

**DURAN DOĐAN BASIM VE AMBALAJ
SANAYİ A.Ş. AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 30 JUNE 2016 AND REVIEW REPORT**

**(CONVENIENCE TRANSLATION OF THE REPORT AND
THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)**

(CONVENIENCE TRANSLATION OF THE REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION ORIGINALLY ISSUED IN TURKISH)

REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

**To the Board of Directors of
Duran Doğan Basım ve Ambalaj Sanayi A.Ş.**

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Duran Doğan Basım ve Ambalaj Sanayi A.Ş. (“the Company”) and its subsidiaries (together will be referred as “the Group”) as of 30 June 2016 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended. Group management is responsible for the preparation and presentation of this consolidated interim financial information in accordance with Turkish Accounting Standards 34 “Interim Financial Reporting” (“TAS 34”). Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Independent Auditing Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information is not prepared, in all material respects, in accordance with TAS 34 "Interim Financial Reporting".

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



Selçuk Ürkmez
Partner

İstanbul, 12 August 2016

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DURAN DOĞAN BASIM VE AMBALAJ SANAYİ A.Ş. AND ITS SUBSIDIARIES**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016**

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

	Notes	Reviewed Current Period 30 June 2016	Audited Prior Period 31 December 2015
ASSETS			
Current Assets		43.632.561	45.503.128
Cash and Cash Equivalents	21	5.186.801	10.321.467
Trade Receivables		18.974.357	25.119.309
<i>Trade Receivables from Related Parties</i>	5	-	10.696
<i>Trade Receivables from Third Parties</i>	6	18.974.357	25.108.613
Other Receivables			
Other receivables from Third Parties		51.302	23.383
Inventories	7	15.310.905	8.206.284
Prepaid Expenses		2.088.773	646.760
Other Current Assets		2.020.423	1.185.925
Non-Current Assets		65.373.796	65.626.953
Other Receivables			
Other Receivables from Third Parties		254.548	253.041
Property, Plant and Equipment	8	61.798.621	64.235.232
Intangible Assets		3.320.627	1.138.680
<i>Goodwill</i>	3	2.229.095	-
<i>Other Intangible Assets</i>	9	1.091.532	-
TOTAL ASSETS		109.006.357	111.130.081

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

DURAN DOĞAN BASIM VE AMBALAJ SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

	Notes	Reviewed Current Period 30 June 2016	Audited Prior Period 31 December 2015
LIABILITIES			
Current Liabilities			
Short-Term Borrowings	18	30.999.199	29.349.934
Short-Term Portion of Long-Term Borrowings	18	2.836.825	7.717.838
Other Financial Liabilities	18	2.668.574	1.470.589
Trade Payables		13.738.578	10.373.310
<i>Trade Payables to Related Parties</i>	5	9.670	542.566
<i>Trade Payables to Third Parties</i>	6	13.728.908	9.830.744
Payables Related to Employee Benefits		1.311.373	906.964
Other Payables		411.292	23.236
Other Payables to Related Parties		370.965	-
Other Payables to Third Parties		40.327	23.236
Deferred Income		1.352.823	1.004.178
Short-Term Provisions		248.320	171.510
<i>Short-term Provisions for</i>			
<i>Employee Benefits</i>		220.136	156.319
<i>Other Short-Term Provisions</i>		28.184	15.191
Other Current Liabilities		443.216	566.045
Non-Current Liabilities		32.182.173	37.158.096
Long-Term Borrowings	18	22.459.271	27.496.200
Other Payables			
Other Payables to Related Parties	5	6.408.800	6.355.200
Deferred Income		42.324	66.047
Long-term Provisions			
Long-term Provisions for			
Employee Benefits		3.129.889	2.994.246
Deferred Tax Liabilities	16	141.889	246.403
EQUITY		22.813.984	22.388.381
Equity Attributable to Owners of the Company		22.799.514	22.373.923
Share Capital	11	16.575.788	16.575.788
Adjustments to Share Capital		6.436.501	6.436.501
Share Premium		5.220	5.220
Restricted Reserves Appropriated from Profit		325.455	325.455
Other Comprehensive Income or Expenses that will not be Reclassified Subsequently to Profit or Loss		16.493.458	16.506.365
-Revaluation and Measurement Gains		17.745.307	17.758.214
-Actuarial Loss		(1.251.849)	(1.251.849)
Other Comprehensive Income or Expenses that will be Reclassified Subsequently to Profit or Loss		119.962	-
-Foreign Currency Translation Differences		119.962	-
Accumulated Losses		(17.462.499)	(8.103.387)
Net Profit / (Loss) for The Period		305.629	(9.372.019)
Non-Controlling Interests		14.470	14.458
TOTAL LIABILITIES		109.006.357	111.130.081

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

DURAN DOĞAN BASIM VE AMBALAJ SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPERHENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2016

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

		Reviewed Current Period 1 January- 30 June 2016	Unreviewed Current Period 1 April- 30 June 2016	Reviewed Prior Period 1 January- 30 June 2015	Unreviewed Prior Period 1 April- 30 June 2015
	Notes				
PROFIT AND LOSS					
Revenue	12	53.221.208	27.948.488	44.618.301	24.134.641
Cost of sales (-)	12	(43.779.251)	(22.576.771)	(36.452.294)	(19.009.015)
Gross Profit from Non-financial operations		9.441.957	5.371.717	8.166.007	5.125.626
Administrative expenses (-)	13	(4.211.612)	(2.247.864)	(3.784.488)	(1.992.100)
Marketing expenses (-)	13	(3.038.667)	(1.582.377)	(2.522.260)	(1.319.446)
Other income from operating activities	14	4.430.963	1.789.073	7.207.958	4.069.428
Other expenses from operating activities (-)	14	(4.386.525)	(1.427.242)	(3.939.197)	(2.070.464)
OPERATING PROFIT		2.236.116	1.903.307	5.128.020	3.813.044
Income from investing activities		64.504	64.504	76.500	43.195
Expenses from investing activities (-)		-	-	(596)	-
OPERATING PROFIT BEFORE FINANCE EXPENSE		2.300.620	1.967.811	5.203.924	3.856.239
Finance (Expenses) / Income, net	15	(2.099.493)	(1.453.937)	(8.173.182)	(4.330.328)
PROFIT / (LOSS) BEFORE TAX		201.127	513.874	(2.969.258)	(474.089)
Tax Income		104.514	263.386	477.361	90.487
Current Tax Expense	16	-	-	-	-
Deferred Tax Income	16	104.514	263.386	477.361	90.487
PROFIT / (LOSS) FOR THE PERIOD		305.641	777.260	(2.491.897)	(383.602)
Profit / (Loss) for the Period Attributable to					
Non-controlling Interests		12	44	(8)	24
Equity holders of the parent company		305.629	777.216	(2.491.889)	(383.626)
		305.641	777.260	(2.491.897)	(383.602)
Profit / (Loss) Per Share	17	0,0002	0,0005	(0,0012)	(0,0015)
Other Comprehensive Income;					
<i>Foreign Currency Translation Differences</i>		119.962	120.606	-	-
Other Comprehensive Income		119.962	120.606	-	-
		-	-	-	-
Total Comprehensive Income / (Expense)		425.603	897.866	(2.491.897)	(383.602)
Total Comprehensive Income / (Expense) Distribution					
Non-controlling Interests		12	44	(8)	24
Equity holders of the parent company		425.591	897.822	(2.491.889)	(383.626)

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

DURAN DOĞAN BASIM VE AMBALAJ SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2016

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

	Accumulated other comprehensive income or expenses that will not be reclassified subsequently to profit or loss		Accumulated other comprehensive income or expenses that may be reclassified subsequently to profit or loss		Accumulated Losses		Equity Attributable to Owners of the Company	Non-controlling Interests	Total Equity				
	Share Capital	Share Capital Adjustments	Share Premium	Share Revaluation	Accumulated Gain/Loss on current Assets	Accumulated Loss on Non-Defined Benefit Plans				Restricted Reserves Appropriated from Profit	Foreign Currency Translation Differences	Accumulated Losses	Net Profit / (Loss) for the Period
Balance as at 1 January 2015	16.575.788	6.436.501	5.220	-	(557.704)	325.455	-	-	(9.965.443)	1.855.566	14.675.383	255	14.675.638
Transfers	-	-	-	-	-	-	-	-	1.855.566	(1.855.566)	-	-	-
Total comprehensive income	-	-	-	-	-	-	-	-	-	(2.491.889)	(2.491.889)	(8)	(2.491.897)
- Net loss for the period	-	-	-	-	-	-	-	-	-	(2.491.889)	(2.491.889)	(8)	(2.491.897)
Balance as at 30 June 2015	16.575.788	6.436.501	5.220	-	(557.704)	325.455	-	-	(8.109.877)	(2.491.889)	12.183.494	247	12.183.741
Balance as at 1 January 2016	16.575.788	6.436.501	5.220	17.758.214	(1.251.849)	325.455	-	-	(8.103.387)	(9.372.019)	22.373.923	14.458	22.388.381
Transfers	-	-	-	-	-	-	-	-	(9.372.019)	9.372.019	-	-	-
Total comprehensive expense	-	-	-	-	-	-	-	119.962	-	-	119.962	-	119.962
- Foreign currency translation differences	-	-	-	-	-	-	-	119.962	-	-	119.962	-	119.962
- Amortization effect of revaluation gains	-	-	-	(12.907)	-	-	-	-	12.907	-	-	-	-
- Net profit for the period	-	-	-	-	-	-	-	-	-	305.629	305.629	12	305.641
Balance as at 30 June 2016	16.575.788	6.436.501	5.220	17.745.307	(1.251.849)	325.455	-	119.962	(17.462.499)	305.629	22.799.514	14.470	22.813.984

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

DURAN DOĞAN BASIM VE AMBALAJ SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2016

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

	Notes	Reviewed	
		For the Period Ended 30 June 2016	For the Period Ended 30 June 2015
A. İŞLETME FAALİYETLERİNDEN NAKİT AKIŞLARI			
Profit / (Loss)		305.641	(2.491.897)
<i>Profit / (loss) from continuing operations</i>		<i>305.641</i>	<i>(2.491.897)</i>
Adjustments to reconcile profit / (loss)		2.979.129	3.372.739
Adjustments for depreciation and amortisation expense	8-9	3.084.509	3.183.632
Adjustments for impairment loss recognised in profit or loss		(73.880)	(55.670)
<i>Adjustments for Provision of Receivables</i>		-	68.968
Adjustments for Impairment Loss of Inventories	7	(73.880)	(124.638)
Adjustments for provisions		504.114	528.235
<i>Adjustments for Provisions Related with Employee Benefits</i>		<i>452.540</i>	<i>512.312</i>
<i>Adjustments for Provisions Arised From Sectoral Requirements</i>		<i>51.574</i>	<i>15.923</i>
Adjustments for interest expenses		1.451.342	1.326.244
<i>Adjustments for Interest Income</i>		<i>(76.745)</i>	<i>(128.007)</i>
<i>Adjustments for Interest Expense</i>		<i>1.528.087</i>	<i>1.454.251</i>
Adjustments For Unrealised Foreign Exchange Gains		(319.667)	1.427.251
Other Adjustments for Fair Value Losses		-	(28.285)
<i>Adjustments for Fair Value Losses on Derivative Financial Instruments</i>		<i>-</i>	<i>(28.285)</i>
Adjustments for income tax expense	16	(104.514)	(477.361)
Adjustments for gains on disposal of non-current assets		(64.504)	(75.904)
Other adjustments for which cash effects are investing or financing cash flow		(1.498.271)	(2.455.403)
Changes in Working Capital		389.886	2.766.639
Adjustments for decrease (increase) in trade accounts receivable		5.311.429	(2.634.342)
Adjustments for (increase) / decrease in other receivables related with operations		(2.305.937)	73.847
Adjustments for (increase) / decrease in inventories		(7.030.741)	2.679.287
Adjustments for increase in trade accounts payable		3.366.977	1.147.555
Increase in payables due to employee benefits		404.409	67.359
Adjustments for decrease in other operating payables		643.749	1.432.933
Cash Flows Generated From Operations		3.674.656	3.647.481
Interest Paid		(1.466.366)	(1.348.184)
Interest received		76.745	128.007
Cash Outflows From Participation Shares or Other Financial Instruments		(38.581)	(18.125)
Payments Related with Provisions for Employee Benefits		(253.080)	(963.945)
Other inflows / (outflows) of cash		-	(2.939)
		1.993.374	1.442.295

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

DURAN DOĞAN BASIM VE AMBALAJ SANAYİ A.Ş. AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2016**

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

	Notes	Reviewed	
		For the Period Ended 30 June 2016	For the Period Ended 30 June 2015
B.CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales of property, plant, equipment and intangible assets		71.818	208.206
<i>Proceeds from sales of property, plant and equipment</i>		71.818	208.206
Purchase of Property, Plant, Equipment and Intangible Assets		(608.064)	(892.051)
<i>Purchase of property, plant and equipment</i>	8	(558.731)	(825.974)
<i>Purchase of intangible assets</i>	9	(49.333)	(66.077)
		(536.246)	(683.845)
C.CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		22.719.809	15.502.061
<i>Proceeds from Loans</i>		21.521.824	15.060.110
<i>Proceeds from other Financial borrowings</i>		1.197.985	441.951
Repayments of Borrowings		(26.567.626)	(17.693.741)
<i>Loan Repayments</i>		(26.567.626)	(17.693.741)
Payments of finance lease liabilities		(2.964.929)	1.438.725
		(6.812.746)	(752.955)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES (A+B+C)		(5.355.619)	5.495
D. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		220.953	520.738
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		(5.134.666)	526.233
E.CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	21	10.321.467	10.453.356
CASH AND CASH EQUIVALENTS AT END OF PERIOD	21	5.186.801	10.979.589

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

DURAN DOĞAN BASIM VE AMBALAJ SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2016

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

1. ORGANIZATION AND OPERATIONS OF THE COMPANY

Duran Doğan Basım ve Ambalaj Sanayi A.Ş. (“Company”) and its Subsidiaries which are Dudo İthalat ve İhracat Pazarlama A.Ş. and Dudo UK Ltd.’s (together “Group”) main activity is carry out printing, cutting, gluing and laminating processes over paper and cardboard in rolls and sheets, as well as over such materials as any plastic materials, aluminum, metal, tin, etc., for production of any kind of packaging, and to sell, to export and import the same, as well as to engage in and deal with other fields of activities set forth in its Articles of Association.

The Company has been established in Turkey in 1975 and its headquarter is in Hadımköy Mahallesi Mustafa İnan Cad. No:41 Arnavutköy / İSTANBUL. Its Subsidiaries Dudo İthalat ve İhracat Pazarlama A.Ş. is located in Turkey. Dudo UK Ltd. is located in United Kingdom.

Shares of the Company are registered with Capital Market Board (CMB) and are traded at Istanbul Stock Exchange.

Total number of personnel employed at Group as of 30 June 2016 is 241 (31 December 2015: 239).

Major shareholders of the Company are LGR International Societe Anonyme (33,69%), Dikran Mihran Acemyan (9,76%), İbrahim Okan Duran (7,95%), Oktay Duran (8,30%) and Dikran Acemyan (5%).

The details of the Company’s subsidiaries at 30 June 2016 and 31 December 2015 are as follows:

Subsidiary	30 June 2016		31 December 2015		Business Line
	Direct ownership	Indirect ownership	Direct ownership	Indirect ownership	
	%	%	%	%	
Dudo İthalat ve İhracat Pazarlama A.Ş.	99,92	99,92	99,92	99,92	Domestic and foreing trade of printed and unprinted cardboard boxes
Dudo UK Ltd.	100,00	100,00	-	-	

Confirmation of Condensed Consolidated Financial Statements:

Condensed consolidated financial statements were ratified by the Board of Directors and authorised for issue there on 12 August 2016. The General Assembly of the Company has the authority to modify the condensed consolidated financial statements.

DURAN DOĞAN BASIM VE AMBALAJ SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2016

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

2. BASIS OF PRESENTATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

Statement of Compliance

The condensed financial statements attached are prepaid in accordance with the June 13, 2013 and number 28676 declaration of Capital Markets Board (“CMB”) with the 5th item of the series number II, 14.1 “Rules of Declaration related with the financial reporting in CMB” (“Declaration”) and the Turkish Accounting Standards (“TAS”) published by Public Oversight Accounting and Auditing Standards Authority (“POA”) and the attachments and comments related with these standards are based on.

In addition, condensed consolidated financial statements and disclosures are presented in accordance with the format described by CMB at 7 June 2013.

The condensed consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Basis of Presentation of Condensed Consolidated Financial Statements and Significant Accounting Policies

The Company and its Turkish subsidiaries maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code (“TCC”) and tax legislation.

The condensed financial statements attached are prepaid in accordance with the June 13, 2013 and number 28676 declaration of Capital Markets Board (“CMB”) with the 5th item of the series number II, 14.1 “Rules of Declaration related with the financial reporting in CMB” (“Declaration”) and the Turkish Accounting Standards (“TAS”) published by Public Oversight Accounting and Auditing Standards Authority (“POA”) and the attachments and comments related with these standards are based on.

The Group has preferred to disclose its condensed consolidated financial statements as of 30 June 2016 in condensed format in accordance with TAS 34 “Interim Financial Reporting” standard.

The descriptions and disclosures which are needed in the financial statements prepared annually complying with TAS/IFRS are summarized appropriately in accordance with TAS 34 or not mentioned. The accompanying condensed consolidated financial statements have to be considered with the consolidated financial statements which are independently audited as of 31 December 2015 and the related disclosures. Interim periods’ financial statements cannot be the sole indicator of the year-end results by themselves.

The Group continues to apply the same accounting policies and accounting estimate methods which are mentioned in the consolidated financial statements as of 31 December 2015.

2016 TAS Taxonomy, which is prepared in accordance with paragraph 9(b) of Decree Law No.660 to enable users to analyze TAS financial statements in a Extensible Business Reporting Language “XBRL” format, was approved upon the Board’s decision no.30 as at June 2nd, 2016. 2016 TAS Taxonomy is taken into account in the accompanying financial statements.

Comparative Information and Restatement of Prior Period Consolidated Financial Statements:

The Group's condensed consolidated financial statements have been prepared comparatively with the prior period for allow the determination of financial position and performance trend. Comparative information is reclassified when necessary and important differences are explained, in order to conform to the current period financial statement’s presentation.

DURAN DOĞAN BASIM VE AMBALAJ SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2016

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

2. BASIS OF PRESENTATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.2 New and Revised Turkish Accounting Standards

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

None.

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

Amendments to TAS 16 and TAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i> ¹
Amendments to TAS 16 and TAS 41 and amendments to TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40	<i>Agriculture: Bearer Plants</i> ¹
Amendments to TFRS 11 and TFRS 1 Annual Improvements to 2011-2013 Cycle	<i>Accounting for Acquisition of Interests in Joint operations</i> ¹ <i>TFRS 1</i> ²
Amendments to TAS 1 Annual Improvements to 2012-2014 Cycle	<i>Disclosure Initiative</i> ²
Amendments to TAS 27	<i>TFRS 5, TFRS 7, TAS 34, TAS 19</i> ²
Amendments to TFRS 10 and TAS 28	<i>Equity Method in Separate Financial Statements</i> ² <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ²
Amendments to TFRS 10, TFRS 12 and TAS 28	<i>Investment Entities: Applying the Consolidation Exception</i> ²
TFRS 14	<i>Regulatory Deferral Accounts</i> ²

¹ Effective for annual periods beginning on or after 31 December 2015.

² Effective for annual periods beginning on or after 1 January 2016.

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

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

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2. BASIS OF PRESENTATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.2 New and Revised Turkish Accounting Standards (cont'd)

b) New and revised TAS applied with no material effect on the condensed consolidated financial statements (cont'd)

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

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

Amendments to TAS 16 and TAS 41 also led to amendments in related provisions of TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40, respectively.

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

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

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

Amendments to TFRS 11 also led to amendments in related provisions of TFRS 1.

Annual Improvements 2011-2013 Cycle

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

Amendments to TAS 1 *Disclosure Initiative*

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

Annual Improvements 2012-2014 Cycle

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

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

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

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2. BASIS OF PRESENTATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.2 New and Revised Turkish Accounting Standards (cont'd)

b) New and revised TAS applied with no material effect on the condensed consolidated financial statements (cont'd)

Annual Improvements 2012-2014 Cycle (cont'd)

Annual Improvements to 2012-2014 Cycle also led to amendments in related provisions of TAS 19.

Amendments to TAS 27 Equity Method in Separate Financial Statements

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

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

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

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

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

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

TFRS 14 Regulatory Deferral Accounts

TFRS 14 *Regulatory Deferral Accounts* permits an entity which is a first-time adopter of Turkish Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of TFRS and in subsequent financial statements.

TFRS 14 also led to amendments in related provisions of TFRS 1.

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2. BASIS OF PRESENTATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.2 New and Revised Turkish Accounting Standards (cont'd)

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

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

TFRS 9	<i>Financial Instruments</i>
Amendments to TFRS 9 and TFRS 7	<i>Mandatory Effective Date of TFRS 9 and Transition Disclosures</i>

TFRS 9 *Financial Instruments*

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

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

The mandatory effective date of TFRS 9 will be no earlier than annual periods beginning on or after 1 January 2018.

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

3. BUSINESS COMBINATIONS

The Group has signed off an "Share Sales Agreement" with Mentor Associates Limited on 29 February 2016 according to Decision No:2016/01 taken by Board of Directors dated 23 February 2016. Thus, 100% of shares (1 share) of DUDO UK Limited (DUDO UK) which is located in England and operating in marketing business is sold to Duran Doğan Basım ve Ambalaj Sanayi A.Ş. as amount of 1 (one) British Pound.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. During the measurement period, the acquirer shall also recognise additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the acquirer receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period shall not exceed one year from the acquisition date.

Acquisition of DUDO UK Limited Company and identifiable asset and liabilities are reported temporarily, thus goodwill provisionally accounted for the current period.

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3. BUSINESS COMBINATIONS (cont'd)

Subsidiaries acquired

	Principal activity	Date of acquisition	Proportion of voting equity interests acquired (%)	Consideration transferred
Dudo UK Limited	Marketing	29 February 2016	100	4 TL 4 TL

Consideration transferred

	DUDO UK
Current Assets	9.654.882
Cash and cash equivalents	209.098
Trade and other receivables	4.087.941
Inventories	5.357.839
Short term liabilities	(11.883.977)
Trade and other payables	(11.807.709)
Other liabilities	(76.268)
	(2.229.099)
Net cash outflow on acquisition of subsidiaries	2016
Consideration paid in cash	4
Less: cash and cash equivalent balances acquired	(209.098)
	(209.097)
Goodwill	2016
Amount transferred	4
Fair value of the net assets of the acquired company	(2.229.099)
Goodwill	(2.229.095)

Impact of acquisitions on the results of the Group

After the acquisition of DUDO UK Limited Company, related amount of TL 24.085 for the 4 month interim period between March and June is included in profit for the period.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2016

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4. SEGMENT REPORTING

The Group started to apply TFRS 8 from 1 January 2013. The authority who is responsible to take decisions about the Group's operating activities determines operating segments based on the management reports reviewed regularly.

The reportable operating segments derive their revenue primarily from sales to Turkey, Middle East countries, Africa, Europe, USA and Turkic Republics.

1 January - 30 June 2016						
	Turkey	Europe	USA	Middle East and Africa	Turkic Republics	Total
Net Sales	33.835.082	11.047.528	1.689.437	3.982.052	3.007.534	53.561.632

1 January - 30 June 2015						
	Turkey	Europe	USA	Middle East and Africa	Turkic Republics	Total
Net Sales	27.359.160	11.759.232	936.486	1.686.721	3.658.669	45.400.268

5. RELATED PARTY DISCLOSURES

a) Receivables and payables from related parties:

	30 June 2016		
	Payables	Payables	Payables
	Short Term	Short Term	Long Term
	Trade	Non-Trade	Non-Trade
<u>Balances with related parties</u>			
<u>Other companies managed by main shareholder</u>			
Duran Makina San. ve Tic.A.Ş.	9.670	-	-
LGR International Societe Anonyme (*)	-	370.965	6.408.800
	<u>9.670</u>	<u>370.965</u>	<u>6.408.800</u>

	31 December 2015		
	Receivables	Payables	Payables
	Short Term	Short Term	Long Term
	Trade	Trade	Non-Trade
<u>Balances with related parties</u>			
<u>Other companies managed by main shareholder</u>			
Duran Makina San. ve Tic.A.Ş.	10.696	-	-
LGR International Societe Anonyme (*)	-	542.566	6.355.200
	<u>10.696</u>	<u>542.566</u>	<u>6.355.200</u>

(*) Long term non-trade payables to related parties represent the funds lent by LGR International Societe Anonyme's to the Group for EUR 2.000.000 with a due date of 31 January 2017 and an interest rate of 3% + 12-Month Euribor.

Interest will not charged to the trade payables and receivables from related parties.

DURAN DOĞAN BASIM VE AMBALAJ SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2016

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

5. RELATED PARTY DISCLOSURES (cont'd)

b) Transactions with related parties:

	1 January - 30 June 2016		
	Purchases of goods and services	Sales of goods and services	Interest expense
<u>Transactions with related parties</u>			
<u>Other companies managed by main shareholder</u>			
Duran Makina San. ve Tic.A.Ş.	30.803	4.947	-
LGR International Societe Anonyme (*)	219.562	-	99.259
	<u>250.365</u>	<u>4.947</u>	<u>99.259</u>
	1 January - 30 June 2015		
	Purchases of goods and services	Sales of goods and services	Interest expense
<u>Transactions with related parties</u>			
<u>Other companies managed by main shareholder</u>			
Duran Makina San. ve Tic.A.Ş.	14.978	22.500	-
LGR International Societe Anonyme (*)	211.391	-	99.826
	<u>226.369</u>	<u>22.500</u>	<u>99.826</u>

(*) LGR International S.A.S obtains consultancy fee calculated from the 0,5% of the Company's revenue.

c) Within Benefits to senior management there are, Chairman of the Board, Vice President of Executive Board, Other Executive Board Members, General Manager, Vice General Manager and Financial Affairs Coordinator. As of 30 June 2016, total benefits to senior management are TL 1.646.609 (30 June 2015: TL 1.496.874).

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6. TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables:

The details of the Group's trade receivables as of balance sheet date are as follows:

	30 June 2016	31 December 2015
<u>Short term trade receivables</u>		
Trade receivables	18.087.962	24.244.797
Trade receivables from related parties (Note 18)	-	10.696
Notes receivables	950.363	927.784
Provision for doubtful receivables (-)	(63.968)	(63.968)
	<u>18.974.357</u>	<u>25.119.309</u>

Average maturity days of trade receivables are 90 days for domestic costumers, 60 days for foreign customers. As of 30 June 2016, provision for doubtful receivables is amounting to TL 63.968 (31 December 2015: TL 63.968). Significant portion of doubtful receivables belong to customers who have got into economic hardships in an unexpected way.

Allowance for doubtful receivables recorded for trade receivables have been determined due to past experience of incidence of non-collection.

The movement of allowance for doubtful trade receivables of the Group is as follows:

	1 January- 30 June 2016	1 January- 30 June 2015
<u>Movements of provision for doubtful receivables</u>		
Opening balance	63.968	450.813
Charge for the period (Note 13)	-	68.968
Collections	-	(2.939)
Provisions no longer required (*)	-	(414.225)
Closing balance	<u>63.968</u>	<u>102.617</u>

(*) The Company has written off doubtful receivable and related provision due to improbable collection according to Board of Directors' decision dated 2 April 2015.

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(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

6. TRADE RECEIVABLES AND PAYABLES (cont'd)

b) Trade Payables:

Details of Group's trade payables as of balance sheet date are as follow:

	30 June 2016	31 December 2015
Short term trade payables		
Trade payables	13.494.667	9.656.861
Expense accruals	234.241	173.883
Payables to related parties (Note 18)	9.670	542.566
	<u>13.738.578</u>	<u>10.373.310</u>

Average maturity days of payables for raw material is 90 days. (2015: 90 days).

7. INVENTORIES

Inventories are valued at their cost value, and provision is booked for inventories with impaired in value.

	30 June 2016	31 December 2015
Raw materials	5.980.584	4.740.764
Finished goods	4.159.128	3.675.566
Trade goods	5.329.225	21.866
Provision for impairment of inventories (-)	(158.032)	(231.912)
	<u>15.310.905</u>	<u>8.206.284</u>

Movements in provision for impairment on inventory during periods ending at 30 June 2016 and 2015 are as follow:

	1 January- 30 June 2016	1 January- 30 June 2015
<u>Movement of provision of impairment of inventory</u>		
Opening balance	(231.912)	(267.376)
Provisions released	231.912	-
Charge for the period	(158.032)	-
Provisions cancelled	-	124.638
Closing balance	<u>(158.032)</u>	<u>(142.738)</u>

DURAN DOĞAN BASIM VE AMBALAJ SANAYİ A.Ş. AND ITS SUBSIDIARIES

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8. PROPERTY, PLANT AND EQUIPMENT

<u>Cost Value</u>	Land	Buildings	Property, plant and equipment	Furniture and fixtures	Construction in progress	Leasehold improvements	Total
Opening balance as at 1 January 2016	22.450.000	16.757.239	51.351.290	8.711.031	52.566	1.577.191	100.899.317
Additions	-	-	146.023	225.304	142.866	44.538	558.731
Disposals	-	-	(87.768)	-	-	-	(87.768)
Closing balance as at 30 June 2016	<u>22.450.000</u>	<u>16.757.239</u>	<u>51.409.545</u>	<u>8.936.335</u>	<u>195.432</u>	<u>1.621.729</u>	<u>101.370.280</u>
<u>Accumulated Depreciation</u>							
Opening balance as at 1 January 2016	8.112	1.754.372	28.045.832	6.026.323	-	829.446	36.664.085
Charge for the period	16.134	158.269	2.204.739	433.473	-	175.413	2.988.028
Disposals	-	-	(80.454)	-	-	-	(80.454)
Closing balance as at 30 June 2016	<u>24.246</u>	<u>1.912.641</u>	<u>30.170.117</u>	<u>6.459.796</u>	<u>-</u>	<u>1.004.859</u>	<u>39.571.659</u>
Carrying value as at 30 June 2016	<u>22.425.754</u>	<u>14.844.598</u>	<u>21.239.428</u>	<u>2.476.539</u>	<u>195.432</u>	<u>616.870</u>	<u>61.798.621</u>

During the year 2016, the Group did not buy any property, plant and equipment under non-cancellable finance lease agreements (2015: None).

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8. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Infrastructure and land improvements						Total
	Land	Buildings	Property, plant and equipment	Furniture and fixtures	Construction in progress	Leasehold improvements	
Cost Value							
Opening balance as at 1 January 2015	4.965.000	15.802.471	51.383.017	8.341.533	-	1.443.778	80.501.549
Additions	-	-	619.079	75.688	31.492	99.715	726.259
Disposals	-	-	(650.804)	(9.538)	-	-	(660.342)
Closing balance as at 30 June 2015	4.965.000	15.802.471	51.351.292	8.407.683	31.492	1.543.493	80.567.466
Accumulated Depreciation							
Opening balance as at 1 January 2015	-	2.434	24.029.995	5.122.855	-	475.393	30.590.686
Charge for the period	-	318	2.280.026	452.104	-	172.828	2.890.399
Disposals	-	-	(525.778)	(2.262)	-	-	(528.040)
Closing balance as at 30 June 2015	-	2.752	25.784.243	5.572.697	-	648.221	32.953.045
Carrying value as at 30 June 2015	4.965.000	6.776	25.567.049	2.834.986	31.492	895.272	47.614.421

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8. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Fair Value Measurements of Lands and Buildings owned by the Entity

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Land and building acquired by financial leases revalued by an independent valuation company, Adres Gayrimenkul Değerleme ve Danışmanlık A.Ş. accredited by CMB and they have appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations.

The fair value of the freehold land was determined based on the market comparable approach that reflects recent transaction prices for similar properties. The fair value of the buildings was determined using the cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence.

Details of the Group's freehold land and buildings and information about the fair value hierarchy as at 30 June 2016 are as follows:

	30 June 2016	Fair value as at reporting date		
		Level 1 TL	Level 2 TL	Level 3 TL
In Hadımköy facility:				
-Land	22.450.000	-	22.450.000	-
-Building	16.757.239	-	16.757.239	-

Useful lives of property, plant and equipment are as follow:

	<u>Useful Life</u>
Infrastructure and land improvements	10-50
Buildings	25-50
Property, plants and equipments	4-20
Vehicles	5
Furniture and fixtures	4-20
Leasehold improvements	5-9

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9. INTANGIBLE ASSETS

<u>Cost value</u>	<u>Rights</u>	<u>Capitalized development expenses</u>	<u>Total</u>
Opening balance as at 1 January 2016	3.168.471	187.930	3.356.401
Additions	49.333	-	49.333
Closing balance as at 30 June 2016	<u>3.217.804</u>	<u>187.930</u>	<u>3.405.734</u>
<u>Accumulated amortization</u>			
Opening balance as at 1 January 2016	2.164.167	53.554	2.217.721
Charge for the period	77.688	18.793	96.481
Closing balance as at 30 June 2016	<u>2.241.855</u>	<u>72.347</u>	<u>2.314.202</u>
Carrying value as at 30 June 2016	<u>975.949</u>	<u>115.583</u>	<u>1.091.532</u>

<u>Cost value</u>	<u>Rights</u>	<u>Capitalized development expenses</u>	<u>Total</u>
Opening balance as at 1 January 2015	2.577.088	187.930	2.765.018
Additions	66.077	-	66.077
Closing balance as at 30 June 2015	<u>2.643.165</u>	<u>187.930</u>	<u>2.831.095</u>
<u>Accumulated amortization</u>			
Opening balance as at 1 January 2015	1.942.566	53.554	1.996.120
Charge for the period	101.612	18.793	120.405
Closing balance as at 30 June 2015	<u>2.044.178</u>	<u>72.347</u>	<u>2.116.525</u>
Carrying value as at 30 June 2015	<u>598.987</u>	<u>115.583</u>	<u>714.570</u>

Depreciation and amortization expense amounted at TL 2.751.480 (2015: TL 2.655.616) has been charged in “cost of goods sold”, TL 4.619 (2015: 4.998) in unused capacity expense under cost of goods sold, TL 135.650 (2015: TL 161.843) in “marketing expenses” and, TL 192.760 (2015: TL 188.347) in “administrative expenses”.

Useful lives of intangible assets are as follow:

	<u>Useful Life</u>
Rights	3-15
Capitalized development expenses	5

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10. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Guarantees Given

GPM Given by the Company

30 June 2016	TL Equivalent	US Dollar	Euro	TL
A. Total amount of GPM given by Group in behalf of Entity	21.619.952	185.000	6.580.000	673.679
B. Total amount of GPM on behalf of the shareholders included in consolidation	-	-	-	-
C. Total amount of GPM that the Company has given to provide the liabilities of 3rd parties to perform ordinal activities	-	-	-	-
D. Total amount of other GPM given				
i. Total amount of GPM given in behalf of parent company	-	-	-	-
ii. Total amount of GPM that the Company has given in behalf of Other Group Companies not included in B and C items	-	-	-	-
iii. Total Amount of GPM that the Company has given in behalf of third parties not included in C item	-	-	-	-
Total	<u>21.619.952</u>	<u>185.000</u>	<u>6.580.000</u>	<u>673.679</u>

As of 30 June 2016, the amount of Guarantees given related to ongoing bank loans is TL 30.778.762. TL 21.619.952 of the total amount consist of guarantee letters and rest of the remaining amount to TL 9.158.810 consist of shareholders personal sureties (31 December 2015 TL 23.601.016 Guarantee Letters, TL 18.875.915 Personal Sureties) (Note 18).

As of 30 June 2016, rate of other GPM's given by Group to owner's equity is 0% (31 December 2015: 0%).

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10. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)**Guarantees Given (cont'd)**

<u>31 December 2015</u>	<u>TL Equivalent</u>	<u>US Dollars</u>	<u>Euro</u>	<u>TL</u>
A. Total amount of GPM given by Group in behalf of Entity	20.547.231	-	6.270.000	623.679
B. Total amount of GPM on behalf of the shareholders included in consolidation	-	-	-	-
C. Total amount of GPM that the Company has given to provide the liabilities of 3rd parties to perform ordinal activities	-	-	-	-
D. Total amount of other GPM given				
i. Total amount of GPM given in behalf of parent company	-	-	-	-
ii. Total amount of GPM that the Company has given in behalf of Other Group Companies not included in B and C items	-	-	-	-
iii. Total Amount of GPM that the Company has given in behalf of third parties not included in C item	-	-	-	-
Total	<u>20.547.231</u>	<u>-</u>	<u>6.270.000</u>	<u>623.679</u>

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11. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

a) Share Capital

As of 30 June 2016 and 31 December 2015 the share capital held is as follows:

Shareholders	%	30 June	%	31 December
		2016		2015
LGR International Societe Anonyme	33,69	5.501.016	33,69	5.584.189
Dikran Mihran Acemyan	9,76	1.617.436	9,76	1.617.436
Oktay Duran	8,30	1.376.296	8,30	1.376.296
İbrahim Okan Duran	7,95	1.318.179	7,95	1.318.179
Dikran Acemyan	5,00	828.984	5,00	828.984
Other	35,30	5.933.877	35,30	5.850.704
		<u>100,00</u>	<u>100,00</u>	<u>16.575.788</u>
		<u>16.575.788</u>	<u>16.575.788</u>	<u>16.575.788</u>

The total number of ordinary shares authorized is 1.657.578.750 shares in 2016 (2015: 1.657.578.750) with a par value of Kr 1 per share (2015: Kr 1 per share).

b) Restricted Reserves Appropriated from Profit

	30 June	31 December
	2016	2015
Legal Reserves	325.455	325.455
	<u>325.455</u>	<u>325.455</u>

According to Turkish Commercial Code, legal reserves consist of first and second legal reserves. The first legal reserves, appropriated out of historical statutory profit at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid in share capital. The second legal reserve is appropriated after the first legal reserves and dividends, at the rate of 10% per annum of all cash distributions. According to Turkish Commercial Code, as long as the general reserves have not exceeded the capital or half of the basic capital they may be expended exclusively for covering losses, for taking the proper measures for maintaining the undertaking in times where business is not good for preventing unemployment or for reducing the consequences thereof.

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12. REVENUE AND COST OF SALES

a) Sales	1 January- 30 June 2016	1 April- 30 June 2016	1 January- 30 June 2015	1 April- 30 June 2015
Domestic sales	33.835.082	16.590.136	27.359.160	13.950.452
Foreign sales	19.726.550	11.543.887	18.041.108	10.806.656
Sales returns (-)	(319.939)	(165.050)	(781.967)	(622.467)
Sales discounts (-)	(20.485)	(20.485)	-	-
	<u>53.221.208</u>	<u>27.948.488</u>	<u>44.618.301</u>	<u>24.134.641</u>
b) Cost of sales	1 January- 30 June 2016	1 April- 30 June 2016	1 January- 30 June 2015	1 April- 30 June 2015
Raw materials used	25.766.143	11.458.992	22.029.502	12.001.305
Overhead expenses	4.940.395	2.597.265	4.727.350	2.547.428
Personnel expenses	5.087.571	2.035.497	4.972.614	2.683.733
Depreciation and amortization expenses (Note 8,9)	2.751.480	1.349.392	2.655.616	1.383.210
Change in finished goods	(483.562)	399.037	893.782	(363.294)
Cost of goods sold	<u>38.062.027</u>	<u>17.840.182</u>	<u>35.278.864</u>	<u>18.252.382</u>
Cost of merchandises sold (-)	5.307.359	4.547.676	739.960	587.692
Cost of other sales (-)	405.246	186.603	428.472	163.943
Idle capacity expenses	4.619	2.310	4.998	4.998
	<u>43.779.251</u>	<u>22.576.771</u>	<u>36.452.294</u>	<u>19.009.015</u>

13. ADMINISTRATIVE EXPENSES AND MARKETING EXPENSES

	1 January- 30 June 2016	1 April- 30 June 2016	1 January- 30 June 2015	1 April- 30 June 2015
General administrative expenses	4.211.612	2.247.864	3.784.488	1.992.100
Marketing expenses	3.038.667	1.582.377	2.522.260	1.319.446
	<u>7.250.279</u>	<u>3.830.241</u>	<u>6.306.748</u>	<u>3.311.546</u>

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13. ADMINISTRATIVE EXPENSES AND MARKETING EXPENSES (cont'd)

a) Details of General Administrative Expenses

	1 January- 30 June 2016	1 April- 30 June 2016	1 January- 30 June 2015	1 April- 30 June 2015
Personnel expenses	2.667.833	1.434.708	2.347.606	1.224.240
Financial and legal consulting expenses	579.503	307.063	405.455	219.250
Depreciation and amortization expenses (Note 8,9)	192.760	93.610	188.347	106.581
Motor vehicle expenses	185.464	94.878	184.565	95.458
Travelling expenses	109.057	55.539	70.566	48.646
Information technologies expenses	98.453	46.330	166.884	63.831
Accommodation expenses	71.309	55.384	87.677	15.865
Legal and notary expenses	51.500	44.456	17.555	14.873
Subscription expenses	37.520	1.021	37.000	23.980
Services received from subcontractors	21.931	11.923	18.341	9.231
Communication and transportation expenses	19.451	10.968	20.708	10.560
Education expenses	180	180	14.324	14.324
Provision for doubtful receivables (Note 6)	-	-	68.968	68.968
Other expenses	176.651	91.804	156.492	76.293
	<u>4.211.612</u>	<u>2.247.864</u>	<u>3.784.488</u>	<u>1.992.100</u>

b) Details of Marketing Expenses

	1 January- 30 June 2016	1 April- 30 June 2016	1 January- 30 June 2015	1 April- 30 June 2015
Foreign transportation expenses	1.069.724	602.943	909.693	479.469
Domestic transportation expenses	666.118	320.773	608.759	320.205
Personnel expenses	588.036	250.748	491.779	244.836
Export commission expenses	101.692	77.750	56.513	19.277
Depreciation and amortization expenses (Note 8,9)	135.650	67.954	161.843	95.758
Fair participation expenses	67.625	30.307	-	-
Motor vehicle expenses	60.754	30.689	61.318	32.082
Travelling expenses	52.586	14.805	39.576	25.750
Communication and transportation expenses	49.188	29.611	50.209	17.585
Royalty expenses	38.581	28.589	29.632	15.826
Accommodation expenses	12.453	5.418	5.510	3.034
Services received from subcontractors	4.619	2.424	3.623	1.814
Cost of samples used	2.490	1.516	6.856	1.809
Other expenses	189.151	118.850	96.949	62.001
	<u>3.038.667</u>	<u>1.582.377</u>	<u>2.522.260</u>	<u>1.319.446</u>

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14. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

The details of other incomes from operating activities for the years ended 30 June 2016 and 2015 are as follow:

Other Incomes from Operating Activities

	1 January- 30 June 2016	1 April- 30 June 2016	1 January- 30 June 2015	1 April- 30 June 2015
Foreign exchange gains from operations	3.317.409	1.098.772	5.676.349	3.445.836
Late charges and interest income	693.785	340.905	859.000	544.452
Interest income from time deposits	76.745	30.833	128.007	75.464
Other incomes	343.024	318.563	544.602	3.676
	<u>4.430.963</u>	<u>1.789.073</u>	<u>7.207.958</u>	<u>4.069.428</u>

The details of other expenses from operating activities for the years ended 30 June 2016 and 2015 are as follow:

Other Expenses from Operating Activities

	1 January- 30 June 2016	1 April- 30 June 2016	1 January- 30 June 2015	1 April- 30 June 2015
Foreign exchange losses from operations	3.717.533	1.169.682	3.220.946	1.893.880
Late charges and interest expense	350.957	180.139	208.294	99.107
Other expenses	318.035	77.421	509.957	77.477
	<u>4.386.525</u>	<u>1.427.242</u>	<u>3.939.197</u>	<u>2.070.464</u>

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15. FINANCE INCOME / (EXPENSES)

Financial Incomes / (Expenses), net

	1 January- 30 June 2016	1 April- 30 June 2016	1 January- 30 June 2015	1 April- 30 June 2015
Interest expenses	1.528.087	724.064	1.368.467	681.481
Foreign exchange expenses / (income), (net)	302.834	563.847	6.640.072	3.567.013
Other finance expenses	268.572	166.026	164.643	81.834
	<u>2.099.493</u>	<u>1.453.937</u>	<u>8.173.182</u>	<u>4.330.328</u>

16. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

	1 January- 30 June 2016	1 January- 30 June 2015
<u>Tax expense consists of below:</u>		
Current tax expense	-	-
Deferred tax (income) / expense	(104.514)	(477.361)
	<u>(104.514)</u>	<u>(477.361)</u>

Corporate Tax

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

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

The effective tax rate in 2016 is 20% (2015: 20%) for the Group.

In Turkey, advance tax returns are filed on a quarterly basis. Advance corporate income tax rate applied in 2016 is 20%. (2015: 20%).

Losses can be carried forward for offset against future taxable income for up to 5 years. However, losses cannot be carried back for offset against profits from previous periods.

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16. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Corporate Tax (cont'd)

Furthermore, 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. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within 5 years.

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 Turkish residents and Turkish branches of foreign companies. Income withholding tax applied in between 24 April 2003 – 22 July 2006 is 10% and commencing from 22 July 2006, this rate has been changed to 15% upon the Council of Minister's Resolution No: 2006/10731. Undistributed dividends incorporated in share capital are not subject to income withholding tax.

Withholding tax at the rate of 19,8% is still applied to investment allowances relating to investment incentive certificates obtained prior to 24 April 2003. Subsequent to this date, the investments without investment incentive certificates do not qualify for tax allowance.

Investment Incentives

The revoked phrase "only attributable to 2006, 2007 and 2008" stated in Provisional Article 69 of Income Tax Law No: 193 with the effect of Article 5 of Law No: 6009 after having published in the Official Gazette No: 27659 as at 1 August 2010 and the Constitutional Court's issued resolution no: 2009/144 published in the Official Gazette as at 8 January 2010 has been revised. The revised regulation allows companies to continue to benefit from the exception of undeductible and carry forward investment incentive due to insufficient earnings irrespective of having any time constraints. However, deductible amount for investment incentive exception used in the determination of tax base cannot exceed 25% of the related period's income. In addition, companies that opt to use the investment incentive exemption are allowed to apply 20% of income tax, instead of 30% under the related revised regulation.

The all amount refers to the investment incentive exemption (31 December 2015: All with exemptions). In case the investment incentive exemption is utilized the tax liability rate of 19,8% will be applied. Therefore, 0,2% (20%-19,8%) deferred tax calculated on investment incentives exemption. 20% deferred tax calculated on the investment incentives with no exemption.

Investment incentives that the Company can offset from profit is TL 1.472.872 (31 December 2015: TL 1.403.837), and all amount of this balance is considered in deferred tax calculation.

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16. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)**Deferred Tax**

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for TFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TFRS and tax purposes and they are given below.

For calculation of deferred tax asset and liabilities, the rate of 20% is used (2015: 20%).

As at 30 June 2016, the Group has unused tax losses of TL 12.792.389 available for offset against future profits. Unrecognized tax losses will expire as follows;

	30 June 2016	31 December 2015
Expiring in 2018	6.018.408	7.069.463
Expiring in 2020	6.773.981	6.773.981
	<u>12.792.389</u>	<u>13.843.444</u>
<u>Temporary timing differences taken as a basis for deferred tax</u>	30 June 2016	31 December 2015
- Investment incentive-withholdings(*)	1.472.872	1.403.837
- Depreciation and amortization differences of property, plants and equipments	2.108.625	1.536.134
- Provisions for employment termination benefits	3.129.889	2.994.246
- Unused vacation pay accruals	220.136	156.319
- Provision for impairment of inventories	158.032	231.912
- Deferred tax income adjustment	90.388	287.621
- Prepaid expenses adjustment	212.647	150.564
- Revaluation of tangible fixed assets	(18.945.221)	(18.945.221)
- Accumulated tax losses	12.799.583	13.843.444
- Other	(73.440)	(59.106)
	<u>1.173.511</u>	<u>1.599.750</u>

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16. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

<u>Deferred tax assets / (liabilities)</u>	<u>30 June 2016</u>	<u>31 December 2015</u>
- Investment incentive-withholdings(*)	2.946	2.808
- Depreciation and amortization differences of property, plants and equipments	421.725	307.227
- Provisions for employment termination benefits	625.978	598.849
- Unused vacation pay accruals	44.027	31.264
- Provision for impairment of inventories	31.606	46.382
- Deferred tax income adjustment	18.078	57.524
- Prepaid expenses adjustment	42.529	30.113
- Revaluation of tangible fixed assets	(1.166.294)	(1.166.294)
- Accumulated tax losses	2.559.917	2.768.689
- Other	(14.688)	(11.822)
	<u>2.565.824</u>	<u>2.664.740</u>
Provision for deferred tax assets	<u>(2.707.713)</u>	<u>(2.911.143)</u>
	<u>(141.889)</u>	<u>(246.403)</u>
	<u>30 June 2016</u>	<u>31 December 2015</u>
Deferred tax assets	47.290	10.255
Deferred tax liabilities	(189.179)	(256.658)
	<u>(141.889)</u>	<u>(246.403)</u>

(*) In case of using withholding tax investment incentive there will be 19,8% taxation, therefore, deferred tax effect of this item is 0,2%.

<u>Movement of deferred tax assets</u>	<u>1 January- 30 June 2016</u>	<u>1 January- 30 June 2015</u>
Opening balance as at 1 January	(246.403)	2.218.315
Recognized to statement of profit and loss	104.514	477.361
Closing balance as at 30 June	<u>(141.889)</u>	<u>2.695.676</u>

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16. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Reconciliation of tax expense with profit for the period is as follows:

	1 January- 30 June 2016	1 January- 30 June 2015
<u>Reconciliation of taxation:</u>		
Profit / (loss) before taxation from operating	201.127	(2.969.258)
Income tax rate 20% (2015: 20:%)	(40.225)	593.852
Tax effects of:		
- non deductible expenses	(44.988)	(22.417)
- used accumulated losses	214.121	-
- provision for deferred tax assets	(18.156)	-
- other	(6.238)	(94.074)
Tax provision income in statement of profit	<u>104.514</u>	<u>477.361</u>

17. EARNINGS / (LOSS) PER SHARE

As of 30 June 2016 and 2015, the Company's weighted average number of shares and computation of earnings per share set out here are as follows:

	1 January- 30 June 2016	1 January- 30 June 2015
Average number of shares outstanding during the period	1.657.578.750	1.657.578.750
Net profit / (loss) for the period attributable to owners	305.629	(2.491.889)
Earnings / (loss) per share	<u>0,0002</u>	<u>(0,0015)</u>

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18. FINANCIAL LIABILITIES

	30 June 2016	31 December 2015
Financial liabilities		
Short term bank loans	25.212.266	23.502.325
Short term portion of long term loans	2.836.825	7.717.838
Short term leasing payables	5.786.933	5.847.609
Other financial liabilities	2.668.574	1.470.589
Total short term financial liabilities	36.504.598	38.538.361
Long term bank loans	2.729.671	4.862.347
Long term leasing payables	19.729.600	22.633.853
Total long term financial liabilities	22.459.271	27.496.200
Total financial liabilities	58.963.869	66.034.561

a) Bank Loans

Currency	Weighted average effective Interest Rate	30 June 2016	
		Short Term	Long Term
TL	10,1%	2.289.105	-
Avro	1,82%	25.759.986	2.729.671
		28.049.091	2.729.671
Currency	Weighted average effective Interest Rate	31 December 2015	
		Short Term	Long Term
TL	12,17%	2.505.180	-
EUR	2,08%	28.714.983	4.862.347
		31.220.163	4.862.347

As of 30 June 2016, the amount of Guarantees given related to ongoing bank loans is TL 30.778.762. TL 21.619.952 of the total amount consist of guarantee letters and rest of the remaining amount to TL 9.158.810 consist of shareholders personal sureties (31 December 2015 TL 23.601.016 Guarantee Letters, TL 15.875.915 Personal Sureties)

Except the guarantee letters mentioned above; because of the characteristic of discount loans used by the entity, on behalf of the entity, the amount of TL 1.421.271 in bank accounts is blocked by a rate of 2,75% until the maturity date (31 December 2015: TL 1.050.912).

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18. FINANCIAL LIABILITIES (cont'd)

a) Bank Loans (cont'd)

Maturities of bank loans are as follows:

	30 June 2016	31 December 2015
Within 1 year	28.049.090	31.220.163
Within 1 - 2 years	2.729.672	2.885.429
Within 2 - 3 years	-	1.246.070
Within 3 - 4 years	-	730.848
	<u>30.778.762</u>	<u>36.082.510</u>

b) Financial Lease Payables

	Minumum Lease Payments		Present Value of Minumum Lease Payments	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
<u>Financial lease payables</u>				
Within one year	7.154.570	7.404.156	5.786.933	5.847.609
Within two to ten years	22.093.546	25.649.202	19.729.600	22.633.853
	29.248.116	33.053.358	25.516.533	28.481.462
Less: Future finance charges	(3.731.583)	(4.571.896)		
Present value of financial lease payables	<u>25.516.533</u>	<u>28.481.462</u>		
Less: Amounts due to settlement within twelve months (disclosed in current liabilities)	(5.786.933)	(5.847.609)		
Amounts due for settlement after 12 months	<u>19.729.600</u>	<u>22.633.853</u>		

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18. FINANCIAL LIABILITIES (cont'd)**b) Financial Lease Payables (cont'd)**

<u>Currency</u>	<u>Interest Rate</u>	<u>30 June 2016</u>	
		<u>Short Term</u>	<u>Long Term</u>
US Dollar	%5,9-%7,5	4.246.230	19.526.374
Euro	%4,5-%7,5	1.540.703	203.226
		<u>5.786.933</u>	<u>19.729.600</u>

<u>Currency</u>	<u>Interest Rate</u>	<u>31 December 2015</u>	
		<u>Short Term</u>	<u>Long Term</u>
US Dollar	%5,9-%7,5	4.267.098	21.774.633
Euro	%4,5-%7,5	1.580.511	859.220
		<u>5.847.609</u>	<u>22.633.853</u>

Finance leases are related to manufacturing equipment with lease term of 10 years and other machine and equipment with lease term of 5 years. The group has options to purchase the equipment with lease term of 10 years and machine with lease term of 5 years. The Group's obligations under finance leases are secured by the lessors' title to the leased assets. Applied interest rate related to finansal lease; for USD leases changes between 5,9% and 7,5%, for EUR leases changes between 4,5% and 7,5%.

19. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS***Foreign currency risk management***

Transactions denominated in foreign currencies result in foreign currency risk. Foreign currency risk is managed within approved policy parameters utilizing forward foreign exchange contracts.

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19. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Foreign currency risk management (cont'd)

The carrying amounts of the Group's foreign currency denominated monetary and non-monetary assets and monetary and non-monetary liabilities at the reporting period are as follows:

	TL Equivalent	US Dollar	EUR	GBP	CHF
30 June 2016					
1. Trade Receivables	7.506.127	715.838	1.404.270	240.234	1.858
2. Monetary financial assets	3.891.617	10.092	1.132.435	60.159	300
2b. Non-Monetary financial assets	5.308.190	-	68.567	1.315.191	-
3. Other	1.474	-	460	-	-
4. CURRENT ASSETS	16.707.408	725.930	2.605.732	1.615.584	2.158
5. Other	101.507	35.080	-	-	-
6. NON - CURRENT ASSETS	101.507	35.080	-	-	-
7. TOTAL ASSETS	16.808.915	761.010	2.605.732	1.615.584	2.158
8. Trade payables	1.898.049	98.704	384.529	98.282	-
9. Financial liabilities	31.547.569	1.467.680	8.519.751	-	-
10. CURRENT LIABILITIES	33.445.618	1.566.384	8.904.280	98.282	-
11. Financial liabilities	22.459.271	6.748.125	915.272	-	-
12. Other monetary liabilities	6.408.800	-	2.000.000	-	-
13. NON-CURRENT LIABILITIES	28.868.071	6.748.125	2.915.272	-	-
14. TOTAL LIABILITIES	62.313.689	8.314.509	11.819.552	98.282	-
15. TOTAL LIABILITIES	62.313.689	8.314.509	11.819.552	98.282	-
16. Net foreign currency asset/(liabilities) position (7-15)	(45.504.774)	(7.553.499)	(9.213.820)	1.517.302	2.158
17. Monetary items net foreign currency assets/liabilities position (1+2+3+5-8-9-11-12)	(50.812.964)	(7.553.499)	(9.282.387)	202.111	2.158

DURAN DOĞAN BASIM VE AMBALAJ SANAYİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

19. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Foreign currency risk management (cont'd)

31 December 2015	TL Equivalent	US Dollar	EUR	GBP	CHF
1. Trade Receivables	12.546.524	286.513	1.227.188	1.816.901	-
2. Monetary financial assets	10.048.961	1.225.521	2.021.104	14.532	300
3. Other	1.297.342	5.672	399.997	2.283	-
4. CURRENT ASSETS	23.892.827	1.517.706	3.648.289	1.833.716	300
5. Other	103.452	35.580	-	-	-
6. NON - CURRENT ASSETS	103.452	35.580	-	-	-
7. TOTAL ASSETS	23.996.279	1.553.286	3.648.289	1.833.716	300
8. Trade payables	915.975	33.744	253.665	-	4.035
9. Financial liabilities	34.562.592	1.467.567	9.534.080	-	-
10. CURRENT LIABILITIES	35.478.567	1.501.311	9.787.745	-	4.035
11. Financial liabilities	27.496.200	7.488.868	1.800.594	-	-
12. Other monetary liabilities	6.355.200	-	2.000.000	-	-
13. NON-CURRENT LIABILITIES	33.851.400	7.488.868	3.800.594	-	-
14. TOTAL LIABILITIES	69.329.967	8.990.179	13.588.339	-	4.035
15. TOTAL LIABILITIES	69.329.967	8.990.179	13.588.339	-	4.035
16. Net foreign currency asset/(liabilities) position (7-15)	(45.333.688)	(7.436.894)	(9.940.050)	1.833.716	(3.735)
17. Monetary items net foreign currency assets/liabilities position (1+2+3+4-8-9-11-12)	(45.333.688)	(7.436.894)	(9.940.050)	1.833.716	(3.735)

DURAN DOĞAN BASIM VE AMBALAJ SANAYİ A.Ş. AND ITS SUBSIDIARIES

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(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

19. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Foreign currency risk management (cont'd)

Foreign currency sensitivity analysis

The Group is exposed to foreign currency risk arising from various currency exposures, primarily with respect to US Dollar, Euro and British Pounds (“GBP”).

The following table details the Group’s sensitivity to a 10% increase and decrease in US Dollar, euro and British Pounds against TL. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the possible change in foreign currency rates. 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. A positive number below indicates an increase in profit or equity.

	30 June 2016		30 June 2015	
	Profit/(Loss)	Profit/(Loss)	Profit/(Loss)	Profit/(Loss)
	Revaluation of foreign currency	Devaluation of foreign currency	Revaluation of foreign currency	Devaluation of foreign currency
If US Dollar appreciated against TL by 10%				
1- US Dollars net assets / liabilities	(2.185.680)	2.185.680	(2.055.602)	2.055.602
2- Part of hedged from US Dollar risk (-)	-	-	-	-
3- USD net effect (1+2)	(2.185.680)	2.185.680	(2.055.602)	2.055.602
If Euro appreciated against TL by 10%				
4- Euro net assets / liabilities	(2.974.448)	2.974.448	(3.910.670)	3.910.670
5- Part of hedged from Euro risk (-)	-	-	-	-
6- Euro net effect (4+5)	(2.974.448)	2.974.448	(3.910.670)	3.910.670
If Sterling appreciated against TL by 10%				
7- Sterling net assets / liabilities	78.197	(78.197)	1.115.119	(1.115.119)
8- Part of hedged from Sterling risk (-)	-	-	-	-
9- Sterling net effect (7+8)	78.197	(78.197)	1.115.119	(1.115.119)
If Swiss frank appreciated against TL by 10%				
10- Swiss frank net assets/liabilities	636	(636)	(1.822)	1.822
11- Part of hedged from Swiss frank (-)	-	-	-	-
12- Swiss Frank net effect (10+11)	636	(636)	(1.822)	1.822
Total (3+6+9+12)	(5.081.295)	5.081.295	(4.852.975)	4.852.975

DURAN DOĞAN BASIM VE AMBALAJ SANAYİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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20. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING)

Categories of financial instruments and fair values

<u>30 June 2016</u>	Loans and receivables (including cash and cash equivalents)	Financial liabilities at amortized costs	Carrying value	Note
<u>Financial Assets</u>				
Cash and cash equivalents	5.186.801	-	5.186.801	21
Trade receivables	18.974.357	-	18.974.357	6
Other receivables	305.850	-	305.850	
Other current assets	1.489.153	-	1.489.153	
<u>Financial liabilities</u>				
Borrowings	-	58.963.869	58.963.869	18
Trade payables	-	13.738.578	13.738.578	6
Other payables	-	6.449.127	6.449.127	
<u>31 December 2015</u>	Loans and receivables (including cash and cash equivalents)	Financial liabilities at amortized costs	Carrying value	Note
<u>Financial Assets</u>				
Cash and cash equivalents	10.321.467	-	10.321.467	21
Trade receivables	25.119.309	-	25.119.309	6
Other receivables	276.424	-	276.424	
Other current assets	1.065.944	-	1.065.944	
<u>Financial liabilities</u>				
Borrowings	-	66.034.561	66.034.561	18
Trade payables	-	10.373.310	10.373.310	6
Other payables	-	6.378.436	6.378.436	

DURAN DOĞAN BASIM VE AMBALAJ SANAYİ A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

21. NOTES ON STATEMENT OF CASH FLOWS

	30 June 2016	31 December 2015
Cash	17.563	14.883
Cash at banks	5.169.238	10.306.584
<i>Demand deposits</i>	2.141.080	433.188
<i>Time deposits less than 3 months maturity</i>	3.028.158	9.873.396
	<u>5.186.801</u>	<u>10.321.467</u>

<u>Currency</u>	<u>Interest rate (%)</u>	<u>Maturity</u>	30 June 2016
EUR	1,40%	up to 1-month	3.028.158
			<u>3.028.158</u>

<u>Currency</u>	<u>Interest rate (%)</u>	<u>Maturity</u>	31 December 2015
EUR	1,60%	1-2 month	6.355.200
USD	1,96%	up to 3-month	3.518.196
			<u>9.873.396</u>

22. EVENTS AFTER THE REPORTING PERIOD

None.