Türkiye Petrol Rafinerileri A.Ş.

1 January - 30 September 2015 condensed interim consolidated financial statements

Türkiye Petrol Rafinerileri A.Ş.

Convenience translation of the condensed interim consolidated financial statements for the period of 1 January- 30 September 2015

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(Convenience translation of the consolidated financial statements originally issued in Turkish (See Note 2.2.3))

Türkiye Petrol Rafinerileri A.Ş.

Consolidated statement of financial position as at 30 September 2015
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

Assets	Notes	Unaudited 30 September 2015	Restated Audited 31 December 2014
Current assets		**9.779.630**	6.991.378
Cash and cash equivalents	4	**2.486.584**	3.898.396
Trade receivables	6	**3.149.171**	169.835
Trade receivables from related parties	6, 31	**770.538**	7.383
Trade receivables from third parties		**2.378.633**	162.452
Other receivables	7	**115.843**	30.866
Other receivables from third parties		**115.843**	30.866
Derivative Instruments	20	**503.684**	64.606
Inventories	8	**2.722.666**	2.370.534
Prepaid expenses	14	**139.350**	124.031
Assets related to current year tax	29	**1.916**	1.235
Other current assets	15	**660.416**	331.875
Non-current assets		**16.725.491**	14.941.182
Financial investments	9	**4.000**	4.000
Investments accounted by equity method	10	**707.030**	726.494
Investment property	11	**4.621**	4.621
Property, plant and equipment	12	**11.421.065**	10.663.393
Intangible assets	13	**55.268**	60.569
Other intangible assets		**55.268**	60.569
Derivative Instruments	20	**287.003**	-
Prepaid expenses	14	**184.297**	260.314
Deferred tax asset	29	**3.368.758**	2.623.134
Other non-current assets	15	**693.449**	598.657
Total assets		**26.505.121**	21.932.560
Liabilities			
Current liabilities		**9.835.031**	8.561.001
Short-term financial liabilities	5	**356.131**	40.248
Current portion of long term financial liabilities	5	**1.360.896**	737.056
Trade payables	6	**4.795.548**	5.610.001
Trade payables to related parties	6, 31	**43.866**	67.849
Trade payables to third parties		**4.751.682**	5.542.152
Liabilities for employee benefits	18	**33.001**	93.297
Other payables	19	**8.653**	10.282
Other payables to third parties		**8.653**	10.282
Derivative instruments	20	**41.968**	68
Deferred income	16	**50.047**	17.366
Provision for taxation on income	29	**12.790**	5.147
Provisions	17	**117.216**	108.824
Provisions for employee benefits		**50.744**	6.870
Other provisions		**66.472**	101.954
Other current liabilities	15	**3.058.781**	1.938.712
Non-current liabilities		**9.388.804**	7.158.929
Long-term financial liabilities	5	**9.131.406**	6.977.706
Provisions	17	**190.500**	176.023
Provisions for employee benefits		**190.500**	176.023
Other non-current liabilities	15	**3.827**	4.709
Derivative instruments	20	**63.071**	491
Equity		**7.281.286**	6.212.630
Share capital	23	**250.419**	250.419
Adjustment to share capital	23	**1.344.243**	1.344.243
Share premiums/discounts		**172**	172
Other comprehensive income/(expense) not to be reclassified to profit or loss		**(11.186)**	(11.186)
Actuarial gain/(loss) arising from defined benefit plans		**(11.186)**	(11.186)
Other comprehensive income/(expense) to be reclassified to profit or loss		**(668.387)**	65.867
Gains/(losses) on hedging	32	**(742.059)**	(447)
Currency translation differences		**19.416**	12.058
Revaluation and reclassification gains/(losses)		**54.256**	54.256
Restricted reserves	23	**163.401**	163.401
Retained earnings		**4.410.959**	2.884.837
Net income		**1.735.255**	1.458.963
Total equity attributable to equity holders of the parent		**7.224.876**	6.156.716
Non-controlling interests		**56.410**	55.914
Total equity and liabilities		**26.505.121**	21.932.560

The condensed consolidated financial statements for the period ended 30 September 2015 have been approved by the Board of Directors on 6 November 2015.

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

(Convenience translation of the consolidated financial statements originally issued in Turkish (See Note 2.2.3))

Türkiye Petrol Rafinerileri A.Ş.

Consolidated statement of profit or loss and other comprehensive income for the nine month interim period ended 30 September 2015
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

		Unaudited		Unaudited	
	Notes	1 January - 30 September 2015	1 July - 30 September 2015	1 January - 30 September 2014	1 July - 30 September 2014
Revenue (net)	24	27.994.812	10.445.504	30.685.740	11.811.567
Cost of sales (-)	24	(25.122.858)	(9.226.531)	(29.649.048)	(11.211.898)
Gross profit		2.871.954	1.218.973	1.036.692	599.669
General administrative expenses (-)	25	(446.637)	(174.269)	(354.917)	(122.380)
Marketing, selling and distribution expenses (-)	25	(130.820)	(51.840)	(123.560)	(49.434)
Research and development expenses (-)	25	(17.073)	(4.880)	(11.432)	(4.434)
Other operating income	26	103.358	40.125	133.328	(20.240)
Other operating expenses (-)	26	(813.147)	(434.019)	(277.769)	(252.526)
Operating profit / (loss)		1.567.635	594.090	402.342	150.655
Income / (expense) from investment activities	27	769	557	(29)	(7)
Income from investments accounted by equity method	10	41.259	31.882	45.331	15.958
Operating profit / (loss) before financial income / (expense)		1.609.663	626.529	447.644	166.606
Financial income	28	1.002.239	508.224	353.116	255.917
Financial expense (-)	28	(1.433.523)	(636.718)	(521.741)	(292.120)
Profit / (loss) before taxation		1.178.379	498.035	279.019	130.403
Income tax expense	29	563.675	252.478	974.516	248.922
Taxes on income		(12.790)	(6.947)	(2.551)	(1.249)
Deferred tax income / (expense)		576.465	259.425	977.067	250.171
Profit for the period		1.742.054	750.513	1.253.535	379.325
Other comprehensive income:					
Items to be reclassified to profit or loss		(919.980)	(640.013)	2.373	2.445
Changes in currency translation differences		7.358	3.981	2.373	2.445
Gains/losses on hedging		(927.338)	(643.994)	-	-
Tax effect of other comprehensive income/(loss) to be reclassified to profit or loss					
- Deferred tax income/(expense)		185.469	128.800	-	-
Other comprehensive income/(expense) after taxation		(734.511)	(511.213)	2.373	2.445
Total comprehensive income		1.007.543	239.300	1.255.908	381.770
Distribution of income for the period:					
Non-controlling interests		6.799	490	7.279	1.957
Attributable to equity holders of the parent		1.735.255	750.023	1.246.256	377.368
Distribution of other comprehensive income					
Non-controlling interests		6.542	340	7.279	1.957
Attributable to equity holders of the parent		1.001.001	238.960	1.248.629	379.813
Earnings per share with nominal value Kr 1 each (Kr)	30	6,93	3,00	4,98	1,51

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

Türkiye Petrol Rafinerileri A.Ş.

Consolidated statement of changes in equity
for the nine month interim period ended 30 September 2015
(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated)

				Other comprehensive income/(loss) not to be reclassified to profit or loss	Other comprehensive income/(loss) to be reclassified to profit or loss				Retained earnings				
	Share capital	Adjustment to share capital	Share premiums/ discounts	Actuarial gain/(loss) arising from defined benefit plans	Gains/ losses on hedging	Revaluation Classification gains/ (losses)	Currency Translation differences	Restricted reserves	Accumulated profit	Profit for the period	Equity holders of the parent	Non-controlling interests	Total equity
Unaudited													
1 January 2014	250.419	1.344.243	172	(2.672)	-	47.664	9.375	221.417	2.025.761	1.197.223	5.093.602	44.912	5.138.514
Transfers	-	-	-	-	-	-	-	(58.016)	1.255.239	(1.197.223)	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(396.163)	-	(396.163)	-	(396.163)
- Net profit for period	-	-	-	-	-	-	-	-	-	1.246.256	1.246.256	7.279	1.253.535
- Other comprehensive income	-	-	-	-	-	-	2.373	-	-	-	2.373	-	2.373
Total comprehensive income	-	-	-	-	-	-	2.373	-	-	1.246.256	1.248.629	7.279	1.255.908
30 September 2014	250.419	1.344.243	172	(2.672)	-	47.664	11.748	163.401	2.884.837	1.246.256	5.946.068	52.191	5.998.259
Unaudited													
1 January 2015	**250.419**	**1.344.243**	**172**	**(11.186)**	**(447)**	**54.256**	**12.058**	**163.401**	**2.884.837**	**1.458.963**	**6.156.716**	**55.914**	**6.212.630**
-Effects of adjustments for previous years	-	-	-	-	-	-	-	-	**67.159**	-	**67.159**	-	**67.159**
-Transfers	-	-	-	-	-	-	-	-	**1.458.963**	**(1.458.963)**	-	-	-
-Dividends paid	-	-	-	-	-	-	-	-	-	-	-	**(6.046)**	**(6.046)**
- Net profit for period	-	-	-	-	-	-	-	-	-	**1.735.255**	**1.735.255**	**6.799**	**1.742.054**
- Other comprehensive income	-	-	-	-	**(741.612)**	-	**7.358**	-	-	-	**(734.254)**	**(257)**	**(734.511)**
-Total comprehensive income	-	-	-	-	**(741.612)**	-	**7.358**	-	-	**1.735.255**	**1.001.001**	**6.542**	**1.007.543**
30 September 2015	**250.419**	**1.344.243**	**172**	**(11.186)**	**(742.059)**	**54.256**	**19.416**	**163.401**	**4.410.959**	**1.735.255**	**7.224.876**	**56.410**	**7.281.286**

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

Türkiye Petrol Rafinerileri A.Ş.

Consolidated statement of cash flows
for the nine month interim period ended 30 September 2015
(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated)

	Notes	**Unaudited** **1 January -** **30 September** **2015**	Unaudited 1 January - 30 September 2014
A. Cash flows from operating activities		**(1.207.940)**	1.779.932
Profit/(loss) before taxation		**1.742.054**	1.253.535
Adjustment for reconciliation of profit/(loss) before taxation		**593.455**	(421.557)
- Adjustment for depreciation and amortisation expense	12,13	**317.159**	189.870
- Adjustments for stock impairment	8	**(90.204)**	-
- Adjustment for provisions	17	**65.421**	43.539
- Adjustment for interest income and expense	28	**267.749**	123.807
- Adjustment for fair value gain or loss	20	**(418.192)**	(55.736)
- Adjustment for income of investments accounted by equity method	10	**(41.259)**	(45.331)
- Adjustment for tax income/expenses	29	**(563.675)**	(974.516)
- Adjustment for (gain)/loss on sales of property, plant and equipment, net	27	**(769)**	29
- Adjustment for other items related with cash flow of investment or financial activities	28	**1.046.148**	301.662
- Other adjustments		**11.077**	(4.881)
Changes in working capital		**(3.453.975)**	1.286.721
- Adjustment for increase/decrease in inventories		**(261.928)**	239.542
- Adjustment for increase/decrease in trade receivables		**(2.992.130)**	830.782
- Adjustment for increase/decrease in other receivables related with operations		**(475.302)**	(338.005)
- Adjustment for increase/decrease in trade payables		**(812.736)**	199.600
- Adjustment for increase/decrease in other payables related with operations		**1.088.121**	354.802
Cash flows from operating activities		**(1.118.466)**	2.118.699
- Tax payments/returns		**(5.828)**	(5.441)
- Payments for penalty	17	**(54.998)**	(309.011)
- Other cash inflow/outflow	17	**(28.648)**	(24.315)
B. Cash flows from investing activities		**(654.472)**	(1.533.816)
Cash inflows from the sales of property, plant and equipment and intangible assets		**1.046**	89
Cash outflows from the purchase of property, plant and equipment and intangible assets	12,13	**(725.518)**	(1.603.905)
Dividends received	10	**70.000**	70.000
C. Cash flows from financing activities		**351.772**	(255.144)
Cash inflows from financial liabilities		**506.219**	235.062
Dividends paid		**(6.046)**	(396.163)
Interest received		**121.181**	100.530
Interest paid		**(269.582)**	(194.573)
Net increase/decrease in cash and cash equivalents before the effect of foreign currency translation differences		**(1.510.640)**	(9.028)
D. Impact of foreign currency translation differences on cash and cash equivalents		**-**	-
Net increase/decrease in cash and cash equivalents		**(1.510.640)**	(9.028)
E. Cash and cash equivalents at beginning of period		**3.211.406**	3.087.870
Cash and cash equivalents at end of period	4	**1.700.766**	3.078.842

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

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

1. Organization and nature of operations of the Group

Türkiye Petrol Rafinerileri A.Ş. ("Tüpraş" or the "Company") was established on 16 November 1983. The Company is mainly engaged in the following fields:

- To provide and refine crude oil, to import and export petroleum products when necessary, and to establish and operate domestic and foreign refineries for this purpose,
- To establish and operate factories and facilities in petrochemical and other related industries,
- To provide the necessary raw and supplementary materials, process, produce or trade these materials in order to obtain petrochemical and other related products,
- To package the products produced during various phases of production and to establish a packaging industry for this purpose, to evaluate and/or to sell waste, by products and substandard products, to establish and operate the necessary facilities for the destruction of the waste products,
- To establish and operate facilities and plants related with all kinds of energy and energy related industries within the framework of the laws and regulations. To obtain, use and trade all kinds of equipment, materials and chemical substances for this purpose,
- For purchase, sell, import, export, store, market and distribute (wholesale, retail, foreign and domestic) all kinds of petroleum products, LPG and natural gas; to establish marketing and distributing companies or similar partnerships with legal entities or real persons or to acquire, transfer or sell the shares of partnerships, when necessary.

The main operations of Tüpraş and its subsidiaries (collectively referred as "the Group") are in Turkey, the Group's business segments have been identified as refining of petroleum products.

The Company is registered at the Capital Markets Board ("CMB") and its shares have been quoted at the Borsa İstanbul A.Ş. (BİST) (previously known as Istanbul Stock Exchange ("ISE")) since 1991. As at 30 September 2015, the shares quoted on the Istanbul Stock Exchange are 49% of the total shares. As at 30 September 2015, the principal shareholders and their respective shareholdings in the Company are as follows (Note 23):

	%
Enerji Yatırımları A.Ş.	51,00
Publicly held	49,00
	100,00

The Company is controlled by Koç Holding A.Ş. the parent company, Koç Family and the companies owned by Koç Family.

Notes to the condensed consolidated financial statements for the nine month interim period ended 30 September 2015 (continued) (Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

1. Organization and nature of operations of the Group (continued)

The nature of the business of the subsidiaries and joint ventures of the Group is as follows:

Subsidiary	Country of incorporation	Nature of business
Ditaş Deniz İşletmeciliği ve Tankerciliği A.Ş. ("Ditaş")	Turkey	Crude oil and petroleum products transportation
Üsküdar Tankercilik A.Ş. ("Üsküdar")	Turkey	Crude oil and petroleum products transportation
T Damla Denizcilik A.Ş. ("Damla")	Turkey	Crude oil and petroleum products transportation
Kadıköy Tankercilik A.Ş. ("Kadıköy")	Turkey	Crude oil and petroleum products transportation
Beykoz Tankercilik A.Ş. ("Beykoz")	Turkey	Crude oil and petroleum products transportation
Sarıyer Tankercilik A.Ş. ("Sarıyer")	Turkey	Crude oil and petroleum products transportation
Kartal Tankercilik A.Ş. ("Kartal")	Turkey	Crude oil and petroleum products transportation
Maltepe Tankercilik A.Ş. ("Maltepe")	Turkey	Crude oil and petroleum products transportation
Salacak Tankercilik A.Ş. ("Salacak")	Turkey	Crude oil and petroleum products transportation
Karşıyaka Tankercilik A.Ş. ("Karşıyaka")	Turkey	Crude oil and petroleum products transportation
Körfez Hava Ulaştırma A.Ş. ("Körfez") (*)	Turkey	Air carriage and transportation

(*) Körfez, a subsidiary of the Group, which has been established in June 2009 has not been included in the scope of consolidation in the consolidated financial statements for the interim period ended 30 September 2015 on the grounds of materiality of its stand alone and total financial statements as to amount and composition, and accounted for as financial asset available-for-sale. As of 30 September 2015 total assets of Körfez is TL 8.195 thousand and net loss of Körfez is TL 84 thousand.

Joint venture	Country of incorporation	Nature of business
OPET Petrolcülük A.Ş. ("Opet")	Turkey	Petroleum products retail distribution
THY Opet Havacılık Yakıtları A.Ş.	Turkey	Jet fuel supply services
Opet International Limited	United Kingdom	Petroleum products trading
Opet Trade B.V.	Netherlands	Petroleum products trading
Opet Trade Singapore	Singapore	Petroleum products trading
Opet Fuchs Madeni Yağ San. ve Tic. A.Ş.	Turkey	Lube oil trading
Op Ay Akaryakıt Ticaret Ltd. Şti.	Turkey	Petroleum products trading
Akdeniz Akaryakıt Depolama Nakliyat ve Tic. A.Ş.	Turkey	Petroleum products trading
Nemrut Liman ve Boru İşl. Nak. İç ve Dış Tic. Ltd. Şti.	Turkey	Marine services
Opet Aygaz Gayrimenkul A.Ş.	Turkey	Real Estate

The total number of employees of the Group as at 30 September 2015 is 5.116 (31 December 2014- 5.067).

The address of the registered office of the Company is as follows:

Türkiye Petrol Rafinerileri A.Ş.
Güney Mahallesi
Petrol Caddesi No:25 41790
Körfez, Kocaeli

2. Basis of presentation of consolidated financial statements

2.1. Basis of presentation

2.1.1 Financial reporting standards

The interim condensed financial statements and disclosures have been prepared in accordance with the communiqué numbered II-14,1 "Communiqué on the Principles of Financial Reporting In Capital Markets" (the Communiqué) announced by the Capital Markets Board ("CMB") (hereinafter will be referred to as "the CMB Reporting Standards") on 13 June 2013 which is published on Official Gazette numbered 28676. In accordance with article 5th of the CMB Reporting Standards, companies should apply Turkish Accounting Standards/Turkish Financial Reporting Standards and interpretations regarding these standards as adopted by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA").

With the decision taken on March 17, 2005, the CMB announced that, effective from January 1, 2005, the application of inflation accounting is no longer required for listed companies in Turkey. The Group's financial statements have been prepared in accordance with this decision.

In accordance with the Turkish Accounting Standard No: 34 Interim Financial Reporting", entities are allowed to prepare a complete or condensed set of interim financial statements. In this respect, the Group has preferred to prepare condensed consolidated financial statements in the interim periods. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2014.

The Group and the group companies established in Turkey maintain their books of account and prepare their statutory financial statements ("Statutory Financial Statements") in accordance with rules and principles published by POA, the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. These consolidated financial statements have been prepared under the historical cost convention except for available for sale financial assets and derivative instruments that are carried at fair value. These consolidated financial statements are based on the statutory records with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the Turkish Financial Reporting Standards.

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in TL, which is the functional currency of Tüpraş and the presentation currency of the Group.

2.1.2 Amendments in Turkish Financial Reporting Standards (TFRS)

The new standards, amendments and interpretations

The accounting policies adopted in preparation of the interim condensed consolidated financial statements as at 30 September 2015 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1January 2015. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

2. Basis of presentation of consolidated financial statements (continued)

i) The new standards, amendments and interpretations which are effective as at 1 January 2015 are as follows:

TAS 19 Defined Benefit Plans: Employee Contributions (Amendment)

TAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. The amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. These amendments are to be retrospectively applied for annual periods beginning on or after 1 July 2014. The amendment did not have an impact on the consolidated financial statements of the Group.

Annual Improvements to TAS/TFRSs

In September 2014, POA issued the below amendments to the standards in relation to "Annual Improvements - 2010–2012 Cycle" and "Annual Improvements - 2011–2013 Cycle. The changes are effective for annual reporting periods beginning on or after 1 July 2014.

Annual Improvements - 2010–2012 Cycle

TFRS 2 Share-based Payment:

Definitions relating to performance and service conditions which are vesting conditions are clarified. The amendment is effective prospectively.

TFRS 3 Business Combinations

The amendment clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IAS 39 (or IFRS 9, as applicable). The amendment is effective for business combinations prospectively.

TFRS 8 Operating Segments

The changes are as follows: i) An entity must disclose the judgements made by management in applying the aggregation criteria in IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'. ii) The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments are effective retrospectively.

TAS 16 Property, Plant and Equipment and TAS 38 Intangible Assets

The amendment to TAS 16.35(a) and TAS 38.80(a) clarifies that revaluation can be performed, as follows:

i) Adjust the gross carrying amount of the asset to market value or ii) determine the market value of the carrying amount and adjust the gross carrying amount proportionately so that the resulting carrying amount equals the market value. The amendment is effective retrospectively.

2. Basis of presentation of consolidated financial statements (continued)

TAS 24 Related Party Disclosures

The amendment clarifies that a management entity – an entity that provides key management personnel services – is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment is effective retrospectively.

Annual Improvements – 2011–2013 Cycle

TFRS 3 Business Combinations

The amendment clarifies that: i) Joint arrangements are outside the scope of TFRS 3, not just joint ventures ii) The scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is effective prospectively.

TFRS 13 Fair Value Measurement

The portfolio exception in TFRS 13 can be applied to financial assets, financial liabilities and other contracts within the scope of TAS 39 (or TFRS 9, as applicable). The amendment is effective prospectively.

TAS 40 Investment Property

The amendment clarifies the interrelationship of TFRS 3 and TAS 40 when classifying property as investment property or owner-occupied property. The amendment is effective prospectively.

The amendments did not have a significant impact on the interim condensed consolidated financial statements of the Group.

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 condensed 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 9 Financial Instruments – Classification and measurement

As amended in December 2012 and February 2015, the new standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. Phase 1 of this new TFRS introduces new requirements for classifying and measuring financial instruments. The amendments made to TFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option (FVO) liabilities and requires that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is adopted by POA.

2. Basis of presentation of consolidated financial statements (continued)

TFRS 11 - Acquisition of an Interest in a Joint Operation (Amendment)

TFRS 11 is amended to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. This amendment requires the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in TFRS 3 Business Combinations, to apply all of the principles on business combinations accounting in TFRS 3 and other TFRSs except for those principles that conflict with the guidance in this TFRS. In addition, the acquirer shall disclose the information required by TFRS 3 and other TFRSs for business combinations. These amendments are to be applied prospectively for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments will not have an impact on the financial position or performance of the Group.

TAS 16 and TAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to TAS 16 and TAS 38)

The amendments to TAS 16 and TAS 38, have prohibited the use of revenue-based depreciation for property, plant and equipment and significantly limiting the use of revenue-based amortisation for intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments will not have an impact on the financial position or performance of the Group.

TAS 16 Property, Plant and Equipment and TAS 41 Agriculture (Amendment) – Bearer Plants

TAS 16 is amended to provide guidance that bearer plants, such as grape vines, rubber trees and oil palms should be accounted for in the same way as property, plant and equipment in TAS 16. Once a bearer plant is mature, apart from bearing produce, its biological transformation is no longer significant in generating future economic benefits. The only significant future economic benefits it generates come from the agricultural produce that it creates. Because their operation is similar to that of manufacturing, either the cost model or revaluation model should be applied. The produce growing on bearer plants will remain within the scope of TAS 41, measured at fair value less costs to sell. Entities are required to apply the amendments for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendment is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

TAS 27 Equity Method in Separate Financial Statements (Amendments to TAS 27)

In February 2015, Public Oversight Accounting and Auditing Standards Authority (POA) of Turkey issued an amendment to TAS 27 to restore the option to use the equity method to account for investments in subsidiaries and associates in an entity's separate financial statements. Therefore, an entity must account for these investments either:

- At cost
- In accordance with IFRS 9,

Or

- Using the equity method defined in TAS 28

The entity must apply the same accounting for each category of investments. The amendment is effective for annual periods beginning on or after 1 January 2016. The amendments must be applied retrospectively. Early application is permitted and must be disclosed. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

2. Basis of presentation of consolidated financial statements (continued)

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

In February 2015, amendments issued to TFRS 10 and TAS 28, to address the acknowledged inconsistency between the requirements in TFRS 10 and TAS 28 in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture, to clarify that an investor recognises a full gain or loss on the sale or contribution of assets that constitute a business, as defined in TFRS 3, between an investor and its associate or joint venture. The gain or loss resulting from the re-measurement at fair value of an investment retained in a former subsidiary should be recognised only to the extent of unrelated investors' interests in that former subsidiary. An entity shall apply those amendments prospectively to transactions occurring in annual periods beginning on or after January 1, 2016. Earlier application is permitted. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

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

In February 2015, amendments issued to TFRS 10, TFRS 12 and TAS 28, to address the issues that have arisen in applying the investment entities exception under TFRS 10 Consolidated Financial Statements. The amendments are applicable for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendment is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

TAS 1: Disclosure Initiative (Amendments to TAS 1)

In February 2015, amendments issued to TAS 1. Those amendments include narrow-focus improvements in the following five areas: Materiality, Disaggregation and subtotals, Notes structure, Disclosure of accounting policies, Presentation of items of other comprehensive income (OCI) arising from equity accounted investments. The amendments are applicable for annual periods beginning on or after 1 January 2016. Earlier application is permitted. These amendments are not expected have significant impact on the notes to the consolidated financial statements of the Group.

Annual Improvements to TFRSs - 2012-2014 Cycle

In February 2015, POA issued, Annual Improvements to TFRSs 2012-2014 Cycle. The document sets out five amendments to four standards, excluding those standards that are consequentially amended, and the related Basis for Conclusions. The standards affected and the subjects of the amendments are:

- TFRS 5 Non-current Assets Held for Sale and Discontinued Operations – clarifies that changes in methods of disposal (through sale or distribution to owners) would not be considered a new plan of disposal, rather it is a continuation of the original plan
- TFRS 7 Financial Instruments: Disclosures – clarifies that i) the assessment of servicing contracts that includes a fee for the continuing involvement of financial assets in accordance with TFRS 7; ii) the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report
- TAS 19 Employee Benefits – clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located
- TAS 34 Interim Financial Reporting –clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report

2. Basis of presentation of consolidated financial statements (continued)

The amendments are effective for annual periods beginning on or after 1 January 2016, with earlier application permitted. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

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

The following standards, interpretations and amendments to existing IFRS standards are issued by the IASB but not yet effective up to the date of issuance of the financial statements. However, these standards, interpretations and amendments to existing IFRS standards are not yet adapted/issued by the POA, thus they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the new standards and interpretations are issued and become effective under TFRS.

Annual Improvements – 2010–2012 Cycle

IFRS 13 Fair Value Measurement

As clarified in the Basis for Conclusions short-term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial. The amendment is effective immediately.

Annual Improvements – 2011–2013 Cycle

IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers. The new five-step model in the standard provides the recognition and measurement requirements of revenue. The standard applies to revenue from contracts with customers and provides a model for the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., the sale of property, plant and equipment or intangibles). IFRS 15 original effective date was January 1, 2017. However, in July 2015, IASB decided to defer the effective date to reporting periods beginning on or after January 1, 2018, with early adoption permitted. Entities will transition to the new standard following either a full retrospective approach or a modified retrospective approach. The modified retrospective approach would allow the standard to be applied beginning with the current period, with no restatement of the comparative periods, but additional disclosures are required. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

2. Basis of presentation of consolidated financial statements (continued)

IFRS 9 Financial Instruments - Final standard (2014)

In July 2014 the IASB published the final version of IFRS 9 Financial Instruments. The final version of IFRS 9 brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 is built on a logical, single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics. Built upon this is a forward-looking expected credit loss model that will result in more timely recognition of loan losses and is a single model that is applicable to all financial instruments subject to impairment accounting. In addition, IFRS 9 addresses the so-called 'own credit' issue, whereby banks and others book gains through profit or loss as a result of the value of their own debt falling due to a decrease in credit worthiness when they have elected to measure that debt at fair value. The Standard also includes an improved hedge accounting model to better link the economics of risk management with its accounting treatment. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. However, the Standard is available for early application. In addition, the own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

2.1.3 Financial statements of joint ventures operating in foreign countries

Financial statements of joint ventures operating in foreign countries are prepared according to the legislation of the country in which they operate, and adjusted to the Turkish Financial Reporting Standards to reflect the proper presentation and content. Foreign joint ventures' assets and liabilities are translated into TL with the foreign exchange rate at the balance sheet date. Exchange differences arising from the retranslation of the opening net assets of foreign undertakings and differences between the average and balance sheet date rates are included in the "currency translation differences" under the other comprehensive income statement and shareholders' equity.

2.1.4 Basis of consolidation

a) The condensed consolidated financial statements for the interim period ended 30 September 2015 have been prepared in accordance with principles stated on the consolidated financial statements for the year ended 31 December 2015 and include financial statements of Tüpraş, and its Subsidiaries.

b) At 30 September 2015, there are no changes in voting rights or proportion of effective interest on Subsidiaries and Joint Ventures that are subject to consolidation from the information stated on consolidated financial statements for the year ended 31 December 2014.

	30 September 2015		31 December 2014	
	Direct and indirect voting rights possessed by the Company (%)	**Proportion of effective interest (%)**	Direct and indirect voting rights possessed by the Company (%)	Proportion of effective interest (%)
Subsidiary				
Ditaş	**79,98**	**79,98**	79,98	79,98
Üsküdar	**79,98**	**79,98**	79,98	79,98
Damla	**79,98**	**79,98**	79,98	79,98
Beykoz	**79,98**	**79,98**	79,98	79,98
Kadıköy	**79,98**	**79,98**	79,98	79,98
Sarıyer	**79,98**	**79,98**	79,98	79,98
Kartal	**79,98**	**79,98**	79,98	79,98
Maltepe	**79,98**	**79,98**	79,98	79,98
Salacak	**79,98**	**79,98**	79,98	79,98
Karşıyaka	**79,98**	**79,98**	79,98	79,98

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

2. Basis of presentation of consolidated financial statements (continued)

The statement of financial position and statement of comprehensive income of the subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by the Company is eliminated against the related equity. Intercompany transactions and balances between the Company and its subsidiary are eliminated on consolidation. The cost of and the dividends arising from, shares held by the Company in its subsidiary are eliminated from equity and income for the year, respectively.

c) Joint ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by the Group and one or more other parties. The Group exercises such joint control through the power to exercise voting rights (relating to shares in the companies as a result of ownership interest directly and indirectly by itself whereby exercising control over the voting rights of (but does not have the economic benefit of) the shares held by them. The Group's interest in joint ventures is accounted for with equity method. Investments accounted by equity method are presented in consolidated statement of financial position with additions or deductions of changes on share of the Group on net assets of the affiliate and with deduction of provisions for the decline in the value. The comprehensive income statement presents shares of financial results of the Group's joint ventures. The changes of the amount, not reflected on income or loss of the joint venture, on the equity of the joint venture can requisite an adjustment on the net book value of the joint venture in proportion of the Group's share. The share of the Group from these changes is directly accounted under the Group's equity.

The table below shows the total interest of the Group in its joint ventures accounted by equity method as at 30 September 2015 and 31 December 2014:

	30 September 2015		31 December 2014	
	Direct and indirect voting rights possessed by the Company (%)	**Proportion of effective interest (%)**	Direct and indirect voting rights possessed by the Company (%)	Proportion of effective interest (%)
Investments accounted by equity method				
Opet	**50,00**	**40,00**	50,00	40,00
Opet International Limited (*)	**50,00**	**40,00**	50,00	40,00
Opet Trade B.V.(*)	**50,00**	**40,00**	50,00	40,00
Opet Trade Singapore(*)	**50,00**	**40,00**	50,00	40,00
THY Opet Havacılık Yakıtları A.Ş.(*)	**25,00**	**20,00**	25,00	20,00
Opet Fuchs Madeni Yağ San. ve Tic. A.Ş.(*)	**25,00**	**20,00**	25,00	20,00
Op Ay Akaryakıt Ticaret Ltd. Şti.(*)	**25,00**	**20,00**	25,00	20,00
Akdeniz Akaryakıt Depolama Nakliyat ve Tic. A.Ş.(*)	**16,65**	**13,32**	16,65	13,32
Nemrut Liman ve Boru İşl. Nak. İç ve Dış Tic. Ltd.(*)	**12,50**	**10,00**	12,50	10,00
Opet Aygaz Gayrimenkul A.Ş.(*)	**25,00**	**20,00**	25,00	20,00

(*) Related companies are consolidated or accounted by equity method in Opet's financial statements.

d) Other investments in which the Group has interest below 20%, or over which the Group does not exercise a significant influence, or which are immaterial, are classified as available-for-sale. Available-for-sale investments that do not have a quoted market price in active markets and whose fair value cannot be measured reliably are carried at cost less any provision for diminution in value (Note 9).

e) The non-controlling shareholders' share of the net assets and results for the period for the subsidiaries are classified separately in the consolidated statement of financial position and statements of comprehensive income as non-controlling interest.

2. Basis of presentation of consolidated financial statements (continued)

2.2. Changes in accounting policies

2.2.1 Comparative information

In order to allow for the determination of the financial situation and performance trends, the Group’s consolidated financial statements have been presented comparatively with the previous year.

The Group presented the consolidated statement of financial position as of 30 September 2015 comparatively with the consolidated statement of financial position as of 31 December 2014, presented the consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the interim period ended 30 September 2015 comparatively with the consolidated financial statements for the interim period ended 30 September 2014.

2.2.2 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.2.3 Convenience translation into English of consolidated financial statements

The accounting principles described in Note 2.1 to the consolidated financial statements differ from International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board with respect to the application of inflation accounting for the period between 1 January and 31 December 2005 and the presentation of the basic financial statements and the notes to them. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

2.3. Summary of significant accounting policies

Condensed consolidated financial statements for the period ended 30 September 2015, have been prepared in compliance with TAS 34, the TFRS standard on interim financial reporting. Furthermore, condensed consolidated financial statements as of 30 September 2015 have been prepared applying accounting policies which are consistent with the accounting policies used for the preparation of consolidated financial statements for the year ended 31 December 2014. Thus, these condensed consolidated financial statements must be evaluated together with the consolidated financial statements for the year ended 31 December 2014.

3. Business combinations

No business combinations occurred during the period ended 30 September 2015.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

4. Cash and cash equivalents

	30 September 2015	31 December 2014
Cash at banks		
Revenue share (blocked)	**780.495**	676.881
Time deposit	**1.694.361**	3.180.801
Demand deposits	**6.405**	30.605
Interest income accruals	**5.323**	10.109
Total	**2.486.584**	3.898.396

<u>Revenue Share (blocked):</u>

As required by the Petroleum Market License Regulation, the revenue share collected by the Group is held in banks and blocked in company records. The revenue share was invested as demand deposits with overnight interest rate as at 30 September 2015 and 31 December 2014 (Note 15).

<u>Time deposits and other cash and cash equivalents:</u>

As at 30 September 2015 and 31 December 2014, the maturity and the currency information of the time deposits, is as follows:

30 September 2015

	Less than 1 month	**1 - 3 months**	**Total**
TL	**1.029.153**	**-**	**1.029.153**
USD	**414.505**	**217.654**	**632.159**
EUR	**30.906**	**2.053**	**32.959**
GBP	**90**	**-**	**90**
Time deposit	**1.474.654**	**219.707**	**1.694.361**

31 December 2014

	Less than 1 month	1 - 3 months	Total
TL	1.816.266	-	1.816.266
USD	1.054.841	274.414	1.329.255
EUR	34.477	564	35.041
GBP	239	-	239
Time deposit	2.905.823	274.978	3.180.801

Effective interest rate of TL time deposits is 13,12%, effective interest rate of USD time deposits is 2,28%, effective interest rate of EUR time deposits is 1,40% and effective interest rate of GBP time deposits is 1,40%. (31 December 2014 - TL 11,28%, USD 2,44%, EUR 1,65% and GBP 1,65%).

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

4. Cash and cash equivalents (continued)

Cash and cash equivalents included in the consolidated statements of cash flows for the periods ended 30 September 2015 and 30 September 2014 are as follows:

	30 September 2015	30 September 2014
Cash and cash equivalents	**2.486.584**	3.728.804
Blocked deposits (Revenue share)	**(780.495)**	(646.727)
Less: Time deposit interest accruals	**(5.323)**	(3.235)
Cash and cash equivalents for cash flow purposes	**1.700.766**	3.078.842

5. Financial liabilities

	30 September 2015	31 December 2014
Short term financial liabilities:		
Short-term bank borrowings	**356.071**	40.248
Interest accruals	**60**	-
Total	**356.131**	40.248
Current portion of long-term bank borrowings:		
Current portion of long-term bank borrowings	**1.216.549**	707.211
Interest accruals of bank borrowings	**104.615**	18.992
Interest accruals of bonds issued	**39.732**	10.853
Total	**1.360.896**	737.056
Long-term financial liabilities:		
Long-term bank borrowings	**6.801.096**	5.354.476
Bonds issued (*)	**2.330.310**	1.623.230
Total	**9.131.406**	6.977.706
Total financial liabilities	**10.848.433**	7.755.010

(*) As explained in material disclosures dated 26 September, 17 October, 18 October, 30 October and 2 November 2012, Tüpraş issued bonds to foreign investors and release of these bonds were realized on 2 November 2012. Total amount of these issued bonds is USD 700 million with an interest rate of 4,125% and maturity of 2 May 2018. As explained by Tüpraş in material disclosure dated December 18, 2014, December 31, 2014, January 16, 2015 and January 19, 2015, permission for issuance of bonds to qualified investors was granted to the Company by the Capital Markets to an amount not exceeding TL 1 billion and the sale transaction of bonds with a nominal value of TL 200 million, 728-day term, 6 month coupon payments, fixed interest and principal payment at maturity, was completed on January 19, 2015.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

5. Financial liabilities (continued)

Foreign currency balances and interest rates for the short and long-term financial liabilities as at 30 September 2015 and 31 December 2014 are as follows:

			30 September 2015
	Effective interest rate (%)	**Original currency**	**Thousand TL**
Short term financial liabilities:			
USD borrowings	**2,63**	**2.300.000**	**7.000**
TL borrowings (*)	**-**	**349.070.699**	**349.071**
			356.071
Current portion of long-term financial liabilities:			
USD borrowings	**2,54**	**317.256.593**	**965.507**
EUR borrowings	**2,44**	**13.016.854**	**44.532**
TL borrowings	**12,46**	**206.509.803**	**206.510**
			1.216.549
Interest expense accruals			**144.407**
Total short-term financial liabilities			**1.717.027**
Long-term financial liabilities:			
USD borrowings	**2,42**	**1.736.822.614**	**5.285.672**
USD bonds issued	**4,17**	**700.000.000**	**2.130.310**
EUR borrowings	**3,18**	**47.590.159**	**162.815**
TL borrowings	**10,88**	**1.352.607.844**	**1.352.609**
TL bonds issued	**8,97**	**200.000.000**	**200.000**
			9.131.406
Interest expense accruals			**-**
Total long-term financial liabilities			**9.131.406**

(*) Banks provide interest-free loans to the Group for the payment of SCT, Customs and Social Security debts amounting to TL 349.071 thousand as of 30 September 2015 (31 December 2014 - TL 40.248 thousand).

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

5. Financial liabilities (continued)

			31 December 2014
	Effective interest rate(%)	Original currency	Thousand TL
Short term financial liabilities:			
TL borrowings	-	40.247.808	40.248
			40.248
Current portion of long-term financial liabilities:			
USD borrowings	2,39	195.450.402	453.230
EUR borrowings	1,98	16.593.295	46.805
TL borrowings	12,39	207.176.471	207.176
			707.211
Interest expense accruals			29.845
Total short-term financial liabilities			777.304
Long-term financial liabilities:			
USD borrowings	2,32	1.880.608.765	4.360.943
USD bonds issued	4,17	700.000.000	1.623.230
EUR borrowings	2,84	58.392.764	164.709
TL borrowings	11,42	828.823.529	828.824
			6.977.706
Interest expense accruals			-
Total long - term financial liabilities			6.977.706

As at 30 September 2015 and 31 December 2014, the redemption schedule of long-term bank borrowings is as follows:

	30 September 2015	31 December 2014
2016	**1.012.115**	1.489.233
2017	**1.974.683**	840.452
2018	**3.082.733**	2.343.280
2019	**631.931**	477.335
2020 and after	**2.429.944**	1.827.406
	9.131.406	6.977.706

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

5. Financial liabilities (continued)

In 2011, Tüpraş has signed three loan agreements in order to finance Residuum Upgrading Project and utilization of the loans started in accordance with the agreements in 2011 and continued in 2012-2015. According to financing package loan was insured by SACE and CESCE have 12 years to maturity also there will be no principal and interest payment in first 4 years. The third loan has 7 years to maturity and there will be no principal payment in first four years. As of September 30, 2015 for credit insurance payments and capital expenditures amounting to a total of USD 1.998 million were used (31 December 2014 – USD 1.984,5 million).

6. Trade receivables and payables

Short-term trade receivables (net):

	30 September 2015	31 December 2014
Trade receivables	**2.391.960**	162.968
Due from related parties (Note 31)	**770.538**	7.383
Doubtful trade receivables	**2.593**	2.593
Other trade receivables	**11**	28
Less: Unearned credit finance income	**(13.338)**	(544)
Less: Provision for doubtful receivables	**(2.593)**	(2.593)
Total short-term trade receivables (net)	**3.149.171**	169.835

As at 30 September 2015, Tüpraş has offsetted TL 669.212 thousand (31 December 2014 - TL 2.276.683 thousand) from trade receivables that are collected from factoring companies as part of the irrevocable factoring.

The credit quality of trade receivables that are neither past due nor impaired

The Group categorizes the details of credit quality of trade receivables that are neither past due nor impaired or receivables whose conditions are renegotiated under four groups. The details of credit quality of such trade receivables as at 30 September 2015 and 31 December 2014 are as follows:

	30 September 2015	31 December 2014
Group 1	**6.837**	1.308
Group 2	**75.969**	429
Group 3	**2.421.578**	60.869
Group 4	**126.341**	34.020
	2.630.725	96.626

Group 1 - New customers (less than three months)
Group 2 - State owned enterprises
Group 3 - Existing customers with no payment defaults in previous periods (have been customers by more than three months)
Group 4 - Customers with previous record of collection delays but from which all receivables due are collected (Excluding Group 1 and 2)

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

6. Trade receivables and payables (continued)

Aging analysis for trade receivables that are past due but not impaired

Aging of overdue receivables that are past due but not impaired as at 30 September 2015 and 31 December 2014 is as follows:

	30 September 2015	31 December 2014
Up to 3 months	**367.478**	56.040
3 to 12 months	**150.968**	17.169
	518.446	73.209

The Group management does not estimate a collection risk for these past due but not impaired receivables as the significant portion of these receivables is due from government entities where sales are made regularly.

Movement of the provision for doubtful receivables for the periods ended 30 September 2015 and 2014 is as follows:

	2015	2014
1 January	**2.593**	2.593
Charge for the period	**-**	-
30 September	**2.593**	2.593

Short-term trade payables:

	30 September 2015	31 December 2014
Trade payables	**4.753.794**	5.542.547
Due to related parties (Note 31)	**43.866**	67.849
Less: Unrealised credit finance charges	**(2.112)**	(395)
Total short-term trade payables (net)	**4.795.548**	5.610.001

7. Other receivables and payables

Other short-term receivables:

	30 September 2015	31 December 2014
Advances and guarantees given	**106.974**	20.339
Receivable from personnel	**8.193**	7.203
Receivable from insurance recoveries	**676**	3.324
Other doubtful receivables	**645**	645
Less: Provision for other doubtful receivables	**(645)**	(645)
Total	**115.843**	30.866

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

8. Inventories

	30 September 2015	31 December 2014
Raw materials and supplies	**901.390**	567.290
Work-in-progress	**677.151**	485.648
Finished goods	**785.054**	691.302
Trade goods	**19.318**	24.229
Goods in transit	**328.464**	681.325
Other	**11.289**	10.944
	2.722.666	2.460.738
Less: Provision for impairment in inventories	**-**	(90.204)
	2.722.666	2.370.534

As of December 31, 2014, stock impairment amounting to TL 88.949 thousand comes from finished goods and TL 1.255 thousand comes from trade goods and recognized under cost of goods sold account. Movement of the provision for inventories for the periods ended 30 September 2015 and 2014 is as follows:

	2015	2014
1 January	**90.204**	-
Charge for the period	**-**	7.227
Cancellations within the period	**(90.204)**	(7.227)
30 September	**-**	-

9. Financial investments

Long term financial investments

	30 September 2015		31 December 2014	
	Participation share (%)	Amount	Participation share (%)	Amount
Körfez Hava Ulaştırma A.Ş.	**100,00**	**4.000**	100,00	4.000
		4.000		4.000

10. Investments accounted by equity method

	30 September 2015		31 December 2014	
	Participation share (%)	Amount	Participation share (%)	Amount
OPET Petrolcülük A.Ş.	**40,00**	**707.030**	40,00	726.494
		707.030		726.494

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

10. Investments accounted by equity method (continued)

The goodwill amounting to TL 189.073 thousand arising from the purchase of Opet shares on December 28, 2006 were classified on the investment account in the financial statements.

The movement in the investments accounted by equity method during the periods ended 30 September 2015 and 2014 is as follows:

	2015	2014
1 January	**726.494**	804.168
Shares in current year profit of investments accounted by equity method	**41.259**	45.331
Dividend payment of investments accounted by equity method	**(70.000)**	(70.000)
Currency translation differences of investments accounted by equity method	**7.358**	2.373
Effects of adjustments for previous years of investments accounted by equity method	**1.919**	-
30 September	**707.030**	781.872

Condensed consolidated financial statements of investments (prior to effective ownership) accounted by equity method are as follows;

	30 September 2015	31 December 2014
Current assets	**2.283.880**	2.267.632
Non-current assets	**1.747.463**	1.840.536
Total assets	**4.031.343**	4.108.168
Short term liabilities	**1.758.437**	1.810.634
Long term liabilities	**966.982**	942.950
Equity	**1.305.924**	1.354.584
Total liabilities	**4.031.343**	4.108.168

	1 January - 30 September 2015	**1 April - 30 September 2015**	1 January - 30 September 2014	1 April - 30 September 2014
Sales, net	**13.918.355**	**5.230.004**	15.447.498	5.908.670
Gross profit	**651.703**	**260.724**	584.913	218.603
Operating profit	**280.520**	**156.622**	228.600	109.320
Net income for period	**107.945**	**84.503**	113.328	39.895

11. Investment property

At 30 September 2015, investment property represents the land amounting to TL 4.621 thousand (31 December 2014 - TL 4.621 thousand). The fair value of the investment property has been determined as TL 38.117 thousand as a result of fair value assessments (31 December 2014 – TL 38.117 thousand).

Notes to the condensed consolidated financial statements for the nine month interim period ended 30 September 2015 (continued) (Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

12. Property, plant and equipment

	1 January 2015	**Additions**	**Transfers**	**Disposals**	**30 September 2015**
Cost:					
Land	**48.862**	**-**	**-**	**(18)**	**48.844**
Land improvements	**1.656.919**	**-**	**256.466**	**(2)**	**1.913.383**
Buildings	**444.122**	**-**	**38.230**	**(133)**	**482.219**
Machinery and equipment	**5.692.599**	**-**	**160.636**	**(1.067)**	**5.852.168**
Motor vehicles	**516.853**	**89.212**	**8.312**	**(247)**	**614.130**
Furniture and fixtures	**80.955**	**658**	**9.234**	**(1.649)**	**89.198**
Construction in progress	**6.921.974**	**979.815**	**(479.670)**	**-**	**7.422.119**
Other tangible assets	**1.367**	**122**	**-**	**-**	**1.489**
	15.363.651	**1.069.807**	**(6.792)**	**(3.116)**	**16.423.550**
Accumulated depreciation:					
Land improvements	**(998.696)**	**(56.548)**	**-**	**-**	**(1.055.244)**
Buildings	**(160.461)**	**(7.447)**	**-**	**133**	**(167.775)**
Machinery and equipment	**(3.381.748)**	**(211.863)**	**-**	**885**	**(3.592.726)**
Motor vehicles	**(112.480)**	**(20.657)**	**-**	**247**	**(132.890)**
Furniture and fixtures	**(45.681)**	**(8.546)**	**-**	**1.638**	**(52.589)**
Other tangible assets	**(1.192)**	**(69)**	**-**	**-**	**(1.261)**
	(4.700.258)	**(305.130)**	**-**	**2.903**	**(5.002.485)**
Net book value	**10.663.393**				**11.421.065**

	1 January 2014	Additions	Transfers	Disposals	30 September 2014
Cost**:**					
Land	46.147	-	-	-	46.147
Land improvements	1.531.714	-	6.317	-	1.538.031
Buildings	377.543	-	4.013	-	381.556
Machinery and equipment	5.448.935	43	47.415	(356)	5.496.037
Motor vehicles	365.446	89.094	88	-	454.628
Furniture and fixtures	69.486	176	7.884	(190)	77.356
Construction in progress	4.939.958	1.802.067	(74.800)	-	6.667.225
Other tangible assets	1.367	-	-	-	1.367
	12.780.596	1.891.380	(9.083)	(546)	14.662.347
Accumulated depreciation:					
Land improvements	(935.561)	(48.073)	-	-	(983.634)
Buildings	(152.117)	(6.174)	-	-	(158.291)
Machinery and equipment	(3.237.724)	(106.989)	-	245	(3.344.468)
Motor vehicles	(95.330)	(12.376)	-	-	(107.706)
Furniture and fixtures	(37.199)	(7.588)	-	183	(44.604)
Other tangible assets	(1.102)	(70)	-	-	(1.172)
	(4.459.033)	(181.270)	-	428	(4.639.875)
Net book value	8.321.563				10.022.472

As of March 1, 2015, Tüpraş terminated capitalization of investment expenditures for the reason that the Company completed investment within the scope of Residuum Upgrading Project on a large scale. The Company compared borrowing costs arising from foreign currency borrowings as of March 1, 2015 with functional currency equivalent borrowings' interests and capitalized 1.500.660 TL thousand borrowing cost in construction in progress by using cumulative approach and foreign exchange expense amounting to TL 60.451 thousand recognized in other comprehensive income (December 31, 2014 – amounting to TL 1.181.193 thousand recognized in construction in progress). Since final progress payment of Residuum Upgrading Project has not been completed yet, the Company continues to follow investment projects under construction in progress account. For the activated parts of the Project amortization provision amounting to TL 91.537 thousand recognized and accounted under machinery and equipment account by the Company.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

12. Property, plant and equipment (continued)

Total depreciation expense amounting to TL 305.130 thousand (30 September 2014 - TL 181.270 thousand) in the consolidated statement of comprehensive income for the period ended 30 September 2015 has been allocated to cost of goods sold amounting to TL 253.896 thousand (30 September 2014 - TL 161.457 thousand), to sales and marketing expenses amounting to TL 2 thousand (30 September 2014 - TL 2 thousand), to general administration expenses amounting to TL 42.434 thousand (30 September 2014 - TL 12.239 thousand), to other expenses amounting to TL 8.798 thousand (30 September 2014 - TL 7.572 thousand).

13. Intangible assets

Other intangible assets:

The movements of intangible assets and related accumulated amortisation for the period ended 30 September 2015 is as follows:

	1 January 2015	**Additions**	**Transfers**	**Disposals**	**30 September 2015**
Cost:					
Rights and software	**49.933**	**-**	**3.725**	**-**	**53.658**
Development expenses	**54.096**	**-**	**3.067**	**(70)**	**57.093**
	104.029	**-**	**6.792**	**(70)**	**110.751**
Accumulated amortisation:					
Rights and software	**(25.436)**	**(3.744)**	**-**	**-**	**(29.180)**
Development expenses	**(18.024)**	**(8.285)**	**-**	**6**	**(26.303)**
	(43.460)	**(12.029)**	**-**	**6**	**(55.483)**
Net book value	**60.569**				**55.268**

The movements of intangible assets and related accumulated amortisation for the period ended 30 September 2014 is as follows:

	1 January 2014	Additions	Transfers	Disposals	30 September 2014
Cost:					
Rights and software	34.892	70	483	(7)	35.438
Development expenses	35.764	-	8.600	-	44.364
	70.656	70	9.083	(7)	79.802
Accumulated amortisation:					
Rights and software	(21.920)	(2.624)	-	7	(24.537)
Development expenses	(9.369)	(5.976)	-	-	(15.345)
	(31.289)	(8.600)	-	7	(39.882)
Net book value	39.367				39.920

Total amortisation expenses amounting to TL 12.029 thousand (30 September 2014 - TL 8.600 thousand) in the consolidated statement of comprehensive income for the period ended 30 September 2015 have been allocated to cost of goods sold amounting to TL 10 thousand (30 September 2014 – TL 3 thousand) and general administration expenses amounting to TL 12.019 thousand (30 September 2014 - TL 8.597 thousand).

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

14. Prepaid expenses

Short term prepaid expenses:

	30 September 2015	31 December 2014
Prepaid insurance and other expense	**53.547**	34.970
Prepaid investment loan insurance expenses (*)	**33.230**	26.013
Advances given	**36.807**	29.391
Taxes and funds to be offsetted	**15.766**	33.657
Total	**139.350**	124.031

Long term prepaid expenses:

	30 September 2015	31 December 2014
Prepaid investment loan insurance expenses (*)	**112.992**	141.406
Advances given to third parties for property, plant and equipment	**39.307**	41.530
Advances given to related parties for property, plant and equipment (Note 31)	**29.401**	75.720
Prepaid other expenses	**2.597**	1.658
Total	**184.297**	260.314

(*) The Company made the payment of the investment loans’ insurance expenses related with Residuum Upgrading Project, when these loans were utilized. Related insurance payments will be expensed within the maturity of related loans.

15. Other assets and liabilities

Other current assets:

	30 September 2015	31 December 2014
Deferred Value Added Tax (“VAT”)	**549.063**	245.986
Deferred Special Consumption Tax (“SCT”)	**92.054**	73.203
Other current assets	**19.299**	12.686
Total	**660.416**	331.875

Other non-current assets:

	30 September 2015	31 December 2014
Spare parts and materials	**719.442**	625.131
Other	**2.819**	2.338
Provision for spare parts and materials	**(28.812)**	(28.812)
Total	**693.449**	598.657

Notes to the condensed consolidated financial statements for the nine month interim period ended 30 September 2015 (continued) (Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

15. Other assets and liabilities (continued)

Other short-term liabilities:

	30 September 2015	31 December 2014
SCT payable	**1.161.412**	826.276
Revenue share	**784.703**	679.543
Deferred VAT	**549.063**	245.986
VAT payable	**443.222**	66.543
Deferred SCT	**92.054**	73.203
Other taxes and liabilities	**16.299**	36.112
Other	**12.028**	11.049
Total	**3.058.781**	1.938.712

Deferred VAT and SCT include VAT and SCT amounts related to export committed sales and are classified within "Other current assets" under assets and within "Other current liabilities" under liabilities. Such SCT and VAT amounts are offset when the export transaction is certified and the related taxes are cancelled by the tax office.

According to the Petroleum Market Law, financing needs of refinery owners to maintain the National Petroleum Stock are supplied by the revenue share, which is a surplus added to the sales price, limited to a ceiling of USD 10/ton as determined by Energy Market Regulatory Authority ("EMRA"). In the case of importation of petroleum products, the revenue share is to be paid to the refinery owner by the importer.

The Group has been collecting the revenue share over the sales of petroleum products and non-refinery imports of petroleum products since 1 January 2005, the date the relevant article of the regulation came into force.

The Group has been collecting revenue share for LPG sales since 16 September 2005 in addition to the revenue share collected for petroleum products, in accordance with the Liquefied Petroleum Gas ("LPG") Market Regulation.

It has been decided by the National Petroleum Reserves Commission that the investment management of the revenue share collected will be conducted by the General Directorate of Tüpraş, and the collected amount will be invested in overnight reverse repurchase agreements.

As a result of these regulations, the revenue share amounting to TL 784.703 thousand accumulated as at 30 September 2015 (31 December 2014 – 679.543 thousand) which is not recognized in the comprehensive income statement, has been classified as "Revenue Share" within "Other short-term liabilities". TL 780.495 thousand that is (31 December 2014 - TL 676.881 thousand) blocked in banks as demand deposits related to the calculated revenue share has been classified as "Demand deposits with special interest rates" within "Cash and cash equivalents" (Note 4).

Other long-term liabilities:

	30 September 2015	31 December 2014
Deferred revenue	**2.104**	2.648
Other	**1.723**	2.061
Total	**3.827**	4.709

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

16. Deferred income

	30 September 2015	31 December 2014
Advances taken	**50.047**	17.366
Total	**50.047**	17.366

17. Provisions

Provision for employee benefits:

Short term provision for employee benefits:

	30 September 2015	31 December 2014
Personnel bonus accruals	**43.285**	2.191
Seniority incentive bonus provision	**7.459**	4.679
Total	**50.744**	6.870

Long term provision for employee benefits:

	30 September 2015	31 December 2014
Provision for employment termination benefits	**144.435**	132.587
Provision for unused vacation	**39.969**	37.265
Seniority incentive bonus provision	**6.096**	6.171
Total	**190.500**	176.023

Seniority incentive bonus provision:

Group has an employee benefit plan called "Seniority Incentive Bonus", which is paid to the employees with a certain level of seniority.

Seniority incentive bonus is paid to personnel together with their monthly salary when certain seniority levels are reached. The bonus amounts to 45 days of salary for 5 years of seniority level, 55 days of salary for 10 years of seniority level, 70 days of salary for 15 years of seniority level, 80 days of salary for 20 years of seniority level, 90 days of salary for 25 years of seniority level and 100 days of salary for 30 years of seniority level, paid once for each seniority level.

The movements in the provision for seniority incentive bonus during the period are as follows:

	2015	2014
1 January	**10.850**	8.326
Charge for the period	**5.669**	4.284
Payments during the period	**(2.964)**	(1.562)
30 September	**13.555**	11.048

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

17. Provisions (continued)

Provision for employment termination benefits:

Under the Labour Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). Since the legislation was changed on May 23, 2002, there are certain transitional provisions relating to length of service prior to retirement.

As at 30 September 2015, the amount payable consists of one month's salary limited to a maximum of TL 3.828,37 (31 December 2014 - TL 3.438,22) for each year of service as at 30 September 2015.

The liability is not funded, as there is no funding requirement.

The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees.

TAS 19 requires that actuarial valuation methods to be developed to estimate the Group's employment termination benefit provision. The following actuarial assumptions have been used in the calculation of the total provision:

	30 September 2015	31 December 2014
Discount rate (%)	**3,50%**	3,50%
Turnover rate to estimate probability of retirement (%)	**99,52%**	99,52%

The principal assumption is that maximum liability of employment termination benefits for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of TL 3.828,37, which is effective as at 30 September 2015, has been taken into consideration in calculating the provision for employment termination benefits of the Group (31 December 2014 - TL 3.438,22).

The movement in the provision for employment termination benefits during the period is as follows:

	2015	2014
1 January	**132.587**	114.551
Interest expense	**8.115**	8.176
Increase during the period	**17.160**	7.503
Payments during the period	**(13.427)**	(9.343)
30 September	**144.435**	120.887

Notes to the condensed consolidated financial statements for the nine month interim period ended 30 September 2015 (continued) (Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

17. Provisions (continued)

Provision for unused vacation:

The movement in the provision for unused vacation during the period is as follows:

	2015	2014
1 January	**37.265**	31.727
Charge for the period	**5.750**	5.846
Payments during the period	**(3.046)**	(2.095)
30 September	**39.969**	35.478

Other short term provisions:

	30 September 2015	31 December 2014
Short-term provisions:		
EMRA participation share	**21.162**	14.635
Provision of pending claims and lawsuits	**13.604**	13.743
Provision for tax penalty	**-**	54.998
Other	**31.706**	18.578
Total short-term provisions	**66.472**	101.954

Tax Penalty

As a result of the tax inspection on the Company started by the Ministry of Finance Tax Inspection Board, the "Tax Inspection Reports and Tax and Penalty Notices" prepared with regard to the issues criticized by the tax inspectors, mentioned in the material disclosure dated July 24, 2013, were communicated to the Company on January 8, 2015. regarding the Tax and Penalty Notices for which a total principle tax of TL 65,6 million and a tax penalty of TL 94,4 million was claimed, a settlement was reached as a result of the discussions held with the Central Reconciliation Committee on February 26, 2015 within the scope of the settlement provisions of the Tax Procedure Law for the Company to pay a total of TL 54.998 thousand for the amounts imposed including interest, and the legal process regarding the dispute was concluded. In its financial statements dated December 31, 2014, the Company recognized the provision amounting to TL 54.998 thousand in the short-term provisions. Related penalty was paid on March, 18 2015.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

17. Provisions (continued)

Movement of the short-term provisions for the periods ended 30 September 2015 and 2014 is as follows:

	Provision for pending claims and lawsuits	EMRA Participation share	Competition Authority Penalty	Provision for tax penalty	Other	Total
1 January 2015	13.743	14.635	-	54.998	18.578	101.954
Charges for the period, net	158	15.441	-	-	13.128	28.727
Payments during the period	(297)	(8.914)	-	(54.998)	-	(64.209)
30 September 2015	13.604	21.162	-	-	31.706	66.472
1 January 2014	12.305	13.989	309.011	-	24.345	359.650
Charges for the period, net	55	15.063	-	-	2.722	17.730
Payments during the period	(128)	(11.187)	(309.011)	-	-	(320.326)
30 September 2014	12.122	17.865	-	-	27.067	57.054

EMRA participation share is the participation fee that is paid by the refinery license owners in accordance with the Petroleum Market License Regulation, calculated by multiplying net sales with the participation share rate determined by EMRA.

18. Liabilities for employee benefits

	30 September 2015	31 December 2014
Due to the personnel	**17.433**	79.677
Social security withholdings payment	**15.568**	13.620
Total	**33.001**	93.297

19. Other payables

	30 September 2015	31 December 2014
Deposits and guarantees received	**8.653**	10.282
Total	**8.653**	10.282

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

20. Derivative instruments

	30 September 2015			31 December 2014		
		Fair values			Fair values	
	Contract amount	**Assets**	**Liabilities**	Contract amount	Assets	Liabilities
Cash flow hedge						
Interest rate swap	**2.167.530**	**-**	**21.445**	1.159.450	-	68
Cross currency swap	**912.990**	**20.886**	**20.523**	-	-	-
Derivatives held for trading						
Currency forwards	**2.160.743**	**473.968**	**-**	1.646.419	64.606	-
Commodity hedge transactions	**1.314.409**	**8.830**	**-**	-	-	-
Short term derivative financial instruments		**503.684**	**41.968**		64.606	68
Cash flow hedge						
Interest rate swap	**2.167.530**	**-**	**33.969**	1.159.450	-	491
Cross currency swap	**912.990**	**287.003**	**29.112**	-	-	-
Long term derivative financial instruments		**287.003**	**63.071**		-	491
Total derivative financial instruments		**790.687**	**105.039**		64.606	559

As of September 30 2015 and December 31 2014, forward foreign exchange transactions consist of forward transactions signed between Tüpraş and various finance institutions which generate a sales obligation of TL 1.709.110 thousand in exchange for a purchase of USD 710.000 thousand and which will expire on December 31, 2015.

As of September 30, 2015, interest rate swap consists of exchange of floating rate instalment payments of Tüpraş's long term borrowings amounting to USD 650.000 (December 31, 2014 - USD 500.000 thousand) thousand and Ditaş's long term borrowings amounting to EUR 55.356 thousand (December 31, 2014 – None) with fixed rate instalment payments for cash flow hedging.

As of September 30, 2015, cross currency swap transactions consist of swap transaction foreign currency indexed, fixed interest rate long-term bonds amounting to USD 200.000 thousand and TL currency indexed with fixed interest payment amounting to TL 463.875 thousand (December 31, 2014 – None), and swap transaction with floating rate amounting to USD 100.000 thousand and long-term borrowings with fixed interest payment amounting to TL 232.000 thousand.

As of September 30, 2015, futures commodity hedge transactions (Brent Crude Oil Futures Asian Swap Deals) have been made by Tüpraş for 8,5 million barrels that has been exposed to market price risk. The weighted average price of commodity hedge transactions (Brent Crude Oil Futures Asian Swap Deals) is 50,81USD/barrels and this transaction will expire on 31 December 2015. Tüpraş generates a sales obligation of TL 1.323.239 thousand in exchange for a purchase of TL 1.314.409 thousand.

21. Government grants

The Company has obtained certificate of research and development center and the execution of Technology and Innovation Support Programs Administration Project ("TEYDEB") with incentive and the existence of research and development center have enabled the Company to benefit from government incentives (research and development deduction, income tax stoppage incentive, social security premium support and stamp tax exemption) according to Law, no 5746, Supporting Research and Development Activities.

In this context, as of September 30, 2015, the Company's expenditures within scope of R&D center amounted to TL 6.654 thousand (September 30, 2014 - TL 9.473 thousand), within scope of TEYDEB amounted to TL 2.714 thousand (September 30, 2014 – TL 2.857 thousand). As of September 30, 2015, TL 2.431 thousand (September 30, 2014 – TL 2.749 thousand) is recorded as incentive income out of total R&D expenditures.

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

21. Government grants (continued)

In the first period of 2011, within the scope of the decree of the Council of Ministers dated 14 July 2009 and numbered 2009/15199, the Company was granted a large-scaled investment incentive. Within the scope of the subject legislation, the Company can deduct 30% of its investment expenditures related with the new investment, with a discount rate of 50% from tax base in accordance with the legislation provisions, at the time investment is completed and the revenue is started to be recognized. As of 7 October 2013, Residuum Upgrading Project was granted Strategic Investment Incentive by Incentive Implementation and Foreign Investment Department of Ministry of Economy of Republic of Turkey that would be applicable after 19 October 2012. Within the scope of the Strategic Investment, the Company can deduct 50% of its investment expenditures related with the new investment, with a discount rate of 90% from tax base in accordance with the legislation provisions. Accordingly, as of 30 September 2015, investment expenditures amounting to TL 8.053.785 thousand (31 December 2014- TL 6.297.223 thousand) has been made and tax advantages amounting to TL 3.684.446 thousand (31 December 2014 – TL 2.888.214 thousand) has been realized to be used in future periods. Moreover, as of 30 September 2015 within the scope of the Strategic Investment the Company offset TL 154.756 thousand from tax base (31 December 2014 - TL 72.933 thousand). Besides, the Company benefits from VAT exemption, VAT refund, exemption from customs duty, incentive for employer share of insurance premium and interest incentive within scope of Strategic Investment Incentive.

On 11 April, 2013, the Company was granted an investment incentive from Incentive Implementation and Foreign Investment Department of Ministry of Economy of Republic of Turkey for the purchasing of the wagons worth TL 75.000 thousand to be used in intercity railroad transportation. Support elements of this investment is to benefit from are, VAT exemption, interest incentive, customs duty exemption, tax discount rate (80%), rate of contribution to investment (40%) and employer's social security premium contribution (7 years).

On September 23, 2014, the Company was granted an investment incentive from Incentive Implementation and Foreign Investment Department of Ministry of Economy of Republic of Turkey for Modernization of Batman Refinery project. Support elements of this investment is to benefit from are, VAT exemption, tax discount rate (90%), rate of contribution to investment (50%) and interest incentive.

İzmir Refinery received investment incentive on October 9, 2013 from Incentive Implementation and Foreign Investment Department of Ministry of Economy of Republic of Turkey in scope of environmental project of Oil Sublimation and Recycling of Flare Gas. Investment benefits are VAT exemption, interest incentive and exemption from customs duty.

The Group has benefited from insurance premium employer share incentives with 5% according to Law, no 5510.

As of 30 September 2015 and 30 September 2014, the revenues (totally recognized in consolidated statements of profit or loss) of the Group from government incentives and grants are as follows:

	30 September 2015	30 September 2014
Interest incentive	**17.065**	16.089
Social security withholdings incentives	**17.893**	15.665
Research and development incentives	**2.431**	2.749
Total	**37.389**	34.503

Notes to the condensed consolidated financial statements for the nine month interim period ended 30 September 2015 (continued) (Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

22. Commitments and contingent assets and liabilities

	30 September 2015		31 December 2014	
Guarantees received:	**Original balances:**	**TL Amount:**	Original balances:	TL amount:
Letter of guarantees received		**2.183.302**		1.957.607
- Letter of guarantees in TL	***924.344***	***924.344***	*768.269*	*768.269*
- Letter of guarantees in USD	***374.342***	***1.139.236***	*470.579*	*1.091.224*
- Letter of guarantees in EUR	***32.821***	***112.288***	*32.306*	*91.126*
- Letter of guarantees in other currencies	***-***	***7.434***	*-*	*6.988*
Guarantee notes received		**38.471**		65.955
- Guarantee notes in TL	***33.750***	***33.750***	*62.273*	*62.273*
- Guarantee notes in other currencies	***-***	***4.721***	*-*	*3.682*
Guarantee letters received		**202.165**		165.945
- Guarantee letters received - TL	***50.000***	***50.000***	50.000	50.000
- Guarantee letters received - USD	***50.000***	***152.165***	50.000	115.945
Commitments received		**7.152**		*8.351*
- Commitment in USD	***2.350***	***7.152***	*2.350*	*5.449*
- Commitment in other currencies	***-***	***-***	*-*	*2.902*
Total guarantees received		**2.431.090**		2.197.858
Guarantees given:				
Letter of credits given		**357.060**		511.663
- Letter of credits in USD	***108.069***	***328.885***	*218.838*	*507.463*
- Letter of credits in EUR	***8.235***	***28.175***	*1.379*	*3.890*
- Letter of credits in other currencies	***-***	***-***	*-*	*310*
Letter of guarantees given		**408.586**		306.474
- Letter of guarantees in TL	***347.111***	***347.111***	*259.632*	*259.632*
- Letter of guarantees in USD	***20.200***	***61.475***	*20.200*	*46.842*
Letters of guarantee given to customs offices		**1.604.549**		1.429.270
- Letter of guarantees in TL	***1.563.495***	***1.563.495***	*1.395.422*	*1.395.422*
- Letter of guarantees in EUR	***12.000***	***41.054***	*12.000*	*33.848*
Letters of guarantee given to banks		**266.757**		258.950
- Letter of guarantees in USD	***23.513***	***71.557***	*36.253*	*84.067*
- Letter of guarantees in EUR	***57.056***	***195.200***	*62.000*	*174.883*
Total guarantees given		**2.636.952**		2.506.357

As at 30 September 2015 and 31 December 2014, letter of guarantees received are composed of guarantees from customers and suppliers. Guarantees given are mainly composed of guarantees given to government entities and customs offices. As at 30 September 2015, letters of guarantee given to banks are given for loans which were used by Companies within scope of consolidation amounting to TL 260.941 thousand (31 December 2014 - TL 258.950 thousand) and for derivative financial instruments amounting to TL 5.816 thousand (31 December 2014 - None).

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

22. Commitments and contingent assets and liabilities (continued)

Collaterals, pledges, mortgages given by the Group as at 30 September 2015 and 31 December 2014 are as follows:

	30 September 2015	31 December 2014
A. CPMs given for companies in the name of its own legal personality	**2.370.195**	2.247.407
B.CPMs given on behalf of the fully consolidated companies	**266.757**	258.950
C. CPMs given for continuation of its economic activities on behalf of third parties	**-**	-
D. Total amount of other CPMs	**-**	-
i) Total amount of CPMs given on behalf of the majority shareholder	**-**	-
ii) Total amount of CPMs given to on behalf of other Group companies which are not in scope of B and C.	**-**	-
iii) Total amount of CPMs given on behalf of third parties which are not in scope of C.	**-**	-
	2.636.952	2.506.357

23. Equity

The Company's shareholders and their shareholding percentages as at 30 September 2015 and 31 December 2014 are as follows:

	30 September 2015	**Share (%)**	31 December 2014	Share (%)
Enerji Yatırımları A.Ş	**127.714**	**51**	127.714	51
Publicly owned	**122.705**	**49**	122.705	49
Total	**250.419**	**100**	250.419	100
Adjustment to share capital	**1.344.243**		1.344.243	
Total paid-in capital	**1.594.662**		1.594.662	

"Adjustment to share capital" represents the restatement effect of cash and cash equivalent contributions to share capital measured in accordance with the CMB Financial Reporting Standards.

Registered capital of the Company is TL 500.000 thousand and is divided into 50.000.000.000 shares with a registered nominal value of 1 Kuruş ("Kr") (31 December 2014 - 1 Kr) each. The authorised and paid-in share capital of the Company comprises 25.041.919.999 Group A shares with a registered nominal value of Kr1 and one Group C share with privileges belonging to the Privatisation Administration.

As per the articles of association of the Company, one member of the Board of Directors should be nominated by the Group C shareholders. Board of Directors' decisions on the supply needs of petroleum products of the Turkish military forces requires the consent of the member representing the Group C shareholders.

23. Equity (continued)

Retained earnings, as per the statutory financial statements other than legal reserves, are available for distribution, subject to the legal reserve requirement referred to below.

Restricted reserves

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code ("TCC"). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum until the total reserve reaches 20% of the Company's paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can only be used to offset loss and are not available for any other usage unless the reserve exceeds 50% of paid-in share capital.

In accordance with Turkish Financial Reporting Standards the aforementioned amounts should be classified under "Restricted Reserves". At 30 September 2015, the restricted reserves of the Company (Tüpraş) amount to TL 163.401 thousand (31 December 2014 - TL163.401 thousand).

Dividend distribution

Listed companies distribute dividend in accordance with the Communiqué No. II-19.1 issued by the CMB which is effective from February 1, 2014.

Companies distribute dividends in accordance with their dividend payment policies settled and dividend payment decision taken in general assembly and also in conformity with relevant legislations. The communiqué does not constitute a minimum dividend rate. Companies distribute dividend in accordance with the method defined in their dividend policy or articles of incorporation. In addition, dividend can be distributed by fixed or variable instalments and advance dividend can be paid in accordance with profit on interim financial statements.

In accordance with the Turkish Commercial Code (TCC), unless the required reserves and the dividend for shareholders as determined in the article of association or in the dividend distribution policy of the company are set aside, no decision may be made to set aside other reserves, to transfer profits to the subsequent year or to distribute dividends to the holders of usufruct right certificates, to the members of the board of directors or to the employees; and no dividend can be distributed to these persons unless the determined dividend for shareholders is paid in cash.

The total amount of net income of the Company in the statutory records and other equity accounts subject to dividend distribution amount to TL 2.116.194 thousand as at 30 September 2015. This amount includes inflation adjustment differences of the equity accounts amounting to TL 1.698.998 thousand and other reserves amounting to TL 16.115 thousand which are subject to corporate taxation when distributed as dividends.

In the period ended 31 December 2014, the Company committed to make dividend payment in cash amounting to TL 396.163 thousand which is the total amount remained after first and second composition legal reserves deducted from 2013 distributable net profit of the period and a portion of second composition legal reserves. The Company paid a cash dividend at the rate of 158,2% which corresponds to TL 1,582 gross and TL 1,582 net cash dividend for the shares with a nominal value of TL 1,00 to institutional shareholders who are full taxpayers or limited liable taxpayers and obtain dividends through a business or permanent representative in Turkey. The Company paid also a cash dividend at the rate of 158,2%, which corresponds to TL 1,582 gross and TL 1,3447 net cash dividend for the shares with a nominal value of TL 1,00 to other shareholders.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

24. Revenue and cost of sales

	1 January - 30 September 2015	**1 July - 30 September 2015**	1 January - 30 September 2014	1 July - 30 September 2014
Domestic revenue	**22.140.297**	**8.840.232**	24.756.207	9.443.977
Export revenue	**5.916.877**	**1.657.625**	5.946.402	2.390.488
Service revenue	**85.861**	**24.258**	73.181	14.467
Gross revenue	**28.143.035**	**10.522.115**	30.775.790	11.848.932
Less: Sales discounts	**(120.119)**	**(70.940)**	(81.302)	(32.683)
Less: Sales returns	**(28.104)**	**(5.671)**	(8.748)	(4.682)
Sales (net)	**27.994.812**	**10.445.504**	30.685.740	11.811.567
Cost of goods sold	**(23.721.741)**	**(8.614.780)**	(27.563.838)	(10.434.752)
Cost of trade goods sold	**(1.371.860)**	**(604.541)**	(2.046.886)	(763.492)
Cost of services	**(29.257)**	**(7.210)**	(38.324)	(13.654)
Gross profit	**2.871.954**	**1.218.973**	1.036.692	599.669

Cost of sales:

	1 January - 30 September 2015	**1 July - 30 September 2015**	1 January - 30 September 2014	1 July - 30 September 2014
Raw materials	**22.209.610**	**8.039.556**	26.369.826	10.049.948
Cost of trade goods sold	**1.371.860**	**604.541**	2.046.886	763.492
Energy expenses	**696.046**	**260.142**	571.075	206.259
Personnel expenses	**332.702**	**123.316**	247.941	76.856
Depreciation and amortization (Note 12-13)	**253.906**	**105.542**	161.460	52.479
Other production expenses	**258.734**	**93.434**	251.860	62.864
Cost of sales	**25.122.858**	**9.226.531**	29.649.048	11.211.898

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

25. General administrative expenses, marketing and selling expenses and research and development expenses

General administrative expenses:

	1 January - 30 September 2015	**1 July - 30 September 2015**	1 January - 30 September 2014	1 July - 30 September 2014
Personnel expenses	**177.195**	**65.133**	145.708	52.798
Insurance expenses	**55.375**	**24.523**	33.497	11.168
Depreciation and amortisation expenses (Note 12-13)	**54.453**	**24.734**	20.836	7.444
Taxes and duties	**48.510**	**19.007**	45.346	17.883
Outsourced services	**31.663**	**12.725**	28.850	9.681
Lawsuit and consultancy expenses	**15.493**	**4.359**	20.626	3.597
Office expenses	**15.803**	**5.564**	14.685	5.268
Subscription fees	**14.396**	**5.073**	11.346	4.207
Rent expenses	**8.989**	**3.466**	13.322	4.381
Transportation and travel expenses	**1.327**	**407**	1.754	538
Donations	**1.043**	**511**	749	605
Other	**22.390**	**8.767**	18.198	4.810
Total general administrative expenses	**446.637**	**174.269**	354.917	122.380

Marketing, selling and distribution expenses:

	1 January - 30 September 2015	**1 July - 30 September 2015**	1 January - 30 September 2014	1 July - 30 September 2014
Personnel expenses	**48.470**	**18.298**	44.213	14.934
Outsourced services	**32.574**	**11.495**	25.827	8.620
Carriage, storage and insurance expenses	**26.212**	**12.987**	26.263	13.020
Rent expenses	**6.349**	**2.335**	5.290	1.757
Energy expenses	**1.918**	**586**	3.513	1.359
Advertising expenses	**1.350**	**722**	6.386	5.465
Depreciation and amortisation expenses (Note 12)	**2**	**1**	2	-
Other	**13.945**	**5.416**	12.066	4.279
Total marketing, selling and distribution expenses	**130.820**	**51.840**	123.560	49.434

Research and development expenses:

	1 January - 30 September 2015	**1 July - 30 September 2015**	1 January - 30 September 2014	1 July - 30 September 2014
Personnel expenses	**13.943**	**4.416**	9.196	3.041
Licence expenses	**1.321**	**-**	-	-
Outsourced services	**973**	**165**	1.044	892
Lawsuit and consultancy expenses	**157**	**27**	219	92
Other	**679**	**272**	973	409
Total research and development expenses	**17.073**	**4.880**	11.432	4.434

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

26. Other operating income/(expenses)

Other operating income:	**1 January - 30 September 2015**	**1 July - 30 September 2015**	1 January - 30 September 2014	1 July - 30 September 2014
Credit finance gains	**82.804**	**29.724**	121.327	42.167
Foreign exchange gain from trade receivables	**12.002**	**6.664**	4.713	4.713
Foreign exchange gain from trade payables	**-**	**-**	-	(69.627)
Rent income	**2.297**	**954**	2.079	806
Other	**6.255**	**2.783**	5.209	1.701
Total other operating income	**103.358**	**40.125**	133.328	(20.240)

Other operating expense:	**1 January - 30 September 2015**	**1 July - 30 September 2015**	1 January - 30 September 2014	1 July - 30 September 2014
Idle capacity expenses				
- Amortisation expenses (Note 12)	***(8.798)***	***(1.200)***	*(7.572)*	*(4.695)*
- Other idle capacity expenses	***(26.238)***	***(5.087)***	*(24.224)*	*(11.656)*
Foreign exchange loss from trade payables	**(755.345)**	**(421.603)**	(236.409)	(236.409)
Foreign exchange loss from trade receivables	**-**	**-**	-	4.281
Credit finance charges	**(4.726)**	**(1.794)**	(6.851)	(2.430)
Other	**(18.040)**	**(4.335)**	(2.713)	(1.617)
Total other operating expense	**(813.147)**	**(434.019)**	(277.769)	(252.526)

27. Income/(expense) from investment activities

	1 January - 30 September 2015	**1 July - 30 September 2015**	1 January - 30 September 2014	1 July - 30 September 2014
Gains/(losses) on sales of property plant and equipment and intangible assets, net	**769**	**557**	(29)	(7)
Total income/(expense) from investment activities	**769**	**557**	(29)	(7)

28. Financial income/(expenses)

	1 January - 30 September 2015	**1 July - 30 September 2015**	1 January - 30 September 2014	1 July - 30 September 2014
Financial income:				
Foreign exchange gains on deposits	**467.651**	**233.274**	202.115	202.115
Foreign exchange gains on derivative instruments	**418.193**	**219.607**	55.736	55.736
Interest income on deposits	**116.395**	**55.343**	95.265	33.571
Foreign exchange gains on borrowings	**-**	**-**	-	(35.505)
Total financial income	**1.002.239**	**508.224**	353.116	255.917
Financial expenses:				
Foreign exchange losses on borrowings	**(1.046.148)**	**(498.253)**	(301.662)	(301.662)
Interest expenses	**(384.144)**	**(137.316)**	(219.072)	(57.369)
Foreign exchange losses on deposits	**-**	**-**	-	47.353
Foreign exchange losses on derivative instruments	**-**	**-**	-	19.776
Other	**(3.231)**	**(1.149)**	(1.007)	(218)
Total financial expense	**(1.433.523)**	**(636.718)**	(521.741)	(292.120)

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

29. Tax assets and liabilities

i) Corporation tax:

	30 September 2015	31 December 2014
Current period corporate tax provision	**12.790**	5.147
Current year tax assets	**(1.916)**	(1.235)
Corporation tax provision	**10.874**	3.912

Turkish tax legislation does not permit a parent company, its subsidiaries and its joint ventures to file a consolidated tax return. Therefore, provisions for taxes, as reflected in these consolidated financial statements, have been calculated on an individual-entity basis.

The corporation tax rate for the fiscal year 2015 is 20 % (2014 - 20%). Corporation tax is payable at a rate of 20% on the total income of the companies after adjusting for certain disallowable expenses, corporate income tax exemptions (participation exemption, investment allowance, etc.) and allowances (as research and development expenditures deduction).

Investment incentive income

In the first period of 2011, within the scope of the decree of the Council of Ministers dated 14 July 2009 and numbered 2009/15199, the Company was granted a large-scaled investment incentive. Within the scope of the subject legislation, the Company can deduct 30% of its investment expenditures related with the new investment, with a discount rate of 50% from tax base in accordance with the legislation provisions, at the time investment is completed and the revenue is started to be recognized. As of 7 October 2013, Residuum Upgrading Project was granted Strategic Investment Incentive by Incentive Implementation and Foreign Investment Department of Ministry of Economy of Republic of Turkey that would be applicable after 19 October 2012. Within the scope of the Strategic Investment, the Company can deduct 50% of its investment expenditures related with the new investment, with a discount rate of 90% from tax base in accordance with the legislation provisions. Accordingly, as of 30 September 2015, investment expenditures amounting to TL 8.053.785 thousand (31 December 2014 - TL 6.297.223 thousand) has been made and tax advantages amounting to TL 3.684.446 thousand (31 December 2014 – TL 2.888.214 thousand) has been realized to be used in future periods. Moreover, as of 30 September 2015 within the scope of the Strategic Investment the Company offset TL 154.756 thousand from tax base (31 December 2014 – TL 72.933 thousand)

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

29. Tax assets and liabilities (continued)

The analysis of cumulative temporary differences and the related deferred tax assets and liabilities in respect of items for which deferred income tax has been provided as at 30 September 2015 and 31 December 2014 using the enacted tax rates are as follows:

	Cumulative temporary Differences		Deferred tax asset/(liability)	
	30 September 2015	31 December 2014	**30 September 2015**	31 December 2014
Difference between the carrying values and tax base of property, plant, equipment and intangible assets	**226.687**	1.107.247	**(45.337)**	(221.449)
Gain on derivative instruments	**720.363**	64.606	**(144.073)**	(12.921)
Prepaid expenses	**146.222**	167.419	**(29.244)**	(33.484)
Financial assets fair value difference	**57.112**	57.112	**(2.856)**	(2.856)
Deferred tax liability			**(221.510)**	(270.710)
Investment incentive income	**8.053.785**	6.297.223	**3.684.446**	2.888.214
Investment incentive income net-offed by tax base within the scope of Strategic Investment Incentive			**(154.756)**	(72.933)
Employment termination benefits and seniority incentive bonus provision	**155.363**	141.395	**31.072**	28.279
Provision for unused vacation liability	**38.014**	35.550	**7.602**	7.110
Provision for tax penalty	**-**	31.302	**-**	6.260
Provision for impairment on spare parts	**28.812**	28.812	**5.762**	5.762
Provisions for pending claims and lawsuits	**13.604**	13.743	**2.721**	2.749
Impairment on inventories	**-**	90.204	**-**	18.041
Fair value difference of derivative financial İnstruments	**1.606**	559	**321**	112
Unearned credit finance income, (net)	**11.226**	148	**2.245**	30
Other	**54.273**	51.100	**10.855**	10.220
Deferred tax assets			**3.590.268**	2.893.844
Deferred tax asset / (liability), net			**3.368.758**	2.623.134

The movement of deferred taxes is as follows:

	2015	2014
Deferred tax asset / (liability), net		
1 January	**2.623.134**	1.330.197
Charge to the income statement	**576.465**	977.067
Charge to equity		
- Hedging reserve	**185.469**	-
- Adjustments for tax effects of previous years	**(16.310)**	-
30 September	**3.368.758**	2.307.264

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

30. Earnings per share

	1 January - 30 September 2015	**1 July - 30 September 2015**	1 January - 30 September 2014	1 July - 30 September 2014
Profit for the year attributable to shareholders of the Company	**1.735.255**	**750.023**	1.246.256	377.368
Weighted average number of shares with nominal value of Kr 1 each	**25.041.920.000**	**25.041.920.000**	25.041.920.000	25.041.920.000
Basic and diluted earnings per share in Kr	**6,93**	**3,00**	4,98	1,51

31. Related party transactions

Related party transactions were classified according to the following groups and contain all descriptions in this footnote.

(1) Joint ventures
(2) Companies in which ultimate parent is shareholder
(3) Ultimate parent

a) Deposits:

	30 September 2015	31 December 2014
Yapı ve Kredi Bankası A.Ş. (2)	**1.382.782**	2.508.007
Total	**1.382.782**	2.508.007

b) Due from related parties:

	30 September 2015	31 December 2014
Opet Petrolcülük A.Ş. (1)	**345.160**	1.671
THY OPET Havacılık Yakıtları A.Ş. (1)	**362.236**	1.869
Aygaz A.Ş. (2)	**57.995**	1.503
Opet Fuchs Madeni Yağ San. ve Tic. A.Ş. (1)	**5.143**	2.337
Other(2)	**4**	3
Total	**770.538**	7.383

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

31. Related party transactions (continued)

c) Due to related parties:

	30 September 2015	31 December 2014
Aygaz A.Ş. (2)	**20.132**	11.130
Opet Petrolcülük A.Ş. (1)	**5.252**	4.719
Ark İnşaat A.Ş. (2)	**5.041**	13.459
Koç Sistem Bilgi ve İletişim A.Ş. (2)	**3.681**	4.985
Eltek Elektrik Enerjisi İthalat, İhracat ve Toptan Tic. A.Ş. (2)	**1.903**	2.596
Ram Sigorta Aracılık Hizmetleri A.Ş. (2)	**1.510**	8.583
Zer Merkezi Hizmetler ve Ticaret A.Ş. (2)	**814**	10.704
Setur Servis Turistik A.Ş. (2)	**70**	2.234
Other (2)	**5.463**	9.439
Total	**43.866**	67.849

d) Advances given for property, plant and equipment:

	30 September 2015	31 December 2014
RMK Marine Gemi Yapım Sanayii ve Deniz Taşımacılığı İşl. A.Ş. (2)	**21.947**	75.720
Ark İnşaat A.Ş. (2)	**7.454**	-
Total	**29.401**	75.720

e) Bank borrowings:

	30 September 2015	31 December 2014
Yapı ve Kredi Bankası A.Ş. (2)	**14.677**	22.791
Total	**14.677**	22.791

f) Product and service sales:

	1 January - 30 September 2015	**1 July - 30 September 2015**	1 January - 30 September 2014	1 July - 30 September 2014
THY OPET Havacılık Yakıtları A.Ş. (1)	**3.676.315**	**1.447.682**	4.337.557	1.650.705
Opet Petrolcülük A.Ş. (1)	**2.553.095**	**991.321**	3.932.279	2.164.892
Aygaz A.Ş. (2)	**246.564**	**82.321**	438.615	204.921
Opet-Fuchs Madeni Yağ A.Ş. (1)	**21.503**	**6.922**	31.430	10.028
Other (2)	**1.084**	**87**	5.956	568
Total	**6.498.561**	**2.528.333**	8.745.837	4.031.114

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

31. Related party transactions (continued)

g) Goods and services purchased:

	1 January - 30 September 2015	**1 July - 30 September 2015**	1 January - 30 September 2014	1 July - 30 September 2014
Aygaz A.Ş. (2)	**300.171**	**118.857**	293.397	103.248
Ram Sigorta Aracılık Hizmetleri A.Ş. (2) (*)	**82.745**	**6.912**	17.364	3.873
Opet Petrolcülük A.Ş. (1)	**66.369**	**35.572**	41.823	12.375
THY OPET Havacılık Yakıtları A.Ş. (1)	**51.214**	**13.190**	45.899	17.069
Ark İnşaat A.Ş. (2)	**45.621**	**15.097**	2.972	853
Zer Merkezi Hizmetler ve Ticaret A.Ş. (2)	**34.891**	**8.995**	30.843	11.688
Koç Sistem Bilgi ve İletişim A.Ş. (2)	**17.297**	**7.312**	13.361	7.143
Eltek Elektrik Enerjisi İth., İhr. ve Toptan Tic. A.Ş. (2)	**16.287**	**7.794**	15.680	5.560
Koç Holding A.Ş. (3)	**9.413**	**4.282**	9.288	3.573
Otokoç Otomotiv Tic. ve San. A.Ş. (2)	**5.482**	**1.828**	5.685	1.675
RMK Marine Gemi Yapım Sanayii ve Deniz Taşımacılığı İşl. A.Ş. (2)	**4.714**	**-**	-	-
Opet-Fuchs Madeni Yağlar (1)	**1.812**	**477**	1.400	562
Other (2)	**19.086**	**7.843**	18.737	10.317
Total	**655.102**	**228.159**	496.449	177.936

(*) Includes paid and accrued insurance premiums in the periods ended 30 September 2015 and 2014 in connection with insurance policies signed with insurance companies through RAM Sigorta Aracılık Hizmetleri A.Ş acting as an intermediary insurance agency.

h) Fixed asset purchases:

	1 January - 30 September 2015	**1 July - 30 September 2015**	1 January - 30 September 2014	1 July - 30 September 2014
RMK Marine Gemi Yapım Sanayii ve Deniz Taşımacılığı İşl. A.Ş. (2)	**89.183**	**-**	87.938	87.938
Entek Elektrik Üretim A.Ş. (2)	**27.412**	**-**	-	-
Ark İnşaat A.Ş. (2)	**-**	**-**	99.249	48.685
Other (2)	**1.240**	**489**	409	330
Total	**117.835**	**489**	187.596	136.953

i) Remuneration of board of directors and executive management:

The key management of the Company is identified as the members of the Board of Directors (including the President), the General Manager and the Deputy General Managers. Total key management compensation for the nine month period ended 30 September 2015 amounts to TL 9.610 thousand (30 September 2014 : TL 4.405 thousand)

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

31. Related party transactions (continued)

j) Financial expenses paid to related parties:

	1 January - 30 September 2015	**1 July - 30 September 2015**	1 January - 30 September 2014	1 July- 30 September 2014
Yapı ve Kredi Bankası A.Ş. (2)	**4.376**	**1.544**	4.391	1.574
Yapı Kredi Faktoring A.Ş. (2)	**2.463**	**33**	3.048	890
Total	**6.839**	**1.577**	7.439	2.464

k) Time deposit interest income:

	1 January - 30 September 2015	**1 July - 30 September 2015**	1 January - 30 September 2014	1 July- 30 September 2014
Yapı ve Kredi Bankası A.Ş. (2)	**70.480**	**36.334**	36.878	11.659
Total	**70.480**	**36.334**	36.878	11.659

l) Donations:

	1 January - 30 September 2015	**1 July - 30 September 2015**	1 January - 30 September 2014	1 July- 30 September 2014
Donations for related parties	**306**	**256**	283	280
Total	**306**	**256**	283	280

32. Financial instruments and financial risk management

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Foreign exchange risk

The Group is exposed to foreign exchange risk due to rate changes on the translation of foreign currency assets and liabilities to local currency. These risks are monitored by management by analysis of the foreign currency position.

The net financial liabilities of the Group are exposed to foreign exchange risk due to raw material imports from foreign countries and export sales. The Group manages such risks by regularly reflecting the foreign exchange rate changes to its product prices.

Notes to the condensed consolidated financial statements for the nine month interim period ended 30 September 2015 (continued) (Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

32. Financial instruments and financial risk management

The table below summarizes the foreign currency position risk of the Group as at 30 September 2015 and 31 December 2014. Foreign currency denominated assets and liabilities of the Group and related foreign currency position are as follows:

	1 January - 30 September 2015	1 January - 31 December 2014
Assets	**716.217**	1.474.548
Liabilities	**(12.231.513)**	(10.046.577)
Net balance sheet foreign currency position	**(11.515.296)**	(8.572.029)
Net foreign currency position of derivative financial instruments	**3.064.903**	1.646.419
Net foreign currency position	**(8.450.393)**	(6.925.610)

The Group manages its foreign currency risk arising from foreign currency denominated financial liabilities and trade payables by regularly considering and reflecting the foreign exchange rate changes in the determination of petroleum product prices. As at 30 September 2015, the Group has raw materials and petroleum products amounting to TL 2.593.098 thousand (31 December 2014 - TL 2.263.213 thousand) (Note 8).

Furthermore, the Group has defined that RUP investment loans amounted USD 1.773 million (TL 5.397 million) as hedging instrument against incurred USD/TL spot rate risk due to highly probable forecasted export sales revenues in USD, under this scope, beginning from March 1, 2015, has been practicing cash flow hedge accounting. Foreign exchange income/expense related to RUP investment loans are recognized in “Gains/ (losses) on hedging” under shareholders’ equity until the cash flow related to hedged item will be realized.

Except from related natural hedge amount and RUP investment loans defined as hedging under the scope of cash flow hedge, as of September 30, 2015, the Group has net foreign currency open position amounting to TL460.486 thousand.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

32. Financial instruments and financial risk management (continued)

Foreign currency position table

	30 September 2015					31 December 2014				
	TL equivalent (In terms of functional currency)	USD	EUR	GBP	Other	TL equivalent (In terms of functional currency)	USD	EUR	GBP	Other
Trade receivables	15.904	5.226	-	-	-	9.089	3.919	-	-	-
Monetary financial assets(including cash, banks)	666.833	208.019	9.844	20	-	1.365.609	573.657	12.450	66	-
Other	2.591	482	155	129	-	3.008	1.294	3	-	-
Current assets	**685.328**	**213.727**	**9.999**	**149**	**-**	1.377.706	578.870	12.453	66	-
Other	30.889	725	7.178	-	4.125	96.842	720	33.133	-	1.715
Non-current assets	**30.889**	**725**	**7.178**	**-**	**4.125**	96.842	720	33.133	-	1.715
Total assets	**716.217**	**214.452**	**17.177**	**149**	**4.125**	1.474.548	579.590	45.586	66	1.715
Trade payables	3.473.697	1.134.095	6.360	(126)	1.130	3.379.589	1.430.395	21.048	685	805
Financial liabilities	1.124.527	354.432	13.413	-	-	516.692	202.028	17.090	-	-
Other monetary liabilities	21.665	7.119	-	-	-	923	398	-	-	-
Current liabilities	**4.619.889**	**1.495.646**	**19.773**	**(126)**	**1.130**	3.897.204	1.632.821	38.138	685	805
Financial liabilities	7.578.797	2.436.823	47.590	-	-	6.148.882	2.580.609	58.393	-	-
Other monetary liabilities	32.827	10.787	-	-	-	491	212	-	-	-
Non-current liabilities	**7.611.624**	**2.447.610**	**47.590**	**-**	**-**	6.149.373	2.580.821	58.393	-	-
Total liabilities	**12.231.513**	**3.943.256**	**67.363**	**(126)**	**1.130**	10.046.577	4.213.642	96.531	685	805
Net asset/liability position of off-balance sheet foreign currency derivatives	**3.064.903**	**1.007.099**	**-**	**-**	**-**	1.646.419	710.000	-	-	-
Total amount of off-balance sheet derivative financial assets	**3.064.903**	**1.007.099**	**-**	**-**	**-**	1.646.419	710.000	**-**	**-**	**-**
Total amount of off-balance sheet derivative financial liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net foreign currency asset/(liability) position	**(8.450.393)**	**(2.721.705)**	**(50.186)**	**275**	**2.995**	(6.925.610)	(2.924.052)	(50.945)	(619)	910
Net monetary foreign currency asset/(liability) position	**(11.548.776)**	**(3.730.011)**	**(57.519)**	**146**	**(1.130)**	(8.671.879)	(3.636.066)	(84.081)	(619)	(805)
Fair value of derivative instruments	**732.222**	**240.601**	**-**	**-**	**-**	64.606	27.861	-	-	-

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

32. Financial instruments and financial risk management (continued)

The table below summarizes the effect of foreign currency rate changes on net balance sheet foreign currency position of the Group as at 30 September 2015 and 31 December 2014:

	Statement of foreign currency risk sensitivity			
	30 September 2015			
	Profit/Loss		**Equity**	
	Appreciation of foreign currency	**Depreciation of foreign currency**	**Appreciation of foreign currency**	**Depreciation of foreign currency**
	10% change in USD rate:			
USD net assets/ liabilities	(1.135.154)	1.135.154	(630.572)	630.572
Amount hedged for USD risk (-) (*)	846.171	(846.171)	-	-
USD net effect	**(288.983)**	**288.983**	**(630.572)**	**630.572**
	10% change in EUR rate:			
Euro net assets/ liabilities	(19.678)	19.678	-	
Amount hedged for Euro risk (-)	-	-	-	-
EUR net effect	**(19.678)**	**19.678**	**-**	**-**
TOTAL	**(308.661)**	**308.661**	**(630.572)**	**630.572**

	31 December 2014			
	Profit/Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
	10% change in USD rate:			
USD net assets/ liabilities	(843.167)	843.167	-	-
Amount hedged for USD risk (-) (*)	395.635	(603.196)	-	-
USD net effect	(447.532)	239.971	-	-
	10% change in EUR rate:			
Euro net assets/ liabilities	(23.717)	23.717	-	-
Amount hedged for Euro risk (-)	-	-	-	-
EUR net effect	(23.717)	23.717	-	-
TOTAL	(471.249)	263.688	-	-

(*) As September 30, 2015, the Company accounted RUP investment loans and cross currency swap in scope of cash flow hedge accounting and foreign exchange income/expense arising from these transactions recognised in equity. The Company has compared the currency differences arising from the RUP investment loan, which the Company has used, with the interest rates in TL and capitalized the exceeding amount of foreign currency interests in construction in progress account. The impact of the 10% rise or fall in the foreign exchange rates was calculated using the same method and the capitalized foreign exchange losses were classified as the amount hedged against US dollar in the statement of exchange rate sensitivity analysis. As of September 30, 2015 and December 31, 2014, forwards and hedged items classified as the amount hedged against US dollar in the statement of exchange rate sensitivity analysis.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

32. Financial instruments and financial risk management (continued)

Export and import

	1 January - 30 September 2015	**1 July - 30 September 2015**	1 January - 30 September 2014	1 July - 30 September 2014
Export				
USD (equivalent of thousand TL)	**5.916.716**	**1.657.607**	5.945.953	2.390.488
Total	**5.916.716**	**1.657.607**	5.945.953	2.390.488
Import				
USD (equivalent of thousand TL)	**21.358.887**	**7.688.883**	25.239.754	9.158.966
Total	**21.358.887**	**7.688.883**	25.239.754	9.158.966

Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group can realize in a current market exchange.

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value:

Monetary assets

The carrying amounts of foreign currency denominated monetary assets which are translated at year end exchange rates are considered to approximate their fair values.

The carrying values of cash and cash equivalents are estimated to be their fair values since they are short term.

The carrying values of trade receivables along with the related allowances for uncollectibility are estimated to be their fair values since they are short term.

Monetary liabilities

The fair values of short-term financial liabilities and other financial liabilities are estimated to be their fair values since they are short term.

Notes to the condensed consolidated financial statements for the nine month interim period ended 30 September 2015 (continued) (Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

32. Financial instruments and financial risk management (continued)

Fair value hierarchy table

The Group classifies the fair value measurement of each class of financial instruments according to the source, using the three-level hierarchy, as follows:

Level 1: Market price valuation techniques for the determined financial instruments traded in markets (unadjusted)

Level 2: Other valuation techniques includes direct or indirect observable inputs

Level 3: Valuation techniques does not contains observable market inputs

Fair value hierarchy table as at 30 September 2015 is as follows:

Financial assets at fair value through profit or loss	**Level 1**	**Level 2**	**Level 3**
Derivative financial assets	**-**	**790.687**	**-**
Financial investments	**-**	**-**	**-**
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities	**-**	**105.039**	**-**

Fair value hierarchy table as at 31 December 2014 is as follows:

Financial assets at fair value through profit or loss	Level 1	Level 2	Level 3
Derivative financial assets	-	64.606	-
Financial investments	-	-	-
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities	-	559	-

33. Subsequent events

None.