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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019 AND REVIEW REPORT

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

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(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 2019 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 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with TAS 34 "Interim Financial Reporting".

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
Member of Ernst & Young Global Limited

Onur Ünal
Partner

İstanbul, 3 September 2019

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

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

	Notes	Reviewed Current Period 30 June 2019	Audited Prior Period 31 December 2018
ASSETS			
Current Assets		**114.476.936**	**111.124.669**
Cash and Cash Equivalents	22	4.267.531	9.885.694
Financial Investments			
-Restricted Bank Balances		1.391.603	1.995.601
Trade Receivables		47.063.416	54.531.265
Trade Receivables from Third Parties	*6*	47.063.416	54.531.265
Other Receivables		52.652	862.245
Other Receivables from Third Parties		52.652	81.080
Other Receivables from Related Parties		-	*781.165*
Inventories	7	52.564.420	36.883.527
Prepaid Expenses		4.597.718	4.645.021
Other Current Assets		4.539.596	2.321.316
Non-Current Assets		**130.563.823**	**122.073.199**
Other Receivables		337.676	320.092
Other Receivables from Third Parties		337.676	320.092
Property, Plant and Equipments	8	119.900.489	118.558.451
Intangible Assets	9	1.952.600	1.756.680
Right of Use Assets		5.972.191	-
Deferred Tax Assets	17	2.400.867	1.437.976
TOTAL ASSETS		**245.040.759**	**233.197.868**

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 2019

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

	Notes	Reviewed Current Period 30 June 2019	Audited Prior Period 31 December 2018
LIABILITIES			
Current Liabilities		**96.103.870**	**98.109.984**
Short-Term Borrowings	19	39.455.474	44.779.308
Short-Term Portion of Long-term Borrowings		9.736.187	6.847.738
Short-Term Portion of Long-Term Borrowings from Third Parties	19	7.756.499	6.847.738
Liabilities from Leasing Operations		1.979.688	-
Other Financial Liabilities	19	949.852	1.116.592
Trade Payables		36.536.819	33.742.784
Trade Payables to Related Parties	*5*	139.706	1.078.460
Trade Payables to Third Parties	*6*	36.397.113	32.664.324
Payables Related to Employee Benefits		2.256.366	1.474.761
Other Payables		904.517	357.581
Other Payables to Related Parties		817.976	184.859
Other Payables to Third Parties		86.541	172.722
Deferred Income		3.142.860	2.542.906
Period Income Tax Liabilities		825.900	2.787.310
Short-Term Provisions		1.533.045	3.642.706
Short-Term Provisions for Employee Termination Benefits		1.512.201	2.437.900
Other Short-Term Provisions		20.844	1.204.806
Other Current Liabilities		762.850	818.298
Non-Current Liabilities		**84.571.958**	**72.570.912**
Long-Term Borrowings		61.148.576	51.214.947
Long-Term Borrowings from Third Parties	19	56.776.683	51.214.947
Borrowings from Leasing Operations		4.371.893	-
Other Payables	5	13.101.400	12.056.000
Other Payables to Related Parties		13.101.400	12.056.000
Deferred Income		121.715	187.255
Long-Term Provisions		6.032.145	5.114.424
Long-Term Provisions for Employee Termination Benefits	*17*	6.032.145	5.114.424
Deferred Tax Liabilities	17	4.168.122	3.998.286
EQUITY		**64.364.931**	**62.516.972**
Equity Attributable to Parent of the Company		**64.328.809**	**62.480.902**
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	11	778.020	325.455
Other Comprehensive Income or Expenses that will not be Reclassified Subsequently to Profit or Loss		42.713.659	42.959.926
Revaluation and Remeasurement Gains		*44.483.344*	*44.555.690*
Defined Benefits Plan Remeasurement Losses		*(1.769.685)*	*(1.595.764)*
Other Comprehensive Income or Expenses that will be Reclassified Subsequently to Profit or Loss		(1.609.300)	(1.306.790)
Foreing Currency Translation Differences		*(1.609.300)*	*(1.306.790)*
Accumulated Losses		(2.895.417)	(16.936.903)
Net Profit / (Loss) for the Period		2.324.338	14.421.705
Non-Controlling Interests		**36.122**	**36.070**
TOTAL LIABILITIES		**245.040.759**	**233.197.868**

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 COMPHERENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2019

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

	Notes	Reviewed Current Period 1 January- 30 June 2019	Unreviewed Current Period 1 April- 30 June 2019	Restated Reviewed Prior Period 1 January- 30 June 2018	Restated Unreviewed Prior Period 1 April- 30 June 2018
PROFIT AND LOSS					
Revenue	12	106.462.398	53.377.880	78.459.806	39.415.205
Cost of sales (-)	12	(74.559.095)	(35.398.576)	(58.015.656)	(27.110.442)
GROSS PROFIT		**31.903.303**	**17.979.304**	**20.444.150**	**12.304.763**
General Administrative expenses (-)	13	(8.913.349)	(4.638.619)	(6.130.276)	(3.118.558)
Marketing expenses (-)	13	(10.929.318)	(5.997.621)	(6.849.413)	(4.068.412)
Other income from operating activities	14	9.715.725	3.166.564	8.234.784	3.947.006
Other expenses from operating activities (-)	14	(5.976.093)	(3.527.677)	(4.042.623)	(1.808.315)
OPERATING PROFIT		**15.800.268**	**6.981.951**	**11.656.622**	**7.256.484**
Income from investing activities	15	769.690	759.877	1.507.695	-
OPERATING PROFIT BEFORE FINANCIAL EXPENSE		**16.569.958**	**7.741.828**	**13.164.317**	**7.256.484**
Financial expenses	16	(14.063.360)	(4.514.455)	(11.457.221)	(7.349.377)
PROFIT / (LOSS) BEFORE TAX		**2.506.598**	**3.227.373**	**1.707.096**	**(92.893)**
Tax Expense		**(182.150)**	**(442.551)**	**(461.846)**	**205.454**
Period tax expense	17	(944.087)	(835.259)	(1.803.393)	(826.248)
Deferred Tax Income	17	761.937	392.708	1.341.547	1.031.702
PROFIT / (LOSS) FOR THE PERIOD		**2.324.448**	**2.784.822**	**1.245.250**	**112.561**
Profit / (Loss) for the Period Attributable to					
Non-controlling interests		110	62	(2)	(3)
Equity holders of the parent company		2.324.338	2.784.760	1.245.252	112.564
		2.324.448	**2.784.822**	**1.245.250**	**112.561**
Profit / (Loss) Per Share	18	0,0014	0,0168	0,0008	0,0001
Other Comprehensive Income;					
Other Comprehensive Income or Expenses that will not be Reclassified Subsequently to Profit or Loss		**(173.921)**	**54.658**	**221.159**	**(72.191)**
Revaluation gains on tangible assets				-	-
Actuarial gain / (loss) on defined retirement benefit plans		*(217.401)*	68.323	*276.449*	*(90.239)*
Tax (expense) / income on other comprehensive income items		*43.480*	(13.665)	*(55.290)*	*18.048*
Other Comprehensive Income or Expenses that will be Reclassified Subsequently to Profit or Loss		**(302.510)**	**(195.789)**	**(422.005)**	**(226.216)**
Foreing currency translation differences		*(302.510)*	*(195.789)*	*(422.005)*	*(226.216)*
Other Comprehensive Income / (Expense)		(476.431)	(141.131)	(200.846)	(298.407)
Total Comprehensive Income / (Expense)		**1.848.017**	**2.643.691**	**1.044.404**	**(185.846)**
Total Comprehensive Income / (Expense) Distribution					
Non-controlling interests		63	(45)	(53)	(8)
Equity holders of the parent company		1.847.954	2.643.736	1.044.457	(185.838)

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2019

(Amounts are expressed in Turkish Lira (TRY) 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 will be reclassified subsequently to profit or loss		Accumulated Losses				
	Share Capital	Share Capital Restatement Differences	Share Premium	Revaluation and Remeasurement Gain/Loss	Defined Benefit Plans Remeasurement Loss	Foreing Currency Translation Differences	Restricted Reserves Appropriated from Profit	Accumulated Losses	Net Profit / (Loss) for the Period	Equity Attributable to Parent of the Company	Non-controlling Interests	Total Equity
Balance as at 1 January 2019 (Restated)	**16.575.788**	**6.436.501**	**5.220**	**44.555.690**	**(1.595.764)**	**(1.306.790)**	**325.455**	**(16.936.903)**	**14.421.705**	**62.480.902**	**36.070**	**62.516.972**
Transfers	-	-	-	-	-	-	452.565	13.969.140	(14.421.705)	(0)	-	**(0)**
Total Comprehensive Income												
- *Actuarial Loss on Defined Retirement Benefit Plans*	-	-	-	-	(173.921)	-	-	-	-	(173.921)	-	**(173.921)**
- *Amortization Reclassification of Revaluation Gains*	-	-	-	(72.346)	-	-	-	72.346	-	-	52	**52**
- *Foreign currency translation differences*	-	-	-	-	-	(302.510)	-	-	-	(302.510)	-	**(302.510)**
- *Net profit for the period*	-	-	-	-	-	-	-	-	2.324.338	2.324.338	-	**2.324.338**
Balance as at 30 June 2019	**16.575.788**	**6.436.501**	**5.220**	**44.483.344**	**(1.769.685)**	**(1.609.300)**	**778.020**	**(2.895.417)**	**2.324.338**	**64.328.809**	**36.122**	**64.364.931**

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 2019

(Amounts are expressed in Turkish Lira (TRY) 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 will be reclassified subsequently to profit or loss		Accumulated Losses				
	Share Capital	Share Capital Restatement Differences	Share Premium	Revaluation and Remeasurement Gain/Loss	Defined Benefit Plans Remeasurement Loss	Foreing Currency Translation Differences	Restricted Reserves Appropriated from Profit	Accumulated Losses	Net Profit / (Loss) for the Period	Equity Attributable to Parent of the Company	Non-controlling Interests	Total Equity
Balance as at 1 January 2018	**16.575.788**	**6.436.501**	**5.220**	**35.085.680**	**(1.293.600)**	**(541.409)**	**325.455**	**(26.017.114)**	**11.133.495**	**41.710.016**	**28.414**	**41.738.430**
Restatements made in accordance with TAS 8								**(44.502)**		**(44.502)**		**(44.502)**
Effects of restatements (Note 2.1)								**(223.632)**	**(1.798.522)**	**(2.022.154)**		**(2.022.154)**
Balance as at 1 January 2018 (Restated)	**16.575.788**	**6.436.501**	**5.220**	**35.085.680**	**(1.293.600)**	**(541.409)**	**325.455**	**(26.285.248)**	**9.334.973**	**39.643.360**	**28.414**	**39.671.774**
Transfers	-	-	-	-	-	-	-	9.334.973	(9.334.973)	-	-	-
Total Comprehensive Income												
- *Actuarial Loss on Defined Retirement Benefit Plans*	-	-	-	-	221.159	-	-	-	-	221.159 -	-	**221.159**
- *Amortization Reclassification of Revaluation Gains*	-	-	-	(12.813)	-	-	-	12.813	-	-	(51)	**(51)**
- *Foreign currency translation differences*	-	-	-	-	-	(422.005)	-	-	-	(422.005)	-	**(422.005)**
- *Net profit for the period*	-	-	-	-	-	-	-	-	1.245.252	1.245.252	(2)	**1.245.250**
Balance as at 30 June 2018	**16.575.788**	**6.436.501**	**5.220**	**35.072.867**	**(1.072.441)**	**(963.414)**	**325.455**	**(16.937.462)**	**1.245.252**	**40.687.766**	**28.361**	**40.716.127**

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2019

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

A. Cash flow from operating activities	**Notes**	**Reviewed** **Current Period** **1 January-** **30 June** **2019**	**Restated** **Reviewed** **Prior Period** **1 January-** **30 June** **2018**
Net Profit / (Loss) for the period		**2.324.448**	**1.245.250**
- Adjustments related to depreciation and amortization	8-9	4.606.442	2.769.881
- Adjustments related to gain/(loss) on sale of property, plant and equipment	15	(769.690)	(1.507.695)
- Adjustments related to provision for employment termination benefits		962.858	526.133
- Adjustments related to royalty provisions		-	16.437
- Adjustments related to other provisions		(1.183.962)	-
- Adjustments related to provision for unused vacation		314.629	161.475
- Adjustments related to bonus provisions		833.096	946.711
- Adjustments related to provision for doubtful receivables	6	(6.585)	28.776
- Adjustments related to allowance for impairment of inventory	7	717.717	781.226
- Adjustments related to tax income	17	182.150	461.846
- Adjustments related to interest income	16	(205.767)	-
- Adjustments related to interest expense		2.303.400	961.530
- Adjustments related to financial leasing foreign currency translation differences		9.288.291	8.718.391
Total adjustment to net profit for the period		**19.367.027**	**15.109.961**
Changes in working capital			
- Changes in trade receivables from related parties		-	(11.149)
- Changes in trade receivables		7.474.434	(3.107.000)
- Changes in inventories		(16.398.610)	(5.674.321)
- Changes in other receivables and assets		(6.747.161)	(87.153)
- Changes in trade payables		3.732.789	7.727.041
- Changes in payables to related parties		(938.754)	(337.562)
- Changes in payables related to employee benefits		781.605	700.166
- Changes in other payables and liabilities		7.271.660	1.394.791
		14.542.990	**15.714.774**
- Royalty paid		-	(5.288)
- Premium paid		(2.073.424)	(1.583.622)
- Interest paid		(2.053.906)	(1.001.573)
- Interest received		205.767	-
- Termination benefits paid		(262.539)	(461.056)
- Tax paid	17	(2.787.310)	(568.372)
Net cash generated from operating activities		**7.571.579**	**12.094.863**

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2019

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

	Notes	Reviewed Current Period 1 January- 30 June 2019	Restated Reviewed Prior Period 1 January- 30 June 2018
B. Cash flow from investing activities			
- Proceeds from sales of property, plant and equipment	8-9-15	775.918	1.651.720
- Payments for the purchase of property, plant ad equipment		(5.854.243)	(29.253.709)
- Payments for the purchase of intangible assets		(325.426)	(626.832)
		(5.403.751)	**(28.228.821)**
B. Cash flow from financing activities			
- Proceeds from loans		34.725.935	52.645.572
- Loan repayments		(38.813.086)	(36.040.062)
- Payments of finance lease liabilities		(3.229.589)	(1.415.972)
- Change in financial liabilities to related parties		-	-
- Change in other financial liabilities		(166.740)	(199.931)
		(7.483.480)	**14.989.607**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF EXCHANGE RATE CHANGES (A+B+C)		(5.315.653)	(1.144.351)
D.EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(302.510)	(422.005)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**(5.618.163)**	**(1.566.356)**
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		9.885.694	9.059.515
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	22	**4.267.531**	**7.493.159**

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 to 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. Of its Subsidiaries, Dudo İthalat ve İhracat Pazarlama A.Ş. is located in Turkey and Dudo UK Ltd. is located in United Kingdom.

The Company is registered with the Capital Market Board (CMB) and its shares are traded at Istanbul Stock Exhange Market.

Total number of personnel employed at Group as of 30 June 2019 is 274 (31 December 2018: 268).

Major shareholders of the Company are LGR International Societe Anonyme (31,84%), Dikran Mihran Acemyan (9,76%), İbrahim Okan Duran (7,95%), Oktay Duran (8,30%) and Dikran Acemyan (6,85%).

<u>Confirmation of Condensed Consolidated Financial Statements:</u>

Condensed consolidated financial statements were ratified by the Board of Directors and authorised for issue there on 8 August 2019. The General Assembly of the Company has the authority to modify the condensed consolidated financial statements.

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. It was also presented in accordance with the TAS taxonomy published by the POA on June 2, 2016 with the decision numbered 30 and published to public, as updated "2019 TFRS", on 15 April 2019 with the amendmends on TFRS-16 Leases and TFRS-15 Customer Contracts Revenue standards.

The condensed consolidated financial statements have been prepared on the historical cost basis except for revaluation of lands and buildings. 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 subsidiary maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code ("TCC") and accounting principles defined by 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. It was also presented in accordance with the TAS taxonomy published by the POA on June 2, 2016 with the decision numbered 30 and published to public, as updated "2019 TFRS", on 15 April 2019 with the amendmends on TFRS-16 Leases and TFRS-15 Customer Contracts Revenue standards.

The CMB has permitted publicly traded companies to apply the full set or condensed presentation of interim financial statements in accordance with TMS 34 "Interim Financial Statements". Accordingly, the Group has preferred to prepare the condensed presentation of the financial statements at the interim period end as of 30 June 2019.

The descriptions and disclosures which are needed in the financial statements prepared annually complying with TAS/TFRS 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 2018 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 2018, except their effects.

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

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

2.1 Basis of Presentation (cont'd)

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 to 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.

The Group management has determined that the elimination of inventory margin made for Dudo UK Ltd., on its analysis in 2018, for the outstanding inventories which were unsold as of reporting period was wrong. The correction is considered to be an error in the Consolidated financial statements in accordance with TAS 8 and needs to be adjusted retrospectively. The related restatement is also made on the interim income statement as of 30 June 2018.

The Group management has determined that the transition effect of TFRS 15, which was applied for the first time in 2018, is incorrect in the consolidated financial statements as of 30 June 2018.

The Group management has determined that the personnel premium provisions for the period are not taken into consideration in the reporting of 30 June 2018 and corrected this error.

The Group management reclassified the storage expenses of its foreign subsidiary Dudo UK, which was included in the cost of goods sold in the prior period, to sales and marketing expenses.

The effects of the restatements are as follows:

	Reported in Prior Year 1 January-30-Jun 2018	Effects of Restatement	Restated Prior Year 1 January-30-Jun 2018
Reveneu	77.162.407	1.297.399	78.459.806
Cost of Sales (-)	58.970.047	(954.391)	58.015.656
Marketing Expenses (-)	5.895.022	954.391	6.849.413
Deferred Tax Income	1.339.674	1.873	1.341.547
Prior Year Loss	41.343.620	(627.493)	40.716.127
Net Profit for the Period	(77.311)	1.322.561	1.245.250

Restricted bank balances were reclassified as restricted bank balances which were followed as of 31 December 2018 in other current assets by the Group.

Basis of Consolidation

Subsidiaries:

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to variable interests due to its relationship with the entity or has a right on these interests and at the same time has an opportunity to influence these interests with its power on the entity which it invests on. The financial statements of subsidiaries are included in the Consolidated Financial Statements as of the date on which control commenced.

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

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

2.1 Basis of Presentation (cont'd)

The amounts corresponding to the non-controlling share of the net assets of the consolidated subsidiary are determined separately from the amount corresponding to the main partnership. The amounts attributable to non-controlling interests in the net assets consist of non-controlling interests at the date of the business combination and subsequent non-controlling interests in changes in equity after the date of the business combination. Any portion of profit or loss and other comprehensive income is transferred to the parent shareholders and non-controlling interests. Even if the entity has a negative balance in the non-controlling interests, the total comprehensive income is transferred to the parent shareholders and non-controlling interests.

As of June 30, 2019 and December 31, 2018, the Company's consolidated subsidiary ("Subsidiary"), its core business and share of direct and indirect capital are as follows:

	30 June 2019		**31 December 2018**		
	Direct Ownership	**Indirect Ownership**	**Direct Ownership**	**Indirect Ownership**	
Subsidaries	%	%	%	%	**Business Activity**
Dudo İthalat ve İhracat Pazarlama A.Ş.	99,92	99,92	99,92	99,92	Purchase and sale of printed and unprinted cardboard boxes and
Dudo UK Ltd.	100,00	100,00	100,00	100,00	boxes

Adjustments in Consolidation:

The financial statements and the profit or loss statements of the companies included in the consolidation have been consolidated by using the full consolidation method and their shares in equity have been netted off against the recorded value in the Company's assets. Portions of the net assets of the subsidiaries that are not directly and / or indirectly controlled by the parent company are classified in the Consolidated Statement of Financial Position as "Non-controlling Interests". Portions of subsidiaries' net period profit or loss that are not included in the direct and / or indirect control of the parent company are classified as "Non-controlling share" in the consolidated income statement. In-group transactions and transactions between companies included in the consolidation are eliminated. Profits and losses arising from transactions between one of the Group companies and an associate or a joint venture of the Group are eliminated at the rate of the Group's interest in the relevant subsidiary / joint venture.

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

2.2 Changes in Turkish Financial Reporting Standards (TFRS)

The Group has applied, in current year, the amendmends and interpretations, which have impact on the financial statements of the Group, published by Turkish Accounting Standards Board (TASB) and TASB's Turkish Financial Reporting Interpretations Committee (TFRIC) and effective for the periods of the year starting at 1 January 2019.

The new standards, amendments and interpretations which are effective as at January 1, 2019

The accounting policies adopted in preparation of the interim consolidated financial statements as at June 30, 2019 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of January 1, 2019. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as at January 1, 2019 are as follows:

TFRS 16 Leases

In April 2018, POA has published a new standard, TFRS 16 'Leases'. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. TFRS 16 supersedes TAS 17 'Leases' and related interpretations and is effective for periods beginning on or after January 1, 2019, with earlier adoption permitted.

Lessees have recognition exemptions to applying this standard in case of short-term leases (i.e., leases with a lease term of 12 months or less) and leases of 'low-value' assets (e.g., personal computers, office equipment, etc.). At the commencement date of a lease, a lessee measures the lease liability at the present value of the lease payments that are not paid at that date (i.e., the lease liability), at the same date recognises an asset representing the right to use the underlying asset (i.e., the right-of-use asset) and depreciates it during the lease term. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate. Lessees are required to recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset separately.

Lessees are required to remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). Under these circumstances, the lessee recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Transition to TFRS 16:

The Group elected to apply the standard to contracts that were previously identified as leases applying TAS 17 and TFRIC 4. The Group therefore did not apply the standard to contracts that were not previously identified as containing a lease applying TAS 17 and TFRIC 4.

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

2.2 Changes in Turkish Financial Reporting Standards (TFRS) (cont'd)

The Group elected to use the exemptions applicable to the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application and lease contracts for which the underlying asset is of low value. The Group has leases of certain office equipment (i.e., personal computers, printing and photocopying machines) that are considered of low value.

Impact on the consolidated statement of financial position (increase/(decrease)) as at 1 January 2019;

Assets	
Property, plant and equipment (right-of-use assets)	6.922.361
Liabilities	
Lease liabilities	6.922.361
Net impact on equity	-

The standard is applied for annual periods beginning on or after 1 January 2019.

Set out below are the new accounting policies of the Group upon adoption of TFRS 16:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

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

2.2 Changes in Turkish Financial Reporting Standards (TFRS) (cont'd)

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease exemption to assets that have a lease term of 12 months or less from the date of the start and do not have a purchase option. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Amendments to TAS 28 "Investments in Associates and Joint Ventures" (Amendments)

In December 2017, POA issued amendments to TAS 28 Investments in Associates and Joint Ventures. The amendments clarify that a company applies TFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture.

TFRS 9 Financial Instruments excludes interests in associates and joint ventures accounted for in accordance with TAS 28 Investments in Associates and Joint Ventures. In this amendment, POA clarified that the exclusion in TFRS 9 applies only to interests a company accounts for using the equity method. A company applies TFRS 9 to other interests in associates and joint ventures, including long-term interests to which the equity method is not applied and that, in substance, form part of the net investment in those associates and joint ventures.

These amendments are applied for annual periods beginning on or after 1 January 2019. The amendments did not have a significant impact on the financial position or performance of the Group.

TFRIC 23 Uncertainty over Income Tax Treatments

The interpretation clarifies how to apply the recognition and measurement requirements in "TAS 12 Income Taxes" when there is uncertainty over income tax treatments.

When there is uncertainty over income tax treatments, the interpretation addresses:

(a) whether an entity considers uncertain tax treatments separately;

(b) the assumptions an entity makes about the examination of tax treatments by taxation authorities;

(c) how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and

(d) how an entity considers changes in facts and circumstances.

The interpretation is effective for annual reporting periods beginning on or after 1 January 2019. The interpretation did not have a significant impact on the financial position or performance of the Group.

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

2.2 Changes in Turkish Financial Reporting Standards (TFRS) (cont'd)

Annual Improvements – 2015–2017 Cycle

In January 2019, POA issued Annual Improvements to TFRS Standards 2015–2017 Cycle, amending the following standards:

- TFRS 3 Business Combinations and TFRS 11 Joint Arrangements — The amendments to TFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to TFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
- TAS 12 Income Taxes — The amendments clarify that all income tax consequences of dividends (i.e. distribution of profits) should be recognised in profit or loss, regardless of how the tax arises.
- TAS 23 Borrowing Costs — The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

The amendments are effective from annual periods beginning on or after 1 January 2019. The amendments did not have a significant impact on the financial position or performance of the the Group.

Plan Amendment, Curtailment or Settlement (Amendments to TAS 19)

In January 2019, the POA published Amendments to TAS 19 "Plan Amendment, Curtailment or Settlement" The amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement occurs.

These amendments are applied for annual periods beginning on or after 1 January 2019. The amendments are not applicable for the Group and did not have an impact on the financial position or performance of the Group.

Prepayment Features with Negative Compensation (Amendments to TFRS 9)

The POA issued minor amendments to TFRS 9 Financial Instruments to enable companies to measure some prepayable financial assets at amortised cost.

Applying TFRS 9, a company would measure a financial asset with so-called negative compensation at fair value through profit or loss. Applying the amendments, if a specific condition is met, entities will be able to measure at amortised cost some prepayable financial assets with so-called negative compensation.

These amendments are applied for annual periods beginning on or after 1 January 2019. The amendments are not applicable for the Group and did not have impact on the financial position or performance of the Group.

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

2.2 Changes in Turkish Financial Reporting Standards (TFRS) (cont'd)

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

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

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

In December 2017, POA 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. The Group will wait until the final amendment to assess the impacts of the changes.

TFRS 17 - The new Standard for insurance contracts

The PAO issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. TFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2021; early application is permitted. The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

Definition of a Business (Amendments to TFRS 3)

In May 2019, the PAO issued amendments to the definition of a business in TFRS 3 Business Combinations. The amendments are intended to assist entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

The amendments:

- clarify the minimum requirements for a business;
- remove the assessment of whether market participants are capable of replacing any missing elements;
- add guidance to help entities assess whether an acquired process is substantive;
- narrow the definitions of a business and of outputs; and
- introduce an optional fair value concentration test.

The amendments to TFRS 3 are effective for annual reporting periods beginning on or after 1 January 2020 and apply prospectively. Earlier application is permitted.

Overall, the Group expects no significant impact on its balance sheet and equity. The amendments are not applicable for the Group and will not have an impact on the financial position or performance of the Group.

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

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

2.2 Changes in Turkish Financial Reporting Standards (TFRS) (cont'd)

Definition of Material (Amendments to TAS 1 and TAS 8)

In June 2019, the PAO issued amendments to TAS 1 Presentation of Financial Statements and TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

The amendments to TAS 1 and TAS 8 are required to be applied for annual periods beginning on or after 1 January 2020. The amendments must be applied prospectively and earlier application is permitted.

Overall, the Group expects no significant impact on its balance sheet and equity. The amendments are not applicable for the Group and will not have an impact on the financial position or performance of the Group.

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

There are no standards, interpretations and amendments to existing IFRS standards issued by the IASB and not yet adapted/issued by the POA.

3. BUSINESS COMBINATIONS

The Group does not have any business combinations to be assessed under TFRS 3.

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, Europe, America, Middle East and Africa, Asia Pacific and Turkic Republics.

	1 January - 30 June 2019						
	Turkey	Europe	America	Middle East and Africa	Asia Pacific	Turkic Republics	Total
Gross Sales	50.338.182	44.583.939	5.855.990	1.929.918	2.770.263	2.118.485	107.596.777

	1 January - 30 June 2018						
	Turkey	Europe	America	Middle East and Africa	Asia Pacific	Turkic Republics	Total
Gross Sales	42.443.725	26.557.753	1.715.182	6.788.617	235.834	1.778.732	79.519.842

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

5. RELATED PARTY DISCLOSURES

a) Receivables from and payables to related parties:

	30 June 2019				
	Receivables	Receivables	Payables	Payables	Payables
	Short Term	Short Term	Short Term	Short Term	Long Term
Balances with Related Parties	Trade	Non-Trade	Trade	Non-Trade	Non-Trade
Other Companies Managed by the Parent Company					
LGR International Societe Anonyme (*)	-	-	-	817.976	13.101.400
Koenig Bauer Duran Amb.Kar.Tek.San.		-	117.948	-	-
Durkat Karton Amb.Tekn.San.Tic.A.ş.		-	21.758		
	-	-	139.706	817.976	13.101.400

	30 June 2018				
	Receivables	Receivables	Payables	Payables	Payables
	Short Term	Short Term	Short Term	Short Term	Long Term
Balances with Related Parties	Trade	Non-Trade	Trade	Non-Trade	Non-Trade
Other Companies Managed by the Parent Company					
LGR International Societe Anonyme (*)	-	-	1.078.460	184.859	12.056.000
Duran Makina San. ve Tic.A.Ş.	-	781.165	-	-	-
	-	781.165	1.078.460	184.859	12.056.000

(*) 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 2021 and an interest rate of 3% + 12-Month EURIBOR.

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

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

5. RELATED PARTY DISCLOSURES (cont'd)

b) Transactions with related parties:

	1 January - 30 June 2019		
Transactions with Related Parties	Goods and Services Purchased	Goods and Services Sold	Interest Expense
Other Companies Managed by the Parent Company			
LGR International Societe Anonyme (*)	620.364	-	197.613
Lgr Emballages S.A.S.	-	9.897	-
Durkat Karton Amb.Tekn.San.Tic.A.ş.	4.150.282	802.979	
Koenig Bauer Duran Amb.Kar.Tek.San.	100.187		
	4.870.833	812.876	197.613

	1 January - 30 June 2018		
Transactions with Related Parties	Goods and Services Purchased	Goods and Services Sold	Interest Expense
Other Companies Managed by the Parent Company			
LGR International Societe Anonyme (*)	432.523	-	160.451
Duran Makina San. ve Tic.A.Ş.	361.187	4.947	-
Lgr Emballages S.A.S.	-	10.221	-
	793.710	15.168	160.451

(*) LGR International S.A.S, has been billing consulting fee to the Company for 0,5% of the Company's monthly sales for financial consulting, technical consulting and foreign marketing consulting services offered to the Company.

c) The Chairman, Vice Chairman, Other Board Members, General Manager, Assistant General Manager and Financial Affairs Coordinator are included in the scope of benefits provided to top level managers. As of June 30, 2019, the total amount of benefit provided is TRY 3.817.205 (June 30, 2018: TRY 2.727.771).

	1 January-30 June 2019	1 January-30 June 2018
Wage	2.000.625	1.386.000
Bonus	1.351.209	231.000
Performance Premium	287.500	955.600
Attendance Fee	168.000	147.000
Other Short Term Benefits	9.871	8.171
	3.817.205	2.727.771

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

6. TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables:

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

Short term trade receivables	30 June 2019	31 December 2018
Trade Receivables	45.558.648	50.930.349
Notes Receivable	1.700.098	3.802.831
Provision for doubtful receivables (-)	(195.330)	(201.915)
	47.063.416	54.531.265

Average maturity days of trade receivables are 90 days for domestic costumers, 120 days for foreign customers. As of 30 June 2019, provision for doubtful receivables is amounting to TRY 195.330 (31 December 2018: TRY 201.915).

The Group has provided provision for doubtful receivables for non-collectible receivables. The provision for doubtful receivables has been determined based on past experience of non-collection. When the Group decides that its receivables can not be collected, it assesses whether there is a change in the credit quality of receivables until the date of the first report.

The Group management believes that there is no need for more provision than the provision for doubtful receivables in the accompanying financial statements.

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

Movement of provisions for doubtful receivables	1 January- 30 June 2019	1 January- 31 December 2018
Openning balance	201.915	200.808
Charge for the period	(6.585)	28.776
Closing balance	195.330	229.584

(Amounts are expressed in Turkish Lira (TRY) 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:

Short term trade payables	30 June 2019	31 December 2018
Trade payables	35.964.342	31.928.966
Expense accruals	432.771	735.358
Trade payables to related parties (Not 5)	139.706	1.078.460
	36.536.819	33.742.784

Average maturity days of payables for raw material purchases is 120 days. (31 December 2018: 120 days).

7. INVENTORIES

Inventories are evaluated at their cost value, and provision is booked for impaired inventories.

	30 June 2019	31 December 2018
Raw materials and supplies	19.679.774	16.363.727
Finished goods	33.602.363	21.237.725
Provision for impairment of inventories (-)	(717.717)	(717.925)
	52.564.420	36.883.527

Movements in provision for impairment on inventory during interim periods ending at 30 June 2019 and 2018 are as follow:

Movement of provision for impairment of inventories	1 January- 30 June 2019	1 January- 30 June 2018
Openning balance	(717.925)	(518.220)
Transferred to cost	717.925	518.220
Charge for the period	(717.717)	(781.226)
Closing balance	(717.717)	(781.226)

The cost of goods sold includes provision for impairment of inventories.

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

8. PROPERTY, PLANT AND EQUIPMENT

	Land and Parcels	Buildings	Plant, Machinery and Equipments	Vehicles	Furniture and Fixtures	Construction in Progress	Leasehold Improvements	Total
Cost and Revaluated Value								
Openning balance as at 1 January 2019	47.826.000	22.898.915	81.779.098	80.508	11.184.662	756.298	3.001.788	167.527.269
Transfers	-	-	317.411	-	-	(824.245)	374.556	(132.278)
Additions	-	-	4.370.652	-	705.620	690.811	87.160	5.854.243
Disposals	-	(4.554)	(454.589)	-	(66.464)	-	(15.926)	(541.532)
Closing balance as at 30 June 2019	47.826.000	22.894.361	86.012.572	80.508	11.823.818	622.864	3.447.578	172.707.702
Accumulated Amortization								
Openning balance as at 1 January 2019	8.112	2.701.916	36.364.501	17.444	8.008.776	-	1.868.069	48.968.816
Period Charge	-	247.820	3.506.074	8.051	448.666	-	163.089	4.373.700
Disposals	-	(4.554)	(443.102)	-	(71.721)	-	(15.926)	(535.304)
Closing balance as at 30 June 2019	8.112	2.945.181	39.427.473	25.494	8.385.721	-	2.015.232	52.807.212
Net Book Value as at 30 June 2019	47.817.888	19.949.180	46.585.100	55.014	3.438.097	622.864	1.432.346	119.900.489

During the year 2019, the Group did not make purchase of property, plant and equipment with financial leases. (In 2018: TRY 5.889.732)

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

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

	Land and Parcels	Buildings	Plant, Machinery and Equipments	Vehicles	Furniture and Fixtures	Construction in Progress	Leasehold Improvements	Total
Cost and Revaluated Value								
Openning balance as at 1 January 2018	41.000.000	18.714.445	52.448.678	80.508	9.996.052	236.464	1.750.757	124.226.904
Additions	-	-	2.509.066	-	272.028	27.750.248	160.231	30.691.573
Disposals	-	-	(4.350.826)	-	-	-	-	(4.350.826)
Closing balance as at 30 June 2018	41.000.000	18.714.445	50.606.918	80.508	10.268.081	27.986.712	1.910.988	150.567.652
Accumulated Amortization								
Openning balance as at 1 January 2018	8.112	2.387.189	36.141.130	1.342	7.308.146	-	1.550.271	47.396.190
Period Charge	-	165.484	1.900.739	8.051	324.521	-	188.777	2.587.571
Disposals	-	-	(4.206.801)	-	-	-	-	(4.206.801)
Closing balance as at 30 June 2018	8.112	2.552.673	33.835.068	9.393	7.632.667	-	1.739.048	45.776.960
Net Book Value as at 30 June 2018	40.991.888	16.161.772	16.771.850	71.115	2.635.414	27.986.712	171.940	104.790.692

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

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, 1A Gayrimenkul Değerleme ve Danışmanlık A.Ş. on December 18, 2018. 1A Gayrimenkul Değerleme ve Danışmanlık A.Ş. is authorized by CMB and provides real estate appraisal services in accordance with the capital market legislation and they have sufficient experience and qualifications 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 2019 are as follows:

	Fair value level as of reporting date			
	30 June 2019	Level 1 TRY	Level 2 TRY	Level 3 TRY
In Hadımköy Plant:				
-Land	47.826.000	-	*47.826.000*	-
-Building	22.894.361	-	*22.894.361*	-

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

	Useful Life (Year)
Underground and overland plants	10-50
Buildings	25-50
Plant, Machinery and Equipments	4-20
Vehicles	5
Furniture and Fixtures	4-20
Leasehold Improvements	5-9

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

9. INTANGIBLE ASSETS

Cost Value	Rights	Capitalized development expenses	Total
Openning balance as at 1 January 2019	4.543.606	191.956	4.735.562
Transfers	103.235	-	103.235
Additions	254.426	71.000	325.426
Closing balance as at 30 June 2019	4.901.268	262.956	5.164.223
Accumulated Depreciation			
Openning balance as at 1 January 2019	2.864.313	114.568	2.978.881
Period Charge	227.874	4.869	232.743
Closing balance as at 30 June 2019	3.092.187	119.437	3.211.624
Net Book Value as at 30 June 2019	1.809.081	143.519	1.952.600

Cost Value	Rights	Capitalized development expenses	Total
Openning balance as at 1 January 2018	3.621.226	190.890	3.812.116
Additions	626.832	-	626.832
Closing balance as at 30 June 2018	4.248.058	190.890	4.438.949
Accumulated Depreciation			
Openning balance as at 1 January 2018	2.493.035	110.709	2.603.744
Period Charge	180.409	1.900	182.309
Closing balance as at 30 June 2018	2.673.444	112.609	2.786.053
Net Book Value as at 30 June 2018	1.574.614	78.281	1.652.896

Depreciation and amortization expense amounted at TRY 4.257.825 (2018: TRY 2.508.988) has been charged in “cost of goods sold”, TRY 900 (2018: TRY 900) in “the idle capacity expense in the cost of goods sold”, TRY 68.934 (2018: TRY 131.573) in “marketing and sales expenses” and TRY 280.880 (2018: TRY 129.320) in “general administrative expenses”.

Useful lives of intangible assets are as follow:

	Useful Life (year)
Rights	3-15
Capitalized development expenses	5

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

10. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Guarantees Given

30 June 2019	TRY Equivalent	GBP	EUR	TRY
A. Total amount of GPM given by the Group on behalf of its own legal entity	36.982.056	4.388.000	695.000	460.546
B. Total amount of GPM given on behalf of the shareholders included in consolidation	-	-	-	-
C. Total amount of GPM given to provide for the liabilities of 3rd parties to carry out ordinary commercial activities	-	-	-	-
D. Total amount of other GPM given			-	
i. Total amount of GPM given on behalf of the Parent Company	-	-	-	-
ii. Total amount of GPM given on behalf of other group companies not included in articles B and C	-	-	-	-
iii. Total amount of GPM given on behalf of 3rd parties not included in article C	-	-	-	-
Total	36.982.056	4.388.000	695.000	460.546

31 December 2018	TRY Equivalent	GBP	EUR	TRY
A. Total amount of GPM given by the Group on behalf of its own legal entity	36.372.806	5.395.000	-	480.950
B. Total amount of GPM given on behalf of the shareholders included in consolidation	-	-	-	-
C. Total amount of GPM given to provide for the liabilities of 3rd parties to carry out ordinary commercial activities	-	-	-	-
D. Total amount of other GPM given				
i. Total amount of GPM given on behalf of the Parent Company	-	-	-	-
ii. Total amount of GPM given on behalf of other group companies not included in articles B and C	-	-	-	-
iii. Total amount of GPM given on behalf of 3rd parties not included in article C	-	-	-	-
Total	36.372.806	5.395.000	-	480.950

As of 30 June 2019, the amount of guarantees and warranty given related to outstanding bank loans is TRY 40.376.256. TRY 36.521.511 of the total amount consists of guarantee letters and the remaining amount of TRY 3.854.745 consists of shareholders' personal securities (31 December 2018: TRY 35.891.856 Guarantee Letters, TRY 3.230.589 Personal Securities)

As of 30 June 2019, the rate of other GPM's given by Group to owner's equity is 0% (31 December 2019: 0%).

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

11. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

a) Share Capital

As of 30 June 2019 and 31 December 2018 the share capital structure is as follows:

Shareholders	%	30 June 2019	%	31 December 2018
LGR Internatıonal Societe Anonyme	31,84%	5.278.463	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	6,85%	1.134.710	5,00%	828.984
Other	35,30%	5.850.704	35,30%	5.850.704
	100%	16.575.788	100%	16.575.788

The total number of shares is 1.657.578.750 shares in 2019 (2018: 1.657.578.750) with a par value of Kr 1 per share (2018: Kr 1 per share).

b) Restricted Reserves Appropriated from Profit

	30 June 2019	31 December 2018
Legal Reserves	778.020	325.455
	778.020	325.455

According to the Turkish Commercial Code, the general legal reserve is appropriated at a rate of 5% per annum, up to 20% of the paid-up capital of the Group (the Company). The other legal reserves are allocated at a rate of 10% of the total amount to be distributed to the shareholders after paying the shareholders a dividend of five percent. According to the Turkish Commercial Code, general legal reserves can only be used to cover losses, to keep operating at a time when things are not going well, or to take measures to prevent unemployment and mitigate its consequences, if it does not exceed the half of the capital or issued capital.

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

12. REVENUE AND COST OF SALES

Details of revenue and cost of sales for periods ended 30 June 2019 and 2018 are as follows:

a) Sales	1 January-30 June 2019	1 April-30 June 2019	1 January-30 June 2018	1 April-30 June 2018
Domestic sales	50.338.182	22.147.956	42.443.725	20.608.932
Foreign sales	57.258.595	31.769.899	37.076.117	19.164.907
Sales returns (-)	(389.928)	109.185	(851.071)	(284.088)
Sales discounts (-)	(737.411)	(642.120)	(208.965)	(74.546)
Other discounts (-)	(7.040)	(7.040)	-	
	106.462.398	53.377.880	78.459.806	39.415.205

b) Cost of sales (-)	1 January-30 June 2019	1 April-30 June 2019	1 January-30 June 2018	1 April-30 June 2018
Raw materials and consumables	47.478.043	22.082.743	38.817.812	18.079.545
General production expense	10.369.770	5.359.851	7.643.105	3.726.081
Personnel expenses	10.683.973	5.384.368	8.104.733	3.501.004
Amortization and depreciation expenses (Not 8,9)	4.257.825	2.176.926	2.508.988	1.280.440
Change in finished goods	(964.944)	(1.070.960)	(151.696)	-
Cost of goods sold	71.824.666	33.932.928	56.922.942	26.587.070
Cost of merchandises sold	578.470	191.867	183.578	100.021
Cost of other sales	2.155.060	1.273.781	908.236	423.351
Idle capacity expenses	900	-	900	-
	74.559.095	35.398.576	58.015.656	27.110.442

13. GENERAL ADMINISTRATIVE EXPENSES AND MARKETING EXPENSES

	1 January-30 June 2019	1 April-30 June 2019	1 January-30 June 2018	1 April-30 June 2018
General administrative expenses	8.913.349	4.638.619	6.130.276	3.118.558
Marketing expenses	10.929.318	5.997.621	6.849.413	4.068.412
	19.842.667	10.636.240	12.979.689	7.186.970

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

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

Details of administrative expenses and marketing expenses for the periods ended 30 June 2019 and 2018 are as follows:

a) Details of general administrative expenses	1 January-30 June 2019	1 April-30 June 2019	1 January-30 June 2018	1 April-30 June 2018
Personnel expenses	5.715.355	2.959.918	4.032.186	1.952.525
Consultancy expenses	620.364	326.050	432.523	237.839
Financial and legal consulting expenses	600.555	317.663	311.692	225.890
Information technologies expenses	460.926	194.696	286.169	180.925
Motor vehicle expenses	331.890	168.641	233.788	122.361
Amortization and depreciation expenses (Not 8,9)	189.368	106.797	129.320	51.664
Representation and hospitality expenses	135.429	124.454	79.305	50.342
Travelling expenses	124.991	71.199	88.772	52.193
Subscription expenses	85.312	36.131	68.815	41.970
Other expenses	649.159	333.070	467.706	202.849
	8.913.349	4.638.619	6.130.276	3.118.558

b) Details of marketing expenses	1 January-30 June 2019	1 April-30 June 2019	1 January-30 June 2018	1 April-30 June 2018
Foreign transportation expenses	5.566.063	3.093.065	3.059.285	1.744.315
Foreign marketing and logistics expenses	1.898.534	1.076.448	954.391	954.391
Personnel expenses	1.054.208	476.448	872.588	319.451
Domestic transportation expenses	873.414	383.895	761.992	384.778
Export commission expenses	340.183	199.512	194.689	127.674
Communication and transportation expenses	172.775	108.916	106.166	47.534
Other expenses	1.024.141	659.337	900.302	490.269
	10.929.318	5.997.621	6.849.413	4.068.412

14. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

The details of other incomes from operating activities for the years ended 30 June 2019 and 2018 are as follows:

	1 January-30 June 2019	1 April-30 June 2019	1 January-30 June 2018	1 April-30 June 2018
Foreign exchange gains from operations	8.693.078	2.462.812	7.823.545	3.994.959
Discount and interest income	(8.459)	(9.746)	-	-
Interest income from time deposits	205.767	71.397	128.169	61.211
Other income	825.339	642.101	283.070	(109.164)
	9.715.725	3.166.564	8.234.784	3.947.006

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

14. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES (cont'd)

The details of other expenses from operating activities for the years ended 30 June 2019 and 2018 are as follow:

	1 January- 30 June 2019	1 April- 30 June 2019	1 January- 30 June 2018	1 April- 30 June 2018
Foreign exchange losses from operations	5.475.733	3.009.396	3.908.857	1.858.657
Other expenses	500.360	518.281	133.766	(50.342)
	5.976.093	3.527.677	4.042.623	1.808.315

15. INCOME FROM INVESTMENT ACTIVITIES

Income from investment activities	1 January- 30 June 2019	1 April- 30 June 2019	1 January- 30 June 2018	1 April- 30 June 2018
Profit on sales of fixed asset	769.690	759.877	1.507.695	-
	769.690	759.877	1.507.695	-

16. FINANCE INCOME / (EXPENSES)

Details of finance income and expense for the years ended 30 June 2019 and 2018 are as follows:

	1 January- 30 June 2019	1 April- 30 June 2019	1 January- 30 June 2018	1 April- 30 June 2018
Interest expenses	2.303.400	1.281.257	961.530	198.658
Foreign exchange expenses (net)	10.164.150	2.420.214	8.879.546	5.635.183
Financial lease interest expenses	1.198.608	604.468	882.403	882.403
Other finance expenses	397.202	208.516	733.742	633.133
	14.063.360	4.514.455	11.457.221	7.349.377

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

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

Tax expense consist of the items below:	1 January- 30 June 2019	1 January- 30 June 2018
Period tax expense	944.087	1.803.393
Deferred tax expense / (income)	(761.937)	(1.341.547)
	182.150	461.846

Corporate Tax

The Group is subject to Turkish corporate taxes. 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.

The rate of corporate tax that will be accrued over the taxable corporate income will be calculated upon the tax base that remains after adding expenses that can not be deducted from the tax base and deducting tax-exempt income, non-taxable income and other deductions (if avaliable, any investment allowances deducted from past years losses and R&D discounts).

The corporate tax rate in Turkey as of 30 June 2019 is 22% (2018: 22%).

In Turkey, advance tax is calculated and accrued on a quarterly basis. The advance tax is calculated as 22% of the corporate earnings at the stage of taxation of corporate earnings as of the taxation period in 2019 (31 December 2018: 22%).

With the Law No. 7061 on "Amendmends to Certain Tax Laws and Other Certain Laws" which was adopted on November 28, 2017, the provision that the 20% tax rate will be applied as 22% which is stated in the first paragraph of Article 32 of Corporate Tax Law No. 5520 is added as provisional article. In addition, the 75% portion of the taxable profits from the sale of immovable properties that are included in the assets of the institutions for at least two full years has been changed to 50%, which is stated in the same "Bag Law" and in the first paragraph of Article 5 of the Corporate Tax Law No. 5520 Law.

Therefore, the companies in Turkey calculate deferred tax assets and liabilities at the rate of 22% for the transactions which, in calculation of advance tax, has timing difference up to 2020, and at the rate of 22% and 20% for the transactions which has short-term effects and longer maturities, by taking into account the time dimension of the effect.

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.

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

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 is applied as 15% in all companies starting from 23 July 2006. Dividends that are not distributed and added to the capital are not subject to income tax withholding.

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. After this date, 40% of investment incomes without incentive certificates directly related to the production activities of the companies can be deducted from taxable income. Tax incentives are not applied on investment incomes without incentive certificate.

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.

Deferred Tax

The Group recognizes deferred tax assets and liabilities for temporary timing differences arising from the differences between the tax base statutory financial statements and the financial statements prepared in accordance with TAS/TFRS. Such differences are generally recognized in different periods on the financial tables of the consolidated financial statements prepared in accordance with TAS/TFRS and the basis amounts of certain income and expense items.

Since Turkish Tax Legislation does not allow the parent company and its subsidiaries to prepare a consolidated tax return, tax provisions are separately calculated for each entity, as reflected in the accompanying financial statements. In this context, deferred tax assets and liabilities of the consolidated companies in the accompanying consolidated financial statements are also presented separately without any netting.

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

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

temporary timing differences taken as basis for deferred tax	30 June 2019	31 December 2018
- Depreciation and amortization of tangible and intangible assets, and revaluation differences of foreign exchange and interest expenses	(47.345.236)	(47.024.918)
- Adjustment for elimination of inventory profit margin	10.500.418	5.904.321
- Provisions for employement termination benefits	6.032.145	5.114.424
- Unused vacation accruals	679.105	364.476
- Provisions for impairment of inventories	717.717	717.925
- Other	(1.870.086)	3.602
	(31.285.937)	(34.920.170)

Deferred tax assets / (liabilities)	30 June 2019	31 December 2018
- Depreciation and amortization of tangible and intangible assets, and revaluation differences of foreign exchange and interest expenses	(5.161.225)	(5.119.695)
- Adjustment for elimination of inventory profit margin	2.310.092	1.298.951
- Provisions for employement termination benefits	1.206.429	1.022.885
- Unused vacation accruals	135.821	72.895
- Provision for impairment of inventories	157.898	157.944
- Prepaid expense adjustments	-	-
- Other	(416.270)	6.711
	(1.767.255)	(2.560.310)

	30 June 2019	31 December 2018
Deferred tax asset	2.400.867	1.437.976
Deferred tax liabilities	(4.168.122)	(3.998.286)
	(1.767.255)	(2.560.310)

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

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

Movement of deferred tax assets	1 January-June 2019	1 January-June 2018
Openning balance as at 1 January	(2.560.310)	(1.944.625)
Recognized at the statement of profit or loss	749.576	1.341.547
Recognized in prior year's profit or loss	-	145.078
Recognized at the statement of changes in equity	43.480	(55.290)
Closing balance as at 30 June	(1.767.254)	(513.290)

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

Reconciliation of total tax expense:	1 January-30 June 2019	1 January-30 June 2018
Profit from operations before taxation	2.506.598	1.707.096
Income tax rate %22 (2018: %22)	(551.452)	(375.561)
Tax effect of:		
- Non-deductable expenses	(87.482)	(63.928)
- investment discount used	-	45.980
- Accumulated losses utilized in current period	399.800	
- Other adjustment effects	56.984	(68.337)
Tax provision expense in statement of profit or loss	(182.150)	(461.846)

18. EARNINGS / (LOSS) PER SHARE

The weighted average of the Company's shares and the loss per share calculations for the periods June 30, 2019 and 2018 are as follows:

	1 January-30 June 2019	1 January-30 June 2018
Average number of shares outstanding during the period	1.657.578.750	1.657.578.750
Net profit / (loss) for the period attributable to shareholders of the parent	2.324.338	1.245.252
Earning / (loss) per share	0,001402	0,000751

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

19. FINANCIAL INSTRUMENTS

Financial liabilities	30 June 2019	31 December 2018
Short term bank loans	31.340.128	37.566.079
Shor term portion of long term loans	7.756.499	6.847.738
Short term leasing payables	8.115.346	7.213.229
Other financial liabilities	949.852	1.116.592
Total short term financial liabilities	48.161.825	52.743.638
Long term bank loans	27.667.911	21.063.578
Long term leasing payables	29.108.772	30.151.369
Total long term financial liabilities	56.776.683	51.214.947
Total financial liabilities	104.938.508	103.958.585

Currency	Weighted average effective interest rate	30 June 2019 Short term	Long term
TRY	23,00%	3.888.498	-
EUR	4,80%	8.902.219	24.173.902
GBP	1,60%	26.305.910	3.494.008
Bank loans		39.096.627	27.667.911

Currency	Weighted average effective interest rate	31 December 2018 Short term	Long term
TRY	18,68%	3.256.715	-
EUR	4,79%	5.265.246	21.063.578
GBP	1,55%	35.891.856	-
Bank loans		44.413.817	21.063.578

Maturity of bank loans are as follows:

	30 June 2019	31 December 2018
Within 1 year	39.096.627	44.413.817
Within 1-2 years	7.976.297	4.788.477
Within 2-3 years	7.388.022	4.482.400
Within 3-4 years	5.345.544	4.195.588
Within 4-5 years	4.950.639	3.925.638
Within 5 years and longer term	2.007.410	3.671.475
Bank loans	66.764.538	65.477.395

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

19. FINANCIAL INSTRUMENTS (cont'd)

As of 30 June 2019, the amount of guarantees and warranty given related to outstanding bank loans is TRY 40.376.256. TRY 36.521.511 of the total amount consists of guarantee letters and the remaining amount of TRY 3.854.745 consists of shareholders' personal securities (31 December 2018: TRY 20.604.148 Guarantee Letters, TRY 7.779.979 Personal Securities)

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 TRY 1.391.603 in bank accounts is blocked by a rate of %4,50 on the loan lent, until the maturity date (31 December 2018: TRY 1.995.601).

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
Financial lease payables	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Within one year	10.298.136	9.426.618	8.115.346	7.213.229
Within two to ten years	32.728.287	34.407.001	29.108.772	30.151.369
	43.026.423	43.833.619	37.224.118	37.364.598
Less: future finance charges	(5.802.305)	(6.469.021)		
Present value of financial lease payables	37.224.118	37.364.598		
Less: Amounts due to be paid within twelve months (disclosed in current liabilities)	(8.115.346)	(7.213.229)		
Amounts due to be paid after 12 months	29.108.772	30.151.369		

		30 June 2019	
Currency	Weighted average effective interest rate	Short term	Long term
USD	%6,50	6.764.217	25.339.440
EUR	%6,80	1.351.129	3.769.332
Financial lease payables		8.115.346	29.108.772

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

19. FINANCIAL INSTRUMENTS (cont'd)

Currency	Weighted average effective interest rate	31 December 2018 Short term	Long term
ABD Doları	%6,50	5.830.525	26.008.583
Avro	%6,80	1.382.703	4.142.786
Financial lease payables		7.213.229	30.151.369

Finance leases are related to production facilities with lease period of 13 years and computer software with lease period of 2 years. The Group has the option to purchase production facilities and computer software. The Group's financial lease liabilities are secured by the lessor's ownership interest on the leased asset. The interest rate applied for finance lease transactions is 6,50% for USD leases and 6,80% for EUR leases.

20. 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.

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:

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

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

Foreign currency risk management (cont'd)

30 June 2019	TRY Equivalent	USD	EUR	GBP	CHF	Other
1. Trade receivables	20.733.743	682.432	1.627.003	843.905	-	-
2a. Monetary financial assets	3.338.512	171.589	99.478	219.015	360	65.844
2b. Non-Monetary financial assets	1.394.082	-	212.814	-	-	-
3. Other	2.410.801	21.047	132.271	191.884	4.285	-
4. CURRENT ASSETS	27.877.138	875.068	2.071.566	1.254.804	4.645	65.844
5. Non-Monetary Financial Assets	-	-	-	-	-	-
6. Other	204.766	35.580	-	-	-	-
7. NON-CURRENT ASSETS	204.766	35.580	-	-	-	-
8. TOTAL ASSETS	28.081.904	910.648	2.071.566	1.254.804	4.645	65.844
9. Trade payables	12.774.067	67.497	1.520.408	215.276	500	553.818
10. Financial liabilities	45.808.781	1.064.385	1.678.580	3.937.584	-	-
11. CURRENT LIABILITIES	58.582.848	1.131.881	3.198.988	4.152.860	500	553.818
12. Financial Liabilities	66.390.746	4.399.540	6.269.704	-	-	-
13. Other monetary liabilities	-	-	-	-	-	-
14. NON-CURRENT LIABILITIES	66.390.746	4.399.540	6.269.704	-	-	-
15. TOTAL LIABILITIES	124.973.594	5.531.422	9.468.692	4.152.860	500	553.818
16. TOTAL LIABILITIES	124.973.594	5.531.422	9.468.692	4.152.860	500	553.818
17. Net foreign currency assets/ (liabilities) position (8-15)	(96.891.690)	(4.620.774)	(7.397.126)	(2.898.056)	4.145	(487.974)
18. Monetary items net foreign currency assets / (liabilities) position (1+2a+3+6-11-14)	(98.285.772)	(4.620.774)	(7.609.941)	(2.898.056)	4.145	(487.974)

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

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

Foreign currency risk management (cont'd)

31 December 2018	TRY Equivalent	USD	EUR	GBP	CHF	Other
1. Trade receivables	20.592.435	930.566	1.917.165	622.316	-	-
2a. Monetary financial assets	8.330.165	152.962	614.938	529.848	360	207.859
2b. Non-Monetary financial assets	793.441	-	131.626	-	-	-
3. Other	2.385.770	3.417	51.210	302.692	8.500	-
4. CURRENT ASSETS	32.101.811	1.086.946	2.714.939	1.454.856	8.860	207.859
5. Non-Monetary Financial Assets	-	-	-	-	-	-
6. Other	187.183	35.580	-	-	-	-
7. NON-CURRENT ASSETS	187.183	35.580	-	-	-	-
8. TOTAL ASSETS	32.288.994	1.122.526	2.714.939	1.454.856	8.860	207.859
9. Trade payables	6.861.528	35.469	792.585	248.293	-	174.849
10. Financial liabilities	59.857.014	1.004.474	3.098.991	5.395.000	-	-
11. CURRENT LIABILITIES	66.718.541	1.039.943	3.891.577	5.643.293	-	174.849
12. Financial Liabilities	51.059.450	4.856.255	4.232.113	-	-	-
13. Other monetary liabilities	-	-	-	-	-	-
14. NON-CURRENT LIABILITIES	51.059.450	4.856.255	4.232.113	-	-	-
15. TOTAL LIABILITIES	117.777.992	5.896.198	8.123.690	5.643.293	-	174.849
16. TOTAL LIABILITIES	117.777.992	5.896.198	8.123.690	5.643.293	-	174.849
17. Net foreign currency assets/ (liabilities) position (8-15)	(85.488.998)	(4.773.672)	(5.408.751)	(4.188.437)	8.860	33.010
18. Monetary items net foreign currency assets / (liabilities) position (1+2a+3+6-11-14)	(86.282.439)	(4.773.672)	(5.540.376)	(4.188.437)	8.860	33.010

20. 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, Eur and British Pounds against TRY. 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 shows the effect of their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit and other equity.

	30 June 2019		**31 December 2018**	
	Profit/(Loss)		**Profit/(Loss)**	
	Appereciation of foreign currency	Depreciation of foreign currency	Appereciation of foreign currency	Depreciation of foreign currency
	If USD appreciated against TRY by 10%			
1 - USD net assets / liabilities	(2.659.302)	2.659.302	(2.511.381)	2.511.381
2- Part of hedged from USD risk (-)	-	-	-	-
3- USD net effect (1 +2)	(2.659.302)	2.659.302	(2.511.381)	2.511.381
	If EUR appreciated against TRY by 10%			
4 - Eur net assets / liabilities	(4.985.044)	4.985.044	(3.339.739)	3.339.739
5 - Part of hedged from Eur risk (-)	-	-		
6- Eur net effect (4+5)	(4.985.044)	4.985.044	(3.339.739)	3.339.739
	If GBP appreciated against TRY by 10%			
7- GBP net assets / liabilities	(2.111.379)	2.111.379	(2.786.483)	2.786.483
8- Part of hedged from GBP risk (-)	-	-	-	-
9- GBP net effect (7+8)	(2.111.379)	2.111.379	(2.786.483)	2.786.483
	If CHF appreciated against TRY by 10%			
10- CHF net assets / liabilities	2.441	(2.441)	4.727	(4.727)
11- Part of hedged from CHF risk (-)	-	-	-	-
12- CHF net effect (10+11)	2.441	(2.441)	4.727	(4.727)
	If Polish Zloty appreciated against TRY by 10%			
13- Polish Zloty net assets / liabilities	(75.294)	75.294	4.632	(4.632)
14- Part of hedged from Polish Zloty risk (-)	-	-	-	-
15- Polish Zloty net effect (13+14)	(75.294)	75.294	4.632	(4.632)
Total (3+6+9+12+15)	**(9.828.578)**	**9.828.578**	**(8.628.244)**	**8.628.244**

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

21. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES)

30 June 2019	Loans and receivables (incuding cash and cash equivalents)	Financial liabilities at amortized costs	Book Value
Financial Assets			
Cash and cash equivalents	4.267.531	-	4.267.531
Trade receivables	47.063.416	-	47.063.416
Other receivables	390.328	-	390.328
Other current assets	1.397.343	-	1.397.343
Financial Liabilities			
Borrowings	-	104.938.508	104.938.508
Trade payables	-	36.536.819	36.536.819
Other payables	-	14.005.917	14.005.917

31 December 2018	Loans and receivables (incuding cash and cash equivalents)	Financial liabilities at amortized costs	Book Value
Financial Assets			
Cash and cash equivalents	9.885.694	-	9.885.694
Trade receivables	54.531.265	-	54.531.265
Other receivables	401.172	-	401.172
Other current assets	2.041.168	-	2.041.168
Financial Liabilities			
Borrowings	-	103.958.585	103.958.585
Trade payables	-	33.742.784	33.742.784
Other payables	-	12.413.581	12.413.581

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

22. DISCLOSURES ON STATEMENT OF CASH FLOWS

	30 June 2019	31 December 2018
Cash	17.486	16.107
Cash at banks	4.254.173	9.881.571
Demand deposits	*4.254.173*	*9.881.571*
Provision for expected loss (-)	(4.128)	(11.984)
	4.267.531	9.885.694

23. EVENTS AFTER THE REPORTING PERIOD

The European Bank for Reconstruction and Development ("EBRD") has decided to support the company in order to increase the capacity of the environmentally and recyclable metallized boxes manufactured by Duran Doğan Basım ve Ambalaj Sanayi A.Ş. with Gloss & Green® technology. For this reason, a long-term loan agreement amounting to EUR 3.000.000 has been signed between EBRD and Duran Doğan Basım ve Ambalaj Sanayi A.Ş. on July 23rd, 2019. Following the completion of the loan application documents related to the contract in accordance with the relevant procedures, credit utilization will be realized. The amount of the loan amounting to EUR 2.400.000 is 5 years and the remaining part is EUR 600.000 under the Clean Technology Fund (CTF) and will be repaid in 10 years.