TRAKYA CAM SANAYİİ A.Ş.
CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY-31 MARCH 2017
(ORIGINALLY ISSUED IN TURKISH)

Trakya Cam Sanayii A.Ş.

Contents

Consolidated Statement of Financial Position
at 31 March 2017 and 31 December 2016
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

ASSETS	**Notes**	**31 March 2017**	**31 December 2016**
Current Assets			
Cash and cash equivalents	6	1.293.195.675	1.191.571.096
Financial investments	7	45.173.401	24.192.626
Trade receivables	10	653.691.714	703.264.743
Other receivables	11,37	86.826.270	35.508.373
- Due from related parties	*37*	*73.430.048*	*24.587.934*
- Other receivables	*11*	*13.396.222*	*10.920.439*
Inventories	13	624.503.635	548.160.034
Prepaid expenses	14	90.620.868	69.594.195
Other current assets	26	33.142.155	29.411.804
Total Current Assets		**2.827.153.718**	**2.601.702.871**
Non - Current Assets			
Financial assets	7	487.868.503	466.545.192
Other receivables	11	234.978	179.770
Investments in associates and joint ventures	16	427.563.822	403.686.099
Tangible assets	18	3.385.254.188	3.282.318.439
Intangible assets	19,20	45.803.849	45.057.414
- Goodwill	*20*	*27.715.137*	*26.349.387*
- Other intangible assets	*19*	*18.088.712*	*18.708.027*
Prepaid expenses	14	19.118.055	29.687.887
Deferred tax assets	35	47.777.381	50.217.011
Total Non - Current Assets		**4.413.620.776**	**4.277.691.812**
TOTAL ASSETS		**7.240.774.494**	**6.879.394.683**

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

Consolidated Statement of Financial Position
at 31 March 2017 and 31 December 2016
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

LIABILITIES	**Notes**	**31 March 2017**	**31 December 2016**
Current Liabilities			
Short term borrowings	8	345.800.655	292.634.385
Short term portion of long term borrowings and interests	8	237.371.781	212.564.524
Trade payables	10,37	374.470.365	445.627.532
- Due to related parties	*37*	*80.475.981*	*126.556.974*
- Other trade payables	*10*	*293.994.384*	*319.070.558*
Other Payables	11,37	322.474.283	217.881.787
- Due to related parties	*37*	*223.986.145*	*127.718.589*
- Other payables	*11*	*98.488.138*	*90.163.198*
Deferred income	14	40.601.612	24.493.951
Current income tax liabilities	35	12.586.332	11.081.856
Short term provisions	22,24	46.958.907	20.249.458
- Provisions for employee benefits	*24*	*1.159.633*	*939.510*
- Other short term provisions	*22*	*45.799.274*	*19.309.948*
Other current liabilities	26	89.739.706	63.604.527
Total Current Liabilities		**1.470.003.641**	**1.288.138.020**
Non-Current Liabilities			
Long term financial liabilities	8	1.910.167.173	1.863.423.265
Other payables	11	1.746.282	427.300
Deferred income	14	58.276.103	58.244.732
Long-term provisions	24	67.874.946	66.811.949
Deferred tax liabilities	35	15.594.778	15.628.165
Total Non-Current Liabilities		**2.053.659.282**	**2.004.535.411**
Total Liabilities		**3.523.662.923**	**3.292.673.431**
EQUITY			
Shareholders' Equity	**27**	**3.423.246.615**	**3.293.283.425**
Paid-in share capital		930.000.000	930.000.000
Adjustment to share capital		5.576.528	5.576.528
Share premium		22.703	22.703
Other comprehensive income / expense not to be reclassified to profit or loss		472.753.860	464.097.083
- Gain on revaluation and remeasurement		472.753.860	464.097.083
- Increases in revaluation of tangible assets		*471.947.397*	*463.296.677*
- Funds for actuarial loss on employee terminatio benefits		*806.463*	*800.406*
Other comprehensive income / expense to be reclassified to profit or loss		365.585.810	253.097.206
- Currency translation differences		*365.585.810*	*253.097.206*
Restricted reserves		141.798.882	137.116.142
Retained earnings		1.392.691.023	956.664.823
Net profit for the year		114.817.809	546.708.940
Non - controlling interest	**27**	**293.864.956**	**293.437.827**
TOTAL EQUITY		**3.717.111.571**	**3.586.721.252**
TOTAL LIABILITIES AND EQUITY		**7.240.774.494**	**6.879.394.683**

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

Consolidated Statements of Profit and Loss for the Interim Periods between 1 January 2017 - 31 March 2017

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

	Notes	1 January- 31 March 2017	1 January- 31 March 2016
Revenue	28	955.952.372	626.651.687
Cost of sales (-)	28	(644.133.015)	(440.847.952)
Gross profit		**311.819.357**	**185.803.735**
General administrative expenses (-)	29	(75.477.334)	(59.556.517)
Marketing expenses (-)	29	(102.069.747)	(74.837.685)
Research and development expenses (-)	29	(8.233.110)	(8.605.162)
Other operating income	31	58.821.479	24.116.872
Other operating expenses (-)	31	(34.095.160)	(13.402.781)
Operating profit		**150.765.485**	**53.518.462**
Income from investing activities	32	29.000.181	24.489.849
Expenses from investing activities	32	(2.302)	(147.590)
Income from investments accounted for under equity accounting	16	7.454.988	5.769.271
Operating profit before financial income and expense		**187.218.352**	**83.629.992**
Financial income	33	94.059.996	64.609.249
Financial expenses (-)	33	(133.359.723)	(68.369.311)
Profit before tax from from continued operations		**147.918.625**	**79.869.930**
Tax expense from continuing operations	**35**	**(28.112.338)**	**(11.838.271)**
- Taxes on income	35	(26.328.690)	(9.020.327)
- Deferred tax income	35	(1.783.648)	(2.817.944)
Profit for the period		**119.806.287**	**68.031.659**
Attributable to:			
- Non controlling interest	27	4.988.478	3.209.323
- Equity holders of the parent	**27**	**114.817.809**	**64.822.336**
Earnings per share	**36**	**0,1235**	**0,0697**

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

Consolidated Statements of Comprehensive Income for the Periods between 1 January - 31 March 2017 and 2016

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

	Notes	1 January-31 March 2017	1 January-31 March 2016
Profit for the period	**27**	**119.806.287**	**68.031.659**
Other comprehensive income:			
Items can not be reclassified to profit or loss	27	**8.656.777**	**(51.046)**
Gains /(loss) on revaluation of tangible fix assets		8.650.720	(51.046)
Other items can not be reclassified to profit or loss on other comprehensive		7.571	-
Items can not be reclassified to profit or loss for income tax on other comprehensive		(1.514)	-
Items to be reclassified to profit or loss	27	**122.327.255**	**61.955.878**
Currency translation differences		122.327.255	3.385.945
Gains/(loss) on revaluation and/or reclassificiation of available for sale financial assets		-	61.652.561
Items to be reclassified to profit or loss for income tax on other comprehensive		-	(3.082.628)
Other comprehensive income (loss)		**130.984.032**	**61.904.832**
Total comprehensive income		**250.790.319**	**129.936.491**
Attributable to:			
- Non-controlling interest		14.827.129	4.522.767
-Equity holders of parent		**235.963.190**	**125.413.724**
Earnings per share	**36**	**0,2537**	**0,1349**

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

Consolidated Statement of Changes in Equity for the periods between 1 January - 31 March 2017 and 2016

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

	Paid in capital	Adjustment to Capital	Share Premium	Other Compherensive Income not to be reclassified to profit or loss	Other Compherensive Income to be reclassified to profit or loss		Restricteed Reserve	Retained Earnings	Net Profit for the Period	Equity Attributable to the Equity Holders of the Parent	Non Controlling Interests	Total Equity
Balance at January 2016	**895.000.000**	**5.576.528**	**22.703**	**467.811.588**	**293.663.311**	**-**	**132.433.402**	**935.629.817**	**159.260.953**	**2.889.398.302**	**249.477.738**	**3.138.876.040**
Transfers	-	-	-	-	-	-	4.682.740	154.578.213	(159.260.953)	-	-	-
Total comprehensive income/(loss)	-	-	-	(51.046)	60.642.434	-	-	-	64.822.336	125.413.724	4.522.767	129.936.491
Dividends	-	-	-	-	-	-	-	(93.000.000)	-	(93.000.000)	(11.250.000)	(104.250.000)
Balance at 31 March 2016	**895.000.000**	**5.576.528**	**22.703**	**467.760.542**	**354.305.745**	**-**	**137.116.142**	**997.208.030**	**64.822.336**	**2.921.812.026**	**242.750.505**	**3.164.562.531**
Balance at January 2017	**930.000.000**	**5.576.528**	**22.703**	**464.097.083**	**253.097.206**	**-**	**137.116.142**	**956.664.823**	**546.708.940**	**3.293.283.425**	**293.437.827**	**3.586.721.252**
Transfers	-	-	-	-	-	-	4.682.740	542.026.200	(546.708.940)	-	-	-
Total comprehensive income/(loss)	-	-	-	8.656.777	112.488.604	-	-	-	114.817.809	235.963.190	14.827.129	250.790.319
Dividends	-	-	-	-	-	-	-	(106.000.000)	-	(106.000.000)	(14.400.000)	(120.400.000)
Balance at 31 March 2017	**930.000.000**	**5.576.528**	**22.703**	**472.753.860**	**365.585.810**	**-**	**141.798.882**	**1.392.691.023**	**114.817.809**	**3.423.246.615**	**293.864.956**	**3.717.111.571**

Not 27 sets out disclosures for the changes in the equity.

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

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

	Notes	1 January-31 March 2017	1 January-31 March 2016
A. CASH FLOWS FROM OPERATING ACTIVITIES		**124.151.625**	**(123.462.670)**
Net profit for the period	**27**	119.806.287	68.031.659
Adjustments to reconcile net profit to net cash provided by operating activities		**135.898.091**	**74.330.103**
Depreciation and amortization	18,19	77.835.903	61.560.460
Adjustments for impairments / reversals	10,11,13	1.877.416	533.679
Changes in provisions	22,24	30.844.443	23.178.801
Dividend income	32	-	(24.445.311)
Interest income and expenses	8,31,33	11.756.421	11.256.604
Unrealized exchange loss / (gain)	31,33	25.832.716	(3.926.182)
Fair value (gain)/loss	7	(24.630.276)	-
Income from associates (net)	16	(7.454.988)	(5.769.271)
Current income tax accrual	35	28.112.338	11.838.271
Gains from sales of tangible assets	31,32	(4.367.603)	103.052
Other adjustments related to profit/loss reconciliation	7,26	(3.908.279)	-
Changes in net working capital		**(92.139.364)**	**(235.855.595)**
(Increases) / decreases in trade receivables	10,37	48.361.712	(85.023.475)
(Increases) / decreases in other receivables	11,37	(51.317.897)	(154.378.544)
(Increases) / decreases in inventories	13	(76.595.406)	(49.298.630)
(Increases) / decreases in trade payables	10,37	(69.894.854)	42.581.569
(Decreases) / increases in other payables	11,14,26,37	14.700.157	9.016.783
Other (increases) / decreases in net working capital	14,26	42.606.924	1.246.702
Cash flows from operating activities		**163.565.014**	**(93.493.833)**
Interest paid	8,31,33,37	(14.008.712)	(8.496.483)
Interest received	31,33,37	2.649.492	4.251.796
Employment termination benefits paid	24	(3.229.955)	(2.479.037)
Current income tax paid	35	(24.824.214)	(23.245.113)

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

Consolidated Cash Flows Statements for the periods between 1 January – 31 March 2017 and 2016
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	1 January- 31 March 2017	1 January- 31 March 2016
B. CASH FLOWS FROM INVESTING ACTIVITIES		**(16.058.561)**	**649.749**
Proceeds from changes in ownership rate of subsidiaries that do not result in control case	7,16	98.283.568	2.494.906
Cash outflows due to purchase of other entities's or funds' share	7	(119.928.065)	-
Proceeds from sale of tangible and intangible assets	18,19,32	6.527.940	838.266
Cash outflows due to purchases of tangible and intangible assets	18,19	(33.765.916)	(37.735.689)
Advances given	14	(7.771.589)	(6.033.183)
Proceeds from Advances given	14	18.403.744	8.019.476
Dividends received from associates	16,32	3.035.667	26.617.015
Interest received	6,33	17.884.746	6.411.304
Other cash inflows / outflows	3,10,11,26	1.271.344	37.654
C. CASH FLOWS FROM FINANCING ACTIVITIES		**(14.575.481)**	**(9.053.400)**
Proceeds from financial borrowings	8	71.949.489	31.633.121
Repayments of financial borrowings	8	(71.789.833)	(29.166.186)
Financial leases paid	8	(335.137)	(270.335)
Dividends paid	27	(14.400.000)	(11.250.000)
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES (A+B+C)		**93.517.583**	**(131.866.321)**
D. EFFECTS OF UNREALIZED EXCHANGE LOSS / (GAIN) ON CASH AND CASH EQUIVALENTS		**46.205.681**	**(14.592.770)**
Effect of change in the exchange rates on cash and cash equivalents	33	22.948.798	(16.168.509)
Effect of currency translation difference	27	23.256.883	1.575.739
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**139.723.264**	**(146.459.091)**
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**6**	**1.152.390.270**	**1.168.141.407**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (A+B+C+D+E)	**6**	**1.292.113.534**	**1.021.682.316**

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

1. Group's Organisation and Nature of Operations

Trakya Cam Group (the "Group") consists of a holding company, Trakya Cam Sanayii A.Ş. ("Company") and 18 subsidiaries, 3 associates and 1 joint ventures.

Trakya Cam Sanayii A.Ş. was established on 17 January 1978 and started production in 1981. The Company is a subsidiary of Türkiye Şişe ve Cam Fabrikaları A.Ş. Group ("Şişecam Holding") which is under the control of Türkiye İş Bankası A.Ş. The Company produces and sells basic flat glass, patterned glass, mirror, automotive glass, tempered glass, laminated glass, coated glass, processed glass and glassware in its production facilities at Kırklareli (Lüleburgaz), Mersin (Tarsus), Bursa (Yenişehir). There are also overseas factories at Bulgaria (Targovishte), Germany (Besigheim and Aurach), Slovakia (Malacky), Hungary (Aszod), Romania (Buzau), Italy (Udine), Egypt (Sukhna) and India (Halol).

The shares of the Company have been publicly traded on the Istanbul Stock Exchange ("ISE") since 5 November 1990.

The Head Office and the Shareholder Structure of the Company

The shareholder structure of the Company is presented in Note 27.

The Company is registered in Turkey and contact information and trade registry information is as below:

Adress:İçmeler Mah. D-100 Karayolu Cad. N44/A 34947 Tuzla/İSTANBUL

Phone : +90 850 206 50 50
Fax : +90 850 206 50 80
Web page :www.trakyacam.com.tr
www.sisecamduzcam.com

Trade register Information of the Company

Registered at : Istanbul Trade Registry Office
Registration N : 151415
Central Registration System (Mersis) No : 2953-9497-3752-4526

Details of the number of personnel are as follows

	31 March 2017	**31 December 2016**	**31 March 2016**
Personnel charged by monthly pay	1.742	1.770	1.753
Personnel charged by hour	5.203	5.066	4.513
Total	**6.945**	**6.836**	**6.266**

The 606 employees who are counted in the total number of employee in the Group comprise of the employee of HNG Float Glass Limited that are evaluated by the equity method (31 December 2016: 605 employees).

1. Group's Organisation and Nature of Operations (continued)

Companies Included in the Consolidation

The nature of operations of the companies included in consolidation is presented as follows:

	Nature of business	Country of incorporation
Subsidiaries		
Trakya Yenişehir Cam Sanayii A.Ş.	Production and Sale of Flat, Coated and Laminated Glass	Turkey
Trakya Polatlı Cam Sanayii A.Ş.	Production and Sale of Flat Glass	Turkey
Şişecam Otomotiv A.Ş.	Production and Sale of Automotive Glass	Turkey
Trakya Investment B.V. (1)	Finance and Investment Company	Netherlands
TRSG Glass Holding B.V.	Finance and Investment Company	Netherlands
Trakya Autoglass Holding B.V. (1)	Finance and Investment Company	Netherlands
Sisecam Flat Glass Holding B.V. (1)	Finance and Investment Company	Netherlands
Trakya Glass Bulgaria EAD (1)	Production and Sale of Flat, Coated and Laminated Glass	Bulgaria
Sisecam Automotive Bulgaria EAD (1)	Production and Sale of Automotive Glass and Home Appliances Glass	Bulgaria
Glasscorp S.A	Production and Sale of Automotive Glass and Home Appliances Glass	Romania
Trakya Glass Rus AO	Production and Sale of Flat Glass and Mirror	Russia
Automotive Glass Alliance Rus AO	Otomotiv camı üretimi ve satışı	Russia
Trakya Glass Rus Trading OOO	Import and Sale Services	Russia
Automotive Glass Alliance Rus Trading OOO	Import and Sale Services	Russia
Sisecam Flat Glass Italy S.R.L.	Production and Sale of Flat and Laminated Glass	Italy
Richard Fritz Holding GmbH	Commercial Activity	Germany
Richard Fritz Prototype + Spare Parts GmbH	Production and Sale of Glass Encapsulation	Germany
Richard Fritz Spol, S.R.O.	Production and Sale of Glass Encapsulation, Plastic Process	Slovakia
Richard Fritz Kft	Production and Sale of Glass Encapsulation	Hungary
Joint Ventures:		
HNG Float Glass Limited	Production and Sale of Flat Glass,Mirror	India
Associates		
Çayırova Cam San. A.Ş.	Commercial Activity	Turkey
Camiş Elektrik Üretim A.Ş.	Production and Sale of Electricity	Turkey
Saint Gobain Glass Egypt	Production and Sale Flat Glass	Egypt

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

1. Group's Organisation and Nature of Operations (continued)

Companies Included in the Consolidation (continued)

All consolidated companies of the Group their proportion of ownership interest and the effective interest of the Company in these subsidiaries are as follows:

	31 March 2017		31 December 2016	
	Direct and Indirect ownership ratio %	Effective ownership ratio %	Direct and Indirect ownership ratio %	Effective ownership ratio %
Subsidiaries:				
Trakya Yenişehir Cam Sanayii A.Ş.	85,00	85,00	85,00	85,00
Trakya Polatlı Cam Sanayii A.Ş.	85,00	85,00	85,00	85,00
Şişecam Otomotiv A.Ş.	100,00	100,00	100,00	100,00
Trakya Investment B.V. (1)	100,00	100,00	100,00	100,00
TRSG Glass Holding B.V.	70,00	70,00	70,00	70,00
Trakya Autoglass Holding B.V. (1)	-	-	100,00	100,00
Sisecam Flat Glass Holding B.V. (1)	100,00	100,00	100,00	100,00
Trakya Glass Bulgaria EAD	100,00	100,00	100,00	100,00
Sisecam Automotive Bulgaria EAD	100,00	100,00	100,00	100,00
Glasscorp S.A.	100,00	100,00	100,00	100,00
Trakya Glass Rus AO	100,00	70,00	100,00	70,00
Automotive Glass Alliance Rus AO	100,00	100,00	100,00	100,00
Trakya Glass Rus Trading OOO	100,00	70,00	100,00	70,00
Automotive Glass Alliance Rus Trading OOO	100,00	100,00	100,00	100,00
Sisecam Flat Glass Italy S.R.L.	100,00	100,00	100,00	100,00
Richard Fritz Holding GmbH	100,00	100,00	100,00	100,00
Richard Fritz Prototype + Spare Parts GmbH	100,00	100,00	100,00	100,00
Richard Fritz Spol, S.R.O.	100,00	100,00	100,00	100,00
Richard Fritz Kft	100,00	100,00	100,00	100,00
Joint ventures:				
HNG Float Glass Limited	50,00	50,00	50,00	50,00
Associates:				
Çayırova Cam San. A.Ş.	28,14	28,14	28,14	28,14
Camiş Elektrik Üretim A.Ş.	34,43	34,43	34,43	34,43
Saint Gobain Glass Egypt S.A.E	30,00	30,00	30,00	30,00

(1) As of January 2017, Trakya Autoglass Holding B.V., located in Bulgaria, is liquidated by spinning-off. The portion regarding to flat glass operations was transferred to Sisecam Flat Glass Holding B.V Company, automotive glass operations was transferred to Trakya Invesment B.V. Company.

2. Basis of Presentation of Consolidated Financial Statements

2.1 Basis of Presentation

The accompanying consolidated financial statements are prepared in accordance with Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to Article 5 of the Communiqué, consolidated financial statements are prepared in accordance with the Turkish Accounting Standards issued by Public Oversight Accounting and Auditing Standards Authority ("POAASA"). TAS contains Turkish Accounting Standards, Turkish Financial Reporting Standards ("TFRS") and its addendum and interpretations ("IFRIC"). The accompanying consolidated financial statements are prepared in accordance with resolution No. 30 TAS framework published by POAASA on 2 June 2016. The entities are allowed to prepare a complete or condensed set of interim financial statements in accordance with TAS 34, "Interim Financial Reporting". In this respect, the Group has preferred to prepare condensed consolidated financial statements in the interim periods.

In accordance with the CMB resolution issued on 17 March 2005, listed companies operating in Turkey are not subject to inflation accounting effective from 1 January 2005. Therefore, the financial statements of the consolidated financial statements of the Group have been prepared accordingly.

The Company (and its subsidiaries and Joint Ventures registered in Turkey) maintains its accounting records and prepares its statutory financial statements in accordance with the Turkish Commercial Code (the "TCC"), tax legislation and the uniform chart of accounts issued by the Ministry of Finance. Subsidiaries, joint ventures and associates operating in foreign countries have prepared their statutory financial statements in accordance with the laws and regulations of the country in which they operate. The interim consolidated financial statements, except for the financial asset and liabilities presented with their fair values, are maintained under historical cost conversion in TRY. These interim consolidated financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the TAS/TFRS.

Presentation and Functional Currency

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

Presentation of Financial Statements in Hyperinflationary Periods

In accordance with the CMB's resolution No: 11/367 issued on 17 March 2005, companies operating in Turkey which prepare their financial statements in accordance with the CMB Accounting Standards (including the application of TFRS) are not subject to inflation accounting effective from 1 January 2005. Therefore, as of 1 January 2005, TAS 29 "Financial Reporting in Hyperinflationary Economies" is not applied in the accompanying consolidated financial statements. Hyperinflation impact on the paid-in capital of the Company was accounted for in "adjustments to share capital" under shareholders' equity.

Going Concern

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

Comparative information and correction of prior period financial statements

The consolidated financial statements of the Group include comparative financial information to enable the determination of the financial position and performance. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current year consolidated financial statements.

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

2. Basis of Presentation of Consolidated Financial Statements (continued)

2.1 Basis of Presentation (continued)

Financial Statements of Foreign Subsidiaries and Joint Ventures

Financial statements of subsidiaries, associates and joint ventures operating in foreign countries are prepared in accordance with the legislation of the country in which they operate and assets and liabilities in financial statements prepared according to the Group's accounting policies are translated into TRY from the foreign exchange rate at the balance sheet date whereas income and expenses are translated into TRY at the average foreign exchange rate. Exchange differences arising from the translation of the opening net assets of foreign undertakings and differences between the average and balance sheet date rates are included in the currency translation differences under shareholders' equity.

Foreign currencies and exchange rates of the countries where a significant portion of the Group's foreign operations are performed are summarized below:

	31 March 2017		31 December 2016		31 March 2016	
Currency	**Period End**	**Period Average**	**Period End**	**Period Average**	**Period End**	**Period Average**
Euro	3,90830	3,93313	3,70990	3,33755	3,20810	3,24204
Bulgarian Lev	1,99828	2,01098	1,79934	1,70646	1,63110	1,65763
Russian Rubles	0,06419	0,06242	0,05732	0,04506	0,04169	0,03925
Romanian Leu	0,85490	0,86506	0,81310	0,73900	0,71544	0,71757
Egyptian Pounds	0,20060	0,20797	0,19400	0,31914	0,31793	0,36732
Indian Rupee	0,05612	0,05509	0,05179	0,04492	0,04271	0,04358

Consolidation Principles

The consolidated financial statements include the accounts of the parent company on the basis set out in sections below. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and have been prepared in accordance with CMB Financial Reporting Standards applying uniform accounting policies and presentation. The results of subsidiaries and joint ventures are included or excluded from their effective dates of acquisition or disposal respectively.

Subsidiaries

Control is obtained by controlling over the activities of an entity's financial and operating policies in order to benefit from those activities.
Subsidiaries are companies over which the parent company has capability to control the financial and operating policies for the benefit of parent company, either (a) through the power to exercise more than 50% of the voting rights relating to shares in the companies owned directly and indirectly by itself; or (b) although not having the power to exercise more than 50% of the voting rights, otherwise having the power to exercise control over the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. The table in Note 1 sets out all Subsidiaries included in the scope of consolidation and shows the ownership and effective interest rates as at 31 March 2017 and 31 December 2016. Subsidiaries are consolidated from the date on which the control is transferred to the Group and are no longer consolidated at control ceases. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group. The result of operations of Subsidiaries and Joint Ventures are included or excluded in these consolidated financial statements subsequent to the date of acquisition or date of sale respectively.

The balance sheets and the statements income of the subsidiaries are consolidated on line-by-line basis and the carrying value of the investment held by the Company and its subsidiaries is eliminated against the related equity. Intercompany transactions and balances between the Company and its subsidiaries are eliminated during the consolidation. The cost of, and the dividends arising from, shares held by the Company in its Subsidiaries are eliminated from equity and income for the period, respectively.

2. Basis of Presentation of Consolidated Financial Statements (continued)

2.1 Basis of Presentation (continued)

Subsidiaries (continued)

The non-controlling shareholders' share in the net assets and results of Subsidiaries for the year are separately classified as non-controlling interest in the consolidated balance sheets and statements of income. The non-controlling interests consist of shares from the initial business combinations and the non-controlling shares from the changes in equity after the business combinations date. When the losses applicable to the non-controlling portion exceed the non-controlling interest in the equity of the subsidiary, the excess loss and the further losses applicable to the non-controlling are charged against the non-controlling interest (Note 2.5).

Joint Ventures

Joint Ventures are the companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by the Company and one or more other parties. The Company exercises such joint control through the power to exercise voting rights relating to shares in the companies as a result of ownership interest directly and indirectly held by itself. The table in Note 1 sets out all Joint Ventures included in the scope of consolidation and shows their ownership and effective interests as of 31 March 2017 and 31 December 2016. Joint Ventures are accounted for under equity accounting method.

Associates

Associates are companies in which the Group has the interest that is more than 20% and less than 50% of the ordinary share capital held for the long-term and over which a significant influence is exercised. Equity method is used for accounting of associates.
Unrealized gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables or the significant influence ceases the Group does not continue to apply the equity method, unless it has incurred obligations or made payments on behalf of the associate. Subsequent to the date of the caesura of the significant influence the investment is carried either at fair value when the fair values can be measured reliably or otherwise at cost when the fair values cannot be reliably measured.

Available - for - sale investments

Available - for - sale investments, in which the Group has controlling interests equal to or above 20%, or over which are either immaterial or where a significant influence is not exercised by the Group, that do not have quoted market prices in active markets and whose fair values cannot be reliably measured are carried at cost less any provision for impairment.
Available - for - sale investments, in which the Group has the interests that is below 20% or in which a significant influence is not exercised by the Group, that have quoted market prices in active markets and whose fair values can be reliably measured, are carried to the financial statements at their fair value.

2.2 Statement of Compliance to TAS / TAS

The Group prepared the accompanying consolidated financial statements as of 31 March 2017 in accordance with Communiqué Serial II, No: 14.1 and the related announcements. The accompanying consolidated financial statements and explanatory notes were disclosed in compliant with reporting formats recommended by CMB, including the compulsory explanations.

2.3 Significant Changes in Accounting Policies

Material changes in accounting policies are corrected, retrospectively; by restating the prior periods' consolidated financial statements. The accounting policies except the situation stated below used in the preparation of these consolidated financial statements for the period ended 31 March 2017 are consistent with those used in the preparation of financial statements for the year ended 31 December 2016.

2. Basis of Presentation of Consolidated Financial Statements (continued)

2.4 Restatement and Errors in the Accounting Policies and Estimate

The effect of changes in accounting estimates affecting the current period is recognized in the current period; the effect of changes in accounting estimates affecting current and future periods is recognized in the current and future periods. The accounting estimates used in the preparation of these consolidated financial statements for the period ended 31 March 2017 are consistent with those used in the preparation of financial statements for the year ended 31 December 2016.

Material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period consolidated financial statements.

2.5 Amendments in International Financial Reporting Standards ("TFRS")

The Group has applied new standards, amendments and interpretations to existing IAS/ IFRS standards published by IASB and TASC/IFRIC that are effective as at 1 January 2017 and are relevant to the Group's operations. There are no relevant amendments or interpretations for the Group which have been enforced as of 1 January 2017 and in year ends to 31 March 2017.

a. The new standards, amendments and interpretations which are effective for the financial statements as of 31 March 2017:

- Amendments to TAS 7 'Statement of cash flows' on disclosure initiative, effective from annual periods beginning on or after 1 January 2017. These amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of the IASB's Disclosure Initiative, which continues to explore how financial statement disclosure can be improved.

- Amendments TAS 12 'Income Taxes', effective from annual periods beginning on or after 1 January 2017. The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. It also clarify certain other aspects of accounting for deferred tax assets.

- Annual improvements 2014–2016 impacts below standard:
  - TFRS 12, 'Disclosure of interests in other entities' regarding clarification of the scope of the standard. These amendments should be applied retrospectively for annual periods beginning on or after 1 January 2017.

b. Standards, amendments and interpretations effective after 31 March 2017:

- Amendments to TFRS 2, 'Share based payments' on clarifying how to account for certain types of share-based payment transactions, effective from annual periods beginning on or after 1 January 2018. This amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority.

- TFRS 15 'Revenue from contracts with customers', effective from annual periods beginning on or after 1 January 2018. IFRS 15, 'Revenue from contracts with customers' is a converged standard from the IASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally. Amendment to IFRS 15, 'Revenue from contracts with customers', effective from annual periods beginning on or after 1 January 2018. These amendments comprise clarifications of the guidance on identifying performance obligations, accounting for licences of intellectual property and the principal versus agent assessment (gross versus net revenue presentation). New and amended illustrative examples have been added for each of those areas of guidance. The IASB has also included additional practical expedients related to transition to the new revenue standard.
- TFRS 9 'Financial instruments', effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

2. Basis of Presentation of Consolidated Financial Statements (Continued)

2.5 Amendments in International Financial Reporting Standards ("TFRS") (Continued)

b. Standards, amendments and interpretations effective after 31 March 2017 (continued):

- TFRS 16 'Leases', effective from annual periods beginning on or after 1 January 2019, This standard replaces the current guidance in IAS 17 and is a far reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

- Amendments to TFRS 4 'Insurance contracts' regarding the Implementation of IFRS 9 'Financial Instruments', effective from annual periods beginning on or after 1 January 2018. These amendments introduce two approaches: an overlay approach and a deferral approach. The amended standard will:
  - Give all companies that issue insurance contracts the option to recognise in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued; and,
  - Give companies whose activities are predominantly connected with insurance an optional temporary exemption from applying IFRS 9 until 2021. The entities that defer the application of IFRS 9 will continue to apply the existing financial instruments standard, IAS 39.

- Amendment to TAS 40, 'Investment property' relating to transfers of investment property, effective from annual periods beginning on or after 1 January 2018. These amendments clarify that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition. This change must be supported by evidence.

- Annual improvements 2014–2016 are as follows:

  - TFRS 1, 'First-time adoption of IFRS', regarding the deletion of short-term exemptions for first-time adopters regarding TFRS 7, TAS 19, and TFRS 10 effective 1 January 2018.
  - TAS 28, 'Investments in associates and joint ventures' regarding measuring an associate or joint venture at fair value effective 1 January 2018.

- IFRIC 22,' Foreign currency transactions and advance consideration', effective from annual periods beginning on or after 1 January 2018. This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payments/receipts are made. The guidance aims to reduce diversity in practice. This standard is not expected to have a significant effect on the financial position and performance of the Group.

- IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments), in December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

2. Basis of Presentation of Consolidated Financial Statements (Continued)

2.6 Summary of Significant Accounting Policies

Revenue Recognition

Revenues are recognized on an accrual basis at the fair values of consideration received or receivable incurred or to be incurred. Net sales represent the invoiced value of trading goods and services given, less sales discounts and returns. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognized in the period on an accrual basis as operating income (Note 28 and Note 31).

Sales of Goods

Revenue obtained from the sales of the goods is accounted for when the conditions below are met:

- 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 Group, and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest Income

Interest income is accrued using the effective interest method which brings the remaining principal amount and expected future cash flows to the net book value of the related deposit during the expected life of the deposit.

Dividend income
Dividend income is recorded as income of the collection right transfer date. Dividend payables are recognized in the period that the profit distribution is declared.

Inventories

Inventories are valued at the lower of cost or net realizable value. The cost of inventories is determined on the weighted average basis for each purchase. Cost elements included in inventories are materials, labour and an appropriate amount for factory overheads. The cost of borrowings is not included in the costs of inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. Inventories consist of raw material, semi-finished goods, finished goods, commercial goods, and goods in transit and other stocks (Note 13).

Property, plant and equipment

Property, plant and equipment except for land and buildings are carried at cost less accumulated depreciation and any impairment in value. Land and buildings are carried at fair value as of revaluation date less subsequent accumulated depreciation and subsequent accumulated impairment loss. Land and buildings were accounted for under the net method in accordance with revaluation method. The change of accounting policy was applied with the financial statements as of 31 December 2015.

Assets to be used for administrative purposes, or used in the production of goods and services and are in the course of construction are carried at cost, less any recognized impairment loss. For assets that need considerable time to be ready for sale or use, borrowing costs are capitalized in accordance with the Group's accounting policy. As it is for the other fixed assets, such assets are depreciated when the assets are ready for their intended use. Cost amounts of property, plant and equipment assets excluding land and construction in progress are subject to amortization by using the straight-line method in accordance with their expected useful life. There is no depreciation allocated for lands due to indefinite useful lives. Expected useful life, residual value and amortization method are evaluated every year for the probable effects of changes arising in the expectations and are accounted for prospectively (Note 18).

2. Basis of Presentation of Consolidated Financial Statements (continued)

2.6 Summary of Significant Accounting Policies (continued)

Property, plant and equipment (continued)

Leased assets are subject to similar amortization procedures, as with the other tangible assets on the shorter of the related leasing period and economic life of the asset.

The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

	Useful life
Buildings	7-50 years
Land improvements	5-50 years
Machinery and equipment	2-30 years
Motor vehicles	3-15 years
Furniture and fixtures	2-20 years
Other tangible assets	3-20 years

Property, plant and equipment are reviewed for impairment losses. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the asset net selling price or value in use. The recoverable amount of the property, plant and equipment is the higher of future net cash flows from the utilization of this property, plant and equipment or fair value less cost to sell.

Costs of property plant and equipment are included in the asset's carrying amount or recognized as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statements of income during the financial period in which they were incurred. Gain or losses on disposal of property, plant and equipment are included in the "Income/Expense from Investing Activities" and are determined as the difference between the carrying value and amounts received.

The gain on revaluation on tangible assets presented in the equity is transferred directly to the retained earnings when the asset is retired from use or disposed of or fully depreciated.

Intangible assets

Intangible assets acquired

Intangible assets acquired separately are carried at cost, less accumulated amortization and any accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. Estimated useful life and amortization method are reviewed at the end of each year and the effect of any change in the estimate is accounted for on a prospective basis. Purchase costs are included in the related assets and are amortized at between 3 and 5 years based on their economic lives (Note 19).

Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (3-5 years). Costs associated with developing or maintaining computer software programs are recognized as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Software development costs include employee costs and an appropriate portion of relevant overheads. Computer software development costs recognized as assets are amortized over their estimated useful lives (not exceeding five years)(Note 19).

2. Basis of Presentation of Consolidated Financial Statements (continued)

2.6 Summary of Significant Accounting Policies (continued)
Property, plant and equipment (continued)

Customer Relationships

The customer relationships and contracts acquired in a business combination are accounted for at fair value at the date of transaction. Contracted customer relationships are amortized by the straight-line method in accordance with their expected useful lives (3 years) and carried at cost less accumulated amortization. When an indication of impairment exists, the Group compares the carrying amount of the intangible asset with its net realizable value which is the higher of value in use or fair value less costs to sell. An impairment loss is recognized immediately in the comprehensive statement of income. The Group implements customer loyalty program which enables customers to use pre-earned bonuses accumulated during glass purchases.The Group provides provision in the consolidated financial statements for these bonuses which is estimated by the total number of bonuses by the customers but not yet used.

Investment Properties

Land and buildings those are held for long term rental yields or value increase or both, rather than in the production of supply of goods and services or administrative purposes or for the sale in the ordinary course of business are classified as "Investment property". Investment properties are accounted for using the fair value model at the financial statements. If an owner-occupied property becomes an investment property that will be carried at fair value, an entity shall apply TAS 16 "Property, Plant and Equipment" up to the date of change in use. The entity treats any difference at that date between the carrying amount of the property in accordance with TAS 16 and its fair value as a revaluation in accordance with TAS 16 and revaluation differences are accounted for under equity. Fair value of investment property has been calculated at the end of each year by the independent valuation firms that have related CMB licenses and required professional experience (Note 17). In subsequent periods, profit or loss due to the revaluation of fair value of investment property are accounted for under current period's profit or loss.

Assets Classified as Held for Sale

Non-current asset are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. Assets are are classified as assets held for sale when their carrying amount is considered to be recovered principally through a sale transaction instead of usage. The assets can be a business unit, sales group or a separate tangible asset. The sale of assets held for sale is expected to be settled within 12 months after the end of balance sheet date. Various events or circumstances can extend the completion time more than one year. If there is no sufficient evidence supporting that the delay is beyond the control of entity and sales plan of sales transaction of the asset (or disposal asset group) continues; the delay does not prevent the classification of assets (or disposal asset group) as assets held for sale.

Assets held for sale are stated at the lower of carrying amount and fair value. The impairment loss is recognised as expense under consolidated income statement of the period, at which time the carrying value is less than the fair value. No amortisation is recognized for these assets.

Impairment of Assets

The carrying amounts of the Group's assets other than goodwill are reviewed at each balance sheet date to determine whether there is any indication of impairment. When an indication of impairment exists, the Group compares the carrying amount of the asset with its net realizable value which is the higher of value in use or fair value less costs to sell. Impairment exists if the carrying value of an asset or a cash generating unit is greater than its recoverable amount which is the higher of value in use or fair value less costs to sell. An impairment loss is recognized immediately in the comprehensive statement of income.

The increase in carrying value of the assets (or a cash generated unit) due to the reversal of recognized impairment loss shall not exceed the carrying amount of the asset (net of amortisation amount) in case where the impairment loss was reflected in the consolidated financial statements in prior periods. Such a reversal is accounted for in the comprehensive statement of income.

2. Basis of Presentation of Consolidated Financial Statements (continued)

2.6 Summary of Significant Accounting Policies (continued)

Leases

The Group as the lease

Financial Leasing

Leasing of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leasing. Finance leased are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Financial costs of leasing are distributed over the lease period with a fixed interest rate. The property, plant and equipment acquired under financial leases are depreciated over the useful lives of the assets. If there is a decrease in the value of the property, plant and equipment under financial leasing, the Group provides impairment. The foreign exchange and interest expenses related with financial leasing have been recorded in the income statement. Lease payments have been deducted from leasing debts.

Operating Leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income on a straight-line basis over the period of the lease.

The Group as the lessor

Operating Leases

Assets leased out under operating leases, excluding land and investment properties, are included in property, plant and equipment in the consolidated balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income is recognized in the consolidated statement of income on a straight-line basis over the lease term.

Borrowing costs

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 statement of income over the period of the borrowings (Note 8 and 33).

In case of foreign exchange income in the financing activities, the related income is deducted from the total of capitalized financial expenses.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset in the period in which the asset is prepared for its intended use or sale. All other borrowing costs are recognized in the profit or loss in the period in which they are incurred. Foreign exchange differences relating to borrowings, to the extent that they are regarded as an adjustment to interest costs, are also capitalized.
The gains and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred if the entity borrowed funds in its functional currency, and borrowing costs actually incurred on foreign currency borrowings.

Related Party

For the purpose of these consolidated financial statements, shareholders, key management personnel (general managers, head of group, vice general managers, vice head of group and factory managers) and Board members, in each case together with the companies controlled by/or affiliated with them, associated companies and other companies within the Group are considered and referred to as related parties (Note 37).

2. Basis of Presentation of Consolidated Financial Statements (continued)

2.6 Summary of Significant Accounting Policies (continued)

Offsetting

All items with significant amounts and nature, even with similar characteristics, are presented separately in the financial statements. Insignificant amounts are grouped and presented by means of items having similar substance and function. When the nature of transactions and events necessitate offsetting, presentation of these transactions and events over their net amounts or recognition of the assets after deducting the related impairment are not considered as a violation of the rule of non-offsetting.

Financial assets

Classification

The group classifies its financial assets in the following categories: loans and receivables, available-for-sale financial assets and held to maturity financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. Those with maturities greater than 12 months are classified as non-current assets. The group's loans and receivables are classified as "trade and other receivables" in the balance sheet (Note 10, Note 11).

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the related investments within 12 months of the balance sheet date (Note 7).

Held to maturity financial assets

Debt securities with fixed maturities, where management has both the intent and the ability to hold to the maturity excluding the financial assets classified as originated loans and advances to customers are classified as "held-to-maturity financial assets". Held-to-maturity financial assets are carried at amortized cost using the effective yield method (Note 7).

Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade date - the date on which the group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are carried at amortized cost using the effective interest method.

Loans and receivables are carried at amortized cost using the effective yield method.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available for sale are analyzed for translation differences resulting from changes in amortized cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognized in the income statement; translation differences on non-monetary securities are recognized in equity. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognized in equity.

2. Basis of Presentation of Consolidated Financial Statements (continued)

2.6 Summary of Significant Accounting Policies (continued)

Financial assets (continued)

Recognition and measurement (continued)

Held-for-trading derivative financial instruments are initially recognized in the consolidated financial statements at cost and are subsequently measured at their fair value. Changes in the fair values of held-for-trading derivative financial instruments are included in the consolidated statements of income. Dividends on available-for sale equity instruments are recognized in the statement of income as part of financial income when the Group's right to receive payments is established. The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models. If the market for a financial asset is not active and the fair value of the financial asset cannot be measured reliably, aforementioned financial assets are accounted for cost minus impairment in the consolidated financial statements.

The group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss - is removed from equity and recognized in the statement of income. Impairment losses recognized in the statement of income on equity instruments are not reversed through the statement of income.

Trade receivable

Trade receivables that are created by way of providing goods or services directly to a debtor are carried at amortized rate method, less the unearned financial income. Short duration receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant.

A doubtful receivable provision for trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. The amount of provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other income (Note 10).

Unearned finance income/expense due to commercial transactions are accounted for under "Other Operating Income/Expenses" in the consolidated statement of income or loss (Note 10 and Note 31) **.**

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts (Note 6). Bank deposits with original maturities of more than three months are classified under short-term financial investments (Note7).

Financial liabilities

Financial liabilities related to non-controlling share put options are reflected in the financial statements in conformity with their discounted value of them own redemption plan. The discounted value of the financial liability which is the subject of the put option is estimated to be the fair value of the financial asset.

Financial liabilities are classified as equity instruments and other financial liabilities.

Equity instruments

Financial liabilities related to non-controlling share put options are reflected in the financial statements in conformity with their discounted value of them own redemption plan. The discounted value of the financial liability which is the subject of the put option is estimated to be the fair value of the financial asset.

2. Basis of Presentation of Consolidated Financial Statements (continued)

2.6 Summary of Significant Accounting Policies (continued)

Financial liabilities (continued)

Other financial liabilities

Other financial liabilities are subsequently measured at amortized cost using the effective interest method plus the interest expense recognized on an effective yield basis (Note 8).

The effective interest method calculates the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate discounts the estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Trade payables

Trade payables are payments to be made arising from the purchase of goods and services from suppliers within the ordinary course of business. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method (Note 10).

Business combinations and Goodwill

A business combination is the bringing together of separate entities or business into one reporting entity. Business combinations are accounted for using the purchase method in the scope of TFRS 3 (Note 3).

The cost of a business combination is the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquired business and in addition, any costs directly attributable to the business combination. The cost of the business combination at the date of the acquisition is adjusted if a business combination contract includes clauses that enable adjustments to the cost of business combination depending on events after acquisition date, and the adjustment is measurable more probable than not. Costs of the acquisition are recognized in the related period. Any excess of the cost of acquisition over the acquirer's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities is accounted for as goodwill in the consolidated financial statements. In each acquisition, the non-controlling shares of the acquired company are accounted for on the basis of the share of the net assets of the acquired company. The carrying value of goodwill is reviewed annually at the same time for impairment and the impairment provision, if any, is immediately recognized in the consolidated statements of income.

Legal mergers arising between companies controlled by the Group are not considered within the scope of TFRS 3. Consequently, no goodwill is recognized in these transactions. Similarly, the effects of all transactions between the legally merged enterprises, whether occurring before or after the legal merger, are corrected in the preparation of the consolidated financial statements.

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Transactions with non-controlling interest

The Group applies a policy of treating transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is deducted from equity. Gains or losses on disposals to non-controlling interests are also recorded in equity. For disposals to non-controlling interests, differences between any proceeds received and the relevant share of non-controlling interests are also recorded in equity.

2. Basis of Presentation of Consolidated Financial Statements (continued)

2.6 Summary of Significant Accounting Policies (continued)

Foreign Currency Transactions

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Turkish Lira ("TRY"), which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than TRY (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.
Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in TRY using exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation differences. Such exchange differences are recognized in profit or loss in the period in which the foreign operation is disposed of.
Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at closing rates.

Earnings per Share

Earnings per share disclosed in the accompanying consolidated statement of income is determined by dividing net income by the weighted average number of shares circulating during the year concerned.

In Turkey, companies can raise their share capital by distributing "Bonus Shares" to shareholders from retained earnings. In computing earnings per share, such "bonus share" distributions are assessed as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation (Note 36).

Events after the Reporting Period

The Group adjusts the amounts recognized in its financial statements to reflect adjusting events occurring after the balance sheet date. If non-adjusting events after the balance sheet date have material influence on the economic decisions of users of the financial statements, they are disclosed in the notes to the consolidated financial statements.

Provisions, Contingent Assets and Liabilities

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date considering the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount of provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably (Note 22).

2. Basis of Presentation of Consolidated Financial Statements (continued)

2.6 Summary of Significant Accounting Policies (continued)

Segment reporting

The Group has two business segments determined by the management based on the information available for the evaluation of performances and the allocation of resources. These segments are managed separately because they are affected by the economic conditions and geographical positions in terms of risks and returns. The Group management has determined gross profit as the most suitable method for assessing the segmental performance (Note 5).

Operating segments are reported in a manner consistent with the reporting provided to the Group's chief operating decision-maker. The Group's chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments. As the sectors merged under "Other" do not meet the required quantitative thresholds to be a reportable segment, these have been merged for the purpose of segment reporting.

A reportable segment is a business segment or a geographical segment identified based on the foregoing definitions for which segment information is required to be disclosed. A business segment or geographical segment should be identified as a reportable segment if a majority of its revenue is earned from sales to external customers and its revenue from sales to external customers and from transactions with other segments is 10% or more of the total revenue, external and internal, of all segments; or its segment result, whether profit or loss, is 10% or more of the combined result of all segments in profit or the combined result of all segments in loss, whichever is the greater in absolute amount; or its assets are 10% or more of the total assets of all segments.

The Group classified its operations into two operational divisions for management accounting purposes which constitute the basis for the segment reporting (Note 5). The Basic Glass category contains flat glass, coated, laminated, mirror and project glass, energy glass and home appliances glass . The Automotive Glass category contains automotive glass and encapsulated glass.

Employee benefits

Employment termination benefits, as required by the Turkish Labor Law and the laws applicable in the countries where the subsidiaries operate, represent the estimated present value of the total reserve of the future probable obligation of the Group arising in case of the retirement of the employees. According to Turkish Labor Law and other laws applicable in Turkey, the Group is obliged to pay employment termination benefit to all personnel in cases of termination of employment without due cause, call for military service, retirement or death upon the completion of a minimum one year service. The provision which is allocated by using the defined benefit pension's current value is calculated by using the estimated liability method. All actuarial profits and losses are recognized in the consolidated statements of income (Note 24).

The liabilities related to employee termination benefits are accrued when they are entitled.

2. Basis of Presentation of Consolidated Financial Statements (continued)

2.6 Summary of Significant Accounting Policies (continued)

Government grants

Grants from the government are recognized at fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the required conditions (Note 21).
Government grants related to costs are accounted as income on a consistent basis over the related periods with the costs.
Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the statements of income on a straight-line basis over the expected lives of the related assets.

Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognized in the statement of income, except to the extent that it relates to items recognized directly in equity (Note 35). In such case, the tax is recognized in shareholders' equity.

The current year tax on income is calculated for the Group's subsidiaries, associates and joint ventures considering the tax laws that are applicable in the countries where they operate.

Deferred tax liability or asset is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which are used in the computation of taxable profit. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and tax regulations that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred The main temporary differences are from the time differences between carrying amount of tangible assets and their tax base amounts, the available expense accruals that are subject to tax and tax allowances that are not utilized.

The main temporary differences are from the time differences between carrying amount of tangible assets and their tax base amounts, the available expense accruals that are subject to tax and tax allowances that are not utilized.

Deferred tax liabilities are recognized for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

When the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority and there is a legally enforceable right to set off current tax assets against current tax liabilities, deferred tax assets and deferred tax liabilities are offset accordingly.

Statement of cash flows

The Group prepares statements of cash flows as an integral part of its of financial statements to enable financial statement analysis about the change in its net assets, financial structure and the ability to direct cash flow amounts and timing according to evolving conditions. Cash flows include those from operating activities, working capital, investing activities and financing activities.
Cash flows from operating activities represent the cash flows generated from the Group's activities
Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Group (fixed investments and financial investments).

Dividends

Dividend income is recognized by the Group at the date the right to collect the dividend is realized. Dividend payables are recognized as a result of profit distribution in the period they are declared.

2. Basis of Presentation of Consolidated Financial Statements (continued)

2.7 Significant Accounting Estimates and Assumptions

The preparation of consolidated financial statements requires estimates and assumptions to be made regarding the amounts for the assets and liabilities at the balance sheet date, and explanations for the contingent assets and liabilities as well as the amounts of income and expenses realized in the reporting period. The Group makes estimates and assumptions concerning the future. The accounting estimates and assumptions, by definition, may not be equal to the related actual results. The estimates and assumptions that may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with CMB Financial Reporting Standards and their statutory financial statements. These temporary differences usually result in the recognition of revenue and expenses in different reporting periods for CMB Financial Reporting Standards and tax purposes. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither an accounting nor taxable profit/ (loss). The fully or partially recoverable amount of deferred tax assets are estimated under available circumstances. The future income projections, current period losses, unused losses and expiration dates of other tax assets and tax planning strategies that can be used when necessary are considered during the evaluation of estimations.

As a result of the assessment of Group Management, a deferred income tax asset amounting to TRY14.498.989 (31 December 2016: TRY13.783.464) results from temporary differences as of 31 March 2017 that are arising from the tax allowances and can be used as long as the tax allowances continue. The Group is entitled with corporate tax allowances in accordance with Corporate Tax Law No. 5520, article 32/A. As of 31 March 2017, the amount of corporate tax allowances related to temporary differences and that can be utilized during the period of corporate tax allowance right is TRY91.643.690 (31 December 2016: TRY96.971.185) (Note 35).

Land and buildings are stated at revalued amounts in accordance with IAS 16 revaluation method. Fair values in the financial statements dated 31 December 2015 are based on the appraisal reports prepared by independent valuation firms. As there were recent similar buying/ selling transactions nearby, revaluations of land were based on the method of reference comparison whereas if there were recent similar buying/ selling transactions nearby revaluations of buildings were based on of reference comparison if not the method of cost approach.

In the market reference comparison method, current market information was utilized, taking into consideration the comparable property in the market in recent past in the region, price adjustment was made within the framework of criteria that could affect market conditions, and accordingly an average m2 sale value was determined for the lands subject to the valuation. The similar pieces of land found were compared in terms of location, size, settlement status, physical conditions, real estate marketing firms were consulted for up-to-date valuation of the estate market, also, current information and experience of the professional valuation company was utilized.

In the cost approach method, fair value of the buildings and land improvements was calculated by considering recent re-construction costs and related depreciation. In the cost approach method, above explained market reference comparison method was used in calculation of the land value, one of the components.
The carrying values do not necessarily reflect the amounts that would result from the outcome of a sales transaction between independent parties.

As of initial recognition and as of balance sheet date, the The Group performs impairment assessment for lands and buildings of which valuations are based on market value and cost approach, in accordance with the "TAS 36 Impairment of Assets", and impairment has been recognized in income statement.

Net book values of related assets have been adjusted to reflect the revalued amounts and the gain has been accounted for under the revaluation reserve in equity, net-off relevant deferred tax impact.

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

3. Business Combinations

There was no business combination under IFRS 3 in 1 January-31 March 2017 period

For the 1 January-31 December 2016 period, in accordance with IFRS 3, The Group established a its new company, Sisecam Flat Glass Italy S.R.L in Italy. Sisecam Flat Glass Italy S.R.L. acquired certain assets of Sangalli Porto Nogaro S.p.a, located in Italy for a total amount of EUR84.282.010 on 31 October 2016. The net cahs consideration is EUR52.016.661 including the transferee of the financial debt of Sangalli amounting to EUR32.265.349. The goodwill calculation is based on the temporary amounts and will be finalized within 9 months following the acquisition date. If necessary, revision on the calculation will be reflected to the financial statements as of the acquisition date.

The Group aimed to gain a large share of market and support its target of production and sales in Europe.

The related purchase is based on an asset purchase agreement thus is considered as a business combination in accordance with the "TFRS-3 Business Combinations" standard for the reason that all such assets and activities are able to be executed and managed as a business.

Fair values of purchased assets are represented below;

	Fair Value
Trade receivables	25.159.225
Inventories	21.379.502
Total Current Assets	**46.538.727**
Tangible assets	238.538.776
Intangible assets	82.252
Total Non - Current Assets	**238.621.028**
Total Assets	**285.159.755**
Short term borrowings	7.669.681
Long term financial liabilities	101.371.715
Other Liabilities	125.187
Total Liabilities	**109.166.583**
Total Assets	**175.993.172**
Total cash paid	124.208.932
Total cash to be paid(*)	51.784.240
Total Purchase Consideration	**175.993.172**
Goodwill	-

Sisecam Flat Glass Italy S.R.L. has contributed by TRY45.886.620 to consolidated revenues after the purchase date. Had Sisecam Flat Glass Italy S.R.L. been included in the consolidation starting from 1 January 2016, additional net revenue of TRY274.839.068 would have been recognised.

4. Interest in Other Entities

None (31 December 2016:None).

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

5. Segment Reporting

The Group has adopted TFRS 8 starting from 1 January 2009 and has identified relevant operating segments based on internal reports about the components of the Group that are regularly reviewed by the chief operating decision maker of the Group, identified as the board of directors.

The chief operating decision maker reviews results and operations on a product line segment basis as well as on a geographic segment basis in order to monitor performance and to allocate resources. Product line segments of the Group are defined in the following categories: basic glass and other glass. Geographic segments of the Group are defined in the following regions: Turkey and abroad.

The Group management assesses the performance of the operating segments based on the measure of operating income. The measurement basis excludes the effects of non - recurring expenses from the operating income. The measurement basis also excludes the share in result of associates and joint ventures. Interest income and expenses and income and expenses from investing activites are not allocated to segments, as cash position of the Group is driven by the central finance function of the Group.

Activity-Based Reporting

The Group reviews its product line segments on the basis of gross profit, and operating profit, purchases of tangible fixed and intangible assets and depreciation and amortization of tangible fixed and intangible assets. Research and development expenses, financial income and expenses, and tax expense / income are not allocated to segments.

Total assets and liabilities of operating segments are not reported since such amounts are not regularly provided to the chief operating decision maker.

1 January - 31 March 2017	**Basic glass**	**Autoglass**	**Total**	**Consolidation adjustments**	**Consolidated**
Revenue	700.985.538	391.312.386	1.092.297.924	(136.345.552)	955.952.372
Cost of sales	(454.549.045)	(324.071.897)	(778.620.942)	134.487.927	(644.133.015)
Gross profit	**246.436.493**	**67.240.489**	**313.676.982**	**(1.857.625)**	**311.819.357**
Operating expenses	(129.243.489)	(58.956.740)	(188.200.229)	2.420.038	(185.780.191)
Other operating incomes	49.705.113	16.817.503	66.522.616	(7.701.137)	58.821.479
Other operating expenses	(35.503.906)	(1.702.031)	(37.205.937)	3.110.777	(34.095.160)
Operating profit	**131.394.211**	**23.399.221**	**154.793.432**	**(4.027.947)**	**150.765.485**
Purchases of tangible and intangible fixed asset	10.925.103	22.840.813	33.765.916	-	33.765.916
Depreciation and amortization on fixed assets	(55.951.936)	(21.883.967)	(77.835.903)	-	(77.835.903)

1 January - 31 March 2016	**Basic glass**	**Autoglass**	**Total**	**Consolidation adjustments**	**Consolidated**
Revenue	397.713.470	280.578.992	678.292.462	(51.640.775)	626.651.687
Cost of sales	(259.730.324)	(234.101.657)	(493.831.981)	52.984.029	(440.847.952)
Gross profit	**137.983.146**	**46.477.335**	**184.460.481**	**1.343.254**	**185.803.735**
Operating expenses	(103.529.222)	(40.560.477)	(144.089.699)	1.090.335	(142.999.364)
Other operating incomes	21.466.089	9.343.955	30.810.044	(6.693.172)	24.116.872
Other operating expenses	(15.899.446)	(3.246.400)	(19.145.846)	5.743.065	(13.402.781)
Operating profit	**40.020.567**	**12.014.413**	**52.034.980**	**1.483.482**	**53.518.462**
Purchases of tangible and intangible fixed asset	7.210.940	30.524.749	37.735.689	-	37.735.689
Depreciation and amortization on fixed assets	(43.936.239)	(17.624.221)	(61.560.460)	-	(61.560.460)

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

5. Segment Reporting(continued)

Geographical segments

1 January - 31 March 2017	Turkey	Europe	Other	Total	Consolidation adjustments	Consolidated
Revenue	571.513.081	455.641.892	65.142.951	1.092.297.924	(136.345.552)	955.952.372
Cost of sales	(371.255.707)	(358.129.064)	(49.236.171)	(778.620.942)	134.487.927	(644.133.015)
Gross profit	**200.257.374**	**97.512.828**	**15.906.780**	**313.676.982**	**(1.857.625)**	**311.819.357**
Operating expenses	(103.975.735)	(75.740.674)	(8.483.820)	(188.200.229)	2.420.038	(185.780.191)
Other operating incomes	54.382.652	11.786.071	353.893	66.522.616	(7.701.137)	58.821.479
Other operating expenses	(35.697.773)	(921.988)	(586.176)	(37.205.937)	3.110.777	(34.095.160)
Operating profit	**114.966.518**	**32.636.237**	**7.190.677**	**154.793.432**	**(4.027.947)**	**150.765.485**
Purchases of tangible and intangible fixed asset	9.788.875	23.404.558	572.483	33.765.916	-	33.765.916
Depreciation and amortization on fixed assets	(32.142.053)	(34.419.194)	(11.274.656)	(77.835.903)	-	(77.835.903)

1 January - 31 March 2016	Turkey	Europe	Other	Total	Consolidation adjustments	Consolidated
Revenue	387.042.190	264.867.969	26.382.303	678.292.462	(51.640.775)	626.651.687
Cost of sales	(261.210.728)	(204.305.653)	(28.315.600)	(493.831.981)	52.984.029	(440.847.952)
Gross profit	**125.831.462**	**60.562.316**	**(1.933.297)**	**184.460.481**	**1.343.254**	**185.803.735**
Operating expenses	(87.320.303)	(51.944.609)	(4.824.787)	(144.089.699)	1.090.335	(142.999.364)
Other operating incomes	23.787.154	6.442.981	579.908	30.810.043	(6.693.171)	24.116.872
Other operating expenses	(17.884.396)	(264.658)	(996.792)	(19.145.846)	5.743.065	(13.402.781)
Operating profit	**44.413.917**	**14.796.030**	**(7.174.968)**	**52.034.979**	**1.483.483**	**53.518.462**
Purchases of tangible and intangible fixed asset	11.893.913	22.012.719	3.829.057	37.735.689	-	37.735.689
Depreciation and amortization on fixed assets	(28.633.347)	(25.592.533)	(7.334.580)	(61.560.460)	-	(61.560.460)

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

6. Cash and Cash Equivalents

	31 March 2017	31 December 2016
Cash	53.657	25.931
Cash in banks	1.293.087.705	1.191.497.830
- Demand deposits	121.543.101	73.360.991
- Time deposits that have maturity less than 3 months	1.171.544.604	1.118.136.839
Other	54.313	47.335
	1.293.195.675	**1.191.571.096**

Time deposits

Currency	Interest Rate (%)	Maturity	31 March 2017	31 December 2016
EUR	1,10-1,45	April 2017	154.087.693	157.195.640
US Dollar	1,10-2,60	April 2017	525.653.594	493.155.668
TRY	10,15-11,65	April 2017	440.745.859	442.178.183
Other	0,10-8,70	April 2017	51.057.458	25.607.348
			1.171.544.604	**1.118.136.839**

Cash and cash equivalents as of 31 March 2017 and 31 December 2016 presented in the consolidated statements of cash flows are as follows:

	31 March 2017	31 December 2016	31 March 2016
Cash and cash equivalents	1.293.195.675	1.191.571.096	1.023.252.494
Less: Interest accrual	(1.082.141)	(1.860.336)	(1.570.178)
Less: Blocked Deposits	-	(37.320.490)	-
	1.292.113.534	**1.152.390.270**	**1.021.682.316**

Nature and the level of risk related to cash and cash equivalents are explained in Note 38.

7. Financial Assets

a) Short term financial investments

Short term financial investments	31 March 2017	31 December 2016
Held to maturity financial assets (*)	45.173.401	24.192.626

(*)The long-term, semi-annual fixed-rate USD denominated short-term portion of the securities in the currency and TRY denominated commercial paper.

7. Financial Assets (continued)

b) Long term financial investments (continued)

Held to maturity financial assets	31 March 2017	31 December 2016
Held to maturity financial assets	487.868.503	466.545.192

Held to maturity financial assets

Company that has issuance of securities	31 March 2017	31 December 2016
Türkiye Halk Bankası A.Ş.	102.278.857	99.956.291
Türkiye İş Bankası A.Ş.	124.707.773	117.558.075
Anadolu Efes Biracılık Ve Malt Sanayii A.Ş.	18.801.654	17.968.479
Arçelik A.Ş.	53.070.091	50.671.515
Türkiye Sınai Kalkınma Bankası A.Ş.	58.234.189	54.333.924
Türk Telekomünikasyon A.Ş.	-	7.407.379
Turkcell İletişim Hizmetleri A.Ş.	61.321.820	58.543.281
Türkiye Garanti Bankası A.Ş.	51.957.432	50.917.627
Türkiye Vakıflar Bankası A.O.	25.789.186	23.869.095
Yapı ve Kredi Bankası A.Ş.	9.901.464	9.512.152
T.C. Ziraat Bankası A.Ş.	3.547.323	-
Türkiye İhracat Kredi Bankası A.Ş.	3.586.809	-
Eurobond (*)	**513.196.598**	**490.737.818**
İş Yatırım Menkul Değerler A.Ş.	19.845.306	-
	533.041.904	**490.737.818**

(*)The Group has accounted for fixed income securities that it intends to hold to maturity at amortized cost using the effective interest rate. The securities in question are in US dollar denominated fixed interest payment every six months.

Held to maturity financial assets denominated in USD, have carried in active market and their market value regarding market prices is as follow;

Company that has issuance of securities	31 March 2017	31 December 2016
Türkiye İş Bankası A.Ş.	124.364.609	113.500.467
Türkiye Halk Bankası A.Ş.	100.833.530	96.404.810
Turkcell İletişim Hizmetleri A.Ş.	60.692.673	55.506.465
Türkiye Sınai Kalkınma Bankası A.Ş.	57.684.874	51.995.618
Arçelik A.Ş.	53.358.480	49.023.450
Türkiye Garanti Bankası A.Ş.	51.797.120	49.294.778
Türkiye Vakıflar Bankası A.O.	26.831.772	23.929.626
Anadolu Efes Biracılık Ve Malt Sanayii A.Ş.	18.801.331	17.358.320
Yapı ve Kredi Bankası A.Ş.	10.158.047	9.575.203
T.C. Ziraat Bankası A.Ş.	3.654.732	-
Türkiye İhracat Kredi Bankası A.Ş.	3.663.491	-
Türk Telekomünikasyon A.Ş.	-	6.940.099
	511.840.659	**473.528.836**

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

7. Financial Assets (continued)

Held to maturity financial assets yatırımlar (continued)

Maturity of held to maturity financial assets is as follows:

Collection period	31 March 2017	31 December 2016
Less than 3 months	28.886.857	3.717.876
Between 3-12 months	16.286.544	20.474.750
Between 1-5 years	324.351.736	306.194.936
Exceed 5 years	163.516.767	160.350.256
	533.041.904	**490.737.818**

The movement of held to maturity financial assets is as follows:

	1 January- 31 March 2017	1 January- 31 March 2016
1 January	490.737.818	-
Addition	119.928.065	-
Disposal	(7.383.568)	-
Principal received in current period	(90.900.000)	-
Interest received in current period	(3.970.687)	-
Revaluation difference	24.630.276	-
	533.041.904	**-**

Held to maturity financial assets yatırımlar (continued)

Coupon rates and latest redemption dates of held to maturity financial assets are as follows;

Company that has issuance of securities	ISIN Code	Coupon Rate (%)	Redemption date
Türkiye Halk Bankası A.Ş.	XS1188073081	4,750	11.02.2021
Türkiye İş Bankası A.Ş.	XS1390320981	5,375	06.10.2021
Türkiye Sınai Kalkınma Bankası A.Ş.	XS1219733752	5,125	22.04.2020
Anadolu Efes Biracılık Ve Malt Sanayii A.Ş.	XS0848940523	3,375	01.11.2022
Arçelik A.Ş.	XS0910932788	5,000	03.04.2023
Türkiye Sınai Kalkınma Bankası A.Ş.	XS1412393172	4,875	18.05.2021
Türkiye İş Bankası A.Ş.	XS1079527211	5,000	25.06.2021
Türkiye Halk Bankası A.Ş.	XS1439838548	5,000	13.07.2021
Türkiye Halk Bankası A.Ş.	XS0882347072	3,875	05.02.2020
Turkcell İletişim Hizmetleri A.Ş.	XS1298711729	5,750	15.10.2025
Türkiye Garanti Bankası A.Ş.	USM8931TAF68	5,250	13.09.2022
Türkiye Vakıflar Bankası A.O.	XS1508914691	5,500	27.10.2021
Türkiye İş Bankası A.Ş.	XS1508390090	5,500	21.04.2022
Yapı ve Kredi Bankası A.Ş.	XS0874840688	4,000	22.01.2020
Yapı ve Kredi Bankası A.Ş.	XS1028938915	5,125	22.10.2019
T.C. Ziraat Bankası A.Ş.	XS1223394914	4,750	29.04.2021
Türkiye İhracat Kredi Bankası A.Ş.	XS1496463297	5,375	24.10.2023
Türkiye İş Bankası A.Ş.	XS1117601796	5,375	30.10.2019

Effective interest rate of related USD denominated securities is 5.43%. (31 December 2016: %5,41).

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

7. Financial Assets (continued)

Securities held to maturity İş Portföy Yönetimi A.Ş. And the amounts assessed by the effective interest rate method are as follows for the companies (31 December 2016: TRY490.737.818).

The amounts of held to maturity securities within the portfolios of İş Yatırım Menkul Değerler A.Ş. is 19.845.306 TL and the remaining portion ,which are calculated by the effective interest rate method, is kept within İş Portföy Yönetimi A.Ş. accounts,

Detailed information regarding TRY denominated Commercial papers issued by İş Yatırım Menkul Değerler A.Ş is as follows

ISIN Code	Transaction Date	Maturity Date	Buying Amount	Amount at Maturity	Balance at March 2017
TRFISMD41731	23.01.2017	25.04.2017	19.436.000	20.000.000	19.845.306

The TRY denominated securities' effective interest rate is 11,97% (31 December 2016: None)

8. Financial Liabilities

Current financial liabilities	31 March 2017	31 December 2016
Short term borrowings	345.800.655	292.634.385

Short term portion of long term borrowings	31 March 2017	31 December 2016
Short term portion of long term borrowings and interests	223.374.477	208.305.446
Due to related parties (Note 37)	12.751.571	2.987.274
Liabilities for financial leasing	1.245.733	1.271.804
Total short term portion of long term borrowings	**237.371.781**	**212.564.524**
Total short term financial liabilities	**583.172.436**	**505.198.909**

Non - current financial liabilities	31 March 2017	31 December 2016
Long term portion of long term borrowings	1.001.497.161	984.576.454
Due to related parties (Note 37)	908.115.911	878.094.031
Liabilities for financial leasing	554.101	752.780
Total long -term financial liabilities	**1.910.167.173**	**1.863.423.265**
Total financial liabilities	**2.493.339.609**	**2.368.622.174**

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

8. Financial Liabilities (continued)

Reprising periods for loans	31 March 2017	31 December 2016
3 months and shorter	877.301.071	519.031.897
3 – 12 months	693.371.222	966.484.388
	1.570.672.293	**1.485.516.285**

The debt amounting TRY920.867.482 that The Group borrowed from T.Şişe ve Cam Fabrikaları will be paid with equal installments every six months (31 December 2016: TRY881.081.305). In 2017, financial leasing liabilities amounting TRY1.799.834 will be paid with equal instalments every month. (31 December 2016:TRY2.024.584).
The impact of discounting is not significant due to given interest rates for short-term loans and their carrying values approximate their fair values. The fair values are determined using the weighted average effective annual interest rates. The long-term financial liabilities are generally subject to reprising within three and six month periods and a large amount of those liabilities consists of foreign currency denominated loans. Therefore, it is expected that the carrying value of the financial liabilities that are calculated by effective interest rate method approximate to their fair values.
Short and long-term bank borrowings as of 1 January-31 March 2017 are summarized as below:

Bank Borrowings	Capital	Interest	Commission	Total
1 January	1.479.522.129	7.957.761	(1.963.605)	1.485.516.285
Currency translation differences	59.165.617	340.999	(80.963)	59.425.653
Foreign exchange (gain)/loss	22.245.748	-	-	22.245.748
Additions - accruals for the period	71.949.489	10.958.472	-	82.907.961
Payments - reversals for the period	(71.789.833)	(7.777.858)	144.337	(79.423.354)
31 March 2017	**1.561.093.150**	**11.479.374**	**(1.900.231)**	**1.570.672.293**

Bonds issued	Capital	Interest	Discounts on Bonds	Commission	Total
1 January	879.800.000	3.704.882	(1.725.949)	(697.628)	881.081.305
Foreign exchange (gain)/loss	29.850.000	-	-	-	29.850.000
Additions - accruals for the period	-	9.767.022	-	-	9.767.022
Payments - reversals for the period	-	-	118.110	51.045	169.155
31 March 2017	**909.650.000**	**13.471.904**	**(1.607.839)**	**(646.583)**	**920.867.482**

Financial Leases	Principal+Interest	Total
1 January	2.024.584	2.024.584
Currency translation differences	110.387	110.387
Payments - reversals for the period	(335.137)	(335.137)
31 March 2017	**1.799.834**	**1.799.834**

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

8. Financial Liabilities (continued)

Financial liabilities movements for the period between 1 January and 31 March 2016 are summarized as below:

Bank Borrowings	**Capital**	**Interest**	**Commission**	**Total**
1 January	1.149.792.349	7.382.920	(708.446)	1.156.466.823
Currency translation differences	12.392.626	116.854	-	12.509.480
Foreign exchange (gain)/loss	(2.014.761)	-	-	(2.014.761)
Additions - accruals for the period	31.633.121	10.286.414	-	41.919.535
Payments - reversals for the period	(29.166.186)	(6.897.370)	62.269	(36.001.287)
31 March 2016	**1.162.637.149**	**10.888.818**	**(646.177)**	**1.172.879.790**

Bonds issued	**Capital**	**Interest**	**Discounts on Bonds**	**Commission**	**Total**
1 January	726.900.000	2.662.348	(2.192.662)	(901.812)	726.467.874
Foreign exchange (gain)/loss	(18.550.000)	-	-	-	(18.550.000)
Additions - accruals for the period	-	7.519.532	-	-	7.519.532
Payments - reversals for the period	-	-	114.236	51.046	165.282
31 March 2016	**708.350.000**	**10.181.880**	**(2.078.426)**	**(850.766)**	**715.602.688**

Financial Leases	**Principal+Interest**	**Total**
1 January	2.804.428	2.804.428
Currency translation differences	29.750	29.750
Payments - reversals for the period	(270.335)	(270.335)
31 March 2016	**2.563.843**	**2.563.843**

Short and long-term bank borrowings summarized informations are as below:

31 March 2017

Currency	**Interest rate (%) (*)**	**Short - term**	**Long - term**
USD	Libor + 2,00 - 3,75	33.931.110	1.012.365.165
EUR	Euroribor + 0,08 - 3,75	518.819.147	859.923.222
TRY and others	-	30.422.179	37.878.786
		583.172.436	**1.910.167.173**

31 December 2016

Currency	**Interest rate (%) (*)**	**Short - term**	**Long - term**
USD	Libor + 2,00 - 3,75	22.448.039	978.922.365
EUR	Euroribor + 0,08 - 3,75	452.677.934	847.601.152
TRY and others	-	30.072.936	36.899.748
		505.198.909	**1.863.423.265**

*) The weighted average interest rate for EUR is Euribor + 2.62 %, for USD is Libor + 2.82 %.

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

8. Financial Liabilities (continued)

The redemption schedule of financial liabilities is as follow:

Repayment maturities of financial liabilities	**31 March 2017**	**31 December 2016**
Up to 1 year	583.172.436	505.198.909
Between 1-2 years	372.585.491	324.441.555
Between 2-3 years	222.422.530	257.673.798
Between 3-4 years	1.044.413.519	1.016.998.774
Between 4-5 years	107.000.906	101.870.564
Exceed 5 years	163.744.727	162.438.574
	2.493.339.609	**2.368.622.174**

9. Other Financial Liabilities

None (31 December 2016: None).

10.Trade Receivables and Payables

Trade receivables

Short-term trade receivables	**31 March 2017**	**31 December 2016**
Trade receivables	689.088.861	737.063.039
Notes receivables	4.409.066	6.201.965
Rediscount on notes Receivables (-)	(3.372.853)	(2.856.819)
Allowance for doubtful receivables (-)	(36.433.360)	(37.143.442)
	653.691.714	**703.264.743**

A portion of domestic sales of flat glass is made on cash. Average Sales term for flat glass are 90 days (31 December 2016: 90 days). A portion of foreign sales are made in cash and the remaining portion receivable has average 45 days maturity. For overdue payments, 2% interest is charged on a monthly basis (31 December 2016: 2 %). Average sales term for auto glass and glassware products is 45 days (31 December 2016: 45 days)

The Group has allocated allowance for its doubtful receivables. Allowance for doubtful receivables is determined by referring to past default experience. In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted to the reporting date. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. Accordingly, the management believes that no further credit provision is required in excess of the allowance for doubtful debts.
TRY63.480.323 portion of trade receivable is related to the sales that the company's related party Şişecam Dış Ticaret A.Ş. (31 December 2016: TRY89.198.459).

The group's the movement in the allowance for doubtful receivable is as follow:

	1 January-31 March 2017	**1 January-31 March 2016**
1 January	(37.143.442)	(20.063.178)
Charge for the period	(1.822.634)	(21.238)
Currency translation difference	(1.168.668)	(92.313)
Collections	3.701.384	3.092.975
	(36.433.360)	**(17.083.754)**

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

10. Trade Receivables and Payables (continued)

As of 31 March 2017 TRY106.053.251 (31 December 2016: TRY92.533.670) of trade receivable amount was past due but not impaired. This is related to various independent customers with no recent history of default. The aging analysis of trade receivable amounts and collateral information are presented in Note 38.

Trade Payables

Short term trade payables	**31 March 2017**	**31 December 2016**
Trade payables	294.964.897	319.796.973
Due to related parties (Note 37)	80.475.981	126.556.974
Rediscount of notes receivable (-)	(970.513)	(726.415)
	374.470.365	**445.627.532**

Average credit term for purchases of goods is 60 days. The Group has financial risk management policies to ensure that all liabilities are paid within credit terms.

11. Other Receivables and Payables

Other current receivables	**31 March 2017**	**31 December 2016**
Due from related parties (Note 37)	73.430.048	24.587.934
Due from personnel	904.997	573.351
Deposits and guarantees given	1.301.897	712.645
Other receivables	11.189.328	9.634.443
	86.826.270	**35.508.373**

Other non - current receivables	**31 March 2017**	**31 December 2016**
Deposits and guarantees given	234.978	179.770

11.Other Receivables and Payables (continued)

Other current payables	**31 March 2017**	**31 December 2016**
Due to related parties (Note 37)	223.986.145	127.718.589
Due to personnel	17.251.700	12.437.284
Deposits and guarantees received	12.274.052	12.580.651
Other payables(*)	68.962.386	65.145.263
	322.474.283	**217.881.787**

Other non - current payables	**31 March 2017**	**31 December 2016**
Deposits and guarantees received	1.746.282	427.300

(*) € 15.318.000 (TRY 59.867.340) portion of other payables is related to the purchase of assets of Sangalli Vetro Porto Nogaro, a company in Italy

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

12. Derivative Instruments

None (31 December 2016: None).

13. Inventories

	31 March 2017	31 December 2016
Finished goods	299.975.456	279.603.633
Raw materials	190.286.334	159.217.467
Trade goods	29.937.206	16.444.915
Work in process	39.217.708	34.084.710
Operating supplies	18.154.436	17.497.000
Other inventories	50.907.048	47.275.696
Provision for impairment of inventory (-)	(3.974.553)	(5.963.387)
	624.503.635	**548.160.034**

The movement of provision for impairment of inventory is as follows:

	1 January-31 March 2017	1 January-31 March 2016
1 January	(5.963.387)	(4.977.745)
Currency translation difference	(197.023)	(99.920)
Provision realized during the year	(54.782)	(512.441)
Provision used during the period	2.240.639	1.242.799
	(3.974.553)	**(4.347.307)**

14. Prepaid Expenses and Deffered Income

Prepaid expenses in current assets	31 March 2017	31 December 2016
Order advances given for inventories	69.936.738	59.058.473
Prepaid expenses	20.684.130	10.535.722
	90.620.868	**69.594.195**

Prepaid expenses in non-current assets	31 March 2017	31 December 2016
Given advances	7.659.027	18.508.643
Prepaid expenses	11.459.028	11.179.244
	19.118.055	**29.687.887**

Short term deferred income	31 March 2017	31 December 2016
Order advances received	23.829.774	16.500.837
Other advances received	142	135
Deferred income	16.771.696	7.992.979
	40.601.612	**24.493.951**

Long term deferred income	31 March 2017	31 December 2016
Deferred income (*)	58.276.103	58.244.732

(*) The amount consists of the government incentive provided by the Romania government to Glasscorp SA.

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

15. Construction Contracts

None (31 December 2016: None).

16. Joint Ventures and Associates

Net asset values of Joint Ventures and associates accounted for under equity accounting method represented in the balance sheet of the associates are as follows:

İş Ortaklıkları	31 March 2017	31 December 2016
HNG Float Glass Limited	224.898.599	205.951.944

Associates	31 March 2017	31 December 2016
Camiş Elektrik Üretim A.Ş.	20.317.198	22.017.088
Saint Gobain Glass Egypt S.A.E	76.392.726	69.633.738
Çayırova Cam Sanayii A.Ş.	105.955.299	106.083.329
	202.665.223	**197.734.155**
	427.563.822	**403.686.099**

Movements of the investments accounted for under equity accounting method during the year are as below:

	31 March 2017	31 December 2016
1 January	403.686.099	399.031.105
Income and loss from associates (net)	7.454.988	5.769.271
Dividend income from associates	(3.035.667)	(2.171.704)
Currency translation differences	19.458.402	(21.913.678)
	427.563.822	**380.714.994**

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

16. Joint Ventures and Associates (continued)

Movements of the investments accounted for under equity accounting method during the period are as below:

Çayırova Cam Sanayii A.Ş.	**31 March 2017**	**31 December 2016**
Current assets	9.130.450	9.041.106
Non - current assets	368.117.176	368.142.762
Total Assets	**377.247.626**	**377.183.868**
Current liabilities	782.642	263.988
Non - current liabilities	-	-
Total Liabilities	**782.642**	**263.988**
Net Assets (including goodwill)	**376.464.984**	**376.919.880**
Group share in net assets (including goodwill)	**105.955.299**	**106.083.329**
	1 January- 31 March 2017	**1 January- 31 March 2016**
Revenue	-	-
Net profit / (loss) from continuing operations	**545.104**	**742.038**
Other comprehensive income loss	-	-
Total comprehensive profit / (loss)	**545.104**	**742.038**
The Group's share in profit / (loss) from continuing operations	**153.418**	**208.846**
Dividend distribution from retained earnings	**1.000.000**	**1.600.000**
Dividend distributed to company's share	**281.448**	**450.317**

Camiş Elektrik Üretim A.Ş.	**31 March 2017**	**31 December 2016**
Current assets	63.981.754	63.694.577
Non - current assets	7.927.327	8.465.210
Total Assets	**71.909.081**	**72.159.787**
Current liabilities	12.020.261	7.354.038
Non - current liabilities	874.772	854.143
Total Liabilities	**12.895.033**	**8.208.181**
Net Assets (including goodwill)	**59.014.048**	**63.951.606**
Group share in net assets (including goodwill)	**20.317.198**	**22.017.088**
	1 January- 31 March 2017	**1 January- 31 March 2016**
Revenue	14.298.645	13.256.111
Net profit / (loss) from continuing operations	**3.062.442**	**2.811.116**
Other comprehensive income loss	-	-
Total comprehensive profit / (loss)	**3.062.442**	**2.811.116**
The Group's share in profit / (loss) from continuing operations	**1.054.329**	**967.804**
Dividend distribution from retained earnings	**8.000.000**	**5.000.000**
Dividend distributed to company's share	**2.754.219**	**1.721.387**

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

16.Joint Ventures and Associates (continued)

Saint Gobain Glass Egypt S.A.E	31 March 2017	31 December 2016
Current assets	86.941.380	79.111.078
Non - current assets	230.667.850	225.807.642
Total Assets	**317.609.230**	**304.918.720**
Current liabilities	57.891.791	66.556.959
Non - current liabilities	5.075.019	6.249.300
Total Liabilities	**62.966.810**	**72.806.259**
Net Assets (including goodwill)	**254.642.420**	**232.112.461**
Group share in net assets (including goodwill)	**76.392.726**	**69.633.738**
	1 January-31 March 2017	**1 January-31 March 2016**
Revenue	57.912.160	44.794.091
Net profit / (loss) from continuing operations	**15.170.976**	**2.486.035**
Other comprehensive income loss	7.358.983	(59.033.253)
Total comprehensive profit / (loss)	**22.529.959**	**(56.547.218)**
The Group's share in profit / (loss) from continuing operations	**4.551.292**	**746.149**

HNG Float Glass Limited	31 March 2017	31 December 2016
Current assets	122.978.730	119.593.372
- Cash and cash equivalents	1.263.542	613.821
- Trade receivables	9.965.846	10.435.321
Non - current assets	478.693.477	446.622.843
Total assets	**601.672.207**	**566.216.215**
Current liabilities	73.798.976	81.540.366
- Short term financial liabilities	39.189.267	41.487.965
Non - current liabilities	78.076.034	72.771.962
- Long term financial liabilities	56.772.740	54.576.101
Total liabilities	**151.875.010**	**154.312.328**
Net assets (including goodwill)	**449.797.197**	**411.903.887**
Group share in net assets (including goodwill)	**224.898.599**	**205.951.944**
	1 January-31 March 2017	**1 January-31 March 2016**
Revenue	67.272.713	59.163.027
Interest income	691.833	-
Interest expense	2.943.790	2.055.591
Depreciation expense	5.972.720	5.062.767
Tax expense	1.190.054	**1.743.200**
Net profit from continuing operations	**3.391.897**	**7.692.943**
Other comprehensive income	34.501.413	(8.391.325)
Total comprehensive income	**37.893.310**	**(698.382)**
The Group's share in profit / (loss) from continuing operations	**1.695.949**	**3.846.472**

17. Investment Properties

None (31 December 2016: None).

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

18.Property, Plant And Equipments

Cost	Land	Land improvements	Buildings	Machinery and equipment	Vehicles	Furnitures and fixtures	Other fixed assets	Construction in progress	Total
1 January	420.530.110	112.213.622	1.101.537.743	3.287.404.700	48.670.242	158.056.427	57.479.314	162.082.994	5.347.975.152
Currency translation differences	2.457.981	4.355.982	62.276.956	107.576.646	2.145.775	3.351.321	1.837.984	7.412.804	191.415.449
Additions	-	-	95.174	1.881.282	-	78.823	222.642	30.278.178	32.556.099
Disposals	-	-	-	(938.018)	(117.841)	(162.480)	(840.044)	(1.535.029)	(3.593.412)
Transfers from construction in progress	252.222	8.557	136.520	4.281.683	482	2.373.261	250.262	(7.302.987)	-
Balance at 31 March 2017	**423.240.313**	**116.578.161**	**1.164.046.393**	**3.400.206.293**	**50.698.658**	**163.697.352**	**58.950.158**	**190.935.960**	**5.568.353.288**
Accumulated depreciation and impairment									
1 January	(9.144.536)	(47.980.807)	(40.332.418)	(1.793.705.386)	(31.722.876)	(113.454.362)	(29.316.328)	-	(2.065.656.713)
Currency translation differences	(489.036)	(639.266)	(2.098.402)	(36.701.633)	(1.250.374)	(2.043.382)	(617.723)	-	(43.839.816)
Charge for the period (*)	-	(1.190.208)	(7.974.562)	(59.810.773)	(1.543.241)	(2.993.319)	(1.523.657)	-	(75.035.760)
Disposals	-	-	-	862.566	23.378	146.548	400.697	-	1.433.189
Balance at 31 March 2017	**(9.633.572)**	**(49.810.281)**	**(50.405.382)**	**(1.889.355.226)**	**(34.493.113)**	**(118.344.515)**	**(31.057.011)**	**-**	**(2.183.099.100)**
Net Book Value as of 31 March 2017	**413.606.741**	**66.767.880**	**1.113.641.011**	**1.510.851.067**	**16.205.545**	**45.352.837**	**27.893.147**	**190.935.960**	**3.385.254.188**
Net Book Value as of 31 December 2016	**411.385.574**	**64.232.815**	**1.061.205.325**	**1.493.699.314**	**16.947.366**	**44.602.065**	**28.162.986**	**162.082.994**	**3.282.318.439**

(*) Current period allocation of depreciation expense is disclosed in Note 28 and Note 30. No mortgage over lands and buildings due to bank borrowings exist (31 December 2016: None).

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

18.Property, Plant And Equipments (continued)

Cost	Land	Land improvements	Buildings	Machinery and equipment	Vehicles	Furnitures and fixtures	Other fixed assets	Construction in progress	Total
1 January	410.493.388	98.956.732	885.548.562	2.620.285.755	42.107.715	134.028.909	43.567.222	179.324.176	4.414.312.459
Currency translation differences	361.298	1.056.544	15.772.225	22.497.093	358.507	624.193	496.049	711.667	41.877.576
Additions	-	-	394.951	2.614.157	-	962.748	353.260	33.297.576	37.622.692
Disposals	-	-	-	(8.584.462)	(140.531)	(414.903)	(777.586)	-	(9.917.482)
Transfers from construction in progress	-	3.885	1.143.289	7.167.968	-	5.782.390	1.131.213	(15.228.745)	-
Balance at 31 December 2016	**410.854.686**	**100.017.161**	**902.859.027**	**2.643.980.511**	**42.325.691**	**140.983.337**	**44.770.158**	**198.104.674**	**4.483.895.245**
Accumulated depreciation and impairment									
1 January	(7.832.469)	(42.175.049)	(8.189.857)	(1.528.641.553)	(23.981.417)	(99.395.621)	(24.493.033)	-	(1.734.708.999)
Currency translation differences	(75.179)	(99.163)	(222.996)	(5.460.124)	(184.579)	(309.854)	(96.297)	-	(6.448.192)
Charge for the period (*)	-	(1.030.656)	(6.807.754)	(48.227.189)	(1.234.920)	(2.410.757)	(1.160.001)	-	(60.871.277)
Disposals	-	-	-	8.584.462	108.711	149.708	133.283	-	8.976.164
Balance at 31 March 2016	**(7.907.648)**	**(43.304.868)**	**(15.220.607)**	**(1.573.744.404)**	**(25.292.205)**	**(101.966.524)**	**(25.616.048)**	**-**	**(1.793.052.304)**
Net Book Value as of 31 March 2016	**402.947.038**	**56.712.293**	**887.638.420**	**1.070.236.107**	**17.033.486**	**39.016.813**	**19.154.110**	**198.104.674**	**2.690.842.941**
Net Book Value as of 31 December 2015	**402.660.919**	**56.781.683**	**877.358.705**	**1.091.644.202**	**18.126.298**	**34.633.288**	**19.074.189**	**179.324.176**	**2.679.603.460**

(*) Current period allocation of depreciation expense is disclosed in Note 28 and Note 30.

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

19.Intangible Assets

Cost	**Rights(*)**	**Others**	**Total**
1 January	73.553.014	10.819.921	84.372.935
Currency translation differences	3.561.510	510.372	4.071.882
Additions	1.174.820	34.997	1.209.817
Disposals	(114)	-	(114)
Balance at 31 March 2017	**78.289.230**	**11.365.290**	**89.654.520**
Accumulated depreciation			
1 January	(59.012.444)	(6.652.464)	(65.664.908)
Currency translation differences	(2.785.572)	(315.185)	(3.100.757)
Change for the period	(2.329.947)	(470.196)	(2.800.143)
Balance at 31 March 2017	**(64.127.963)**	**(7.437.845)**	**(71.565.808)**
Net book value as of 31 March 2017	**14.161.267**	**3.927.445**	**18.088.712**
Net book value as of 31 December 2016	**14.540.570**	**4.167.457**	**18.708.027**

Cost	**Rights(*)**	**Others**	**Total**
1 January	60.876.281	8.010.704	68.886.985
Currency translation differences	589.376	64.356	653.732
Additions	54.601	58.396	112.997
Disposals	(92.267)	-	(92.267)
Balance at 31 March 2016	**61.427.991**	**8.133.456**	**69.561.447**
Accumulated depreciation			
1 January	(44.268.262)	(4.625.645)	(48.893.907)
Currency translation differences	(376.667)	(37.105)	(413.772)
Change for the period	(390.142)	(299.041)	(689.183)
Disposals	92.267	-	92.267
Balance at 31 March 2016	**(44.942.804)**	**(4.961.791)**	**(49.904.595)**
Net book value as of 31 March 2016	**16.485.187**	**3.171.665**	**19.656.852**
Net book value as of 31 December 2015	**16.608.019**	**3.385.059**	**19.993.078**

(*) Allocation of depreciation expense is disclosed in Note 28 and Note 30.

20.Goodwill

	1 January-31 March 2017	**1 January-31 March 2016**
1 January	26.349.387	22.591.024
Currency translation differences	1.365.750	511.798
	27.715.137	**23.102.822**

	31 March 2017	**31 December 2016**
Fritz Holding GmbH	5.686.577	5.397.905
Glasscorp S.A.	22.028.560	20.951.482
	27.715.137	**26.349.387**

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

21.Government Grants

An agreement for government incentive was signed between Glasscorp S.A and Ministry of Economy on behalf of the Republic of Romania under "Regulation of Investment Incentive and Implementation" of Romania and "Government Incentive Legislation" of European Union.
Exports and other foreign currency denominated operations, within the scope of the standards determined by the Ministry of Finance and Undersecretaries of Foreign Trade, are exempt from stamp tax and fees. Government grants are paid to support participating in international fairs in accordance with the Decision No: 2004/11 of the Money Credit and Coordination Committee issued at 16 December 2004.

22.Provisions, Contingent Assets and Liabilities

Short term provisions	**31 March 2017**	**31 December 2016**
Provision for litigation	10.576.396	10.286.776
Provision for outsourced services	3.798.074	4.454.629
Provision for personnel allowance	2.643.906	870.443
Bonus provisions	24.685.303	2.318.513
Other	4.095.595	1.379.587
	45.799.274	**19.309.948**

As of 31 March 2017, Group management took advice from legal consultants about the lawsuits filed against the Group, calculated its potential future cash outflow as TRY10.576.396 (2016: TRY10.286.776) and set aside a provision for this amount. The provision amount was recognised under general management expenses.

Collaterals, pledges and mortgages "CPM" given by the Company as of 31 March 2017 and 31 December 2016 are as follows:

	31 March 2017			
The CPM's given by the Company	**TRY Equivalent**	**USD**	**EUR**	**Other**
A. CPM's given in the name of its own legal personality	-	-	-	-
B. CPM's given on behalf of the fully consolidated companies	895.581.961	-	215.932.521	51.652.891
C. CPM's given on behalf of third parties for ordinary course of business	-	-	-	-
D. Total amount of other CPM's given	909.650.000	250.000.000	-	-
i. Total amount of CPM's given on behalf of the majority shareholder	909.650.000	250.000.000	-	-
ii. Total amount of CPM's given on behalf of the group companies which are not in scope of B and C	-	-	-	-
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-	-	-
Total	**1.805.231.961**	**250.000.000**	**215.932.521**	**51.652.891**

Percentage of CPM's given by the Company to the Company's equities is 24% as of 31 March 2017 (31 December 2016: 25%).

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

22. Provisions, Contingent Assets and Liabilities (continued)

The financial of the Group are met by the parent company, Şişecam Holding and these funds are proceed to subsidiaries with same conditions.

The Group has provide guarantee for repayment of the principal and interest of 250 million USD, TRİ presented under the Table D-i "In Favor of the Parent Company", which was funded by the of Şişecam's bond issue on 9 May 2013 which amounts to 500 million USD with 7-years maturity. As of 31 March 2017,

The group doesn't give guaraantee in favor of third parties. As of 31 March 2017,there are no CPMs available in favor of third parties.

	31 December 2016			
The CPM's given by the Company	**TRY Equivalent**	**USD**	**EUR**	**Other**
A. CPM's given in the name of its own legal personality	-	-	-	-
B. CPM's given on behalf of the fully consolidated companies	848.586.786	3.952.831	211.724.391	49.199.667
C. CPM's given on behalf of third parties for ordinary course of business	-	-	-	-
D. Total amount of other CPM's given	879.800.000	250.000.000	-	-
i. Total amount of CPM's given on behalf of the majority shareholder	879.800.000	250.000.000	-	-
ii. Total amount of CPM's given on behalf of the group companies which are not in scope of B and C	-	-	-	-
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-	-	-
Total	**1.728.386.786**	**253.952.831**	**211.724.391**	**49.199.667**

23.Commitments

According to agreements made with Türkiye Petrolleri Anonim Ortaklığı. Polatlı O.S.B. and Mersin O.S.B., the Group has a commitment to purchase 274.352.503 sm^3 natural gas purchase commitment between 1 April and 31 December 2017 (31 December 2016: 362.774.096 sm3).

24.Employee Benefits

Short Term

	31 March 2017	**31 December 2016**
Unused vacation provisions	1.159.633	939.510

Long Term

Provision for employee termination benefits	**31 March 2017**	**31 December 2016**
Domestic	64.762.496	63.858.170
Foreign	3.112.450	2.953.779
	67.874.946	**66.811.949**

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

24.Employee Benefits (continued)

Long Term (Provision for employment termination benefits)

Under the Turkish Labor Law, the Group is required to pay employment termination benefits to each employee who has qualified for such benefits as the employment ended. Also, employees who are entitled to a retirement are required to be paid retirement pay in accordance with Law No: 2422 dated 6 March 1981 and No: 4447 dated 25 August 1999 and the amended Article 60 of the existing Social Insurance Code No: 506. Some transition provisions related to the pre-retirement service term were excluded from the law since the related law was changed as of 23 May 2002. The monthly ceiling of employee termination benefit to be paid as of 31 March 2017 is TRY4.426,16 (31 December 2016: TRY4.426,16).

Liability of employment termination benefits is not subject to any funding as there isn't an obligation. Provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. TAS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the Group's obligation under the defined benefit plans. The following actuarial assumptions are used in the calculation of the total liability.
The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying consolidated financial statements as of 31 March 2017 and 31 December 2016 the provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees.

Provisions at the balance sheet date were calculated by assuming an annual inflation rate of 6.00% (31 December 2016: 6.00%) and a discount rate of 11.50% (31 December 2016: 11.50%), the real discount rate is approximately 5.19% (31 December 2016: 5.19%). The anticipated rate of forfeitures that occurred on voluntary turnovers is considered.

The movement of the employement termination benefits is as follows:

	1 January-31 March 2017	**1 January-31 March 2016**
1 January	66.811.949	60.578.007
Service cost	1.993.227	3.243.848
Interest cost	2.141.767	716.274
Currency translation differences	157.958	23.469
Paid during the period	(3.229.955)	(2.479.037)
	67.874.946	**62.082.561**

25.Impairment of Assets

	31 March 2017	**31 December 2016**
Provision for doubtful receivables	36.433.360	37.143.442
Provision for impairment of inventory	3.974.553	5.963.387
	40.407.913	**43.106.829**

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

26.Other Assets and Liabilites

Other current assets	31 March 2017	31 December 2016
Other VAT	25.938.312	19.124.982
Other	7.203.843	10.286.822
	33.142.155	**29.411.804**

Other current liabilities	31 March 2017	31 December 2016
Taxes and funds payables	18.324.950	10.297.530
Social security premiums payable	11.537.449	13.875.367
Social benefit payable	5.666.497	6.982.032
Expense accruals	46.197.227	28.754.693
Other	8.013.583	3.694.905
	89.739.706	**63.604.527**

27.Capital, Reserves and Other Equity Items

Equity components "Paid-in Share Capital", "Restricted Reserves" and "Share Premiums", are accounted as legal reserves in accordance with related Article of the Turkish Commercial Code and are presented with in the statutory financial statements. The differences, that are recognized through the valuation made in accordance with CMB Reporting Standards and cannot be subject to dividend distribution or capital increase as of reporting date (such as inflation adjustment differences) and relevant to the paid-in share capital, are associated with "Adjustments to Share Capital" which is under paid-in share capital and the differences resulting from the "Restricted Reserves" and "Share Premiums" are associated with "Retained Earnings.

a) Capital / Treasury Shares

The approved and paid-in capital of the Company consists of 93.000.000.000 (31 December 2016: 93.000.000.000) shares issued on bearer with a nominal value of Kr 1 (Kuruş one) each.

	31 March 2017	31 December 2016
Registered capital ceiling(*)	3.000.000.000	1.500.000.000
Approved and paid-in capital	930.000.000	930.000.000

(*) In the Board meeting dated 29 March 2017 , it has been decided to increase the Company's registered capital to 3.000.000.000 TRY.

Shareholder structure as of 31 March 2017 and 31 December 2016 is as follows:

	31 March 2017		31 December 2016	
Shareholders	**Amount TRY**	**Share (%)**	**Amount TRY**	**Share (%)**
Türkiye Şişe ve Cam Fabrikaları A.Ş.	645.234.000	69,38	645.234.000	69,38
Publicly traded	281.046.000	30,22	281.046.000	30,22
Şişecam group companies	3.720.000	0,40	3.720.000	0,40
Paid - in share capital	**930.000.000**	**100,00**	**930.000.000**	**100,00**
Adjustment to share capital	5.576.528		5.576.528	
Total share capital	**935.576.528**		**935.576.528**	

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

27. Capital, Reserves and Other Equity Items (continued)

a) Capital / Treasury Shares (continued)

	31 March 2017		31 December 2016	
Shareholders	**Amount TRY**	**Share (%)**	**Amount TRY**	**Share (%)**
T. İş Bankası A.Ş. Mensupları Munzam Sosyal Güvenlik ve Yardımlaşma Sandığı Vakfı	222.977.696	23,98	222.977.696	23,98
Atatürk's Shares (Cumhuriyet Halk Partisi)	118.857.151	12,78	118.857.151	12,78
Other (Publicly traded))	588.165.153	63,24	588.165.153	63,24
Total	**930.000.000**	**100,00**	**930.000.000**	**100,00**

b) Share Premium

It determines the difference between the nominal price and the sales price of the shares publicly traded. It is TRY22.703 as of 31 March 2017 (31 December 2016: TRY22.703).

c) Other Comprehensive Income not to be reclassified to profit or loss

Revaluation funds that are unrelated with income statement is directly transferred to equity as follows:

Items not be reclassified to profit and loss	**31 March 2017**	**31 December 2016**
Fixed assets revaluation fund	471.947.397	463.296.677
- Fixed assets revaluation fund	*471.947.397*	*463.296.677*
Actuarial gain / loss revaluation fund for employee termination provisions	806.463	800.406
	472.753.860	**464.097.083**

Provision for employee termination benefits actuarial gain / loss reserve fund

The amendment in IAS-19 ''Employee Benefits'' does not permit the actuarial gain/loss considered in the calculation of provision for employee termination benefits to be accounted for under the statement of income. The gains and losses arising from the changes in the actuarial assumption have been accounted for by ''Revaluation Funds'' under the equity.

The movement of the gain/loss on revaluation and remeasurement is as follows:

	31 March 2017	**31 March 2016**
1 January	800.406	(504.327)
Additions	7.571	-
The effect of deffered tax	(1.514)	-
	806.463	**(504.327)**

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

27. Capital, Reserves and Other Equity Items (continued)

d) Other Comphrensive Income to be reclassified to profit or loss

Movements in revaluation funds presented in the statements of comprehensive income and statement of changes in equity.

Currency translation differences

It arises from exchange differences arising from the translation of financial statements of foreign subsidiaries, joint ventures and associates to reporting currency of TRY and accounted for under equity.

TRY9.838.651 of the change in the currency translation difference relates to non-controlling interests (31 December 2016: TRY28.459.834).

Items to be reclassified to profit or loss	**31 March 2017**	**31 December 2016**
Currency translation differences	365.585.810	253.097.206

e) Restricted Reserves

Retained earnings in the statutory financial statements can be distributed as dividends other than judgments related to legal reserves described below.

Legal reserves consist of first and second legal reserves, calculated in accordance with the Turkish Commercial Code. The first legal reserve is calculated as 5% of the financial statutory profits per annum until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is calculated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions; however, holding companies are not subject to this application.

Publicly held corporations make their dividend distributions within the framework set forth in the standards and notifications published by Capital Markets Board.

Legal Reserves "Share Premiums" in the legal reserve status and legal reserves allocated for specific purposes (participation sales revenue allocated to obtain tax advantage) other than profit distribution allocated within the framework of the related Clause of Turkish Commercial Code are reflected as their recorded amounts. Within this scope, differences arising in the evaluations made within the framework of TFRS principles and inflation adjustments not subject to profit distribution or capital increase as by the report date are related with previous year's profits/losses.

Restricted reserves attributable to equity holders of the Parent	**31 March 2017**	**31 December 2016**
Legal reserves	141.798.882	137.116.142

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

27.Capital, Reserves and Other Equity Items (continued)

f) Retained Earnings

Prior periods' income of the Group amounting to TRY1.392.691.023 is classified to retained earnings in the consolidated balance sheet as at 31 March 2017 (31 December 2016: TRY956.664.823).

Profit Distribution

Dividends are distributed according to Communiqué Serial: II-19.1 on "Principles Regarding Distribution of Interim Dividends for quoted entities subject to Capital Market Board Law", principles on corporate articles and dividend distribution policy which is declared by Companies. In addition to the CMB, it is stipulated that companies which have the obligation to prepare consolidated financial statements, calculate the net distributable profit amount by taking into account the net profits for the period in the consolidated financial statements that will be prepared and announced to the public in accordance with the Communiqué II-14.1 that sufficient reserves exists in the unconsolidated statutory books.

The profit shares in quoted partnerships are distributed to all available shared as of distribution date, equally at the rates of shares without considering the issue and acquisition dates.

Reserves subject to distribution of dividend

The profit shares in quoted partnerships are distributed to all available shared as of distribution date, equally at the rates of shares without considering the issue and acquisition dates.

	31 March 2017	**31 December 2016**
Net profit for the year	172.526.332	344.527.091
I. Legal reserves	(8.626.317)	(17.226.355)
Distributable profit for the period	**163.900.015**	**327.300.736**
Extraordinary reserves	548.877.533	548.877.533
Retained earnings	327.300.736	158.293.122
	1.040.078.284	**1.034.471.391**

It has been decided in Ordinary General Assembly Meeting held on 29 March 2017 that a gross dividend amounting to TRY 106.000.000, equivalent of 11,39785 % of paid-in capital will be distributed in cash and a gross dividend amounting to TRY 200.000.000, equivalent of 21,50538 % of paid in capital will be distributed as bonus shares. It has also been decided that the date of payment of cash dividend will be 30 May 2017 and the bonus shares will be distributed after the completion of legal procedures.

28.Revenue and Cost of Sales

Satışlar	**1 January-31 March 2017**	**1 January-31 March 2016**
Sales	1.011.683.896	671.623.462
Sales discount	(50.945.739)	(39.929.248)
Sales returns	(4.785.785)	(3.752.277)
Other sales discounts	-	(1.290.250)
	955.952.372	**626.651.687**

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

28.Revenue and Cost of Sales (continued)

Cost of sales	1 January- 31 March 2017	1 January- 31 March 2016
Direct materials	(377.021.658)	(303.081.787)
Direct labor	(65.003.143)	(37.379.001)
General production	(128.154.614)	(82.114.978)
Depreciation	(67.314.192)	(54.734.717)
Change in work - in - progress inventories	5.132.998	4.693.751
Change in finished goods inventories	20.371.823	38.723.104
Cost of goods sold	**(611.988.786)**	**(433.893.628)**
Cost of traded goods sold	(29.203.390)	(3.660.388)
Cost of services given	(2.940.839)	(3.293.936)
	(644.133.015)	**(440.847.952)**

29.General Administrative Expenses, Marketing Expenses, Research and Development Expenses

	1 January- 31 March 2017	1 January- 31 March 2016
General administrative expenses	(75.477.334)	(59.556.517)
Marketing, selling and distribution expenses	(102.069.747)	(74.837.685)
Research and development expenses	(8.233.110)	(8.605.162)
	(185.780.191)	**(142.999.364)**

30.Expense by Nature

	1 January- 31 March 2017	1 January- 31 March 2016
Indirect material costs	(6.198.332)	(3.467.689)
Employee benefit expenses	(49.879.705)	(42.369.529)
Outsourced services	(73.705.456)	(65.989.474)
Miscellaneous expenses	(45.474.987)	(24.346.931)
Depreciation and amortization	(10.521.711)	(6.825.741)
	(185.780.191)	**(142.999.364)**

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

31.Other Operating Income and Expenses

Other operating income	1 January-31 March 2017	1 January-31 March 2016
Gain on sales of mould and material	3.656.548	1.225.576
Gain on sales of scrap	384.871	428.825
Rent income	325.106	628.453
Insurance damage indemnity	1.151.106	1.015.850
Franchise income	-	5.817
Terminated provisions	3.740.945	3.092.975
Finance income related to operating activities	41.021.881	11.852.802
Prior period income and profits	2.994.413	4.170.925
Investment incentive income	1.128.189	935.836
Other	4.418.420	759.813
	58.821.479	**24.116.872**

Other operating expenses	1 January-31 March 2017	1 January-31 March 2016
Financing expense related to operating activities	(28.789.429)	(7.147.085)
Provision expenses	(1.822.634)	(21.238)
Commission expenses	(113.230)	(1.394.118)
Prior period expenses and losses	(787.255)	(2.993.886)
Loss on sales of scrap	(1.435.889)	(655.664)
Indemnities	(109.401)	(502.272)
Other	(1.037.322)	(688.518)
	(34.095.160)	**(13.402.781)**

32. Income or Expenses from Investing Activities

Income from investing activities	1 January-31 March 2017	1 January-31 March 2016
Valuation difference of financial assets	24.630.276	-
Dividend income	-	24.445.311
Gain on sales of tangible assets	4.369.905	44.538
	29.000.181	**24.489.849**

Expense from investing activities	1 January-31 March 2017	1 January-31 March 2016
Loss on sales of tangible assets	(2.302)	(147.590)

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

33. Financial Income and Expenses

Financial Income	**1 January-31 March 2017**	**1 January-31 March 2016**
Foreign exchange income	78.274.640	53.906.072
- Cash and cash equivalents	71.720.672	25.296.524
- Borrowings	614.837	4.935.537
- Bonds issued	-	18.550.000
- Other	5.939.131	5.124.011
Interest income	15.785.356	10.703.177
- Time deposits	13.135.864	6.451.381
- Other	2.649.492	4.251.796
	94.059.996	**64.609.249**

Financial Expenses	**1 January-31 March 2017**	**1 January-31 March 2016**
Foreign exchange expense	(106.403.375)	(48.964.252)
- Cash and cash equivalents	(48.771.874)	(41.465.033)
- Borrowings	(22.860.585)	(2.920.775)
- Bonds issued	(29.850.000)	-
- Other	(4.920.916)	(4.578.444)
Interest expense	(26.956.348)	(19.405.059)
- Borrowings	(10.958.472)	(10.286.414)
- Bonds	(9.767.022)	(7.519.532)
- Other	(6.230.854)	(1.599.113)
	(133.359.723)	**(68.369.311)**

Financial Income Expense (Net)	**1 January-31 March 2017**	**1 January-31 March 2016**
Foreign exchange expense	(28.128.735)	4.941.820
- Cash and cash equivalents	22.948.798	(16.168.509)
- Borrowings	(22.245.748)	2.014.762
- Bonds issued	(29.850.000)	18.550.000
- Other	1.018.215	545.567
Interest expense	(11.170.992)	(8.701.882)
-Time deposits and borrowings	2.177.392	(3.835.033)
- Bonds	(9.767.022)	(7.519.532)
- Other	(3.581.362)	2.652.683
	(39.299.727)	**(3.760.062)**

34.Assets Held for Sale and Discounted Operations

None. (31 Decembet 2016: None)

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

35.Taxes on Income (Including Deferred Tax Assets and Liabilities)

Deferred Tax Assets and Liabilities

The Group recognizes deferred tax assets and liabilities based upon the temporary differences between financial statements as reported in accordance with CMB and its tax base of statutory financial statements. These differences usually result in the recognition of revenue and expense items in different periods for CMB and statutory tax purposes.

Turkish Tax Legislation does not permit a parent company, its subsidiaries and joint ventures to file a consolidated tax return, therefore, tax liabilities, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis. In this respect deferred tax assets and liabilities of consolidated entities in the accompanying consolidated financial statements are not offset.

	31 March 2017	31 December 2016
Deferred tax assets	47.777.381	50.217.011
Deferred tax liabilities (-)	(15.594.778)	(15.628.165)
Deferred tax assets (net)	**32.182.603**	**34.588.846**

Temporary Differences	31 March 2017	31 December 2016
Useful life and valuation differences on tangible and intangible assets	554.518.734	547.465.009
Carry forward tax losses	(241.559.822)	(228.855.641)
Employment termination benefits	(67.874.946)	(66.811.949)
Revaluation of inventories	5.987.128	(4.740.786)
Investment allowance utilized during the period	(458.218.452)	(484.855.926)
Discount on receivables and payables	(1.252.973)	32.946
Provision for legal exposures	(8.340.412)	(8.164.713)
Doubtful receivables	(16.379.916)	(18.138.767)
Other	64.399.306	53.563.787
	(168.721.353)	**(210.506.040)**

Deferred Tax Assets and Liabilities	31 March 2017	31 December 2016
Useful life and valuation differences on tangible and intangible assets	92.015.033	91.551.134
Carry forward tax losses	(14.498.989)	(13.783.464)
Employment termination benefits	(13.471.997)	(13.265.400)
Revaluation of inventories	1.374.020	(434.122)
Investment allowance utilized during the period	(91.643.690)	(96.971.185)
Discount on receivables and payables	(250.594)	6.589
Provision for legal exposures	(1.668.082)	(1.632.943)
Doubtful receivables	(3.224.920)	(3.572.752)
Other	(813.384)	3.513.297
	(32.182.603)	**(34.588.846)**

The movement of the deferred tax (assets) / liabilities is as follows:

	1 January- 31 March 2017	1 January- 31 March 2016
1 January	(34.588.846)	13.329.173
Charged to the statement of income	1.783.648	2.817.944
Charged to the equity	1.514	3.082.628
Currency translation differences	621.081	(264.870)
	(32.182.603)	**18.964.875**

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

35.Taxes on Income (Including Deferred Tax Assets and Liabilities) (continued)

Deffered Tax Assets and Liabilities (continued)

Corporate Tax

The Group is subject to Turkish corporate taxes. Tax legislation in Turkey does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes as reflected in the accompanying consolidated financial statements are calculated on a separate-entity basis.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting the revenues exempted from tax, non-taxable revenues and other discounts (if any previous year losses and preferred investment allowances) are deducted.

The tax rate in Turkey is 20% with the balance sheet date (31 December 2016: 20%).
The principal tax rates (%) of the tax authorities in each country used to calculate deferred taxes as of 31 March 2017 are as follows:

Country	Tax Rate (%)
Bulgaria	10,0
Egypt	20,0
Romania	16,0
Russia (*)	3,0 – 20,0
Holland (**)	20,0 – 25,0
Germany	15,0
India	30,0
Slovakia	19
Hungary	10,0-19,0
Italy	27,9

(*) Russia's Tatarstan region is used tax rate of 3.0%, in the other regions are used tax rate 20.0%.
(**) In Holland, tax rate of 20% is used up to amounting EUR200.000 income, if exceed this amount, tax rate of 25% is used.

In Turkey, advance tax returns are filed on a quarterly basis. In 2017, 20% of temporary tax rate is applied during the taxation of corporate income (31 December2016: 20%).

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1 - 25 April following the close of the accounting year to which they relate (Companies with special accounting periods file their tax returns between 1- 25 of the fourth month subsequent to the fiscal year end). Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

Losses can be carried forward for offset against future taxable income for up to 5 years (Russia unlimited, Romania 7 years, Germany 10 years). Losses cannot be carried back for offset against profits from prior periods.

With the term of not exceeding the companies subsidiary Trakya Glass Bulgaria EAD's investments more than %50 which operations take place in Bulgaria, the company can benefit from tax allowance. Company has benefited from the tax allowance in year 2017 and 2016.

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

35.Taxes on Income (Including Deferred Tax Assets and Liabilities) (continued)

Corporate tax (continued)

Income Withholding Tax

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. This rate was changed to 15% for all Companies as of 23 July 2006. Undistributed dividends incorporated in share capital are not subject to income withholding tax.

A tax charge of 19.8% applies to investment incentives that were utilized via investment incentive certificates that were obtained before 24 April 2003. After this date, 40% of investment expenses incurred without an incentive certificate can be deducted from taxable revenue. There is no tax charge for capital expenditures qualifying for government incentive.

Investment Incentive

Investment allowances are not applicable after 1 January 2006.If companies' taxable incomes are not sufficient, the amount of unused investment allowance as of 31 December 2005 and the incentive allowances incurred from 1 January 2006 onwards, can be transferred to the following years in order to be deducted from the taxable revenues of the following years.

Law No.6009 published on 1 August 2010 allows for unused investment allowances to be used in future periods without limitation. However, the determination of the tax base that can be used for %25 of the earnings for the period. 20% corporate tax is calculated on earnings after deducting investment incentives. The arrangements made with the Law No.6009 came into force in 1 August 2010 to be applied on income for the year 2010.

Corporate Tax Allowance Practice

Corporate tax allowances can be taken for regional implementation of investments and large scale investments in accordance with Decision No: 2009/15199 of the Government Subsidies for Investments, and the framework of 5520 Corporate Income Tax Law No. 32/A. These allowances are used to reduce tax payable until the investment amount as calculated based on an incentive rate in the incentive certificate is reached. An allowance for VAT and custom tax can be utilized in accordance with incentive certificates in line with the same decision.

	31 March 2017	**31 December 2016**
Current tax provision	26.328.690	63.025.699
Prepaid taxes and funds (-)	(13.742.358)	(51.943.843)
Tax provision in the statement of the financial position	**12.586.332**	**11.081.856**

	1 January-31 March 2017	**1 January-31 March 2016**
Provision for Corporate Tax for current period	(26.328.690)	(9.020.327)
Deferred tax income	(1.783.648)	(2.817.944)
Tax provision in the statement of income	**(28.112.338)**	**(11.838.271)**

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

35.Taxes on Income (Including Deferred Tax Assets and Liabilities) (continued)

Corporate tax (continued)

Reconciliation of provision for tax	**31 March 2017**	**31 March 2016**
Profit before taxation and non-controlling interest	147.918.625	79.869.930
Effective tax rate	20,00%	20,00%
Calculated tax	**(29.583.725)**	**(15.973.986)**
The reconciliation of income tax provision and calculated		
- Non-deductible expenses	(1.617.182)	(1.607.887)
- Corporate tax allowance	(1.191.858)	152.182
- Carry forward tax losses	715.525	(682.297)
- Income/(loss) from associates	1.490.998	1.153.854
- The effect of foreign companies subject to different tax rate	2.209.425	4.426.078
- Other	(135.521)	693.785
Tax provision in the statement of income	**(28.112.338)**	**(11.838.271)**

36.Earnings Per Share

Earnings per share	**1 January-31 March 2017**	**1 January-31 March 2016**
Average number of shares existing during the period (total value)	930.000.000	930.000.000
Net profit for the period attributable to equity holders of the parent	114.817.809	64.822.336
Earnings per share	**0,1235**	**0,0697**
Total comprehensive income attributable to equity holders of the parent	235.963.190	125.413.724
Earnings per share from total comprehensive income	**0,2537**	**0,1349**

37.Related Party Disclosures

Türkiye Şişe ve Cam Fabrikaları A.Ş. is the main shareholder of the Group and Türkiye İş Bankası A.Ş. is the ultimate controlling party. All transactions and balances between the Group and its consolidated subsidiaries are eliminated on consolidation and not disclosed in this note.

Transactions among the Group and other related parties are disclosed below.

Deposits held from related parties	**31 March 2017**	**31 December 2016**
T. İş Bankası A.Ş.		
- Time deposits	1.117.448.774	1.031.022.771
- Demand deposits	2.336.600	1.270.244
	1.119.785.374	**1.032.293.015**
İşbank AG		
- Demand deposits	3.955.255	18.264.267
	3.955.255	**18.264.267**
	1.123.740.629	**1.050.557.282**

The non-trade receivables and payables of the Group with its related parties consist of financial loans given to and received from Türkiye Şişe ve Cam Fabrikaları A.Ş. and its subsidiaries. These non-trade receivables and payables do not have maturities. Interest is accrued using a monthly current account interest rate determined by Türkiye Şişe ve Cam Fabrikaları A.Ş. based on money markets. The monthly interest rate used for 31 March 2017 was 1.08% (31 December 2016:0.98%).

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

37.Related Party Disclosures (continued)

Financial liabilities to related parties	31 March 2017	31 December 2016
Şişecam Holding through(*)	920.867.482	881.081.305

(*) The parent company, T. Şişe ve Cam Fabrikaları A.Ş. issued on 9 May 2013 7 year term, fixed interest bonds amounting to USD500 million with the maturity date May 2020. The interest rate for the bonds was determined as 4.25%. The capital payment of the bond would be made at maturity date. Funds amounting to USD250 million provided after issuance of these bonds transferred to the Group under the same conditions and the Group guaranteed principal, interest and other payments of fund transferred from T. Şişe ve Cam Fabrikaları A.Ş.

Other receivables from related parties	31 March 2017	31 December 2016
Paşabahçe Bulgaria EAD	13.954.279	11.036.459
Türkiye Şişe ve Cam Fabrikaları A.Ş.	49.632.352	9.355.196
Saint Gobain Glass Egypt S.A.E.	3.964.557	1.534.884
Şişecam Sigorta Aracılık Hizmetleri A.Ş.	1.119.327	1.041.028
Camiş Elektrik Üretim A.Ş.	3.349.030	281.938
Diğer	1.410.503	1.338.429
	73.430.048	**24.587.934**

Trade payables to related parties	31 March 2017	31 December 2016
Soda Sanayii A.Ş.	26.937.839	53.964.622
Şişecam Dış Ticaret A.Ş.	21.840.584	42.909.270
Şişecam Enerji A.Ş.	-	11.117.461
Şişecam Bulgaria EOOD	17.493.883	10.538.488
Camiş Madencilik A.Ş.	8.491.187	3.119.024
Camiş Elektrik Üretim A.Ş.	2.503.216	2.326.024
Şişecam Sigorta Aracılık Hizmetleri A.Ş.	1.955.250	1.687.943
Diğer	1.254.022	894.142
	80.475.981	**126.556.974**

Other payables to related parties	31 March 2017	31 December 2016
Türkiye Şişe ve Cam Fabrikaları A.Ş.	191.603.502	127.718.589
Divident payable to shareholders(*)	32.382.643	-
	223.986.145	**127.718.589**

(*) Consists of the portion attributable to the non-group shares determined in the Ordinary General Assembly Meetings of the year 2016 held within the period of 1 January – 31 March 2017

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

37.Related Party Disclosures (continued)

Interest income from related parties	1 January-31 March 2017	1 January-31 March 2016
T. İş Bankası A.Ş.	11.629.816	4.036.851
Türkiye Şişe ve Cam Fabrikaları A.Ş.	895.579	2.761.796
Other	21.068	108.016
	12.546.463	**6.906.663**
Interest expense to related parties		
Türkiye Şişe ve Cam Fabrikaları A.Ş.	3.801.692	184.195
Soda Sanayii A.Ş.	652.154	292.666
Şişecam Dış Ticaret A.Ş.	411.623	59.569
Other	311.462	1.604.779
	5.176.931	**2.141.209**
Dividend income from related parties		
Soda Sanayii A.Ş.	-	24.445.311

Other income from related parties	1 January-31 March 2017	1 January-31 March 2016
Paşabahçe Bulgaria EAD	5.734.109	11.500.682
Anadolu Cam Yenişehir Sanayi A.Ş.	566.185	533.854
Paşabahçe Cam Sanayii ve Tic. A.Ş.	297.988	225.748
Camiş Madencilik A.Ş.	125.698	121.281
Türkiye Şişe ve Cam Fabrikaları A.Ş.	423.171	49.804
Paşabahçe Mağazaları A.Ş.	34.972	36.710
Other	295.140	44.127
	7.477.263	**12.512.206**

Other expenses to related parties	1 January-31 March 2017	1 January-31 March 2016
Soda Sanayii A.Ş.(1)	36.046.009	37.511.787
Camiş Madencilik A.Ş.(2	22.941.789	16.992.096
Şişecam Enerji A.Ş.	-	17.491.649
Şişecam Bulgaria EOOD	19.551.302	11.802.180
Camiş Elektrik Üretim A.Ş.	6.289.745	6.604.961
Camiş Egypt Mining Ltd. Co.	2.733.040	1.287.431
Şişecam Dış Ticaret A.Ş.	635.700	370.122
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	554.747	813.776
Anadolu Anonim Türk Sigorta A.Ş.	492.722	-
Türkiye Şişe ve Cam Fabrikaları A.Ş.	215.166	964.949
Other	359.805	988.577
	89.820.025	**94.827.528**

(1) It consists of purchases of soda from Soda Sanayii
(2) It consists of purchases of sand from Camiş Madencilik

Benefits provided to key management	1 January-31 March 2017	1 January-31 March 2016
Parent	937.507	1.140.679
Consolidated entities	4.897.397	2.757.854
	5.834.904	**3.898.533**

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

38. Financial Instruments and Financial Risk Management

a) Capital Risk Management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.
The capital structure of the Group consists of debt, which includes the borrowings and other debts disclosed in Note 8 and 10, cash and cash equivalents disclosed in Note 6 and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Note 27.

The Group controls its capital using the net debt / total capital ratio. This ratio is calculated as net debt divided by the total equity amount. Net debt, total debt net of cash and cash equivalents (as shown in the balance sheet of financial assets and liabilities, financial leases and trade payables) is calculated by subtracting.

As of 31 March 2017 and 31 December 2016 the Group's net debt / total equity ratios are as follows:

	31 March 2017	**31 December 2016**
Financial liabilities and trade payables	2.867.809.974	2.814.249.706
Less: Cash and cash equivalents	(1.293.195.675)	(1.191.571.096)
Net Debt	**1.574.614.299**	**1.622.678.610**
Total Equity	**3.717.111.571**	**3.586.721.252**
Net debt / total equity ratio	**%42**	**%45**

The Group's general strategy is in line with prior periods.

a) Financial Risk Factors

The Group's activities expose it to various financial risks, market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize the potential adverse effects over the Group's financial performance.
The Group manages its financial instruments centrally in accordance with the Group's risk policies via Financial Transactions Department. The Group's cash inflows and outflows are monitored by the reports prepared on a daily, weekly and monthly basis and compared to the monthly and yearly cash flow budgets.
Risk management is carried out by the Risk Management Department, which is independent from steering, under the policies approved by the Board of Directors. The Group's Risk Management Department identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board of Directors sets out written principles for overall risk management, as well as written policies covering specific areas, such as; foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

b.1) Credit Risk Management
Credit risk refers to the risk that counterparty will default on its contractual obligations. The Group's management mitigates this risk through limitations on the contracts made with counterparties and obtaining sufficient collaterals where appropriate. The Group's credit risks mainly arise from its trade receivables. The Group manages this risk by the credit limits up to the guarantees received from customers. Use of credit limits is monitored by the Group by taking into consideration the customer's financial position, past experiences and other factors and customer's credibility is evaluated on a consistent basis. Trade receivables are evaluated based on the Group's policies and procedures and presented net of doubtful provision in the financial statements accordingly (Note 10).

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

38. Financial Instruments and Financial Risk Management (continued)

b) Financial Risk Factors (continued)

b.1) Credit Risk Management (continued)

	Receivables					
	Trade Receivable		Other Receivable			
Credit risk of financial instruments	**Related Party**	**Third Party**	**Related Party**	**Third Party**	**Cash and Cash Equivalents**	**Derivative Financial Intruments**
Maximum credit risk exposed as of 31 March 2017 (*) (A+B+C+D+E)	**-**	**653.691.714**	**73.430.048**	**13.631.200**	**1.293.087.705**	**-**
- Hedged part of maximum risk with collateral	**-**	**(256.869.089)**	**-**	**-**	**-**	**-**
A. Net book value of financial assets that are neither past due nor impaired	-	547.638.463	73.430.048	13.631.200	1.293.087.705	-
- The part of which is under guarantee with collateral	-	(216.060.209)	-	-	-	-
B. Net book value of financial assets that are renegotiated,	-	-	-	-	-	-
otherwise that will be considered as past due or impaired	-	-	-	-	-	-
- The part of which is under guarantee with collateral	-	-	-	-	-	-
C. Net book value of financial assets that are past due but not impaired	-	106.053.251	-	-	-	-
- The part of which is under guarantee with collateral	-	(40.808.880)	-	-	-	-
	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross carrying amount)	-	36.433.360	-	-	-	-
- Impairment (-)	-	(36.433.360)	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
E. Off balance sheet items with credit risk	-	-	-	-	-	-

(*) Determination of the amount received as guarantees,credit enhancements are not taken into account.

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

38. Financial Instruments and Financial Risk Management (continued)

c) Financial Risk Factors (continued)

b.1) Credit Risk Management (continued)

	Receivables					
	Trade Receivable		Other Receivable			
Credit risk of financial instruments	**Related Party**	**Third Party**	**Related Party**	**Third Party**	**Cash and Cash Equivalents**	**Derivative Financial Intruments**
Maximum credit risk exposed as of 31 December 2016 (*) (A+B+C+D+E)	**-**	**703.264.743**	**24.587.934**	**11.100.209**	**1.191.497.830**	**-**
- Hedged part of maximum risk with collateral	**-**	**(301.961.899)**	**-**	**-**	**-**	**-**
A. Net book value of financial assets that are neither past due nor impaired	-	610.731.073	24.587.934	11.100.209	1.191.497.830	-
- The part of which is under guarantee with collateral	-	(266.708.437)	-	-	-	-
B. Net book value of financial assets that are renegotiated,	-	-	-	-	-	-
otherwise that will be considered as past due or impaired	-	-	-	-	-	-
- The part of which is under guarantee with collateral	-	-	-	-	-	-
C. Net book value of financial assets that are past due but not impaired	-	92.533.670	-	-	-	-
- The part of which is under guarantee with collateral	-	(35.253.462)	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross carrying amount)	-	37.143.442	-	-	-	-
- Impairment (-)	-	(37.143.442)	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The part of net value under guarantee with collateral	-	-	-	-	-	-
E. Off balance sheet items with credit risk	-	-	-	-	-	-

(*) Determination of the amount received as guarantees,credit enhancements are not taken into account

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

38. Financial Instruments and Financial Risk Management (continued)

b) Financial Risk Factors (continued)

b.1) Credit Risk Management (continued)

Guarantees received from the customers are as follows:

	31 March 2017	31 December 2016
Letters of guarantee	144.274.011	145.465.117
Security cheques and bonds	66.268.274	93.856.097
Mortgages	1.859.722	6.416.760
Direct Debiting System (DBS)	43.097.854	56.223.925
Other	1.369.228	-
	256.869.089	**301.961.899**

Collaterals for the trade receivables that are past due but not impaired are as stated below:

	31 March 2017	31 December 2016
Overdue 1-30 days	42.972.991	48.371.102
Overdue 1-3 months	21.819.482	15.945.540
Overdue 3-12 months	24.055.130	10.040.358
1-5 years overdue	**17.205.648**	**18.176.670**
Total overdue receivables	**106.053.251**	**92.533.670**
The part secured with guarantee, etc. (-)	**40.808.880**	**35.253.462**

b.2) Liquidity Risk Management

The Group manages liquidity risk by providing the continuity of sufficient funds and loan reserves by twinning the maturities of financial assets and liabilities by following cash flow regularly.

Liquidity risk tables

Conservative liquidity risk management requires maintaining adequate reserves in addition to having the ability to utilize adequate level of credit lines and funds as well as closing market positions.

Funding risk attributable to the current and future potential borrowing needs is managed by providing continuous access to adequate number of creditors with high quality.

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

38. Financial Instruments and Financial Risk Management (continued)

b) Financial Risk Factors (continued)

b.2) Liquidity Risk Management (continued)

Liquidity risk tables (continued)

The below table shows the Group's expected maturity for financial liabilities. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets. Interest to be paid in future on financial liabilities is included in the table below.

	31 March 2017					
Non-derivative financial Liabilities	**Carrying value**	**Total cash outflow in accordance to contract (I+II+III+IV)**	**Less than 3 months (I)**	**3-12months (II)**	**1-5 years (III)**	**More than 5 years(IV)**
Bank borrowings	1.570.672.293	1.599.874.591	98.469.836	423.406.120	913.925.760	164.072.875
Due to realted parties (Note 37)	920.867.482	1.044.960.439	19.330.063	19.330.063	1.006.300.313	-
Finance lease obligations	1.799.834	1.799.835	339.336	906.398	554.101	-
Trade payables	293.994.384	294.964.897	280.859.690	14.087.639	17.568	-
Due to related parties	304.462.126	304.462.126	304.462.126	-	-	-
Other payables	100.234.420	100.234.420	98.488.138	-	1.746.282	-
Total Liabilities	**3.192.030.539**	**3.346.296.308**	**801.949.189**	**457.730.220**	**1.922.544.024**	**164.072.875**

	31 December 2016					
Non-derivative financial Liabilities	**Carrying value**	**Total cash outflow in accordance to contract (I+II+III+IV)**	**Less than 3 months (I)**	**3-12months (II)**	**1-5 years (III)**	**More than 5 years(IV)**
Bank borrowings	1.485.516.285	1.517.027.618	41.623.586	334.873.661	1.043.590.893	96.939.478
Due to realted parties (Note 37)	881.081.305	1.007.470.250	-	37.191.500	970.278.750	-
Finance lease obligations	2.024.584	2.024.584	-	1.271.804	752.780	-
Trade payables	319.070.558	332.855.821	329.844.706	3.011.115	-	-
Due to related parties	254.275.563	254.275.563	254.275.563	-	-	-
Other payables	90.590.498	90.590.498	90.163.198	-	427.300	-
Total Liabilities	**3.032.558.793**	**3.204.244.334**	**715.907.053**	**376.348.080**	**2.015.049.723**	**96.939.478**

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

38. Financial Instruments and Financial Risk Management (continued)

b) Financial Risk Factors (continued)

b.3) Market Risk Management

The Group's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rates. At a Group level, market risk exposures are measured by sensitivity analysis. When compared to prior periods, there has been no change in the Group's exposure to market risks, hedging methods used or the measurement methods used for such risks.

b.3.1) *Foreign Currency Risk Management*

Foreign currency transactions expose the Group to foreign currency risk. Group, its subsidiaries and affiliates is available according to the countries in which it operates currencies other than the functional currencies of the foreign currency accepted.

		Foreign Currency Position Statement for 31 March 2017			
		TRY equivalent	**USD**	**EUR**	**Other**
1.	Trade receivables	110.640.429	6.858.558	18.509.427	13.344.486
2a.	Monetary financial assets (included cash and banks account)	746.264.744	144.976.369	48.971.106	27.359.954
2b.	Non-monetary financial assets	-	-	-	-
3.	Other	-	-	-	-
4.	**Current Assets (1+2+3)**	**856.905.173**	**151.834.927**	**67.480.533**	**40.704.440**
5.	Trade Receivables	-	-	-	-
6a.	Monetary financial assets	533.041.904	146.496.428	-	-
6b.	Non-monetary financial assets	7.627.309	-	1.680.342	1.060.028
7.	Other	-	-	-	-
8.	**Non-Current Assets (5+6+7)**	**540.669.213**	**146.496.428**	**1.680.342**	**1.060.028**
9.	**Total Assets (4+8)**	**1.397.574.386**	**298.331.355**	**69.160.875**	**41.764.468**
10.	Trade payables	76.029.959	1.190.074	18.221.409	485.023
11.	Financial liabilities	246.270.881	9.325.320	54.330.469	-
12a.	Other monetary liabilities	-	-	-	-
12b.	Other non-monetary liabilities	-	-	-	-
13.	**Current Liabilities (10+11+12)**	**322.300.840**	**10.515.394**	**72.551.878**	**485.023**
14.	Trade payables	-	-	-	-
15.	Financial liabilities	1.333.125.113	278.229.309	82.071.476	-
16a.	Other monetary liabilities	-	-	-	-
16b.	Other non-monetary liabilities	-	-	-	-
17.	**Non-Current Liabilities (14+15+16)**	**1.333.125.113**	**278.229.309**	**82.071.476**	**-**
18.	**Total Liabilities (13+17)**	**1.655.425.953**	**288.744.703**	**154.623.354**	**485.023**
19.	Net foreign currency asset / (liability) position (19a-19b)	-	-	-	-
19a.	Total amount of assets hedged	-	-	-	-
19b.	Total amount of liabilities hedged	-	-	-	-
20.	**Net foreign currency position for monetary items (9+18+19)**	**(257.851.567)**	**9.586.652**	**(85.462.479)**	**41.279.445**
21.	**Monetary items net foreign asset/liabilities position (1+2a+5+6a-10-11-12a-14-15-16a)**	**(265.478.876)**	**9.586.652**	**(87.142.821)**	**40.219.417**
22.	Fair value of derivative instruments used in	-	-	-	-
23.	Export	125.420.110	11.167.901	20.772.344	2.478.508
24.	Import	207.886.160	3.245.869	49.243.339	2.219.234

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

38. Financial Instruments and Financial Risk Management (continued)

b) Financial Risk Factors (continued)

b.3) Market Risk Management (continued)

b.3.1) *Foreign Currency Risk Management* (continued)

		Foreign Currency Position Statement for 31 December 2016			
		TRY equivalent	**USD**	**EUR**	**Other**
1.	Trade receivables	59.562.656	8.084.366	3.030.438	19.869.533
2a.	Monetary financial assets (included cash and banks account)	660.132.015	140.441.443	41.768.832	10.932.299
2b.	Non-monetary financial assets	-	-	-	-
3.	Other	-	-	-	-
4.	**Current Assets (1+2+3)**	**719.694.671**	**148.525.809**	**44.799.270**	**30.801.832**
5.	Trade Receivables	-	-	-	-
6a.	Monetary financial assets	490.737.818	139.445.845	-	-
6b.	Non-monetary financial assets	18.508.642	-	4.519.610	1.741.340
7.	Other	-	-	-	-
8.	**Non-Current Assets (5+6+7)**	**509.246.460**	**139.445.845**	**4.519.610**	**1.741.340**
9.	**Total Assets (4+8)**	**1.228.941.131**	**287.971.654**	**49.318.880**	**32.543.172**
10.	Trade payables	57.127.682	767.605	14.493.971	655.143
11.	Financial liabilities	222.859.855	6.378.733	54.020.814	-
12a.	Other monetary liabilities	-	-	-	-
12b.	Other non-monetary liabilities	-	-	-	-
13.	**Current Liabilities (10+11+12)**	**279.987.537**	**7.146.338**	**68.514.785**	**655.143**
14.	Trade payables	-	-	-	-
15.	Financial liabilities	1.311.274.249	278.166.164	89.585.133	-
16a.	Other monetary liabilities	-	-	-	-
16b.	Other non-monetary liabilities	-	-	-	-
17.	**Non-Current Liabilities (14+15+16)**	**1.311.274.249**	**278.166.164**	**89.585.133**	**-**
18.	**Total Liabilities (13+17)**	**1.591.261.786**	**285.312.502**	**158.099.918**	**655.143**
19.	Net foreign currency asset / (liability) position (19a-19b)	-	-	-	-
19a.	Total amount of assets hedged	-	-	-	-
19b.	Total amount of liabilities hedged	-	-	-	-
20.	**Net foreign currency position for monetary items (9+18+19)**	**(362.320.655)**	**2.659.152**	**(108.781.038)**	**31.888.029**
21.	**Monetary items net foreign asset/liabilities position (1+2a+5+6a-10-11-12a-14-15-16a)**	**(380.829.297)**	**2.659.152**	**(113.300.648)**	**30.146.689**
22.	Fair value of derivative instruments used in	-	-	-	-
23.	Export	298.513.425	62.064.966	28.963.080	14.530.043
24.	Import	493.722.608	18.115.624	129.870.929	5.597.305

The Group is mainly exposed to EUR and USD risks..

The table below presents the Group's sensitivity to a 10% deviation in foreign exchange rates (especially USD and EUR). 10% is the rate used by the Group when generating its report on exchange rate risk; the related rate stands for the presumed possible change in the foreign currency rates by the Group's management. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. This analysis includes foreign currency denominated bank loans other than the functional currency of the ultimate user or borrower of the bank loans. The positive amount indicates increase in profit / loss before tax or equity.

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

38. Financial Instruments and Financial Risk Management (continued)

b) Financial Risk Factors (continued)

b.3) Market Risk Management (continued)

b.3.1) *Foreign Currency Risk Management* (continued)

Exchange Rate Risk Sensitivity

	31 March 2017			
	Profit / (Loss)		Equity	
	Appreciation of foreign currency	Devaluation of foreign currency	Appreciation of foreign currency	Devaluation of foreign currency
Appreciation of USD against TRY by 10%				
1 - US Dollars net asset / liability	3.488.199	(3.488.199)	-	-
2 - USD risk hedged amount (-)	-	-	-	-
3 -USD net effect (1 +2)	**3.488.199**	**(3.488.199)**		
Appreciation of EURO against TRY by 10%				
4 - Euro net asset / liability	(34.058.029)	34.058.029	122.936.331	(122.936.331)
5 - Euro risk hedged amount (-)	-	-	-	-
6 - Euro net etki (4+5)	**(34.058.029)**	**34.058.029**	**122.936.331**	**(122.936.331)**
Appreciation of other currencies against TRY by 10%				
7 - Other currencies net asset / liability	4.021.942	(4.021.942)	110.142.078	(110.142.078)
8 - Other currencies risk hedged amount (-)	-	-	-	-
9 - Other currencies net effect (7+8)	**4.021.942**	**(4.021.942)**	**110.142.078**	**(110.142.078)**
Total (3+6+9)	**(26.547.888)**	**26.547.888**	**233.078.409**	**(233.078.409)**

	31 December 2016			
	Profit / (Loss)		Equity	
	Appreciation of foreign currency	Devaluation of foreign currency	Appreciation of foreign currency	Devaluation of foreign currency
Appreciation of USD against TRY by 10%				
1 - US Dollars net asset / liability	935.809	(935.809)	-	-
2 - USD risk hedged amount (-)	-	-	-	-
3 -USD net effect (1 +2)	**935.809**	**(935.809)**		
Appreciation of EURO against TRY by 10%				
4 - Euro net asset / liability	(42.033.407)	42.033.407	152.923.796	(152.923.796)
5 - Euro risk hedged amount (-)	-	-	-	-
6 - Euro net etki (4+5)	**(42.033.407)**	**42.033.407**	**152.923.796**	**(152.923.796)**
Appreciation of other currencies against TRY by 10%				
7 - Other currencies net asset / liability	3.014.669	(3.014.669)	99.985.045	(99.985.045)
8 - Other currencies risk hedged amount (-)	-	-	-	-
9 - Other currencies net effect (7+8)	**3.014.669**	**(3.014.669)**	**99.985.045**	**(99.985.045)**
Total (3+6+9)	**(38.082.929)**	**38.082.929**	**252.908.841**	**(252.908.841)**

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

38. Financial Instruments and Financial Risk Management (Continued)

b) Financial Risk Factors (continued)

b.3) Market Risk Management (continued)

b.3.2) Interest rate risk management

The Group's exposure to interest rate risk is related to its financial liabilities. The Group's financial liabilities mostly consist of floating interest rate borrowings. Based on the current balance sheet composition and analysis calculated by the Group, if the TRY interest rates were increased / decreased by 1% and foreign currency interest rates were increased/ decreased by 0.25% with the assumption of keeping all other variables constant, the effect on net profit / loss for the period before taxation and non-controlling interest would decrease / increase by TRY3.926.681 as of 31 March 2017 (31 December 2016: TRY3.713.791).

The Group's financial instruments that are sensitive to interest rates are as follows:

	31 Mart 2017			
	Floating interest	**Fixed interest**	**Non interest bearing**	**Total**
Financial assets	**-**	**2.445.339.470**	**121.651.071**	**2.566.990.541**
Cash and cash equivalents	-	1.171.544.604	121.651.071	1.293.195.675
Financial assets	-	533.041.904	-	533.041.904
Trade receivables	-	653.691.714	-	653.691.714
Due from related parties	-	73.430.048	-	73.430.048
Other receivables	-	13.631.200	-	13.631.200
Financial liabilities	**1.570.672.293**	**1.621.358.246**	**-**	**3.192.030.539**
Bank borrowings	1.570.672.293	920.867.482	-	2.491.539.775
Financial leasing liabilities	-	1.799.834	-	1.799.834
Trade payables	-	293.994.384	-	293.994.384
Due from related parties	-	304.462.126	-	304.462.126
Other payables	-	100.234.420	-	100.234.420

	31 December 2016			
	Floating interest	**Fixed interest**	**Non interest bearing**	**Total**
Financial assets	**-**	**2.347.827.543**	**73.434.257**	**2.421.261.800**
Cash and cash equivalents	-	1.118.136.839	73.434.257	1.191.571.096
Financial assets	-	490.737.818	-	490.737.818
Trade receivables	-	703.264.743	-	703.264.743
Due from related parties	-	24.587.934	-	24.587.934
Other receivables	-	11.100.209	-	11.100.209
Financial liabilities	**1.485.516.285**	**1.547.042.508**	**-**	**3.032.558.793**
Bank borrowings	1.485.516.285	881.081.305	-	2.366.597.590
Financial leasing liabilities	-	2.024.584	-	2.024.584
Trade payables	-	319.070.558	-	319.070.558
Due from related parties	-	254.275.563	-	254.275.563
Other payables	-	90.590.498	-	90.590.498

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

38. Financial Instruments and Financial Risk Management (continued)

b) Financial Risk Factors (continued)

b.3) Market Risk Management (continued)

b.3.3) Other price risks

The Group is exposed to market price risk due to its equity share investments. Equity share investments are held for strategic purposes rather than trading purposes. The Group does not trade equity share investments.

Equity price sensitivity

Sensitivity analyses presented below are determined based on the equity share price risks as of the reporting date.

If the equity shares prices were increased / decreased by 10% with all other variables held constant as of the reporting date:

- Net profit/loss would not be affected as of 31 March 2017 to the extent that equity share investments classified as available for sale assets are not disposed of or impaired.

39.Financial Instruments (Fair Value and Hedge Accounting Disclosures)

Categories of Financial Instruments

31 March 2017	Financial assets and liabilities are valued using effective interest method	Loans and receivables	Available for sale financial assets	At fair value through profit or loss financial assets and liabilities	Carrying value	Note
Financial assets	**1.826.237.579**	**727.121.762**	-	-	**2.553.359.341**	
Cash and cash equivalents	1.293.195.675	-	-	-	1.293.195.675	6
Trade receivables	-	653.691.714	-	-	653.691.714	10
Due from related parties	-	73.430.048	-	-	73.430.048	37
Derivative financial assets	-	-	-	-	-	12
Financial investments	533.041.904	-	-	-	533.041.904	7
Financial liabilities	**3.091.796.119**	-	-	-	**3.091.796.119**	
Financial liabilities	2.493.339.609	-	-	-	2.493.339.609	8
Trade payables	293.994.384	-	-	-	293.994.384	10
Due to related parties	304.462.126	-	-	-	304.462.126	37
Derivative financial liabilities	-	-	-	-	-	12

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

39.Financial Instruments (Fair Value and Hedge Accounting Disclosure) (continued)

Categories of Financial Instruments (continued)

31 December 2016	Financial assets and liabilities are valued using effective interest method	Loans and receivables	Available for sale financial assets	At fair value through profit or loss financial assets and liabilities	Carrying value	Note
Financial assets	**1.682.308.914**	**727.852.677**	**-**	**-**	**2.410.161.591**	
Cash and cash equivalents	1.191.571.096	-	-	-	1.191.571.096	6
Trade receivables	-	703.264.743	-	-	703.264.743	10
Due from related parties	-	24.587.934	-	-	24.587.934	37
Financial investments	490.737.818	-	-	-	490.737.818	7
Financial liabilities	**2.941.968.295**	**-**	**-**	**-**	**2.941.968.295**	
Financial liabilities	2.368.622.174	-	-	-	2.368.622.174	8
Trade payables	319.070.558	-	-	-	319.070.558	10
Due to related parties	254.275.563	-	-	-	254.275.563	37
Derivative financial liabilities	-	-	-	-	-	12

40. Events After Reporting Period

Concerning the process of Collective Labour Agreement of the Glass Group maintained by Kristal-Is Union for the workplaces of our associated partners given below, namely Trakya Cam San. A.S. Trakya Factory, Mersin Factory, Şişecam Otomotiv A.S. and Otocam Factory, Trakya Yenişehir Cam San. A.S. Yenişehir Factory, Anadolu Cam San. A.S. Mersin Factory, Anadolu Cam Yenişehir San. A.S. Yenişehir Factory, Paşabahçe Cam San. ve Tic. A.S. Kırklareli Factory and Eskişehir Factory and Cam Elyaf San. A.S. Cam Elyaf Factory, Kristal-Is Union has decided on a strike activity in 09.05.2017, and reported that such decision will be effective as of 24.05.2016 de facto.

41. Other Issues that Significantly Affect the Financial Statements or Other Issues Required for The Clear Understanding of Financial Statements

Approval of Financial Statements

The Group's consolidated financial statements as of 31 March 2017 prepared in accordance with the Capital Markets Board's Communiqué Serial: II-14.1 are reviewed by also considering the opinion of the Audit Committee and it has been concluded that the accompanying financial statements present fairly the consolidated financial position of the Company in accordance with the regulations issued by the Capital Markets Board and accounting policies applied by the Company. The accompanying financial statements are authorized by Finance Director Anıl Karaca and Budget and Financial Controlling Manager Bünyamin Arslan approved for the public announcement by the Board of Directors on 10 May 2017.