UP METHOD**

As of 30 June 2015 and 31 December 2014, the Companies are as follows:

	<b>30.06.2015</b>	<b>Share</b>	<b>31.12.2014</b>	<b>Share (%)</b>
		<b>(%)</b>		
Akça Enerji Üretim Dağıtım Otoprodüktör A.Ş.	203,018	%20	1,597,815	%20
Menderes Tekstil Pazarlama A.Ş.	10,330,058	%45	10,114,830	%45
Aktur Araç Muayene İstasyon İşletmeleri A.Ş.	116,985,107	%48	107,359,554	%48
Tan Elektrik Üretim A.Ş.	-	%21	540,440	%21
	<b>127,518,183</b>		<b>119,612,639</b>	

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The total assets, liabilities and owner's equity of the investments which are evaluated by the equity pick up method with the summary income statement related to the periods ended 30 June 2015 and 31 December 2014 are as follows:

*Akça Enerji Üretim Otoprodüktör Grubu A.Ş.*

	<b>30.06.2015</b>	<b>31.12.2014</b>
Current Assets	20,620,668	19,047,886
Non-current Assets	72,941,146	70,963,871
<b>Total Assets</b>	<b>93,561,814</b>	<b>90,011,757</b>
Current liabilities	67,106,672	59,992,669
Non-current liabilities	25,440,052	22,030,012
Shareholders' Equity	1,015,090	7,989,076
<b>Total Equities</b>	<b>93,561,814</b>	<b>90,011,757</b>
Sales, net	221,414	266,353
Cost of sales	(148,892)	(173,984)
Net profit / (loss)	(6,971,484)	(5,140,020)

As of 30 June 2015, Akça Enerji Üretim Otoprodüktör Grubu A.Ş. has construction in progress amounting to TRY 52,277 (31 December 2014: TRY 21,516,916).

*Menderes Tekstil Pazarlama A.Ş.*

	<b>30.06.2015</b>	<b>31.12.2014</b>
Current Assets	16,754,117	19,068,071
Non-current Assets	7,871,315	7,703,527
<b>Total Assets</b>	<b>24,625,432</b>	<b>26,771,598</b>
Current liabilities	1,432,078	4,068,670
Non-current liabilities	237,670	225,527
Shareholders' Equity	22,955,684	22,477,401
<b>Total Equities</b>	<b>24,625,432</b>	<b>26,771,598</b>
Sales, net	41,558,612	76,841,674
Cost of sales	(39,973,966)	(73,019,872)
Net profit / (loss)	466,141	(513,288)

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*Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.*

	<b>30.06.2015</b>	<b>31.12.2014</b>
Current Assets	68,981,400	26,767,441
Non-Current Assets	439,531,415	346,985,775
<b>Total Assets</b>	<b>508,512,815</b>	<b>373,753,216</b>
Current liabilities	73,167,311	46,133,559
Non-Current liabilities	191,626,531	103,950,020
Shareholders' Equity	243,718,973	223,669,637
<b>Total Equities</b>	<b>508,512,815</b>	<b>373,753,216</b>
Sales, net	124,949,216	215,409,944
Cost of sales,	(103,992,077)	(179,745,383)
Net profit / (loss)	24,521,681	31,080,991

*Tan Elektrik Üretim A.Ş.*

	<b>30.06.2015</b>	<b>31.12.2014</b>
Current Assets	1,465,536	1,297,413
Non-Current Assets	32,221,275	38,176,256
<b>Total Assets</b>	<b>33,686,811</b>	<b>39,473,669</b>
Current liabilities	14,833,822	30,635,446
Non-Current liabilities	22,985,396	6,264,696
Shareholders' Equity	(4,132,407)	2,573,527
<b>Total Equities</b>	<b>33,686,811</b>	<b>39,473,669</b>
Sales, net	3,339,526	838,418
Cost of sales	(2,447,786)	(1,661,311)
Net profit / (loss)	(6,708,231)	(10,377,662)

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**NOTE 16 – TANGIBLE FIXED ASSETS**

<b>Cost Value</b>	<b>Land and land improvements</b>	<b>Buildings</b>	<b>Property, plant and equipment</b>	<b>Vehicles</b>	<b>Fixtures and fittings</b>	<b>Construction in progress</b>	<b>Total</b>
<b>01 January 2013 Opening Balance</b>	<b>12,520,203</b>	<b>49,883,719</b>	<b>198,939,322</b>	<b>1,199,613</b>	<b>6,295,466</b>	<b>17,377,899</b>	<b>286,216,222</b>
Additions	231,718	85,750	25,359,313	812,205	969,211	29,373,484	56,831,681
Disposals	-	-	(10,965,199)	(153,229)	(3,715,380)	-	(14,833,808)
Transfers	16,848,306	4,926,825	21,639,753	-	330,303	(43,745,187)	-
<b>31 December 2013 closing balance</b>	<b>29,600,227</b>	<b>54,896,294</b>	<b>234,973,189</b>	<b>1,858,589</b>	<b>3,879,600</b>	<b>3,006,196</b>	<b>328,214,095</b>
Additions	5,077	2,750	5,835,334	270,754	3,481,721	26,554,595	36,150,231
Disposals	-	-	(2,623,905)	(451,226)	(28,656)	-	(3,103,787)
Transfers	528,716	7,649,471	20,453,485	-	502,132	(29,133,804)	-
<b>31 December 2014 closing balance</b>	<b>30,134,020</b>	<b>62,548,515</b>	<b>258,638,103</b>	<b>1,678,117</b>	<b>7,834,797</b>	<b>426,987</b>	<b>361,260,539</b>
Additions	42,001	3,814	420,445	165,795	1,352,599	6,676,906	8,661,560
Disposals	-	-	(3,583,209)	(93,618)	(45,924)	-	(3,722,751)
Transfers	419,586	597,308	5,388,875	218,129	588,939	(7,103,893)	108,944
<b>30 June 2015 closing balance</b>	<b>30,595,607</b>	<b>63,149,637</b>	<b>260,864,214</b>	<b>1,968,423</b>	<b>9,730,411</b>	<b>-</b>	<b>366,308,292</b>
<b>Accumulated Depreciation</b>							
<b>1 January 2013 Opening balance</b>	<b>2,164,965</b>	<b>12,969,568</b>	<b>176,790,327</b>	<b>563,574</b>	<b>4,905,613</b>	<b>-</b>	<b>197,394,047</b>
Additions	633,673	1,033,222	8,195,772	185,392	389,486	-	10,437,545
Disposals	-	-	(10,039,311)	(153,229)	(3,695,019)	-	(13,887,559)
<b>31 December 2013 closing balance</b>	<b>2,798,638</b>	<b>14,002,790</b>	<b>174,946,788</b>	<b>595,737</b>	<b>1,600,080</b>	<b>-</b>	<b>193,944,033</b>
Additions	2,017,141	1,146,603	11,709,294	279,930	730,308	-	15,883,276
Foreign currency conversion differences	-	-	(1,653,097)	-	-	-	(1,653,097)
Disposals	-	-	(2,419,321)	(206,900)	(666)	-	(2,626,887)
<b>31 December 2014 closing balance</b>	<b>4,815,779</b>	<b>15,149,393</b>	<b>182,583,664</b>	<b>668,767</b>	<b>2,329,722</b>	<b>-</b>	<b>205,547,325</b>
Additions	1,056,169	639,518	6,450,244	141,649	601,900	-	8,889,480
Disposals	-	-	(3,583,209)	(56,487)	(2,728)	-	(3,642,424)
<b>30 June 2015 closing balance</b>	<b>5,871,948</b>	<b>15,788,911</b>	<b>185,450,699</b>	<b>753,929</b>	<b>2,928,894</b>	<b>-</b>	<b>210,794,381</b>
<b>31.12.2014, Net Book Value</b>	<b>25,318,241</b>	<b>47,399,122</b>	<b>76,054,439</b>	<b>1,009,350</b>	<b>5,505,075</b>	<b>426,987</b>	<b>155,713,214</b>
<b>30.06.2015, Net Book Value</b>	<b>24,723,659</b>	<b>47,360,726</b>	<b>75,413,515</b>	<b>1,214,494</b>	<b>6,801,517</b>	<b>-</b>	<b>155,513,911</b>

As of 30 June 2015, the depreciation expense of tangible fixed assets for the period is TRY 8,889,480 (31 December 2014: TRY 15,883,276).

As of 30 June 2015, fixed assets are insured for TRY 193,759,149 and EUR 12,548,500 (TRY 37,422,137) (31 December 2014: TRY 177,740,222; EUR 11,382,080 (TRY 32,105,433)).

Total amount of mortgage on lands and buildings for fixed assets of the Group given to financial institutions are USD 130,950,000 (TRY 351,770,985), EUR 21,000,000 (TRY 62,626,200) and TRY 73,910,000.

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**NOTE 17 – INTANGIBLE ASSETS**

<b>Cost Value</b>	<b>Rights</b>	<b>Research and development expenses</b>	<b>Other intangible assets</b>	<b>Total</b>
<b>01 January 2013 Opening Balance</b>	<b>27,720</b>	<b>163,323</b>	<b>539,345</b>	<b>730,388</b>
Additions	-	188,109	83,574	271,683
Disposals	-	(351,432)	(325,363)	(676,795)
31 December 2013 closing balance	27,720	-	297,556	325,276
Additions	-	-	42,497	42,497
Disposals	-	-	(140,714)	(140,714)
31 December 2014 closing balance	27,720	-	199,339	227,059
Additions	-	-	138,150	138,150
30 June 2015 closing balance	27,720	-	337,489	365,209
<b>Accumulated Depreciation</b>				
<b>1 January 2013 Opening Balance</b>	<b>6,797</b>	<b>2,732</b>	<b>297,967</b>	<b>307,496</b>
Additions	9,350	-	96,428	105,778
Disposals	-	(2,732)	(251,926)	(254,658)
31 December 2013 closing balance	16,147	-	142,469	158,616
Additions	8,826	-	72,991	81,817
Disposals	(583)	-	(100,563)	(101,146)
31 December 2014 closing balance	24,390	-	114,897	139,287
Additions	(6,859)	-	45,370	38,511
30 June 2015 closing balance	17,531	-	160,267	177,798
<b>31.12.2014, Net Book Value</b>	<b>3,330</b>	<b>-</b>	<b>84,442</b>	<b>87,772</b>
<b>30.06.2015, Net Book Value</b>	<b>10,189</b>	<b>-</b>	<b>177,222</b>	<b>187,411</b>

As of 30 June 2015, the amortization expense of intangible fixed assets for the period is TRY 38,511 (31 December 2014: TRY 81,817).

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**NOTE 18 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**

As of 30 June 2015 and 31 December 2014, the Group's guarantee / pledge / mortgage position are as following:

<b>Guarantees, security and mortgage (GSM) given by the Group</b>	<b>30.06.2015</b>	<b>31.12.2014</b>
A. Total Amount of GSM given on behalf of legal entity	599,619,238	845,138,611
B. Total Amount of GSM given for partnerships which included in full consolidation	None	11,460
C. Total Amount of GSM given for the purpose of guaranteeing third party loans to carry the regular trade activities	None	None
D. Total Amount of other GSM given	None	None
<i>i. Total Amount of GSM given for the Parent Company</i>	None	None
<i>ii. Total Amount of GSM Given for Other Group Companies not Included in B and C Clauses</i>	None	12,906,037
<i>iii. Total Amount of GSM Given for Third Parties not Included in C Clause</i>	None	None
<b>Total</b>	<b>599,619,238</b>	<b>858,056,108</b>

As of 30 June 2015, other GSM given by the Group is not. As of 31 December 2014, ratio which is other GSM given by the Group over its equity is 4%.

For the credits, avals do not exist in favor of related parties by Group. Regarding to credit contracts of the Group, USD 68,900,000 (TRY 182,668,400) and TRY 157,250,000 avals are provided by related parties ( Akça Holding and Osman Akça).(31 December 2014: None)



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As of 30 June 2015, details of mortgage on lands and buildings are as following:

	FX Currency	FX Amount	FX Rate	TRY Equivalent
Türkiye Vakıflar Bankası T.A.O	TRY	72,310,000	1.0000	72,310,000
Türkiye Vakıflar Bankası T.A.O	USD	130,950,000	2.6863	351,770,985
Türkiye Finans Katılım Bankası A.Ş.	TRY	1,600,000	1.0000	1,600,000
Türkiye Vakıflar Bankası T.A.O	EUR	21,000,000	2.9822	62,626,200
				<b>488,307,185</b>

As of 30 June 2015, details of the guarantee letters given are as following:

Details of Guarantee Letters Given	FX Currency	FX Amount	FX Rate	TRY Equivalent
Electricity Distribution Company	TRY	8,563,784	1.0000	8,563,784
Custom Office	TRY	5,734,506	1.0000	5,734,506
Credit Guarantee	USD	1,115,000	2.6863	2,995,225
Other	TRY	806,346	1.0000	806,346
				<b>18,099,861</b>

As of 30 June 2015, bank has given avals for trade payables of USD 9,434,190 (TRY 25,343,065) and EUR 541,607 (TRY 1,615,180) (31.12.2014: USD 5,404,851 (TRY 12,533,309) and EUR 970,928 (TRY 2,738,694)).

As of 30 June 2015, the Group's time deposits within the 3 months has hypothec against loans used from Şekerbank T.A.Ş, USD 1,050,000 (TRY 2,820,615 ) and Odea Bank A.Ş. TRY 35,000,000, on demand deposits Denizbank A.Ş. TRY 45,000,000 (31.12.2014: TRY 20,000,000 and USD 1,850,000 (TRY 4,289,965)).

As of 30 June 2015, the Group's demand deposits longer than 3 months have USD 2,850,000 (TRY 7,655,955 ) from Şekerbank T.A.Ş. (31.12.2014: USD 2,050,000 (TRY 4,753,745 )).

As of 30 June 2015, bank details of the guarantee letters given are as following:

Bank Details of Guarantee Letters Given	FX Currency	FX Amount	FX Rate	TRY Equivalent
Türkiye Vakıflar Bankası T.A.O.	TRY	5,824,049	1.0000	5,824,049
Türkiye Vakıflar Bankası T.A.O.	USD	2,750,000	2.6863	7,387,325
Türkiye Finans Katılım Bankası A.Ş.	TRY	58,000	1.0000	58,000
Alternatifbank A.Ş.	TRY	604,400	1.0000	604,400
Halk Bank A.Ş.	TRY	1,064,960	1.0000	1,064,960
Akbank Denizli Ticaret Şubesi	TRY	165,902	1.0000	165,902
Türkiye Finans Katılım Bankası A.Ş.	USD	1,115,000	2.6863	2,995,225
				<b>18,099,861</b>

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As of 30 June 2015, bank details of the general borrowing contracts are as following:

General Borrowing Contracts:	FX Currency	FX Amount	FX Rate	TRY Equivalent
Albarakaturk A.Ş.	TRY	15,000,000	1.0000	15,000,000
Alternatif Bank A.Ş.	USD	6,000,000	2.6863	16,117,800
Denizbank A.Ş.	USD	9,000,000	2.6863	24,176,700
Eximbank A.Ş.	USD	25,000,000	2.6863	67,157,500
Finansbank A.Ş.	TRY	13,000,000	1.0000	13,000,000
Halk Bankası A.Ş.	TRY	10,000,000	1.0000	10,000,000
İşbankası A.Ş.	USD	9,500,000	2.6863	25,519,850
Odea Bank A.Ş.	TRY	33,000,000	1.0000	33,000,000
Şekerbank A.Ş.	USD	20,000,000	2.6863	53,726,000
Şekerbank A.Ş.	TRY	8,500,000	1.0000	8,500,000
Şekerbank A.Ş.	EUR	5,000,000	2.9822	14,911,000
Tekstilbank	USD	3,490,000	2.6102	9,109,598
Türkiye Finans Katılım Bankası A.Ş.	TRY	30,000,000	1.0000	30,000,000
Türkiye Vakıflar Bankası T.A.O	TRY	21,100,000	1.0000	21,100,000
Türkiye Vakıflar Bankası T.A.O	USD	5,200,000	2.6863	13,968,760
				<b>355,287,208</b>

As of 30 June 2015, details of the guarantee checks given are as following:

Guarantee Checks Given	Bank Name	FX Currency	FX Amount	FX Rate	TRY Equivalent
Ekspo Factoring A.Ş.	Şekerbank T.A.Ş.	USD	8,269,100	2.6863	22,213,283
					<b>22,213,283</b>

As of 30 June 2015, details of the guarantee notes given are as following:

Guarantee Notes Given	FX Currency	FX Amount	FX Rate	TRY Equivalent
Eximbank	USD	780,000	2.6863	2,095,314
				<b>2,095,314</b>

As of 30 June 2015, bank details of the bonds are as following:

Bond	Bank Name	FX Currency	FX Amount	FX Rate	TRY Equivalent
Türk Eximbank	Türkiye Vakıflar Bankası T.A.O.	USD	5,000,000	2.6863	13,431,500
Türk Eximbank	Denizbank A.Ş.	USD	6,400,000	2.6863	17,192,320
Türk Eximbank	Şekerbank T.A.Ş.	USD	2,900,000	2.6863	7,790,270
Türk Eximbank	Finansbank A.Ş.	USD	1,000,000	2.6863	2,686,300
Türk Eximbank	Halkbank A.Ş.	USD	5,300,000	2.6863	14,237,390
Türk Eximbank	İş Bankası A.Ş.	USD	500,000	2.6863	1,343,150
Türk Eximbank	Türkiye Finans Katılım Bankası A.S	USD	2,400,000	2.6863	6,447,120
Türk Eximbank	Albaraka Türk	USD	650,000	2.6863	1,746,095
Türk Eximbank	Odeabank A.Ş.	USD	1,500,000	2.6863	4,029,450
					<b>68,903,595</b>

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**NOTE 19 – SHORT TERM PROVISIONS**

**Other Short Term Provisions**

	<b>30.06.2015</b>	<b>31.12.2014</b>
Provision for the court cases	306,841	260,200
Provision for unused personnel leave	1,469,160	1,252,310
	<b>1,776,001</b>	<b>1,512,510</b>

**Long Provisions for Employee Benefits**

	<b>30.06.2015</b>	<b>31.12.2014</b>
Provision for severance pay	14,879,973	9,612,627
	<b>14,879,973</b>	<b>9,612,627</b>

For the period 01 January – 30 June 2015, average personnel number including subcontractors employed by the Group is 4,246 (01.01-31.12.2014: 4,378). The rate of retirement probability used is 99%.(01.01-31.12.2014: 95%)

For the period ended at 30 June 2015 and 31 December 2014, the movement schedule of severance pay provision is as following:

	<b>30.06.2015</b>	<b>31.12.2014</b>
Balance of 1 January	9,612,627	6,392,684
Increase in the period	752,681	868,861
Interest cost	1,008,214	1,272,959
Payments	(1,710,783)	(2,526,312)
Actuarial profit/(loss)	5,217,234	3,604,435
<b>Balance at the end of the period</b>	<b>14,879,973</b>	<b>9,612,627</b>

**NOTE 20 – EMPLOYEE BENEFIT LIABILITIES**

	<b>30.06.2015</b>	<b>31.12.2014</b>
Due to personnel	4,019,424	4,038,455
Social security deductions payable	1,187,984	1,680,325
	<b>5,207,408</b>	<b>5,718,780</b>

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**NOTE 21 – OTHER CURRENT ASSETS AND LIABILITIES**

**Other current assets**

	<b>30.06.2015</b>	<b>31.12.2014</b>
VAT carried forward	18,635,086	16,138,603
	<b>18,635,086</b>	<b>16,138,603</b>

**NOTE 22 – SHARE CAPITAL**

**22.1 Paid in Capital**

As of 30 June 2015, Group's paid in capital was divided into 250,000,000 shares as each valued at TRY 1 nominally (31 December 2014: 250,000,000 units).

As of 30 June 2015 and 31 December 2014, Group's paid in capital is as follows:

	<b>30.06.2015</b>		<b>31.12.2014</b>	
	Share (%)	TRY	Share (%)	TRY
<b>Shareholders:</b>				
Public Offered Shares	47.6%	118,989,944	51.93%	129,828,520
Akça Holding A.Ş.	50.01%	125,029,501	45.68%	114,208,053
Other	2.39%	5,980,556	2.39%	5,963,427
<b>Total</b>	<b>100%</b>	<b>250,000,000</b>	<b>100.00%</b>	<b>250,000,000</b>

According to Group's main article of association, more than half of the Members of Board required to be elected from the candidates which are pointed out from A Group shareholders.

**22.2 Capital Adjustment Differences**

	<b>30.06.2015</b>	<b>31.12.2014</b>
Inflation adjustment difference in capital	485,133	485,133
	<b>485,133</b>	<b>485,133</b>

**22.3 Comprehensive Income (Expenses) not to be reclassified on Profit or Loss**

**22.3.1 Actuarial Benefit/ (Loss) of the Retirement Plans**

	<b>30.06.2015</b>	<b>31.12.2014</b>
Actuarial benefit/ (loss) of the retirement plans	(3,995,077)	(1,181,579)
	<b>(3,995,077)</b>	<b>(1,181,579)</b>

**22.4 Restricted Reserves**

	<b>30.06.2015</b>	<b>31.12.2014</b>
Legal reserves	10,209,777	9,754,762
	<b>10,209,777</b>	<b>9,754,762</b>

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory profits at the rate of 5 %, until the total reserve reaches a maximum of 20 % of the Group's share capital. The second legal reserve is appropriated at the rate of 10 % of all distributions in excess of 5 % of the Group's share capital. The first and second

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legal reserves are not available for distribution unless they exceed 50 % of the share capital, but may be used to absorb losses in the event that the general reserve is exhausted.

**Profit Distribution**

Dividend Capital Markets Board Communiqué prepared in accordance with article 13 of the "Profit Share Guide", published in the Official Gazette dated 23 January 2014 and entered into force on 1 February 2014. Regulations and explanations which are in the dividends declaration and dividends guide are summarized as follows;

Profit distribution will be determined by the general assembly, the dividend Distribution Policy is still within the framework of the decision of the general assembly will be distributed. Of subsidiaries profit distribution policy when determining whether or not to profit distribution or shall decide. In this context, profit distribution is arbitrary in principle. The CMB of the company's profit distribution policy according to the qualities of the different principles will be able to identify.

Of subsidiaries profit distribution policies:

Profit not distributed,

Share of profit rates, and these rates apply to the account pen,

Methods of payment and time,

The share of profit in cash or as bonus shares cannot be distributed (for companies traded on the stock exchange),

Distributed profit share advance issues not regulated.

Amount of dividend to be distributed to the upper limit, in the statutory records, the relevant sources of profit distribution of the distributable amount to much. The profit share, as of the date of distribution to the existing shares, as a rule, are distributed evenly. Of shares acquired date of issuance and shall not be taken into account. Of shares acquired date of issuance and shall not be taken into account. According to the Turkish code of Commerce reserves to be allocated to the contract and the profit distribution policy prescribed for partners share of profit is not allocated unless otherwise reserve, to transfer profit to the next year.

Provided in the articles of privileged shares to owners of redeemed shares or, to the members of the board of directors, employees and non-shareholders, other persons may be given a share of the profits. However, the dividend determined for the shareholders in cash, and payment of dividend shares to owners, board members, employees and other persons, the dividend may not be paid. Communiqué, in principle, with the exception of preferred shares, deemed to be paid to the person in relation to the dividend amount in the articles of incorporation, a determination is not made, distributed to them the maximum amount to be distributed to the shareholders, a dividend of up to 1/4 could be envisaged. Share of persons other than the owner of the profit share to be distributed, and the payment in installments, the installment amounts, to the shareholders of installment payments to be made in proportion to, and shall be paid according to the same principles.

The new Capital Market Law and, therefore, the new Communiqué, the subsidiaries of the possibility of a donation. However, it is in the articles of association, the terms to be sought. The amount of the donations by the general assembly, which can be determined with the CMB upper limit will be able to bring.

Shares of companies traded on the stock exchange:

In relation to the profit distribution proposal of the board of directors

Or on the distribution of profit share advance of the decision of the board of directors

Statement of profit distribution or dividend advance distribution table

announced to the public. Profit distribution table for the usual late on the agenda of the general assembly announced the date of public disclosure is mandatory.

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**22.5 Retained Earnings / Losses**

In accordance with the communiqué Serial: XI No: 29, effective from 1 January 2008, and its related announcements, "Paid-in Share Capital", "Restricted Reserves Appropriated from Profit" and "Share Premium" should be presented with statutory amounts. The restatement differences arise during the application of the communiqué should be presented in "Adjustment to Share Capital", if the difference is resulted from paid-in share capital and not has not added to capital yet; should be presented in "Retained Earnings / Losses", if the difference is resulted from "Restricted Reserves Appropriated from Profit" and "Share Premium" and has not been subject to profit distribution or has not added to capital yet.

According to the decision dated 30 December 2003 and numbered 66/1630 of Capital Market Board, "Previous Year's Losses" account which arises from first time application of inflation adjustment on financial statements is taken into consideration as deductible item, during the calculation of distributable profit for the inflation adjusted financial statements under the profit distribution principles of the Capital Market Board. Nonetheless, it is also possible to set off "Previous Year's Losses" with the Company's current profit and accumulated profit. The remaining part of prior year's loss is possibly set off extraordinary reserves, legal reserves and inflation effect on shareholder's equity account, respectively.

In accordance with Turkish Commercial Code, legal reserves consist of first and second legal reserves. Until the Company's legal reserve reaches 20% of the nominal paid-up share capital, legal reserves are set aside as the first 5% of net income. The second legal reserve, on 5% of the Company's share capital is divided into 10% of all profits from the distribution. According to the Turkish Commercial Code, legal reserves for distribution unless they exceed 50%, but can be used to offset losses at the point of profit reserves have been exhausted.

**22.6 Minority Interest**

<b>30 June 2015</b>	<b>Total Shareholders' Equity</b>	<b>Profit/(Loss) of the Period</b>	<b>Parent Company Share</b>	<b>Minority Interest</b>	<b>Minority part of Shareholders' Equity</b>	<b>Minority part of Profit/(Loss)</b>
Smryna	9,181,211	(1,480,309)	79%	21%	1,604,355	(308,412)
					<b>1,604,355</b>	

<b>31 December 2014</b>	<b>Total Shareholders' Equity</b>	<b>Profit/(Loss) of the Period</b>	<b>Parent Company Share</b>	<b>Minority Interest</b>	<b>Minority part of Shareholders' Equity</b>	<b>Minority part of Profit/(Loss)</b>
Smryna	11,528,944	(2,317,471)	79%	21%	1,912,767	(482,806)
					<b>1,912,767</b>	

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**NOTE 23 – SALES AND COST OF SALES**

**23.1 Sales**

	<b>01.01.-</b>	<b>01.01.-</b>	<b>01.04.-</b>	<b>01.04.-</b>
	<b>30.06.2015</b>	<b>30.06.2014</b>	<b>30.06.2015</b>	<b>30.06.2014</b>
Domestic sales	64,461,808	76,256,063	27,846,819	40,360,346
Export sales	146,812,751	179,482,383	81,951,450	84,455,752
Other sales	1,173,695	390,031	991,156	166,309
	<b>212,448,254</b>	<b>256,128,477</b>	<b>110,789,425</b>	<b>124,982,407</b>
Sales returns	(171,947)	(135,991)	(94,877)	(14,791)
<b>Sales Income, (net)</b>	<b>212,276,307</b>	<b>255,992,486</b>	<b>110,694,548</b>	<b>124,967,616</b>

**23.2 Cost of Sales**

	<b>01.01.-</b>	<b>01.01.-</b>	<b>01.04.-</b>	<b>01.04.-</b>
	<b>30.06.2015</b>	<b>30.06.2014</b>	<b>30.06.2015</b>	<b>30.06.2014</b>
Direct material expenses	182,373,254	224,684,299	96,711,025	110,322,283
Direct labor expenses	42,828,822	37,919,462	23,174,123	21,416,129
General production expenses	6,668,167	9,333,655	3,528,719	4,718,014
Depreciation expenses	7,573,863	5,901,814	3,762,600	2,786,703
<u>Change in semi-finished goods</u>				
1. Beginning semi-finished goods (+)	68,268,462	41,578,636	-	-
2. Ending semi-finished goods (-)	(99,602,073)	(79,177,520)	(6,046,889)	(9,572,412)
Cost of finished goods produced	208,110,495	240,240,346	121,129,578	129,670,717
<u>Change in finished goods inventory</u>				
1. Beginning inventory (+)	39,728,264	28,629,984	-	-
2. Ending inventory (-)	(60,630,622)	(76,540,302)	(29,490,686)	(34,125,611)
Cost of finished goods sold	187,208,137	192,330,028	91,638,892	95,545,106
<u>Cost of merchandise</u>				
1. Beginning Merchandise Inventory (+)	78,508	226,208	-	-
2. Purchases During the Period (+)	1,479,514	5,987,212	40,412	2,319,260
3. Ending Merchandise Inventory (-)	(174,445)	(24,810)	440,126	290,910
Cost of merchandise sold	1,383,577	6,188,610	480,538	2,610,170
Cost of other service rendered	475,280	536,246	109,796	94,146
Cost of biological assets	7,659,663	5,495,148	6,397,075	5,039,986
Depreciation of biological assets	1,141,655	1,107,248	580,058	554,671
<b>Cost of sales, net</b>	<b>197,868,312</b>	<b>205,657,280</b>	<b>99,206,359</b>	<b>103,844,079</b>

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As of 01 January – 30 June 2015 and 2014, for each main sales group, quantities of goods and services:

	<b>Unit</b>	<b>01.01.- 30.6.2015</b>	<b>01.01.- 30.6.2014</b>
Yarn	Kg	1,125,615	2,917,533
Raw Clothing	m <sup>2</sup>	23	16,627
Finishing Cloth	m <sup>2</sup>	9,464,434	11,384,203
Lining	m <sup>2</sup>	12,010,125	12,591,143
Linens, Sheets, Curtains, Pillows	Unit	6,787,783	7,143,874
Electricity	Kwh	230,980	307,870
Cotton Waste	Kg	350,280	353,300
Piece of Cloth	Kg	1,625,440	2,154,800
Yarn Waste	Kg	410,321	634,540
Textile Trash Powder	Kg	30,240	48,440
Tomato	Kg	4,105,525	3,712,074

As of 01 January – 30 June 2015 and 2014, for each main production group, quantities of goods and services:

	<b>Unit</b>	<b>01.01.- 30.6.2015</b>	<b>01.01.- 30.6.2014</b>
Yarn	Kg	6,701,879	6,479,192
Raw Clothing	m <sup>2</sup>	68,647,542	69,259,213
Finishing Cloth	m <sup>2</sup>	69,282,875	98,009,404
Lining	m <sup>2</sup>	13,738,022	13,368,728
Linens, Sheets, Curtains, Pillows	Unit	7,225,668	8,671,318
Electricity	Kwh	37,199,883	35,621,062
Cotton Waste	Kg	351,825	369,395
Piece of Cloth	Kg	1,959,501	2,404,470
Yarn Waste	Kg	401,748	626,057
Textile Trash Powder	Kg	30,240	48,440
Tomato	Kg	4,105,525	3,712,074



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**NOTE 24 – GENERAL ADMINISTRATIVE EXPENSES AND MARKETING, SALES AND DISTRIBUTION EXPENSES**

	<b>01.01.- 30.06.2015</b>	<b>01.01.- 30.06.2014</b>	<b>01.04.- 30.06.2015</b>	<b>01.04.- 30.06.2014</b>
Marketing, sales and distribution expenses	6,157,597	6,951,395	3,283,614	3,933,404
General administrative expenses	6,217,337	2,997,592	3,085,160	1,780,759
	<b>12,374,934</b>	<b>9,948,987</b>	<b>6,368,774</b>	<b>5,714,163</b>

**24.1 Marketing, Sales and Distribution Expenses**

	<b>01.01.- 30.06.2015</b>	<b>01.01.- 30.06.2014</b>	<b>01.04.- 30.06.2015</b>	<b>01.04.- 30.06.2014</b>
Personnel expenses	2,316,653	2,094,436	1,061,390	1,324,854
Export expenses	3,320,073	3,562,322	1,907,566	1,594,051
Transportation of domestic sale	45,281	447,274	24,889	206,732
Depreciation expenses	12,078	13,017	6,102	13,017
Other expenses	463,512	834,346	283,667	794,750
	<b>6,157,597</b>	<b>6,951,395</b>	<b>3,283,614</b>	<b>3,933,404</b>

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**24.2 General Administrative Expenses**

	<b>01.01.- 30.06.2015</b>	<b>01.01.- 30.06.2014</b>	<b>01.04.- 30.06.2015</b>	<b>01.04.- 30.06.2014</b>
Personnel expenses	417,154	220,809	195,927	24,601
Insurance expenses	441,805	377,991	232,107	207,454
Representation and accommodation expenses	94,825	83,491	63,318	83,491
Communication expenses	66,367	63,456	34,368	32,128
Rent expenses	113,724	4,820	58,375	2,362
Education and consultancy expenses	168,973	118,825	113,723	1,584
General administrative material consumption	116,037	151,870	61,572	74,418
Capital market expenses	56,393	62,500	34,712	62,500
Repair and maintenance expenses	87,458	502	87,458	153
Traveling expenses	124,997	183,889	47,432	98,649
Membership expenses	14,826	7,544	8,711	2,859
Tax and duty expenses	620,724	377,452	427,731	311,193
Shares in holding cost (*)	211,200	108,694	110,206	76,338
Notary and insurance expenses	13,515	10,554	9,535	986
Aid and donation expenses	1,231,178	63,543	2,650	22,755
Consulting expenses	75,597	77,461	34,995	39,312
Electricity expenses	167,386	150,709	84,326	78,858
Lawsuit expenses and provisions	115,534	144,313	57,510	66,159
Severance pay provision expenses	742,261	15,289	426,374	13,184
Provision for unused leave	216,850	-	199,738	-
Provision for doubtful receivables	450,924	26,122	450,924	26,122
Depreciation expenses	200,395	539,983	114,313	531,087
Office rent expenses	168,000	21,000	84,000	10,500
Other expenses	301,214	186,775	145,155	14,066
	<b>6,217,337</b>	<b>2,997,592</b>	<b>3,085,160</b>	<b>1,780,759</b>

(\*) Composed of the personnel expenses reflected to Group by Akça Holding.

**NOTE 25 – INCOME/ EXPENSE FROM OTHER OPERATIONS**

**25.1 Income From Other Operations**

	<b>01.01.- 30.06.2015</b>	<b>01.01.- 30.06.2014</b>	<b>01.04.- 30.06.2015</b>	<b>01.04.- 30.06.2014</b>
Reversal of unnecessary provision	-	770,484	(16,835)	284,591
Foreign exchange gain	2,194,428	7,067,557	1,143,953	3,449,781
Discount income / expenses on payables, net	1,309,382	1,303,631	441,591	(102,439)
Prior period income and profit	8,276	105,330	8,276	82,640
SGK incentive income	1,394,126	1,243,617	771,147	764,336
Incentive and support income	921,299	89,074	-	50,750
Other income and profit	258,791	380,170	242,038	250,652
	<b>6,086,302</b>	<b>10,959,863</b>	<b>2,590,170</b>	<b>4,780,311</b>

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**25.2 Expenses from Other Operating (-)**

	<b>01.01.-</b>	<b>01.01.-</b>	<b>01.04.-</b>	<b>01.04.-</b>
	<b>30.06.2015</b>	<b>30.06.2014</b>	<b>30.06.2015</b>	<b>30.06.2014</b>
Commissions expenses	(3,312,365)	(7,785,450)	(57,479)	(4,047,295)
Foreign exchange losses	(9,130,692)	(4,132,886)	(2,941,267)	(1,782,754)
Discount income / (expenses) on trade receivables	(909,797)	(1,170,758)	148,371	(63,360)
Other expenses and losses	(40,214)	(175,282)	(3,518)	15,349
	<b>(13,393,068)</b>	<b>(13,264,376)</b>	<b>(2,853,893)</b>	<b>(5,878,060)</b>

**NOTE 26 – INVESTMENT ACTIVITIES INCOME / EXPENSE**

**26.1 Income from Investment Activities**

	<b>01.01.-</b>	<b>01.01.-</b>	<b>01.04.-</b>	<b>01.04.-</b>
	<b>30.06.2015</b>	<b>30.06.2014</b>	<b>30.06.2015</b>	<b>30.06.2014</b>
Rent income	233,725	-	116,862	-
Profit on sale of fixed assets	97,213	181,220	43,701	45,410
	<b>330,938</b>	<b>181,220</b>	<b>160,563</b>	<b>45,410</b>

**26.2 Profit / Loss From Investments Evaluated by Equity Method**

	<b>01.01.-</b>	<b>01.01.-</b>	<b>01.04.-</b>	<b>01.04.-</b>
	<b>30.06.2015</b>	<b>30.06.2014</b>	<b>30.06.2015</b>	<b>30.06.2014</b>
Shares Related with Investment Valued by the Equity Method	7,905,544	4,996,009	3,018,901	2,954,052
	<b>7,905,544</b>	<b>4,996,009</b>	<b>3,018,901</b>	<b>2,954,052</b>

**26.3 Investment Activity Expenses(-)**

	<b>01.01.-</b>	<b>01.01.-</b>	<b>01.04.-</b>	<b>01.04.-</b>
	<b>30.06.2015</b>	<b>30.06.2014</b>	<b>30.06.2015</b>	<b>30.06.2014</b>
Losses on sale of fixed assets	-	(4,500)	-	(4,500)
	<b>-</b>	<b>(4,500)</b>	<b>-</b>	<b>(4,500)</b>

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**NOTE 27 – FINANCIAL INCOME / EXPENSES**

**27.1 Financial Income**

	<b>01.01.-</b>	<b>01.01.-</b>	<b>01.04.-</b>	<b>01.04.-</b>
	<b>30.06.2015</b>	<b>30.06.2014</b>	<b>30.06.2015</b>	<b>30.06.2014</b>
Interest income	269,682	294,789	125,513	138,564
Maturity differences due from related parties (6-iii-f)	9,711,074	5,971,709	4,762,250	2,902,579
Foreign exchange income	2,867,195	16,176,913	829,191	6,571,445
Foreign exchange income from related parties (6-iii-e)	1,554,991	1,999,029	6,678	738,316
Foreign exchange income arising from future contracts	2,247,126	1,716,607	(130,817)	1,494,157
	<b>16,650,068</b>	<b>26,159,047</b>	<b>5,592,815</b>	<b>11,845,061</b>

**27.2 Financial Expenses (-)**

	<b>01.01.-</b>	<b>01.01.-</b>	<b>01.04.-</b>	<b>01.04.-</b>
	<b>30.06.2015</b>	<b>30.06.2014</b>	<b>30.06.2015</b>	<b>30.06.2014</b>
Interest expenses	(5,112,790)	(4,204,756)	(1,612,701)	(1,172,171)
Interest expenses on related parties (6-iii-i)	(195,409)	(126)	(171,860)	-
Foreign exchange losses	(35,319,190)	(20,429,519)	(13,236,767)	(5,409,563)
Foreign exchange losses on related parties (6-iii-h)	(425,570)	(366)	(323,180)	-
Commission expenses of borrowing	(3,155,038)	(1,756,089)	(1,513,117)	(1,418,600)
Commission expenses of letter of guarantees	(74,226)	(25,770)	(38,167)	22,408
Maturity differences expenses on related parties (6-iii-j)	(3,051)	(95,685)	(1,495)	(13,950)
Foreign exchange losses arising from futures contracts	(4,870,516)	(1,852,079)	(1,310,809)	1,655,665
Other financial expenses	(9,500)	(25,675)	(7,585)	(32,035)
	<b>(49,165,290)</b>	<b>(28,390,065)</b>	<b>(18,215,681)</b>	<b>(6,368,246)</b>

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**NOTE 28 – TAX ASSETS AND LIABILITIES**

Group is liable to corporation tax valid in Turkey. The necessary provisions are made on the attached financial statements for expected tax liabilities related to the group's current period activity results.

Corporation tax rate that will be accrued over corporation tax base is calculated over the tax base that remains after adding expenses recorded as expense in determination of commercial earnings that are nondeductible from tax base and subtracting tax-exempt profit, tax- free income and other deductions (if there are losses from previous years and used investment allowances if preferred).

The applied effective interest rate in the year of 2015 is 20% (2014: 20%)

Permanent tax is calculated and accrued quarterly in Turkey. As of temporary tax periods, the effective corporation tax rate is 20% in 2015 (2014: 20%).

There is no absolute and certain confirmation procedure related to tax evaluation in Turkey. Companies prepare their tax return between 1-25 Aprils coming after the related year's balancing period (for the companies having special account period, between 1-25 of fourth month following the closing of period). These tax returns and related accounting records may be inspected and changed by tax department in five years.

There are some exceptions on Corporation Tax Law. These exceptions that company will possibly utilize are explained as below;

*Taxable losses*

According to Turkish Tax Legislation, deduction of financial losses which are decelerated on financial statements, are possible to deduct from profit of the company with the condition not exceeding 5 years. However, financial losses are not possible to be set-off from previous year profits.

*Issue Premium Exception*

The Premium income provided by the disposing of stocks, formed while the establishments of Incorporated Companies or while increasing their capital, below their nominal values is an exemption from Corporation tax.

*The Real Estate and Subsidiary Share Sales Gain Exemption*

The 75% of income of corporations composed of subsidiary shares, real estates, privilege, and promoter's stock and perpetual bonds are exemptions of Corporation tax. In order to benefit from exemption, the questioned income should be kept in a fund account in liabilities and should not be removed of operation during 5 years. The sale price should be received at the end of the following 2nd calendar year. Corporations getting income from the sale of such kind of values they own, like Stocks and bonds and real estate trading and renting are beyond the scope of exemption.

*Investment Allowance Exemptions*

Post abolishment of the law numbered 5479, temporary 69 th article is added to Income Tax Legislation related investment allowance.

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According to this execution, Income and Corporation Taxpayers;

a. As of 31 December 2005, its existence is subject and the investment allowance amount that was not able to be deducted from 2005 earnings,

b. In the extent of investment incentive certificate which were issued and based on the application before 24 April 2003, ante abolishment of Income Tax Legislation numbered 193 and dated 09 April 2003 and law numbered 4842, in the extent of certificate the commenced investment projects relying on 1, 2, 3, 4, 5 and 6th the article of appendix and the ones commenced after 01 January 2006,

c. In the extent of abolished 19th article of Income Tax Legislation numbered 193, the started investments prior to 01 January 2006, in terms of economical and technical completeness the ones started post the date,

In terms of regulatory provisions effective on 31 December 2005, calculated amounts of exemptions from investment allowances, again in the extent of legal provisions valid on 31 December 2005 (including tax rate related legal provisions) was deducted merely from earnings of 2006, 2007 and 2008. However, with the decision numbered 2006/95, which was taken during the meeting of the Constitutional Court on 15 October 2009, the phrase "... only related to the years 2006, 2007 and 2008..." which was a part of the Temporary Article 69 of the Income Tax Law was cancelled and the cancellation became effective from the date the decision has been published in the Official Gazette on 8 January.2010. According to the decision, the investment incentive amount outstanding that cannot be deducted from 2008 taxable income previously will be deducted from taxable income of the subsequent profitable years.

Regarding the cancellation decision taken by the Constitutional Court, an amendment was made in the 69th article in Income Tax Regulation using the regulation numbered 6009 and dated 23/07/2010. Consequently, in compliance with the cancellation decision of the Constitutional Court, the year limitation has been abolished and investment allowance has been limited to 25% of the profit. Corporate tax ratio of 30% in the previous regulation for the ones who benefit from investment allowance has been decreased to the effective corporate tax with the amendment made (2010: 20%).

Within the frame of the Communiqué "Decision regarding Government Incentive Assistance in Investment" dated 16 July 2009 and numbered 2009/01, newly investing companies are held subject to investment incentives based on the some regions.

Investment incentives and grants are; discount in corporation and income taxes (differs from region to region), provision for the investment, interest support.

Group is qualified for the investment incentives stated above due to the current and future investment expenditures. The investment area is within the 2nd Region according to the law numbered 5520, article 32/A; so the Company is qualified for 55% discount on corporation tax rate, which reduces corporation tax rate to 9% in accordance with Communiqué, 20% of total investment expenditures will be deducted from accrued corporation tax amount in the coming periods.

**Withholding tax**

In addition to Corporation tax, it is required to calculate withholding tax from the dividends distributed by full pledge taxpayer enterprise and include in its income tax base and except dividends distributed by foreign companies to its subsidiary in Turkey. As of 23 July 2006 income tax stoppage rate was changed as 15%. Dividends that are added to capital without distribution are not subject to income tax stoppage. It is necessary to make tax withholding at 19.8% over investment allowance balance utilized based on investment incentive certificate taken before 24 April 2003. 40% of group activities directly related to production investment certificate investment expenses made after this date can be deducted. Tax withholding cannot be made on investment expenses without incentive certificate.

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*Deferred Tax:*

The potential deferred tax assets/(liabilities) of the Group represents the tax effects of temporary differences, arising between the financial statements reported for Communiqué purposes and the statutory tax financial statements. Such differences arise due to the different treatment of certain items of income and expense included in the Communiqué financial statements compared to the local tax return, in accordance with applicable tax laws.

As of balance sheet date, accumulated temporary differences and deferred tax assets and liabilities prepared by using current applicable tax rate is as follows:

	30.06.2015		31.12.2014	
	Cumulative temporary differences	Deferred tax / (liability)	Cumulative temporary differences	Deferred tax / (liability)
<u>Deferred tax assets:</u>				
Rediscount on receivables	216,309	43,262	181,662	36,333
Severance pay provision	16,349,133	3,269,827	10,864,937	2,172,987
Reversal of capitalized financial expenses	24,401,219	4,880,244	9,707,810	1,941,562
Reversal of capitalized on buildings	3,656,129	182,806	3,656,129	182,806
Tangible fixed assets (except land, building, land improvements and depreciations excluded), net	19,399,495	3,879,899	19,666,963	3,933,392
Tangible fixed assets (land, building, land improvements and depreciations), net	3,228,471	161,424	2,653,971	132,699
Financial fixed assets	2,750,000	137,500	2,209,560	110,478
Provision for the court cases	260,802	52,160	214,160	42,832
Forward	484,248	96,850	-	-
Deductible retained losses	15,616,309	3,123,262	-	-
Other	110,120	22,025	11,513	2,302
<b>Deferred tax assets</b>		<b>15,849,259</b>		<b>8,555,391</b>
<u>Deferred tax liabilities:</u>				
Financial fixed assets	11,059,175	552,959	2,613,191	130,660
Rediscount on payables	1,127,720	225,544	693,488	138,698
Foreign exchange differences	815,022	163,004	657,261	131,452
Forward	-	-	1,534,475	306,895
Other	10,888	2,177	64,130	12,826
<b>Deferred tax liabilities</b>		<b>943,684</b>		<b>720,531</b>
<b>Deferred tax assets/(liabilities), net</b>		<b>14,905,575</b>		<b>7,834,860</b>

For the period ended 30 June 2015 and 2014, movements of deferred tax assets and liabilities are as following:

	01.01.- 30.06.2015	01.01.- 30.06.2014
Current corporation tax	-	(5,285,603)
Deferred tax assets/(liabilities), net	6,367,341	(3,356,189)
	<b>6,367,341</b>	<b>(8,641,792)</b>
	01.01.- 30.06.2015	01.01.- 31.12.2014
<b>Deferred Tax (Asset) / Liability Movements</b>		
Opening balance	7,834,860	9,886,357
Deferred tax expense / (income)	6,367,341	(2,267,123)
Actuarial (gain) / loss effect prior periods	703,374	215,626
<b>Closing balance</b>	<b>14,905,575</b>	<b>7,834,860</b>

Agreement of tax provision that is shown in income statement is as follows:

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	<b>01.01.- 30.06.2015</b>	<b>01.01.- 30.06.2014</b>
Unaudited profit before tax (*)	-	21,149,746
Total additions to tax base	-	7,927,675
Total deductions from tax base	-	(881,525)
Unaudited financial profit	-	28,195,896
Investment allowances	-	(3,214,332)
<b>Tax base (20%)</b>	-	<b>24,981,564</b>
<b>Tax base (9%)</b>	-	<b>3,214,332</b>
Effective tax rate	-	20%
	-	9%
<b>Calculated tax (20%)</b>	-	<b>4,996,313</b>
<b>Calculated tax (9%)</b>	-	<b>289,290</b>
Total calculated tax	-	5,285,603
Tax provision in the income statements	-	(5,285,603)

(\*)The calculations have been made on companies which are in scope of full consolidation and has taxation reserves.

**NOTE 29 – EARNINGS PER SHARE**

	<b>01.01.- 30.06.2015</b>	<b>01.01.- 30.06.2014</b>
Net profit / (loss) for the period	(23,185,103)	32,381,625
Weighted-average number of shares outstanding (per share with TRY 1 value)	250,000,000	250,000,000
<b>Profit per share (TRY)</b>	<b>(0.0927)</b>	<b>0.1295</b>

**NOTE 30 – FINANCIAL INSTRUMENTS**

	<b>30.06.2015</b>	<b>31.12.2014</b>
<b>Financial assets</b>		
Liquid Assets	83,757,924	124,275,728
Trade receivables	48,163,113	41,173,630
Financial assets	10,968,880	4,809,201
<b>Financial liabilities</b>		
Borrowings	338,393,185	287,084,572
Lease payables	15,566,346	17,821,876
Other payables	1,598,221	2,001,908
Trade payables	132,056,718	99,694,152



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**NOTE 31 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS**

**Financial Instruments**

**Credit Risk**

Group is subject to credit risk arising from trade receivables related to credit sales and deposits at banks. These risks are managed by limiting the aggregate risk from any individual counterparty and obtaining sufficient collateral where necessary and making only cash based sales to customer considered as having a higher risk. Collect ability of trade receivables are evaluated by management depending on their past experiences and current economic condition, and presented in the financial statements net of adequate doubtful provision.

Group allocated the provision for doubtful receivables if there is objective evidence about the loan/credit will not stay the collection of the possibilities. Moreover, a possible impairment of financial assets are reviewed for the purpose of determining the carrying value and fair value of financial assets and is tested by comparing.

As of 30 June 2015, maximum net credit risk is as following:

	Trade Receivables		Other Receivables		Time
	Related Party	Third Party	Related Party	Third Party	Deposits
<b>Maximum net credit risk as of balance sheet date (A+B+C+D+E)</b>	4,159,331	44,003,782	102,601,935	6,245,439	83,589,199
The part of maximum risk under guarantee with collateral	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	4,159,331	44,003,782	102,601,935	6,245,439	83,589,199
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	-	-	-	-
The part under guarantee with collateral etc	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
Past due (gross carrying amount)	-	698,128	-	-	-
Impairment (-)	-	-698,128	-	-	-
The part of net value under guarantee with collateral etc	-	-	-	-	-
Not past due (gross carrying amount)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
The part of net value under guarantee with collateral etc	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-

31 December 2014, maximum net credit risk is as following:

	Trade Receivables		Other Receivables		
	Related Party	Third Party	Related Party	Related Party	Third Party
<b>Maximum net credit risk as of balance sheet date (A+B+C+D+E)</b>	1,707,631	39,465,999	92,269,614	3,898,729	124,126,889
The part of maximum risk under guarantee with collateral	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	1,707,631	39,465,999	92,269,614	3,898,729	124,126,889
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	-	-	-	-
The part under guarantee with collateral etc	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
Past due (gross carrying amount)	-	247,204	-	-	-
Impairment (-)	-	(247,204)	-	-	-
The part of net value under guarantee with collateral etc	-	-	-	-	-
Not past due (gross carrying amount)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
The part of net value under guarantee with collateral etc	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-

**Liquidity risk**

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Liquidity risk is the Group's possibility of not fulfilling net funding liabilities. Occurrence of events like deteriorations in markets or decrease in credit score that causes decreases in fund resources, are reasons of liquidity risk.

As of 30 June 2015, Group's liquidity risk table is shown below:

<b>Maturities according to agreement</b>	<b>Book Value</b>	<b>Contractual total cash out flow (=I+II+III+IV)</b>	<b>Less than 3 monts (I)</b>	<b>3 – 12 months (II)</b>	<b>1- 5 Years (III)</b>	<b>More than 5 Years (IV)</b>
<b>Financial Liabilities Non Derivatives</b>	<b>492,821,878</b>	<b>544,542,872</b>	<b>178,468,205</b>	<b>285,891,656</b>	<b>66,679,706</b>	<b>13,503,305</b>
Financial borrowings	338,360,040	364,521,987	77,175,412	216,924,591	56,918,679	13,503,305
Financial leasing	15,599,491	16,557,817	1,765,835	5,030,955	9,761,027	-
Trade payables	132,056,718	133,184,438	93,424,005	39,760,433	-	-
Other liabilities	6,805,629	30,278,630	6,102,953	24,175,677	-	-
	<b>492,821,878</b>	<b>544,542,872</b>	<b>178,468,205</b>	<b>285,891,656</b>	<b>66,679,706</b>	<b>13,503,305</b>

As of 31 December 2015, Group's liquidity risk table is shown below:

	<b>Book Value</b>	<b>Contractual total cash out flow (=I+II+III+IV)</b>	<b>Less than 3 monts (I)</b>	<b>3 – 12 months (II)</b>	<b>1- 5 Years (III)</b>
<b>Financial Liabilities Non Derivatives</b>	<b>401,988,130</b>	<b>426,084,513</b>	<b>179,505,841</b>	<b>152,607,580</b>	<b>93,971,092</b>
Financial borrowings	276,751,414	298,883,428	70,038,376	147,202,026	81,643,026
Financial leasing	17,821,876	19,092,757	1,698,987	5,065,704	12,328,066
Trade payables	99,694,152	100,387,640	100,213,540	174,100	-
Other liabilities	7,720,688	7,720,688	7,554,938	165,750	-
	<b>401,988,130</b>	<b>426,084,513</b>	<b>179,505,841</b>	<b>152,607,580</b>	<b>93,971,092</b>

Interest Rate Risk

The Group's financial liabilities exposure the Group to interest rate risk. The Group's financial liabilities mainly consist of fixed rate borrowings. As of 30 June 2015, according to the current balance sheet position, in the case of 1% decrease / increase and keeping fixed all the variables the Group's net profit will increase / decrease TRY 1,635,757.

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**Foreign currency risk**

The effects occurring from exchange rate fluctuation, in case of having foreign currency assets, liabilities, off-balance sheet liabilities, are foreign currency risk. Transactions in foreign currencies during the year have been translated at the exchange rate prevailing at dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the balance sheet dates. Foreign exchange gains or losses arising from the settlement of such transactions and from the translation of monetary assets and liabilities are recognized in the statement of profit/loss. Monetary liabilities of the Company exceed monetary assets of the Company; in case of exchange rate rise, the Company is exposed to foreign currency risk.

Foreign currency risk sensitivity

As of 30 June 2015, if TRY evaluates / devaluates against foreign currency by 10% and all other variables remains the same, profit before tax which occurs as a result of the foreign exchange loss / gain arising from net foreign exchange exposure would have been TRY 42,628,008 more / less.

	Profit / Loss		Shareholders' Equity	
	Appreciation of foreign currency against TRY	Depreciation of foreign currency against TRY	Appreciation of foreign currency against TRY	Depreciation of foreign currency against TRY
In the case of increasing / losing value of TRY by 10% against USD				
1-USD net asset / liability	(31,647,959)	31,647,959	(31,647,959)	31,647,959
2-Part of hedged from USD risk (-)	-	-	-	-
<b>3-USD net effect (1+2)</b>	<b>(31,647,959)</b>	<b>31,647,959</b>	<b>(31,647,959)</b>	<b>31,647,959</b>
In the case of increasing / losing value of TRY by 10% against EUR				
4- EUR net asset / liability	(11,024,150)	11,024,150	(11,024,150)	11,024,150
5- Part of hedged from EUR risk (-)	-	-	-	-
<b>6-EUR net effect (4+5)</b>	<b>(11,024,150)</b>	<b>11,024,150</b>	<b>(11,024,150)</b>	<b>11,024,150</b>
In the case of increasing / losing value of TRY by 10% against GBP				
7- GBP net asset / liability	44,101	(44,101)	44,101	(44,101)
8- Part of hedged from GBP risk (-)	-	-	-	-
<b>9- GBP net effect 7+8)</b>	<b>44,101</b>	<b>(44,101)</b>	<b>44,101</b>	<b>(44,101)</b>
<b>TOTAL (3+6+9)</b>	<b>(42,628,008)</b>	<b>42,628,008</b>	<b>(42,628,008)</b>	<b>42,628,008</b>

As of 31 December 2014, if TRY evaluates / devaluates against foreign currency by 10% and all other variables remains the same, profit before tax which occurs as a result of the foreign exchange loss / gain arising from net foreign exchange exposure would have been TRY 28,377,867 more / less.

	Profit / Loss		Shareholders' Equity	
	Appreciation of foreign currency against TRY	Depreciation of foreign currency against TRY	Appreciation of foreign currency against TRY	Depreciation of foreign currency against TRY
In the case of increasing / losing value of TRY by 10% against USD				
1-USD net asset / liability	(18,607,607)	18,607,607	(18,607,607)	18,607,607
2-Part of hedged from USD risk (-)	-	-	-	-
<b>3-USD net effect (1+2)</b>	<b>(18,607,607)</b>	<b>18,607,607</b>	<b>(18,607,607)</b>	<b>18,607,607</b>
In the case of increasing / losing value of TRY by 10% against EUR				
4- EUR net asset / liability	(10,142,814)	10,142,814	(10,142,814)	10,142,814
5- Part of hedged from EUR risk (-)	-	-	-	-
<b>6-EUR net effect (4+5)</b>	<b>(10,142,814)</b>	<b>10,142,814</b>	<b>(10,142,814)</b>	<b>10,142,814</b>
In the case of increasing / losing value of TRY by 10% against GBP				
7- GBP net asset / liability	372,554	(372,554)	372,554	(372,554)
8- Part of hedged from GBP risk (-)	-	-	-	-
<b>9- GBP net effect 7+8)</b>	<b>372,554</b>	<b>(372,554)</b>	<b>372,554</b>	<b>(372,554)</b>
<b>TOTAL (3+6+9)</b>	<b>(28,377,867)</b>	<b>28,377,867</b>	<b>(28,377,867)</b>	<b>28,377,867</b>

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As of 30 June 2015, amounts of assets and liabilities of the Group in foreign currency are as follows:

	TRY equivalent functional currency	USD	EUR	GBP
1. Trade Receivables	18,601,924	2,233,886	3,731,268	350,002
2a. Monetary Financial Assets (including cash and banks)	4,000,638	1,338,577	134,988	536
2b. Non-monetary financial assets	-	-	-	-
3. Other	10,283	-	-	2,442
<b>4. Current Assets (1+2+3)</b>	<b>22,612,845</b>	<b>3,572,463</b>	<b>3,866,256</b>	<b>352,981</b>
5. Trade Receivables	-	-	-	-
6a. Monetary financial receivables	10,886,504	4,052,602	-	-
6b. Non-monetary financial assets	-	-	-	-
7. Other	-	-	-	-
<b>8. Non-Current Assets (5+6+7)</b>	<b>10,886,504</b>	<b>4,052,602</b>	-	-
<b>9. Total Assets (4+8)</b>	<b>33,499,349</b>	<b>7,625,064</b>	<b>3,866,256</b>	<b>352,981</b>
10. Trade Payables	100,189,504	35,360,290	1,744,068	-
11. Financial Liabilities	281,129,082	88,959,196	13,786,069	248,237
12a. Other monetary financial liabilities	22,584,400	56,125	7,522,511	-
12b. Other non-monetary financial liabilities	-	-	-	-
<b>13. Current Liabilities (10+11+12)</b>	<b>403,902,986</b>	<b>124,375,611</b>	<b>23,052,647</b>	<b>248,237</b>
14. Trade Payables	-	-	-	-
15. Financial Liabilities	55,876,438	1,061,904	17,780,110	-
16a. Other monetary financial liabilities	-	-	-	-
16b. Other non-monetary financial liabilities	-	-	-	-
<b>17. Non-Current Liabilities (14+15+16)</b>	<b>55,876,438</b>	<b>1,061,904</b>	<b>17,780,110</b>	-
<b>18. Total Liabilities (13+17)</b>	<b>459,779,424</b>	<b>125,437,515</b>	<b>40,832,757</b>	<b>248,237</b>
<b>19. Net asset / liability position of off- balance sheet derivative instruments (19a-19b)</b>	-	-	-	-
<b>19a. Off-balance sheet foreign currency derivative assets</b>	-	-	-	-
<b>19b. Off-balance sheet foreign currency derivative liabilities</b>	-	-	-	-
<b>20. Net foreign currency asset / liabilities (9-18+19)</b>	<b>(426,280,075)</b>	<b>(117,812,451)</b>	<b>(36,966,501)</b>	<b>104,743</b>
<b>21. Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(426,290,358)</b>	<b>(117,812,451)</b>	<b>(36,966,501)</b>	<b>102,301</b>
<b>22. Fair value of derivative instruments used in foreign currency hedge</b>	-	-	-	-
<b>23. Exports*</b>	<b>141,099,755</b>	<b>57,245,925</b>	-	-
<b>24. Imports*</b>	<b>104,767,852</b>	<b>42,505,620</b>	-	-

(\*) As of 30 June 2015, exports and imports balances were valuated with average rate of exchange.

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As of 31 December 2014, amounts of assets and liabilities of the Group in foreign currency are as follows:

	TRY equivalent functional currency	USD	EUR	GBP
1. Trade Receivables	20,349,361	20,681	5,123,717	1,626,466
2a. Monetary Financial Assets (including cash and banks)	12,018,124	4,634,912	445,523	3,766
2b. Non-monetary financial assets	-	-	-	-
3. Other	31,461,273	13,567,326	-	-
<b>4. Current Assets (1+2+3)</b>	<b>63,828,758</b>	<b>18,222,919</b>	<b>5,569,240</b>	<b>1,630,232</b>
5. Trade Receivables	-	-	-	-
6a. Monetary financial receivables	4,809,201	2,073,915	-	-
6b. Non-monetary financial assets	-	-	-	-
7. Other	-	-	-	-
<b>8. Non-Current Assets (5+6+7)</b>	<b>4,809,201</b>	<b>2,073,915</b>	-	-
<b>9. Total Assets (4+8)</b>	<b>68,637,959</b>	<b>20,296,834</b>	<b>5,569,240</b>	<b>1,630,232</b>
10. Trade Payables	53,456,599	20,696,073	1,937,276	-
11. Financial Liabilities	209,782,624	75,448,061	11,590,437	593,134
12a. Other monetary financial liabilities	23,019,104	68,103	8,103,383	1,103
12b. Other non-monetary financial liabilities	-	-	-	-
<b>13. Current Liabilities (10+11+12)</b>	<b>286,258,327</b>	<b>96,212,237</b>	<b>21,631,096</b>	<b>594,237</b>
14. Trade Payables	-	-	-	-
15. Financial Liabilities	66,158,302	4,327,844	19,896,644	-
16a. Other monetary financial liabilities	-	-	-	-
16b. Other non-monetary financial liabilities	-	-	-	-
<b>17. Non-Current Liabilities (14+15+16)</b>	<b>66,158,302</b>	<b>4,327,844</b>	<b>19,896,644</b>	-
<b>18. Total Liabilities (13+17)</b>	<b>352,416,629</b>	<b>100,540,081</b>	<b>41,527,741</b>	<b>594,237</b>
<b>19. Net asset / liability position of off- balance sheet derivative instruments (19a-19b)</b>	-	-	-	-
<b>19a. Off-balance sheet foreign currency derivative assets</b>	-	-	-	-
<b>19b. Off-balance sheet foreign currency derivative liabilities</b>	-	-	-	-
<b>20. Net foreign currency asset / liabilities (9-18+19)</b>	<b>(283,778,670)</b>	<b>(80,243,247)</b>	<b>(35,958,501)</b>	<b>1,035,995</b>
<b>21. Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(315,239,943)</b>	<b>(93,810,574)</b>	<b>(35,958,501)</b>	<b>1,035,995</b>
<b>22. Fair value of derivative instruments used in foreign currency hedge</b>	-	-	-	-
<b>23. Exports*</b>	<b>467,599,695</b>	<b>213,724,866</b>	-	-
<b>24. Imports*</b>	<b>235,795,052</b>	<b>107,774,378</b>	-	-

(\*) As of 31 December 2014, exports and imports balances were valuated with average rate of exchange.

**MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT**  
**30 JUNE 2015**

(Currency - Turkish Lira 'TRY' unless expressed otherwise.)

**NOTE 32 – FINANCIAL INSTRUMENTS (STATEMENTS OF FAIR VALUES AND STATEMENTS WITHIN ACCOUNTING ENSURING FINANCIAL RISK)**

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists. The estimated fair values of financial instruments have been determined by the Group using available markets information in Turkey and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented here in are not necessarily indicative of the amounts the Group could realize in a current market exchange.

Financial Assets

Monetary assets for which fair value approximates carrying value:

- Balances denominated in foreign currencies are converted at period exchange rates.
- The fair value of certain financial assets carried at cost, including cash and cash equivalents are considered to approximate their respective carrying amounts in the financial statements.
- The carrying value of trade receivables, net of allowances for possible non-recovery of uncollectible are considered to approximate their fair values.

Financial Liabilities

Monetary liabilities for which fair value approximates carrying value:

- The fair value of short-term bank loans and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature.
- The fair values of long-term bank borrowings, which are denominated in foreign currencies and converted at period exchange rates, are considered to approximate their carrying values.
- The carrying amount of accounts payable and accrued expenses reported in the financial statements for estimated third party payer set TRY amounts approximates its fair values.

Capital Risk Management

In capital management, the Group aims at enhancing profitability while keeping a reasonable leverage, on the other hand rendering sustainability in its operations.

The Company follows capital by using debt to equity ratio. This rate is found by dividing net debt to total equity. Net debt is calculated by deducting cash and cash equivalents from total payable amount (as shown in balance sheet, trade and other payables and loans). Total capital, as shown in balance sheet, is calculated by adding up equity and net debt.

As of 30 June 2015 and 31 December 2014 net debt / total equity ratio is as follows:

	<b>30.06.2015</b>	<b>31.12.2014</b>
Total debts	535,852,481	448,535,470
Liquid assets	(83,757,924)	(124,275,728)
Net debt	452,094,557	324,259,742
Total equity	296,923,827	322,922,429
Total capital	749,018,384	647,182,171
Net Debt/Total Equity Ratio	60%	50%