

**İZMİR DEMİR ÇELİK SANAYİ A.Ş.**  
**Financial Report**  
**Consolidated**  
**2018 - 1. 3 Monthly Notification**

**General Information About Financial Statements**

# Statement of Financial Position (Balance Sheet)

Presentation Currency	TL
Nature of Financial Statements	Consolidated

	Footnote Reference	Current Period 31.03.2018	Previous Period 31.12.2017
<b>Statement of Financial Position (Balance Sheet)</b>			
<b>Assets [abstract]</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	351.731.248	180.180.845
Trade Receivables		281.594.558	245.307.362
Trade Receivables Due From Related Parties	6	14.649.291	12.668.675
Trade Receivables Due From Unrelated Parties	9	266.945.267	232.638.687
Other Receivables		1.482.843	1.156.167
Other Receivables Due From Related Parties	6	543.593	456.370
Other Receivables Due From Unrelated Parties	11	939.250	699.797
Derivative Financial Assets	48	5.483.725	7.538.558
Inventories	12	502.004.001	613.620.253
Prepayments	14	12.649.260	9.893.740
Other current assets	31	8.053.691	1.445.448
<b>SUB-TOTAL</b>		<b>1.162.999.326</b>	<b>1.059.142.373</b>
<b>Total current assets</b>		<b>1.162.999.326</b>	<b>1.059.142.373</b>
<b>NON-CURRENT ASSETS</b>			
Financial Investments	8	931.043	931.043
Other Receivables	11	880.587	1.297.193
Investment property	15	84.185.000	84.185.000
Property, plant and equipment	16	1.737.741.539	1.767.479.038
Intangible assets and goodwill	19	1.049.746	1.181.862
Prepayments	14	2.572.865	2.120.353
Deferred Tax Asset	42	137.759.360	126.791.462
<b>Total non-current assets</b>		<b>1.965.120.140</b>	<b>1.983.985.951</b>
<b>Total assets</b>		<b>3.128.119.466</b>	<b>3.043.128.324</b>
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Current Borrowings	49	446.308.042	393.985.710
Current Portion of Non-current Borrowings	49	141.828.624	195.334.391
Trade Payables		885.218.109	873.678.060
Trade Payables to Related Parties	6	2.012.788	3.326.411
Trade Payables to Unrelated Parties	9	883.205.321	870.351.649
Employee Benefit Obligations	29	15.441.444	12.634.941
Other Payables		2.260.127	1.796.513
Other Payables to Related Parties		0	0
Other Payables to Unrelated Parties	11	2.260.127	1.796.513
Derivative Financial Liabilities	48	600.850	662.984
Current tax liabilities, current	42	617.926	401.665
Current provisions	27	539.196	4.045.681
Other Current Liabilities	31	170.728.780	126.185.211
<b>SUB-TOTAL</b>		<b>1.663.543.098</b>	<b>1.608.725.156</b>
<b>Total current liabilities</b>		<b>1.663.543.098</b>	<b>1.608.725.156</b>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	49	605.154.284	551.528.197
Non-current provisions		25.422.084	22.634.740
Non-current provisions for employee benefits	29	25.422.084	22.634.740
Deferred Tax Liabilities	42	174.761.614	176.638.172
<b>Total non-current liabilities</b>		<b>805.337.982</b>	<b>750.801.109</b>
<b>Total liabilities</b>		<b>2.468.881.080</b>	<b>2.359.526.265</b>
<b>EQUITY</b>			
Equity attributable to owners of parent		627.207.758	647.903.884
Issued capital	32	375.000.000	375.000.000
Inflation Adjustments on Capital	32	22.763.962	22.763.962
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss		665.953.552	673.964.320
Gains (Losses) on Revaluation and Remeasurement	32	665.953.552	673.964.320
Restricted Reserves Appropriated From Profits	32	25.832.374	25.832.374
Prior Years' Profits or Losses		-442.424.183	-464.645.739
Current Period Net Profit Or Loss		-19.917.947	14.988.967

Non-controlling interests	32	32.030.628	35.698.175
Total equity		659.238.386	683.602.059
Total Liabilities and Equity		3.128.119.466	3.043.128.324

# Profit or loss [abstract]

Presentation Currency	TL
Nature of Financial Statements	Consolidated

	Footnote Reference	Current Period 01.01.2018 - 31.03.2018	Previous Period 01.01.2017 - 31.03.2017
Profit or loss [abstract]			
PROFIT (LOSS)			
Revenue	33	1.040.351.068	704.499.477
Cost of sales	33	-984.080.410	-649.562.869
GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS		56.270.658	54.936.608
GROSS PROFIT (LOSS)		56.270.658	54.936.608
General Administrative Expenses	35	-7.058.939	-5.795.912
Marketing Expenses	35	-8.777.070	-8.984.093
Other Income from Operating Activities	36	11.849.428	13.032.155
Other Expenses from Operating Activities	36	-25.246.741	-27.190.475
PROFIT (LOSS) FROM OPERATING ACTIVITIES		27.037.336	25.998.283
Investment Activity Income	37	5.174.911	12.219.325
Investment Activity Expenses	37	-1.995.733	-1.973.601
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)		30.216.514	36.244.007
Finance income	39	5.610.945	10.228.481
Finance costs	39	-71.431.220	-57.737.603
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		-35.603.761	-11.265.115
Tax (Expense) Income, Continuing Operations		12.020.810	5.769.321
Current Period Tax (Expense) Income	42	-628.466	-57.202
Deferred Tax (Expense) Income	42	12.649.276	5.826.523
PROFIT (LOSS) FROM CONTINUING OPERATIONS		-23.582.951	-5.495.794
PROFIT (LOSS)		-23.582.951	-5.495.794
Profit (loss), attributable to [abstract]			
Non-controlling Interests	32	-3.665.004	-2.936.774
Owners of Parent		-19.917.947	-2.559.020
Earnings per share [abstract]			
Earnings per share [line items]			
Basic earnings per share			
Diluted Earnings Per Share			
Diluted Earnings (Loss) per Share from Continuing Operations			
Sürdürülen Faaliyetlerden Sulandırılmış Pay Başına Kazanç (Zarar)	43	-0,05310000	-0,00680000

# Statement of Other Comprehensive Income

Presentation Currency	TL
Nature of Financial Statements	Consolidated

	Footnote Reference	Current Period 01.01.2018 - 31.03.2018	Previous Period 01.01.2017 - 31.03.2017
<b>Statement of Other Comprehensive Income</b>			
PROFIT (LOSS)		-23.582.951	-5.495.794
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Other Comprehensive Income that will not be Reclassified to Profit or Loss</b>		<b>-780.722</b>	<b>-381.800</b>
Gains (Losses) on Revaluation of Property, Plant and Equipment		0	0
Gains (Losses) on Remeasurements of Defined Benefit Plans		-975.902	-477.250
Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss		195.180	95.450
<b>Other Comprehensive Income That Will Be Reclassified to Profit or Loss</b>		<b>0</b>	<b>0</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		<b>-780.722</b>	<b>-381.800</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>		<b>-24.363.673</b>	<b>-5.877.594</b>
<b>Total Comprehensive Income Attributable to</b>			
Non-controlling Interests		-3.667.547	-2.940.040
Owners of Parent		-20.696.126	-2.937.554

# Statement of cash flows (Indirect Method)

Presentation Currency	TL
Nature of Financial Statements	Consolidated

	Footnote Reference	Current Period 01.01.2018 - 31.03.2018	Previous Period 01.01.2017 - 31.03.2017
<b>Statement of cash flows (Indirect Method)</b>			
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		<b>181.804.519</b>	<b>124.953.579</b>
Profit (Loss)		-23.582.951	-5.495.794
<b>Adjustments to Reconcile Profit (Loss)</b>		<b>116.131.415</b>	<b>90.061.541</b>
Adjustments for depreciation and amortisation expense	30	27.299.520	31.324.230
Adjustments for Impairment Loss (Reversal of Impairment Loss)		84	-163.911
Adjustments for Impairment Loss (Reversal of Impairment Loss ) of Receivables	9	-19.605	0
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Inventories	12	19.689	-163.911
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Property, Plant and Equipment		0	0
Adjustments for provisions	29	2.369.577	2.727.971
Adjustments for Interest (Income) Expenses	36,39	23.045.295	15.205.082
Adjustments for fair value losses (gains)		-1.746.249	-5.654.063
Adjustments for Fair Value Losses (Gains) of Investment Property		0	0
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments	37	-1.746.249	-5.654.063
Adjustments for Tax (Income) Expenses	42	-12.020.811	-5.769.321
Other adjustments for non-cash items		77.224.519	52.391.553
Adjustments for losses (gains) on disposal of non-current assets	37	-40.520	0
<b>Changes in Working Capital</b>		<b>90.453.866</b>	<b>41.325.776</b>
Adjustments for decrease (increase) in trade accounts receivable		-35.733.681	-2.585.922
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		177.153	-755.852
Adjustments for decrease (increase) in inventories		112.807.547	-8.986.567
Adjustments for increase (decrease) in trade accounts payable		-20.998.578	60.529.048
Adjustments for increase (decrease) in other operating payables		463.614	135.098
Other Adjustments for Other Increase (Decrease) in Working Capital		33.737.811	-7.010.029
<b>Cash Flows from (used in) Operations</b>		<b>183.002.330</b>	<b>125.891.523</b>
Payments Related with Provisions for Employee Benefits	29	-558.135	-552.711
Income taxes refund (paid)		-639.676	-385.233
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>		<b>1.011.779</b>	<b>-14.453.657</b>
Cash Outflows from Purchase of Additional Shares of Subsidiaries		0	0
Proceeds from sales of property, plant, equipment and intangible assets		78.814	0
Purchase of Property, Plant, Equipment and Intangible Assets	16,19	-2.805.983	-19.010.992
Cash receipts from futures contracts, forward contracts, option contracts and swap contracts		6.917.785	13.582.218
Cash payments for futures contracts, forward contracts, option contracts and swap contracts		-3.178.837	-9.024.883
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		<b>-11.265.895</b>	<b>-39.849.892</b>
Proceeds from borrowings		347.973.630	146.266.431
Repayments of borrowings		-353.727.659	-191.619.886
Increase in Other Payables to Related Parties		56.109	9.562.163
Interest paid		-8.701.407	-7.765.823
Interest Received		3.133.432	3.707.223
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES</b>		<b>171.550.403</b>	<b>70.650.030</b>
Net increase (decrease) in cash and cash equivalents		171.550.403	70.650.030
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>7</b>	<b>180.180.845</b>	<b>276.259.554</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>7</b>	<b>351.731.248</b>	<b>346.909.584</b>

[illegible]

	Increase (Decrease) through Treasury Share Transactions												
	Increase (Decrease) through Share-Based Payment Transactions												
	Acquisition or Disposal of a Subsidiary												
	Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity												
	Transactions with noncontrolling shareholders												
	Increase through Other Contributions by Owners												
	Amount Removed from Reserve of Cash Flow Hedges and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied												
	Amount Removed from Reserve of Change in Value of Time Value of Options and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied												
	Amount Removed from Reserve of Change in Value of Forward Elements of Forward Contracts and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied												
	Amount Removed from Reserve of Change in Value of Foreign Currency Basis Spreads and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied												
	Increase (decrease) through other changes, equity												
	Equity at end of period		375,000,000	22,763,962		665,953,552		25,832,374	-442,424,183	-19,917,947	627,207,758	32,030,628	659,238,386