

**İZMİR DEMİR ÇELİK SANAYİ A.Ş.**  
**Financial Report**  
**Consolidated**  
**2018 - 3. 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 30.09.2018	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	199.040.549	180.180.845
Trade Receivables		245.078.484	245.307.362
Trade Receivables Due From Related Parties	6	49.645.412	12.668.675
Trade Receivables Due From Unrelated Parties	9	195.433.072	232.638.687
Other Receivables		42.458.321	1.156.167
Other Receivables Due From Related Parties	6	41.619.373	456.370
Other Receivables Due From Unrelated Parties	11	838.948	699.797
Derivative Financial Assets	48	4.483.541	7.538.558
Inventories	12	1.062.978.614	613.620.253
Prepayments	14	12.165.587	9.893.740
Other current assets	31	41.678.873	1.445.448
<b>SUB-TOTAL</b>		<b>1.607.883.969</b>	<b>1.059.142.373</b>
<b>Total current assets</b>		<b>1.607.883.969</b>	<b>1.059.142.373</b>
<b>NON-CURRENT ASSETS</b>			
Financial Investments	8	931.043	931.043
Other Receivables	11	2.094.782	1.297.193
Investment property	15	84.185.000	84.185.000
Property, plant and equipment	16	1.705.131.246	1.767.479.038
Intangible assets and goodwill	19	889.387	1.181.862
Prepayments	14	1.797.680	2.120.353
Deferred Tax Asset	42	298.794.631	126.791.462
<b>Total non-current assets</b>		<b>2.093.823.769</b>	<b>1.983.985.951</b>
<b>Total assets</b>		<b>3.701.707.738</b>	<b>3.043.128.324</b>
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Current Borrowings	49	1.059.572.455	393.985.710
Current Portion of Non-current Borrowings	49	204.929.119	195.334.391
Trade Payables		1.222.002.278	873.678.060
Trade Payables to Related Parties	6	3.956.479	3.326.411
Trade Payables to Unrelated Parties	9	1.218.045.799	870.351.649
Employee Benefit Obligations	29	17.503.951	12.634.941
Other Payables		1.628.336	1.796.513
Other Payables to Related Parties		0	0
Other Payables to Unrelated Parties	11	1.628.336	1.796.513
Derivative Financial Liabilities	48	106.117.164	662.984
Current tax liabilities, current	42	0	401.665
Current provisions	27	436.763	4.045.681
Other Current Liabilities	31	79.720.468	126.185.211
<b>SUB-TOTAL</b>		<b>2.691.910.534</b>	<b>1.608.725.156</b>
<b>Total current liabilities</b>		<b>2.691.910.534</b>	<b>1.608.725.156</b>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	49	773.288.912	551.528.197
Non-current provisions		27.432.094	22.634.740
Non-current provisions for employee benefits	29	27.432.094	22.634.740
Deferred Tax Liabilities	42	171.273.738	176.638.172
<b>Total non-current liabilities</b>		<b>971.994.744</b>	<b>750.801.109</b>
<b>Total liabilities</b>		<b>3.663.905.278</b>	<b>2.359.526.265</b>
<b>EQUITY</b>			
Equity attributable to owners of parent		32.019.519	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		652.082.975	673.964.320
Gains (Losses) on Revaluation and Remeasurement	32	652.082.975	673.964.320
Restricted Reserves Appropriated From Profits	32	25.832.374	25.832.374
Prior Years' Profits or Losses		-432.561.842	-464.645.739
Current Period Net Profit Or Loss		-611.097.950	14.988.967

Non-controlling interests	32	5.782.941	35.698.175
Total equity		37.802.460	683.602.059
Total Liabilities and Equity		3.701.707.738	3.043.128.324

Profit or loss [abstract]

Presentation Currency	TL
Nature of Financial Statements	Consolidated

	Footnote Reference	Current Period 01.01.2018 - 30.09.2018	Previous Period 01.01.2017 - 30.09.2017	Current Period 3 Months 01.07.2018 - 30.09.2018	Previous Period 3 Months 01.07.2017 - 30.09.2017
Profit or loss [abstract]					
PROFIT (LOSS)					
Revenue	33	3.416.320.931	2.162.794.350	1.349.586.773	740.747.969
Cost of sales	33	-3.060.864.345	-2.008.850.718	-1.123.331.384	-670.480.244
GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS		355.456.586	153.943.632	226.255.389	70.267.725
GROSS PROFIT (LOSS)		355.456.586	153.943.632	226.255.389	70.267.725
General Administrative Expenses	35	-21.329.701	-17.415.430	-6.804.154	-5.899.877
Marketing Expenses	35	-23.326.353	-23.977.996	-8.155.795	-6.902.144
Other Income from Operating Activities	36	76.736.034	38.265.749	58.674.846	-5.692.262
Other Expenses from Operating Activities	36	-429.988.895	-35.096.978	-300.234.149	-6.801.199
PROFIT (LOSS) FROM OPERATING ACTIVITIES		-42.452.329	115.718.977	-30.263.863	44.972.243
Investment Activity Income	37	25.609.117	22.595.417	19.728.649	1.924.786
Investment Activity Expenses	37	-135.356.991	-3.999.209	-116.095.165	-2.594.675
Impairment gain and reversal of impairment loss (impairment loss) determined in accordance with IFRS 9	9	1.965.196		-266.189	
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)		-150.235.007	134.315.185	-126.896.568	44.302.354
Finance income	39	41.368.868	15.359.163	19.610.778	5.087.211
Finance costs	39	-708.047.116	-79.610.422	-456.605.141	-31.489.967
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		-816.913.255	70.063.926	-563.890.931	17.899.598
Tax (Expense) Income, Continuing Operations		175.905.733	-10.183.641	117.825.108	-3.520.250
Current Period Tax (Expense) Income	42	-150.276	-1.431.148	305.676	-838.498
Deferred Tax (Expense) Income	42	176.056.009	-8.752.493	117.519.432	-2.681.752
PROFIT (LOSS) FROM CONTINUING OPERATIONS		-641.007.522	59.880.285	-446.065.823	14.379.348
PROFIT (LOSS)		-641.007.522	59.880.285	-446.065.823	14.379.348
Profit (loss), attributable to [abstract]					
Non-controlling Interests	32	-29.909.572	-1.871.262	-16.602.992	-708.286
Owners of Parent		-611.097.950	61.751.547	-429.462.831	15.087.634
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 Pay Başına Kazanç (Zarar)	43	-1,62960000	0,16470000	-1,14520000	0,04020000

# Statement of Other Comprehensive Income

Presentation Currency	TL
Nature of Financial Statements	Consolidated

	Footnote Reference	Current Period 01.01.2018 - 30.09.2018	Previous Period 01.01.2017 - 30.09.2017	Current Period 3 Months 01.07.2018 - 30.09.2018	Previous Period 3 Months 01.07.2017 - 30.09.2017
<b>Statement of Other Comprehensive Income</b>					
PROFIT (LOSS)		-641.007.522	59.880.285	-446.065.823	14.379.348
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Other Comprehensive Income that will not be Reclassified to Profit or Loss</b>		<b>-1.248.542</b>	<b>-333.590</b>	<b>-818.455</b>	<b>-160.639</b>
Gains (Losses) on Revaluation of Property, Plant and Equipment		0	0		
Gains (Losses) on Remeasurements of Defined Benefit Plans		-1.560.677	-416.987	-1.023.068	-200.798
Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss		312.135	83.397	204.613	40.159
<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>-1.248.542</b>	<b>-333.590</b>	<b>-818.455</b>	<b>-160.639</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>		<b>-642.256.064</b>	<b>59.546.695</b>	<b>-446.884.278</b>	<b>14.218.709</b>
<b>Total Comprehensive Income Attributable to</b>					
Non-controlling Interests		-29.915.235	-1.876.531	-16.606.120	-710.895
Owners of Parent		-612.340.829	61.423.226	-430.278.158	14.929.604

# Statement of cash flows (Indirect Method)

Presentation Currency	TL
Nature of Financial Statements	Consolidated

	Footnote Reference	Current Period 01.01.2018 - 30.09.2018	Previous Period 01.01.2017 - 30.09.2017
<b>Statement of cash flows (Indirect Method)</b>			
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		<b>-152.468.371</b>	<b>218.776.952</b>
Profit (Loss)		-641.007.522	59.880.285
<b>Adjustments to Reconcile Profit (Loss)</b>		<b>958.257.235</b>	<b>152.364.382</b>
Adjustments for depreciation and amortisation expense	30	79.383.583	84.680.333
Adjustments for Impairment Loss (Reversal of Impairment Loss)		-1.870.750	-568.156
Adjustments for Impairment Loss (Reversal of Impairment Loss ) of Receivables	9	-1.984.801	0
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Inventories	12	114.051	-568.156
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Property, Plant and Equipment		0	0
Adjustments for provisions	29	5.096.499	5.249.376
Adjustments for Interest (Income) Expenses	36,39	106.347.790	50.072.516
Adjustments for fair value losses (gains)		135.353.957	797.781
Adjustments for Fair Value Losses (Gains) of Investment Property		0	0
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments	37	135.353.957	797.781
Adjustments for Tax (Income) Expenses	42	-175.905.733	10.183.641
Other adjustments for non-cash items		809.910.009	2.045.565
Adjustments for losses (gains) on disposal of non-current assets	37	-58.120	-96.674
<b>Changes in Working Capital</b>		<b>-465.757.699</b>	<b>9.816.663</b>
Adjustments for decrease (increase) in trade accounts receivable		854.380	57.793.528
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		-936.740	-230.309
Adjustments for decrease (increase) in inventories		-446.792.978	-43.522.262
Adjustments for increase (decrease) in trade accounts payable		64.861.529	-12.177.035
Adjustments for increase (decrease) in other operating payables		-168.177	-110.589
Other Adjustments for Other Increase (Decrease) in Working Capital		-83.575.713	8.063.330
<b>Cash Flows from (used in) Operations</b>		<b>-148.507.986</b>	<b>222.061.330</b>
Payments Related with Provisions for Employee Benefits	29	-1.859.822	-2.039.872
Income taxes refund (paid)		-2.100.563	-1.244.506
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>		<b>-50.336.198</b>	<b>-40.210.022</b>
Cash Outflows from Purchase of Additional Shares of Subsidiaries		0	0
Proceeds from sales of property, plant, equipment and intangible assets		246.048	158.202
Purchase of Property, Plant, Equipment and Intangible Assets	16,19	-23.737.486	-37.150.488
Cash receipts from futures contracts, forward contracts, option contracts and swap contracts		62.547.299	15.591.347
Cash payments for futures contracts, forward contracts, option contracts and swap contracts		-89.392.059	-18.829.083
Other inflows (outflows) of cash		0	20.000
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		<b>221.664.273</b>	<b>-300.944.269</b>
Proceeds from borrowings		1.289.901.210	629.106.408
Repayments of borrowings		-970.870.583	-869.711.207
Increase in Other Payables to Related Parties		-40.296.695	-23.513.185
Interest paid		-67.668.740	-45.717.559
Interest Received		10.599.081	8.891.274
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		18.859.704	-122.377.339
Net increase (decrease) in cash and cash equivalents		18.859.704	-122.377.339
<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>199.040.549</b>	<b>153.882.215</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		652,082,975		25,832,374	-432,561,842	-611,097,950	32,019,519	5,782,941	37,802,460