

İSKENDERUN DEMİR VE ÇELİK A.Ş.
Financial Report
Unconsolidated
2018 - 2. 3 Monthly Notification

General Information About Financial Statements

Independent Audit Comment

Independent Audit Company	DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Audit Type	Limited
Audit Result	Positive

ARA DÖNEM ÖZET FİNANSAL BİLGİLERE İLİŞKİN

SINIRLI DENETİM RAPORU

İskenderun Demir ve Çelik A.Ş. Genel Kurulu'na

Giriş

İskenderun Demir ve Çelik A.Ş.'nin ("Şirket") 30 Haziran 2018 tarihli ilişikteki özet finansal durum tablosunun ve aynı tarihte sona eren altı aylık dönemine ait ilgili özet kar veya zarar ve diğer kapsamlı gelir tablosunun, özet özkaynaklar değişim tablosunun ve özet nakit akış tablosunun sınırlı denetimini yürütmüş bulunuyoruz. Şirket yönetimi, söz konusu ara dönem özet finansal bilgilerin Türkiye Muhasebe Standardı 34 "Ara Dönem Finansal Raporlama" Standardı'na ("TMS 34") uygun olarak hazırlanmasından ve sunumundan sorumludur. Sorumluluğumuz, yaptığımız sınırlı denetime dayanarak söz konusu ara dönem özet finansal bilgilere ilişkin bir sonuç bildirmektir.

Sınırlı Denetimin Kapsamı

Yaptığımız sınırlı denetim, Sınırlı Bağımsız Denetim Standardı (SBDS) 2410 "Ara Dönem Finansal Bilgilerin, İşletmenin Yıllık Finansal Tablolarının Bağımsız Denetimini Yürüten Denetçi Tarafından Sınırlı Bağımsız Denetimi"ne uygun olarak yürütülmüştür. Ara dönem özet finansal bilgilere ilişkin sınırlı denetim, başta finans ve muhasebe konularından sorumlu kişiler olmak üzere ilgili kişilerin sorgulanması ve analitik prosedürler ile diğer sınırlı denetim prosedürlerinin uygulanmasından oluşur. Ara dönem özet finansal bilgilerin sınırlı denetiminin kapsamı; Bağımsız Denetim Standartları'na uygun olarak yapılan ve amacı finansal tablolar hakkında bir görüş bildirmek olan bağımsız denetimin kapsamına kıyasla önemli ölçüde dardır. Sonuç olarak ara dönem özet finansal bilgilerin sınırlı denetimi, denetim şirketinin, bir bağımsız denetimde belirlenebilecek tüm önemli hususlara vakıf olabileceğine ilişkin bir güvence sağlamamaktadır. Bu sebeple, bir bağımsız denetim görüşü bildirmemekteyiz.

Sonuç

Sınırlı denetimimize göre ilişikteki ara dönem özet finansal bilgilerin, tüm önemli yönleriyle TMS 34'e uygun olarak hazırlanmadığı kanaatine varmamıza sebep olacak herhangi bir husus dikkatimizi çekmemiştir.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

Member of DELOITTE TOUCHE TOHMATSU LIMITED

Osman Arslan, SMMM

Sorumlu Denetçi

İstanbul, 9 Ağustos 2018



Statement of Financial Position (Balance Sheet)

Presentation Currency	1.000 TL
Nature of Financial Statements	Unconsolidated

	Footnote Reference	Current Period 30.06.2018	Previous Period 31.12.2017
Statement of Financial Position (Balance Sheet)			
Assets [abstract]			
CURRENT ASSETS			
Cash and cash equivalents		26.615	11.895
Trade Receivables		1.188.548	731.318
Trade Receivables Due From Related Parties	3	673.841	549.336
Trade Receivables Due From Unrelated Parties		514.707	181.982
Other Receivables		3.195.031	3.326.945
Other Receivables Due From Related Parties	3	3.193.105	3.325.120
Other Receivables Due From Unrelated Parties		1.926	1.825
Inventories	4	3.012.284	2.108.689
Prepayments		43.080	20.987
Prepayments to Unrelated Parties		43.080	20.987
Other current assets		8.156	8.578
Other Current Assets Due From Unrelated Parties		8.156	8.578
SUB-TOTAL		7.473.714	6.208.412
Total current assets		7.473.714	6.208.412
NON-CURRENT ASSETS			
Financial Investments		124	13.437
Financial Assets Available-for-Sale		124	13.437
Other Receivables		12.591	12.591
Other Receivables Due From Unrelated Parties		12.591	12.591
Investments accounted for using equity method	5	123.285	0
Property, plant and equipment	6	8.792.050	7.425.726
Intangible assets and goodwill	6	202.439	170.223
Prepayments		37.409	12.026
Prepayments to Related Parties	3	11.987	0
Prepayments to Unrelated Parties		25.422	12.026
Total non-current assets		9.167.898	7.634.003
Total assets		16.641.612	13.842.415
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Current Borrowings		1.003.499	904.459
Current Borrowings From Unrelated Parties		1.003.499	904.459
Bank Loans	7	1.003.499	904.459
Current Portion of Non-current Borrowings		97.304	131.708
Current Portion of Non-current Borrowings from Unrelated Parties		97.304	131.708
Bank Loans	7	97.304	131.708
Trade Payables		910.854	439.446
Trade Payables to Related Parties	3	166.837	48.513
Trade Payables to Unrelated Parties		744.017	390.933
Employee Benefit Obligations	9	47.509	85.884
Other Payables		29.121	17.326
Other Payables to Unrelated Parties		29.121	17.326
Deferred Income		40.265	29.667
Deferred Income from Unrelated Parties		40.265	29.667
Current tax liabilities, current	11	625.232	664.873
Current provisions		31.193	28.133
Other current provisions	8	31.193	28.133
Other Current Liabilities		27.642	70.329
Other Current Liabilities to Unrelated Parties		27.642	70.329
SUB-TOTAL		2.812.619	2.371.825
Total current liabilities		2.812.619	2.371.825
NON-CURRENT LIABILITIES			
Long Term Borrowings		310.488	303.070
Long Term Borrowings From Unrelated Parties		310.488	303.070
Bank Loans	7	310.488	303.070
Derivative Financial Liabilities		274	158
Derivative Financial Liabilities Held for Hedging		274	158
Non-current provisions		271.569	254.496

Non-current provisions for employee benefits	9	271.569	254.496
Deferred Tax Liabilities	11	1.365.641	944.081
Total non-current liabilities		1.947.972	1.501.805
Total liabilities		4.760.591	3.873.630
EQUITY			
Equity attributable to owners of parent		11.881.021	9.968.785
Issued capital	12	2.900.000	2.900.000
Inflation Adjustments on Capital		164	164
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss		6.211.319	4.190.063
Gains (Losses) on Revaluation and Remeasurement		-49.954	-52.860
Gains (Losses) on Remeasurements of Defined Benefit Plans		-49.954	-52.860
Exchange Differences on Translation		6.261.273	4.242.923
Restricted Reserves Appropriated From Profits		771.641	447.790
Legal Reserves		771.641	447.790
Prior Years' Profits or Losses		76.917	48.457
Current Period Net Profit Or Loss		1.920.980	2.382.311
Total equity		11.881.021	9.968.785
Total Liabilities and Equity		16.641.612	13.842.415

Profit or loss [abstract]

Presentation Currency	1.000 TL
Nature of Financial Statements	Unconsolidated

	Footnote Reference	Current Period 01.01.2018 - 30.06.2018	Previous Period 01.01.2017 - 30.06.2017	Current Period 3 Months 01.04.2018 - 30.06.2018	Previous Period 3 Months 01.04.2017 - 30.06.2017
Profit or loss [abstract]					
PROFIT (LOSS)					
Revenue	13	6.762.630	4.943.126	3.786.695	2.665.439
Cost of sales	13	-4.418.696	-3.661.487	-2.468.307	-2.023.991
GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS		2.343.934	1.281.639	1.318.388	641.448
GROSS PROFIT (LOSS)		2.343.934	1.281.639	1.318.388	641.448
General Administrative Expenses	14	-60.780	-54.794	-32.848	-24.809
Marketing Expenses	14	-40.914	-36.973	-21.747	-19.170
Research and development expense		-99	-47	-23	-22
Other Income from Operating Activities	14	53.393	44.139	30.300	15.340
Other Expenses from Operating Activities	14	-19.650	-20.150	-9.559	-7.108
PROFIT (LOSS) FROM OPERATING ACTIVITIES		2.275.884	1.213.814	1.284.511	605.679
Investment Activity Income		22	130	22	-3
Investment Activity Expenses		-5.136	-130	-4.854	-2
Share of Profit (Loss) from Investments Accounted for Using Equity Method	5	2.322		951	
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)		2.273.092	1.213.814	1.280.630	605.674
Finance income	15	503.339	61.386	409.524	23.656
Finance costs	15	-30.061	-38.458	-16.045	-22.450
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		2.746.370	1.236.742	1.674.109	606.880
Tax (Expense) Income, Continuing Operations	11	-825.390	-190.694	-540.164	-48.887
Current Period Tax (Expense) Income		-625.232	-267.817	-394.723	-123.670
Deferred Tax (Expense) Income		-200.158	77.123	-145.441	74.783
PROFIT (LOSS) FROM CONTINUING OPERATIONS		1.920.980	1.046.048	1.133.945	557.993
PROFIT (LOSS)		1.920.980	1.046.048	1.133.945	557.993
Profit (loss), attributable to [abstract]					
Non-controlling Interests		0	0		
Owners of Parent		1.920.980	1.046.048	1.133.945	557.993
Earnings per share [abstract]					
Earnings per share [line items]					
Basic earnings per share					
Basic Earnings (Loss) Per Share from Continuing Operations					
Pay Başına Kazanç		0,66240689	0,36070620	0,39101551	0,19241137
Diluted Earnings Per Share					

Statement of Other Comprehensive Income

Presentation Currency	1.000 TL
Nature of Financial Statements	Unconsolidated

	Footnote Reference	Current Period 01.01.2018 - 30.06.2018	Previous Period 01.01.2017 - 30.06.2017	Current Period 3 Months 01.04.2018 - 30.06.2018	Previous Period 3 Months 01.04.2017 - 30.06.2017
Statement of Other Comprehensive Income					
PROFIT (LOSS)		1.920.980	1.046.048	1.133.945	557.993
OTHER COMPREHENSIVE INCOME					
Other Comprehensive Income that will not be Reclassified to Profit or Loss		2.021.256	-42.494	1.502.384	-324.367
Gains (Losses) on Remeasurements of Defined Benefit Plans	9	3.726	-8.098	3.726	-8.098
Exchange Differences on Translation		2.018.350	-36.016	1.499.478	-317.889
Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss		-820	1.620	-820	1.620
Taxes Relating to Remeasurements of Defined Benefit Plans	11	-820	1.620	-820	1.620
Other Comprehensive Income That Will Be Reclassified to Profit or Loss		0	7.408	0	8.022
Other Comprehensive Income (Loss) Related with Cash Flow Hedges		0	9.260	0	10.028
Gains (Losses) on Cash Flow Hedges		0	9.260	0	10.028
Taxes Relating to Components of Other Comprehensive Income that will be Reclassified to Profit or Loss		0	-1.852	0	-2.006
Taxes Relating to Cash Flow Hedges		0	-1.852	0	-2.006
OTHER COMPREHENSIVE INCOME (LOSS)		2.021.256	-35.086	1.502.384	-316.345
TOTAL COMPREHENSIVE INCOME (LOSS)		3.942.236	1.010.962	2.636.329	241.648
Total Comprehensive Income Attributable to					
Non-controlling Interests		0	0		
Owners of Parent		3.942.236	1.010.962	2.636.329	241.648

Statement of cash flows (Indirect Method)

Presentation Currency	1.000 TL
Nature of Financial Statements	Unconsolidated

	Footnote Reference	Current Period 01.01.2018 - 30.06.2018	Previous Period 01.01.2017 - 30.06.2017
Statement of cash flows (Indirect Method)			
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		1.241.323	1.001.140
Profit (Loss)		1.920.980	1.046.048
Profit (Loss) from Continuing Operations		1.920.980	1.046.048
Adjustments to Reconcile Profit (Loss)		992.968	448.428
Adjustments for depreciation and amortisation expense	6/13	216.387	198.534
Adjustments for Impairment Loss (Reversal of Impairment Loss)		9.488	1.579
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Receivables		1.182	-2.271
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Inventories	4	3.578	3.850
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Property, Plant and Equipment	6	4.728	0
Adjustments for provisions		32.793	28.012
Adjustments for (Reversal of) Provisions Related with Employee Benefits	9	29.747	28.095
Adjustments for (Reversal of) Lawsuit and/or Penalty Provisions	8	3.046	-83
Adjustments for Interest (Income) Expenses		-64.923	-6.770
Adjustments for Interest Income	15	-81.920	-28.296
Adjustments for interest expense	15	16.492	16.611
Unearned Financial Income from Credit Sales		505	4.915
Adjustments for unrealised foreign exchange losses (gains)		-24.226	26.839
Adjustments for fair value losses (gains)		0	9.540
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments	15	0	9.540
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	5	-2.322	0
Adjustments for Tax (Income) Expenses	11	825.390	190.694
Adjustments for losses (gains) on disposal of non-current assets		381	0
Adjustments for Losses (Gains) Arised From Sale of Tangible Assets		381	0
Changes in Working Capital		-996.977	-167.284
Adjustments for decrease (increase) in trade accounts receivable		-457.596	70.058
Decrease (Increase) in Trade Accounts Receivables from Related Parties		-124.505	-48.503
Decrease (Increase) in Trade Accounts Receivables from Unrelated Parties		-333.091	118.561
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		-1.289	-4.343
Decrease (Increase) in Other Unrelated Party Receivables Related with Operations		-1.289	-4.343
Decrease (Increase) in Derivative Financial Assets		0	18.318
Adjustments for decrease (increase) in inventories		-909.854	-164.568
Decrease (Increase) in Prepaid Expenses		-40.288	-40.781
Adjustments for increase (decrease) in trade accounts payable		471.408	-75.135
Increase (Decrease) in Trade Accounts Payables to Related Parties		118.324	-26.626
Increase (Decrease) in Trade Accounts Payables to Unrelated Parties		353.084	-48.509
Adjustments for increase (decrease) in other operating payables		-27.807	7.740
Increase (Decrease) in Other Operating Payables to Unrelated Parties		-27.807	7.740
Increase (Decrease) in Derivative Financial Liabilities		116	-18.635
Other Adjustments for Other Increase (Decrease) in Working Capital		-31.667	40.062
Decrease (Increase) in Other Assets Related with Operations		422	-361
Increase (Decrease) in Other Payables Related with Operations		-32.089	40.423
Cash Flows from (used in) Operations		1.916.971	1.327.192
Payments Related with Provisions for Employee Benefits	9	-9.954	-13.468
Payments Related with Other Provisions	8	-821	-359
Income taxes refund (paid)	11	-664.873	-312.225
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		-162.844	-95.486
Cash Outflows Arising From Purchase of Shares or Capital Increase of Associates and/or Joint Ventures	5	-87.333	-12.807

Proceeds from sales of property, plant, equipment and intangible assets		30	153
Proceeds from sales of property, plant and equipment	6/14	30	153
Purchase of Property, Plant, Equipment and Intangible Assets		-68.353	-77.440
Purchase of property, plant and equipment	6	-66.788	-77.019
Purchase of intangible assets	6	-1.565	-421
Cash advances and loans made to other parties		-7.188	-5.392
Other Cash Advances and Loans Made to Other Parties		-7.188	-5.392
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		-1.735.555	-895.702
Proceeds from borrowings		941.019	587.599
Proceeds from Loans		941.019	587.599
Repayments of borrowings		-842.528	-1.055.485
Loan Repayments		-842.528	-1.055.485
Decrease in Other Payables to Related Parties		132.015	369.311
Dividends Paid		-2.028.773	-809.235
Interest paid		-18.703	-17.162
Interest Received		81.415	29.270
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		-657.076	9.952
Effect of exchange rate changes on cash and cash equivalents		671.796	-6.710
Net increase (decrease) in cash and cash equivalents		14.720	3.242
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		11.895	14.069
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		26.615	17.311

Previous Period 01.01.2017 - 30.06.2017	Statement of changes in equity (abstract)																
	Statement of changes in equity (line items)																
	Equity at beginning of period		2,900,000	164	-48,758	3,550,212	-7,464			240,817	907,581	942,849	8,485,411			8,485,411	
	Adjustments Related to Accounting Policy Changes																
	Adjustments Related to Required Changes in Accounting Policies																
	Adjustments Related to Voluntary Changes in Accounting Policies																
	Adjustments Related to Errors																
	Other Restatements																
	Restated Balances																
	Transfers									128,673	814,176	-942,849					
	Total Comprehensive Income (Loss)				-6,478	-36,016	7,408						1,046,048	1,010,962			1,010,962
	Profit (loss)												1,046,048	1,046,048			1,046,048
	Other Comprehensive Income (Loss)				-6,478	-36,016	7,408								-35,086		-35,086
	Issue of equity																
	Capital Decrease																
	Capital Advance																
	Effect of Merger or Liquidation or Division																
	Effects of Business Combinations Under Common Control																
	Advance Dividend Payments																
	Dividends Paid											-812,000		-812,000			-812,000
	Decrease through Other Distributions to Owners																
	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		2,900,000	164	-55,236	3,514,196	-46			369,490	909,757	1,046,048	8,694,373			8,694,373		
Current Period 01.01.2017 - 30.06.2017	Statement of changes in equity (abstract)																
	Statement of changes in equity (line items)																
	Equity at beginning of period		2,900,000	164	-52,860	4,242,923				447,790	48,457	2,382,311	9,968,785			9,968,785	
	Adjustments Related to Accounting Policy Changes																
	Adjustments Related to Required Changes in Accounting Policies																
	Adjustments Related to Voluntary Changes in Accounting Policies																
	Adjustments Related to Errors																
	Other Restatements																
	Restated Balances																
	Transfers									323,851	2,058,460	-2,382,311					
	Total Comprehensive Income (Loss)				2,906	2,018,350							1,920,980	3,942,236			3,942,236
	Profit (loss)												1,920,980	1,920,980			1,920,980
	Other Comprehensive Income (Loss)				2,906	2,018,350									2,021,256		2,021,256
	Issue of equity																
	Capital Decrease																
	Capital Advance																
	Effect of Merger or Liquidation or Division																
	Effects of Business Combinations Under Common Control																
	Advance Dividend Payments																
	Dividends Paid																

Current Period 01.01.2018 - 30.06.2018										-2.030.000		-2.030.000		-2.030.000
	Decrease through Other Distributions to Owners													
	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													
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	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													
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	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		2.900.000	164	-49.954	6.261.273			771.641	76.917	1.920.980	11.881.021		11.881.021