

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish-see Note 2.2.3)

Türkiye Petrol Rafinerileri A.Ş.

1 January - 31 March 2015 condensed interim consolidated financial statements

Türkiye Petrol Rafinerileri A.Ş.

**Consolidated financial statements
for the period 1 January - 31 March 2015**

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(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish-see Note 2.2.3)

Türkiye Petrol Rafinerileri A.Ş.

Consolidated statements of financial position as at 31 March 2015
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

Assets	Notes	Unaudited	Audited
		31 March 2015	31 December 2014
Current assets		7.251.395	9.991.378
Cash and cash equivalents	4	3.147.027	3.898.396
Trade receivables	6	493.947	169.835
Due from related parties	6, 31	65.411	7.383
Trade receivables from third parties		428.536	162.452
Other receivables	7	30.942	30.866
Other receivables from third parties		30.942	30.866
Derivative Instruments	20	273.976	64.606
Inventories	8	2.821.018	2.370.534
Prepaid expenses	14	114.836	124.031
Current income tax assets	29	287	1.235
Other current assets	15	369.362	331.875
Non-current assets		15.756.817	14.941.182
Financial investments	9	4.000	4.000
Investments accounted by equity method	10	635.688	726.494
Investment properties	11	4.621	4.621
Property, plant and equipment	12	11.208.168	10.663.393
Intangible assets	13	57.201	60.569
Other intangible assets		57.201	60.569
Derivative Instruments	20	51.114	-
Prepaid expenses	14	178.349	260.314
Deferred tax assets	29	2.965.203	2.623.134
Other non-current assets	15	652.473	598.657
Total assets		23.008.212	21.932.560
Liabilities			
Current liabilities		7.945.705	8.561.001
Short-term financial liabilities	5	136.611	40.248
Current portion of long term financial liabilities	5	848.381	737.056
Trade payables	6	4.497.039	5.610.001
Due to related parties	6, 31	58.382	67.849
Trade payables, third parties		4.438.657	5.542.152
Liabilities for employee benefits	18	36.823	93.297
Other payables	19	8.326	10.282
Other payables to third parties		8.326	10.282
Derivative Instruments	20	8.399	68
Deferred income	16	50.921	17.366
Current income tax liabilities	29	1.654	5.147
Provisions	17	86.663	108.824
Provisions for employee benefits		28.749	6.870
Other provisions		57.914	101.954
Other current liabilities	15	2.270.888	1.938.712
Non-current liabilities		8.765.030	7.158.929
Long-term financial liabilities	5	8.561.924	6.977.706
Provisions	17	176.399	176.023
Provisions for employee benefits		176.399	176.023
Other non-current liabilities	15	4.317	4.709
Derivative Instruments	20	22.390	491
Equity		6.297.477	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
Accumulated 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)
Accumulated other comprehensive income/(expense) to be reclassified to profit or loss		(121.537)	65.867
Hedging gains/(losses)		(189.791)	(447)
Currency translation differences		13.998	12.058
Revaluation and reclassification gains/(losses)		54.256	54.256
Restricted reserves	23	163.401	163.401
Retained earnings		4.343.800	2.884.837
Net income		275.160	1.458.963
Total equity attributable to equity holders of the parent		6.244.472	6.156.716
Non-controlling interests		53.005	55.914
Total equity and liabilities		23.008.212	21.932.560

The consolidated financial statements for the period ended 31 March 2015 have been approved by the Board of Directors on 8 May 2015 and signed by İbrahim Yelmenoğlu, Assistant General Manager and Deniz Köseoğlu, Financial Reporting Manager.

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

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish-see Note 2.2.3)

Türkiye Petrol Rafinerileri A.Ş.

Consolidated statement of comprehensive income for the three month interim period ended 31 March 2015
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

		Unaudited	
	Notes	1 January - 31 March 2015	1 January - 31 March 2014
Revenue (net)	24	6.948.259	9.275.731
Cost of sales (-)	24	(6.449.565)	(8.867.015)
Gross profit		498.694	408.716
General administrative expenses (-)	25	(129.491)	(116.248)
Marketing, selling and distribution expenses (-)	25	(35.011)	(38.100)
Research and development expenses (-)	25	(7.412)	(3.639)
Other operating income	26	21.488	45.450
Other operating expenses (-)	26	(244.479)	(24.243)
Operating profit		103.789	271.936
Income from investment activities	27	210	-
Income/(loss) from investments accounted by equity method	10	(22.746)	23.271
Operating profit before financial income/(expense)		81.253	295.207
Financial income	28	443.718	48.805
Financial expense (-)	28	(554.294)	(111.925)
Profit before tax from continued operations		(29.323)	232.087
Tax income	29	307.620	281.259
Taxes on income (-)		(1.654)	(3.715)
Deferred tax income		309.274	284.974
Net income from continued operations		278.297	513.346
Other comprehensive income:			
Items to be reclassified to profit or loss		(187.404)	2.555
Gains/losses on cash flow hedge		(222.139)	-
Changes in currency translation differences		1.940	2.555
Tax effect of other comprehensive income / (loss) to be reclassified to profit or loss		32.795	-
- Deferred tax income/(expense)		32.795	-
Other comprehensive income/(expense) after taxation		(187.404)	2.555
Total comprehensive income		90.893	515.901
Distribution of income for the period:			
Non-controlling interests		3.137	2.137
Attributable to equity holders of the parent		275.160	511.209
Distribution of total comprehensive income:			
Non-controlling interests		3.137	2.137
Attributable to equity holders of the parent		87.756	513.764
Earnings per share with nominal value Kr 1 each (Kr)	30	1,10	2,04

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

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish-see Note 2.2.3)

Türkiye Petrol Rafinerileri A.Ş.

Consolidated statement of changes in equity for the three month interim period ended 31 March 2015
(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated)

	Share capital	Adjustment to share capital	Share premiums/ discounts	Accumulated other comprehensive income/(expense) not to be reclassified to profit or loss	Accumulated other comprehensive income/(expense) to be reclassified to profit or loss			Retained earnings			Equity holders of the parent	Non-controlling interests	Total equity
				Actuarial gain/(loss) arising from defined benefit plans	Gains/ losses on hedging	Currency translation differences	Revaluation gains/ (losses)	Restricted reserves	Accumulated profit	Profit for the period			
Unaudited													
1 January 2014	250.419	1.344.243	172	(2.672)	-	9.375	47.664	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	-	-	-	-	-	-	-	-	-	511.209	511.209	2.137	513.346
- Other comprehensive income	-	-	-	-	-	2.555	-	-	-	-	2.555	-	2.555
Total comprehensive income	-	-	-	-	-	2.555	-	-	-	511.209	513.764	2.137	515.901
31 March 2014	250.419	1.344.243	172	(2.672)	-	11.930	47.664	163.401	2.884.837	511.209	5.211.203	47.049	5.258.252
Unaudited													
1 January 2015	250.419	1.344.243	172	(11.186)	(447)	12.058	54.256	163.401	2.884.837	1.458.963	6.156.716	55.914	6.212.630
Transfers	-	-	-	-	-	-	-	-	1.458.963	(1.458.963)	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	(6.046)	(6.046)
- Net profit for period	-	-	-	-	-	-	-	-	-	275.160	275.160	3.137	278.297
- Other comprehensive income	-	-	-	-	(189.344)	1.940	-	-	-	-	(187.404)	-	(187.404)
Total comprehensive income	-	-	-	-	(189.344)	1.940	-	-	-	275.160	87.756	3.137	90.893
31 March 2015	250.419	1.344.243	172	(11.186)	(189.791)	13.998	54.256	163.401	4.343.800	275.160	6.244.472	53.005	6.297.477

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

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish-see Note 2.2.3)

Türkiye Petrol Rafinerileri A.Ş.

Consolidated statement of cash flows for the three month interim period ended 31 March 2015
(Amounts expressed in thousands of Turkish Lira ("TL"), unless otherwise indicated)

	Notes	Unaudited	
		1 January - 31 March 2015	1 January - 31 March 2014
A. Cash flows from operating activities		(1.229.361)	(789.539)
Profit/(loss) before taxation		278.297	513.346
Adjustment for reconciliation of profit/(loss) before taxation		66.001	141.776
- Adjustment for depreciation and amortisation expense	12,13	73.261	62.344
- Adjustments for stock impairment	8	(84.743)	5.399
- Adjustment for provisions	17	22.833	22.370
- Adjustment for interest income and expense	28	53.963	46.254
- Adjustment for unrealized foreign currency translation differences		(1.940)	(2.555)
- Adjustment for fair value gain or loss		(178.714)	-
- Adjustment for income of investments accounted by equity method	10	22.746	(23.271)
- Adjustment for tax income/expenses		(307.620)	(281.259)
- Adjustment for (gain) / loss on sales of property, plant and equipment, net	27	(210)	-
- Adjustment for other items related with cash flow of investment or financial activities	28	466.530	30.033
- Other adjustments		(105)	1.202
Changes in working capital		(1.503.093)	(1.146.952)
- Adjustment for increase/decrease in inventories		(365.741)	(825.094)
- Adjustment for increase/decrease in trade receivables		(323.960)	420.099
- Adjustment for increase/decrease in other receivables related with operations		(91.379)	(100.818)
- Adjustment for increase/decrease in trade payables		(1.113.009)	(430.096)
- Adjustment for increase/decrease in other payables related with operations		390.996	(211.043)
Cash flows from operating activities		(1.158.795)	(773.089)
- Tax payments/returns		(4.199)	(5.048)
- Payments for penalty	17	(54.998)	-
- Other cash inflow/outflow		(11.369)	(11.402)
B. Cash flows from investing activities		(248.711)	(565.645)
Cash inflows from the sale of property, plant and equipment and intangible assets		294	-
Cash outflows from the purchase of property, plant and equipment and intangible assets	12	(319.005)	(635.645)
Dividends received	10	70.000	70.000
C. Cash flows from financing activities		699.237	1.370.369
Cash inflows from financial liabilities		697.758	1.372.084
Dividends paid		(6.046)	-
Interest received		36.096	40.243
Interest paid		(28.571)	(41.958)
Net increase/decrease in cash and cash equivalents before the effect of foreign currency translation differences		(778.835)	15.185
D. Impact of foreign currency translation differences on cash and cash equivalents		1.940	2.555
Net increase/decrease in cash and cash equivalents		(776.895)	17.740
E. Cash and cash equivalents at beginning of period		3.211.406	3.087.870
Cash and cash equivalents at end of period	4	2.434.511	3.105.610

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

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish-see Note 2.2.3)

Türkiye Petrol Rafinerileri A.Ş.

Notes to the consolidated financial statements for the three month interim period ended 31 March 2015
(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 and 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,
- To 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 and the Group's business segment has been identified as refining.

The Company is registered at the Capital Markets Board ("CMB") of Turkey and its shares have been quoted at Borsa İstanbul A.Ş. ("BİST") (previously known as Istanbul Stock Exchange ("ISE")) since 1991. As at 31 March 2015, the shares quoted on the BİST are 49% of the total shares. As at 31 March 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

Parent of the Company is controlled by Koç Holding A.Ş., Koç Family and the companies owned by Koç Family.

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish-see Note 2.2.3)

Türkiye Petrol Rafinerileri A.Ş.

Notes to the consolidated financial statements for the three month interim period ended 31 March 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 period ended 31 March 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 31 March 2015 total assets of Körfez is TL 8.594 thousand and net period loss of Körfez is TL 240 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 31 March 2015 is 5.077 (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

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish-see Note 2.2.3)

Türkiye Petrol Rafinerileri A.Ş.

Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

2. Basis of presentation of consolidated financial statements

2.1. Basis of presentation

2.1.1 Financial reporting standards

The consolidated 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”) of Turkey (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 (“POA”) of Turkey.

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 Communiqué XI, No: 29, the entities are allowed to prepare a complete or condensed set of interim financial statements in accordance with IAS 34, “Interim Financial Reporting”. In this respect, the Group has preferred to prepare condensed financial statements in the interim periods and prepared the mentioned condensed financial statements in compliance with CMB Financial Reporting Standards.

The Company 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 financial 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 and presentation currency of Tüpraş.

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish-see Note 2.2.3)

Türkiye Petrol Rafinerileri A.Ş.

Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

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

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 31 March 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 1 January 2015. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as at 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.

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

Annual Improvements to TAS/TFRSs

In September 2014, POA has 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 vesting conditions have changed and performance condition and service condition are defined in order to clarify various issues. The amendment is effective prospectively.

TFRS 3 Business Combinations

Contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of TFRS 9 Financial Instruments. The amendment is effective for business combinations prospectively.

TFRS 8 Operating Segments

The changes are as follows: i) Operating segments may be combined/aggregated if they are consistent with the core principle of the standard. 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.

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish-see Note 2.2.3)

Türkiye Petrol Rafinerileri A.Ş.

Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

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

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.

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. 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.

Amendment to the Basis for Conclusions on TFRS 13 Fair Value Measurement

The portfolio exception in TFRS 13 can be applied to financial assets, financial liabilities and other contracts. The amendment is effective prospectively.

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

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.

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

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish-see Note 2.2.3)

Türkiye Petrol Rafinerileri A.Ş.

Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

IFRS 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 IFRS introduces new requirements for classifying and measuring financial instruments. The amendments made to IFRS 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.

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

IFRS 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 IFRS 3 Business Combinations, to apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs except for those principles that conflict with the guidance in this IFRS. In addition, the acquirer shall disclose the information required by IFRS 3 and other IFRSs 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.

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

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.

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

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish-see Note 2.2.3)

Türkiye Petrol Rafinerileri A.Ş.

Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

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 the Group is in the process of assessing the impact of the standard on financial position or performance of the Group or the amendment is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

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 1 January 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 or the amendment is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

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

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

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish-see Note 2.2.3)

Türkiye Petrol Rafinerileri A.Ş.

Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

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:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations – changes in methods of disposal
- IFRS 7 Financial Instruments: Disclosures – clarification on the assessment of servicing contracts for the continuing involvement of financial assets
- IAS 19 Employee Benefits – regional market issue regarding discount rate
- IAS 34 Interim Financial Reporting – disclosure of information ‘elsewhere in the interim financial report’

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.

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

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish-see Note 2.2.3)

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Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

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 is effective for reporting periods beginning on or after 1 January 2017, 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.

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 1 January 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.

Amendments provides a narrow exception to the requirement for the discontinuation of hedge accounting in circumstances when a hedging instrument is required to be novated to a central counterparty as a result of laws or regulations. These amendments did not have an impact on the consolidated financial statements 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 other comprehensive income and the shareholders’ equity.

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Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

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

2.1.4 Basis of consolidation

- a) Consolidated financial statements for the period ended 31 March 2015 have been prepared in accordance with principles stated on consolidated financial statements for the year ended 31 December 2014 and include financial statements of Tüpraş, its Subsidiaries and Joint Ventures.
- b) At 31 March 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.

	31 March 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

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 subsidiaries are eliminated on consolidation. The cost of and the dividends arising from, shares held by the Company in its subsidiaries 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.

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Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

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

The table below shows the total interest of the Group in its joint ventures included in the scope of consolidation as at 31 March 2015 and 31 December 2014:

	31 March 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. Şti.(*)	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.

2.2. 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 31 March 2015 comparatively with the consolidated statement of financial position as of 31 December 2014, presented the consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the interim period ended 31 March 2015 comparatively with the consolidated financial statements for the interim period ended 31 March 2014.

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish-see Note 2.2.3)

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Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

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

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.

2.3. Summary of significant accounting policies

Condensed consolidated financial statements for the period ended 31 March 2015, have been prepared in compliance with IAS 34, the IFRS standard on interim financial reporting. Furthermore, condensed consolidated financial statements as of 31 March 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 31 March 2015.

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish-see Note 2.2.3)

Türkiye Petrol Rafinerileri A.Ş.

Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

4. Cash and cash equivalents

	31 March 2015	31 December 2014
Cash at banks		
Revenue share (blocked)	705.703	676.881
Time deposit	2.431.530	3.180.801
Demand deposits	2.981	30.605
Interest income accruals	6.813	10.109
Total	3.147.027	3.898.396

Revenue Share (blocked)

As required by the Petroleum Market License Regulation, the revenue share collected by the Group is held in banks and evaluated as blocked deposit in the Company's books. The revenue share was invested as demand deposits with overnight interest rate as at 31 March 2015 and 31 December 2014 (Note 15).

Time deposits and other cash and cash equivalents

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

31 March 2015

	Less than 1 month	1 - 3 months	Total
TL	1.749.845	468.966	2.218.811
USD	178.212	6.531	184.743
EUR	26.048	1.699	27.747
GBP	229	-	229
Time deposit	1.954.334	477.196	2.431.530

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 11,26%, effective interest rate of USD time deposits is 2,01%, effective interest rate of EUR time deposits is 1,65% and effective interest rate of GBP time deposits is 1,65% (31 December 2014 - TL 11,28%, USD 2,44% ,EUR 1,65% and GBP 1,65%)

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish-see Note 2.2.3)

Türkiye Petrol Rafinerileri A.Ş.

Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
(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 31 March 2015 and 31 March 2014 are as follows:

	31 March 2015	31 March 2014
Cash and cash equivalents	3.147.027	3.700.348
Blocked deposits (Revenue share)	(705.703)	(591.081)
Less: Time deposit interest accruals	(6.813)	(3.657)
Cash and cash equivalents for cash flow purposes	2.434.511	3.105.610

5. Financial liabilities

	31 March 2015	31 December 2014
Short term financial liabilities:		
Short-term bank borrowings	135.415	40.248
Interest accruals	1.196	-
Total	136.611	40.248
Current portion of long-term bank borrowings:		
Current portion of long-term bank borrowings	766.832	707.211
Interest accruals of bank borrowings	47.225	18.992
Interest accruals of bonds issued	34.324	10.853
Total	848.381	737.056
Long-term financial liabilities:		
Long-term bank borrowings	6.534.784	5.354.476
Bonds issued (*)	2.027.140	1.623.230
Total	8.561.924	6.977.706
Total financial liabilities	9.546.916	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 700 million USD with an interest rate of 4,125% and maturity of 2 May 2018. Also, as explained by Tüpraş in material disclosures dated 18 December 2014, 31 December 2014, 16 January and 19 January 2015, without internal public offers, the necessary permits have been received for the bond issue up to a nominal amount of 1 billion TL for the qualified investors and a nominal amount of 200 million TL bond issue with 728 days maturity and a fixed coupon paid per six months was completed on 19 January 2015, respectively.

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish-see Note 2.2.3)

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Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
(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 31 March 2015 and 31 December 2014 are as follows:

		31 March 2015	
	Effective interest rate (%)	Original currency	Thousand TL
Short term financial liabilities:			
TL borrowings (*)	10,25	135.414.679	135.415
			135.415
Current portion of long-term financial liabilities:			
TL borrowings	12,39	208.343.137	208.343
USD borrowings	2,39	195.968.836	511.518
EUR borrowings	1,96	16.592.795	46.971
			766.832
Interest expense accruals			82.745
Total short-term financial liabilities			984.992
Long-term financial liabilities:			
USD borrowings	2,31	1.889.561.052	4.932.132
USD bonds issued	4,17	700.000.000	1.827.140
TL borrowings	10,99	1.454.362.745	1.454.363
TL bonds issued	8,87	200.000.000	200.000
EUR borrowings	3,02	52.382.295	148.289
			8.561.924
Interest expense accruals			-
Total long-term financial liabilities			8.561.924

(*) Banks provide interest-free loans to the Group for the payment of SCT, Customs and Social Security debts amounting to TL 85.415 thousand as of 31 March 2015 (31 December 2014 - TL 40.248 thousand).

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish-see Note 2.2.3)

Türkiye Petrol Rafinerileri A.Ş.

Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
(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 31 March 2015 and 31 December 2014, the redemption schedule of long-term bank borrowings is as follows:

	31 March 2015	31 December 2014
2016	1.462.784	1.489.233
2017	1.835.061	840.452
2018	2.643.091	2.343.280
2019	540.649	477.335
2020 and after	2.080.339	1.827.406
	8.561.924	6.977.706

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish-see Note 2.2.3)

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Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
(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, the loan amounting to USD 1.111,8 million which was insured by CESCE and the loan amounting to USD 624,3 million which was insured by SACE have 12 years to maturity also there will be no principal and interest payment in first 4 years. The third loan amounting to USD 359 million has 7 years to maturity and there will be no principal payment in first four years. The loan amounts of CESCE and SACE has been decreased respectively to USD 1.078,5 million and USD 597,4 million with letter on 24 October 2013 and these amounts have been valid as of 26 November 2013. Tüpraş has used loan amounting to USD 1.984,5 million as of 31 March 2015 to finance loan insurance payments and capital expenditures (31 December 2014 - USD 1.984,5 million)

6. Trade receivables and payables

Short-term trade receivables:

	31 March 2015	31 December 2014
Trade receivables	428.828	162.968
Due from related parties (Note 31)	65.411	7.383
Doubtful trade receivables	2.593	2.593
Other trade receivables	100	28
Less: Unearned credit finance income	(392)	(544)
Less: Provision for doubtful receivables	(2.593)	(2.593)
Total short-term trade receivables (net)	493.947	169.835

As at 31 March 2015, Tüpraş has offsetted TL 2.476.595 thousand (31 December 2014 - TL 2.276.683 thousand) from trade receivables that are collected from factoring companies as part of the irrevocable factoring.

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish-see Note 2.2.3)

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Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

6. Trade receivables and payables (continued)

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 31 March 2015 and 31 December 2014 are as follows:

	31 March 2015	31 December 2014
Group 1	1.431	1.308
Group 2	14.156	429
Group 3	287.124	60.869
Group 4	94.072	34.020
	396.783	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)

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 31 March 2015 and 31 December 2014 is as follows:

	31 March 2015	31 December 2014
Up to 3 months	81.482	56.040
3 to 12 months	15.682	17.169
	97.164	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 period ended 31 March 2015 and 2014 is as follows:

	2015	2014
1 January	2.593	2.593
Charge for the period	-	-
31 March	2.593	2.593

Short-term trade payables:

	31 March 2015	31 December 2014
Trade payables	4.439.005	5.542.547
Due to related parties (Note 31)	58.382	67.849
Less: Unrealised credit finance charges	(348)	(395)
Total short-term trade payables (net)	4.497.039	5.610.001

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish-see Note 2.2.3)

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Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

7. Other receivables and payables

Other short-term receivables:

	31 March 2015	31 December 2014
Advances and guarantees given	20.516	20.339
Receivable from personnel	6.748	7.203
Receivable from insurance recoveries	3.678	3.324
Other doubtful receivables	645	645
Less: Provision for other doubtful receivables	(645)	(645)
	30.942	30.866

8. Inventories

	31 March 2015	31 December 2014
Raw materials and supplies	653.326	567.290
Work-in-progress	700.862	485.648
Finished goods	847.324	691.302
Trade goods	59.140	24.229
Goods in transit	554.347	681.325
Other	11.480	10.944
	2.826.479	2.460.738
Less: Provision for impairment in inventories	(5.461)	(90.204)
	2.821.018	2.370.534

As of March 31,2015, stock impairment comes from finished goods. 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 period ended 31 March 2015 and 2014 is as follows:

	2015	2014
1 January	90.204	-
Charge for the period	5.461	5.399
Cancellations within the period	(90.204)	-
31 March	5.461	5.399

9. Financial investments

Long term financial investments

	31 March 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

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish-see Note 2.2.3)

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**Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)**

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Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
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10. Investments accounted by equity method

	31 March 2015		31 December 2014	
	Participation share (%)	Amount	Participation share (%)	Amount
OPET Petrolcülük A.Ş.	40,00	635.688	40,00	726.494
		635.688		726.494

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 period ended 31 March 2015 and 2014 is as follows:

	2015	2014
1 January	726.494	804.168
Shares in current year loss of investments accounted by equity method	(22.746)	23.271
Dividend payment of investments accounted by equity method	(70.000)	(70.000)
Currency translation differences of investments accounted by equity method	1.940	2.555
31 March	635.688	759.994

Consolidated summary financial statements of investments accounted by equity method are as follows;

	31 March 2015	31 December 2014
Current assets	2.204.378	2.267.632
Non-current assets	1.818.889	1.840.536
Total assets	4.023.267	4.108.168
Short term liabilities	1.929.516	1.810.634
Long term liabilities	966.182	942.950
Equity	1.127.569	1.354.584
Total liabilities	4.023.267	4.108.168
	1 January - 31 March 2015	1 January - 31 December 2014
Sales(net)	3.493.447	4.658.745
Gross profit	142.373	216.613
Operating profit/loss	(6.208)	92.470
Net income/loss for period	(56.866)	58.178

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish-see Note 2.2.3)

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Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
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11. Investment property

At 31 March 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).

12. Property, plant and equipment

	1 January 2015	Additions	Transfers	Disposals	31 March 2015
Cost:					
Land	48.862	-	-	(18)	48.844
Land improvements	1.656.919	-	460	-	1.657.379
Buildings	444.122	-	-	-	444.122
Machinery and equipment	5.692.599	-	1.668	(54)	5.694.213
Motor vehicles	516.853	88.750	8.005	-	613.608
Furniture and fixtures	80.955	122	1.062	(587)	81.552
Construction in progress	6.921.974	525.880	(11.825)	-	7.436.029
Other tangible assets	1.367	-	-	-	1.367
	15.363.651	614.752	(630)	(659)	15.977.114
Accumulated depreciation:					
Land improvements	(998.696)	(17.931)	-	-	(1.016.627)
Buildings	(160.461)	(2.399)	-	-	(162.860)
Machinery and equipment	(3.381.748)	(39.578)	-	54	(3.421.272)
Motor vehicles	(112.480)	(6.623)	-	-	(119.103)
Furniture and fixtures	(45.681)	(2.774)	-	585	(47.870)
Other tangible assets	(1.192)	(22)	-	-	(1.214)
	(4.700.258)	(69.327)	-	639	(4.768.946)
Net book value	10.663.393				11.208.168
	1 January 2014	Additions	Transfers	Disposals	31 March 2014
Cost:					
Land	46.147	-	-	-	46.147
Land improvements	1.531.714	-	286	-	1.532.000
Buildings	377.543	-	7	-	377.550
Machinery and equipment	5.448.935	-	3.063	-	5.451.998
Motor vehicles	365.446	983	-	-	366.429
Furniture and fixtures	69.486	65	519	(24)	70.046
Construction in progress	4.939.958	738.357	(4.316)	-	5.673.999
Other tangible assets	1.367	-	-	-	1.367
	12.780.596	739.405	(441)	(24)	13.519.536
Accumulated depreciation:					
Land improvements	(935.561)	(15.983)	-	-	(951.544)
Buildings	(152.117)	(2.050)	-	-	(154.167)
Machinery and equipment	(3.237.724)	(35.115)	-	-	(3.272.839)
Motor vehicles	(95.330)	(3.916)	-	-	(99.246)
Furniture and fixtures	(37.199)	(2.507)	-	24	(39.682)
Other tangible assets	(1.102)	(25)	-	-	(1.127)
	(4.459.033)	(59.596)	-	24	(4.518.605)
Net book value	8.321.563				9.000.931

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Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

12. Property, plant and equipment (continued)

As of 1 March 2015, the company put an end to the capitalization of the investment expenditures, because, the actual completion of the investment within the Residuum Upgrading Project has been achieved. The company has compared the borrowing costs on account of foreign currency loans as of the date of 1 March 2015, with the borrowing costs by TL loan interest rates, and the company has capitalized the cost of borrowings amounting to 1.500.660 thousands TL under the investment account in the financial statements made by the accumulated method. (31 December 2014, 1.181.193 thousand TL ongoing investments were capitalized in the accounts) Foreign currency expense amounting to 60.451 thousand TL has been accounted in the comprehensive income statement.

Total depreciation expense amounting to TL 69.327 thousand (31 March 2014 - TL 59.596 thousand) in the consolidated statement of comprehensive income for the year ended 31 March 2015 has been allocated to cost of goods sold amounting to TL 63.173 thousand (31 March 2014 - TL 55.233 thousand), to marketing, sales and distribution expenses amounting to TL 1 thousand (31 March 2014 - TL 1 thousand), to general administration expenses amounting to TL 5.697 thousand (31 March 2014 - TL 3.999 thousand) and to other expenses amounting to TL 456 thousand (31 March 2014 - TL 363 thousand).

13. Intangible assets

Other intangible assets:

The movements of intangible assets and related accumulated amortisation for the period ended 31 March 2015 is as follows:

	1 January 2015	Additions	Transfers	Disposals	31 March 2015
Cost:					
Rights and software	49.933	-	630	-	50.563
Development expenses	54.096	-	-	(70)	54.026
	104.029	-	630	(70)	104.589
Accumulated amortisation:					
Rights and software	(25.436)	(1.232)	-	-	(26.668)
Development expenses	(18.024)	(2.702)	-	6	(20.720)
	(43.460)	(3.934)	-	6	(47.388)
Net book value	60.569				57.201

The movements of intangible assets and related accumulated amortisation for the period ended 31 March 2014 is as follows:

	1 January 2014	Additions	Transfers	Disposals	31 March 2014
Cost:					
Rights and software	34.892	-	-	(7)	34.885
Development expenses	35.764	-	441	-	36.205
	70.656	-	441	(7)	71.090
Accumulated amortisation:					
Rights and software	(21.920)	(945)	-	7	(22.858)
Development expenses	(9.369)	(1.803)	-	-	(11.172)
	(31.289)	(2.748)	-	7	(34.030)
Net book value	39.367				37.060

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish-see Note 2.2.3)

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Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

13. Intangible assets (continued)

Total amortisation expenses amounting to TL 3.934 thousand (31 March 2014 - TL 2.748 thousand) in the consolidated statement of comprehensive income for the period ended 31 March 2015 have been allocated to the cost of goods sold amounting to TL 3 thousand, and to general administration expenses amounting to TL 3.931 thousand (31 March 2014 - TL 2.748 thousand).

14. Prepaid expenses

Short term prepaid expenses:

	31 March 2015	31 December 2014
Prepaid insurance and other expense	31.874	34.970
Prepaid investment loan insurance expenses (*)	35.275	26.013
Advances given	25.808	29.391
Taxes and funds to be offsetted	21.879	33.657
	114.836	124.031

Long term prepaid expenses:

	31 March 2015	31 December 2014
Prepaid investment loan insurance expenses (*)	129.074	141.406
Advances given to related parties for property, plant and equipment (Note 31)	26.675	75.720
Advances given to third parties for property, plant and equipment	21.251	41.530
Prepaid other expenses	1.349	1.658
	178.349	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:

	31 March 2015	31 December 2014
Deferred Value Added Tax (“VAT”)	262.563	245.986
Deferred Special Consumption Tax (“SCT”)	86.002	73.203
Other current assets	20.797	12.686
	369.362	331.875

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish-see Note 2.2.3)

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Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

15. Other assets and liabilities (continued)

Other non-current assets:

	31 March 2015	31 December 2014
Spare parts and materials	678.363	625.131
Other	2.922	2.338
Provision for spare parts and materials	(28.812)	(28.812)
	652.473	598.657

Other short-term liabilities:

	31 March 2015	31 December 2014
SCT payable	1.008.445	826.276
VAT payable	167.275	66.543
Deferred VAT	262.563	245.986
Deferred SCT	86.002	73.203
Revenue share	708.862	679.543
Other taxes and liabilities	16.295	36.112
Other	21.446	11.049
	2.270.888	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 708.862 thousand accumulated as at 31 March 2015 (31 December 2014 – TL 679.543 thousand) which is not recognized in the comprehensive income statement, has been classified as “Revenue Share” within “Other short-term liabilities”. TL 705.703 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 Revenue share “Blocked” within “Cash and cash equivalents” (Note 4).

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

15. Other assets and liabilities (continued)

Other long-term liabilities:

	31 March 2015	31 December 2014
Deferred revenue	2.368	2.648
Other	1.949	2.061
	4.317	4.709

16. Deferred income

	31 March 2015	31 December 2014
Advances taken	50.921	17.366
Total	50.921	17.366

17. Provisions

Provision for employee benefits:

Short term provision for employee benefits:

	31 March 2015	31 December 2014
Seniority incentive bonus provision	4.809	4.679
Personnel bonus accruals	23.940	2.191
Total	28.749	6.870

Long term employee benefits:

	31 March 2015	31 December 2014
Provision for employment termination benefits	131.812	132.587
Provision for unused vacation	38.274	37.265
Seniority incentive bonus provision	6.313	6.171
Total	176.399	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.

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17. Provisions (continued)

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

	2015	2014
1 January	10.850	8.326
Charge for the period	1.434	1.818
Payments during the period	(1.162)	(577)
31 March	11.122	9.567

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.

The amount payable consists of one month's salary limited to a maximum of TL 3.541,37 (31 December 2014 - TL 3.438,22) for each year of service as at 31 March 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:

	31 March 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 3.541,37 which is effective as at 31 March 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 year is as follows:

	2015	2014
1 January	132.587	114.551
Interest expense	2.755	2.879
Increase during the period	4.708	6.785
Payments during the period	(8.238)	(5.492)
31 March	131.812	118.723

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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	2.978	3.133
Payments during the period	(1.969)	(1.141)
31 March	38.274	33.719

Other short term provisions:

	31 March 2015	31 December 2014
Short-term provisions:		
Provision for tax penalty	-	54.998
Provision of pending claims and lawsuits	14.887	13.743
EMRA participation share	18.271	14.635
Other	24.756	18.578
Total short-term provisions	57.914	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. The tax penalty has been paid as of 31 March 2015.

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Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
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17. Provisions (continued)

Movement of the short-term provisions for the period ended 31 March 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	1.144	3.636	-	-	6.178	10.958
Payments during the period	-	-	-	(54.998)	-	(54.998)
31 March 2015	14.887	18.271	-	-	24.756	57.914
1 January 2014	12.305	13.989	309.011	-	24.345	359.650
Charges for the period, net	-	7.589	-	-	166	7.755
Payments during the period	-	(4.192)	-	-	-	(4.192)
31 March 2014	12.305	17.386	309.011	-	24.511	363.213

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

	31 March 2015	31 December 2014
Due to the personnel	22.495	79.677
Social security withholdings payment	14.328	13.620
Total	36.823	93.297

19. Other payables

	31 March 2015	31 December 2014
Deposits and guarantees received	8.326	10.282
Total	8.326	10.282

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20. Derivative instruments

	31 March 2015			31 December 2014		
	Contract amount	Fair values		Contract amount	Fair values	
		Assets	Liabilities		Assets	Liabilities
<i>Cash flow hedge</i>						
Interest rate swap	1.696.630	-	8.399	1.159.450	-	68
Cross Currency swap	783.060	30.656	-	-	-	-
Currency forwards	1.853.242	243.320	-	1.646.419	64.606	-
Short term derivative financial instruments		273.976	8.399		64.606	68
<i>Cash flow hedge</i>						
Interest rate swap	1.696.630	-	22.390	1.159.450	-	491
Cross Currency swap	783.060	51.114	-	-	-	-
Long term derivative financial instruments		51.114	22.390		-	491
Total derivative financial instruments		325.090	30.789		64.606	559

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.

Interest rate swap consists of exchange of floating rate installment payments of Tüpraş's long term borrowings amounting to USD 650.000 thousand with fixed rate installment payments for cash flow hedging.(31 December 2014, 500.000 thousand USD)

Cross currency swap consists of Tüpraş's long term bonds 200.000 thousand USD with fixed rates denominated in foreign currencies, and the payment of fixed rate swap 463.875 thousand TL, and 100.000 thousand USD variable rate long-term borrowings payments of swap amounting to 232.000 thousand TL.

21. Government grants

The Company has obtained certificate of research and development center and the execution of Technology and Innovation Support Programs Administration Project 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 March 31, 2015, Company's expenditures within scope of R&D center amounted to TL 2.854 thousand (March 31 2014 - TL 4.122 thousand), within scope of TEYDEB amounted to TL 983 thousand (March 31 2014 – TL 1.172 thousand). As of March 31 2015, TL 922 thousand (March 31 2014- 1.843 thousand) is recorded as incentive income out of total R&D expenditures.

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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 31 March 2015, investment expenditures amounting to TL 6.987.711 thousand (31 December 2014- TL 6.297.223 thousand) has been made and tax advantages amounting to TL 3.199.515 thousand (31 December 2014 – TL 2.888.214 thousand) has been realized to be used in future periods. Moreover, as of 31 March 2015 within the scope of the Strategic Investment the Company offset TL 72.933 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 23 September 2014, within the context of Batman Refinery Modernisation Project, the company has received an investment incentive certificate from “Incentive Implementation and Foreign Investment General Directorate of the Ministry of Economy”. The investment support elements are benefit of the VAT exemption, tax discount rate(90%),investment contribution rate (50%) and interest rate support.

Izmir 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 31 March, 2015 and 2014, the revenues (totally recognized in consolidated statements of profit or loss) of the Group from government incentives and grants are as follows:

	31 March 2015	31 March 2014
Interest incentive	6.348	3.955
Social security withholdings incentives	5.791	5.109
Research and development incentives	922	1.843
	13.061	10.907

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22. Commitments and contingent assets and liabilities

Guarantees received:	31 March 2015		31 December 2014	
	Original balances:	TL Amount:	Original balances:	TL amount:
Letter of guarantees received		2.014.404		1.957.607
- Letter of guarantees in TL	786.613	786.613	768.269	768.269
- Letter of guarantees in USD	435.134	1.135.787	470.579	1.091.224
- Letter of guarantees in EUR	29.502	83.516	32.306	91.126
- Letter of guarantees in other currencies	-	8.488	-	6.988
Guarantee notes received		64.936		65.955
- Guarantee notes in TL	60.983	60.983	62.273	62.273
- Guarantee notes in other currencies	-	3.953	-	3.682
Guarantee letters received		180.510		165.945
- Guarantee letters received - TL	50.000	50.000	50.000	50.000
- Guarantee letters received - USD	50.000	130.510	50.000	115.945
Commitments received		9.099		8.351
- Commitment in USD	2.350	6.134	2.350	5.449
- Commitment in other currencies	-	2.965	-	2.902
Total guarantees received		2.268.949		2.197.858
Guarantees given:				
Letter of credits given		1.130.218		511.663
- Letter of credits in USD	429.892	1.122.104	218.838	507.463
- Letter of credits in EUR	2.866	8.114	1.379	3.890
- Letter of credits in other currencies	-	-	-	310
Letter of guarantees given		289.839		306.474
- Letter of guarantees in TL	237.113	237.113	259.632	259.632
- Letter of guarantees in USD	20.200	52.726	20.200	46.842
Letters of guarantee given to customs offices		1.382.365		1.429.270
- Letter of guarantees in TL	1.348.394	1.348.394	1.395.422	1.395.422
- Letter of guarantees in EUR	12.000	33.971	12.000	33.848
Letters of guarantee given to banks		263.873		258.950
- Letter of guarantees in USD	36.253	94.627	36.253	84.067
- Letter of guarantees in EUR	59.785	169.246	62.000	174.883
Total guarantees given		3.066.295		2.506.357

As at 31 March 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 31 March 2015, letters of guarantee given to banks are given for loans which were used by Companies within scope of consolidation amounting to TL 263.873 thousand. (31 December 2014- TL 258.950 thousand)

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Türkiye Petrol Rafinerileri A.Ş.

Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
(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 31 March 2015 and 31 December 2014 are as follows:

	31 March 2015	31 December 2014
A. CPMs given for companies in the name of its own legal personality	2.802.422	2.247.407
B.CPMs given on behalf of the fully consolidated companies	263.873	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.	-	-
	3.066.295	2.506.357

23. Equity

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

	31 March 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 Turkish 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 Kr 1 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.

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.

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Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
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23. Equity (continued)

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 31 March 2015, the restricted reserves of the Company (Tüpraş) amount to TL 163.401 thousand (31 December 2014 - TL 163.401 thousand).

23. Equity (continued)

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 installments and advance dividend can be paid in accordance with profit on interim financial statements of the Company.

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 1.292.131 thousand as at 31 March 2015. This amount includes inflation adjustment differences of the equity accounts amounting to TL 1.698.998 thousand and other reserves amounting to TL 15.403 thousand which are subject to corporate taxation when distributed as dividends.

In the year ended 31 December 2014, the Company committed to make dividend payment in cash amounting to TL 396.163 thousand, and the mentioned dividend has been paid by the company. 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.

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Türkiye Petrol Rafinerileri A.Ş.

Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

24. Revenue and cost of sales

	1 January - 31 March 2015	1 January - 31 March 2014
Domestic revenue	5.136.234	7.339.225
Export revenue	1.828.436	1.944.752
Service revenue	19.523	18.474
Gross revenue	6.984.193	9.302.451
Less: Sales discounts	(17.925)	(22.779)
Less: Sales returns	(18.009)	(3.941)
Sales (net)	6.948.259	9.275.731
Cost of goods sold	(6.138.471)	(8.603.672)
Cost of trade goods sold	(299.720)	(252.415)
Cost of services	(11.374)	(10.928)
Gross profit	498.694	408.716

Cost of sales:

	1 January - 31 March 2015	1 January - 31 March 2014
Raw materials	5.717.941	8.214.478
Cost of trade goods sold	299.720	252.415
Energy expenses	186.145	186.743
Personnel expenses	100.708	91.417
Depreciation and amortization (Note 12-13)	63.176	55.233
Other production expenses	81.875	66.729
Cost of sales	6.449.565	8.867.015

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Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
(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 - 31 March 2015	1 January - 31 March 2014
Personnel expenses	60.155	49.368
Taxes and duties	13.361	13.645
Insurance expenses	12.578	11.284
Outsourced services	9.503	8.439
Lawsuit and consultancy expenses	5.417	6.103
Depreciation and amortisation expenses (Note 12-13)	9.628	6.747
Office expenses	4.182	4.486
Rent expenses	2.647	4.429
Subscription fees	3.986	3.647
Donations	190	90
Transportation and travel expenses	403	610
Other	7.441	7.400
Total general administrative expenses	129.491	116.248

Marketing, selling and distribution expenses:

	1 January - 31 March 2015	1 January - 31 March 2014
Personnel expenses	14.351	14.832
Outsourced services	10.659	9.127
Carriage, storage and insurance expenses	3.770	7.378
Advertising expenses	469	570
Rent expenses	1.977	1.622
Energy expenses	623	1.072
Depreciation and amortisation expenses (Note 12)	1	1
Other	3.161	3.498
Total marketing, selling and distribution expenses	35.011	38.100

Research and development expenses:

	1 January - 31 March 2015	1 January - 31 March 2014
Personnel expenses	5.317	3.130
Licence expenses	1.321	163
Outsourced services	487	27
Lawsuit and consultancy expenses	117	27
Other	170	292
Total research and development expenses	7.412	3.639

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Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

26. Other operating income / (expenses)

	1 January - 31 March 2015	1 January - 31 March 2014
Other operating income:		
Credit finance gains	15.705	41.940
Foreign exchange gain from trade receivables	3.550	1.112
Rent income	687	642
Other	1.546	1.756
Total other operating income	21.488	45.450

	1 January - 31 March 2015	1 January - 31 March 2014
Other operating expense:		
Idle capacity expenses		
- <i>Amortisation expenses (Note 12)</i>	(456)	(363)
- <i>Other idle capacity expenses</i>	(3.145)	(4.485)
Foreign exchange loss from trade payables	(230.232)	(15.708)
Credit finance charges	(1.819)	(2.350)
Other	(8.827)	(1.337)
Total other operating expense	(244.479)	(24.243)

27. Income from investment activities

	1 January - 31 March 2015	1 January - 31 March 2014
Gain on sales of property plant and equipment and intangible assets	210	-
Total income from investment activities	210	-

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Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
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28. Financial income / (expenses)

	1 January – 31 March 2015	1 January – 31 March 2014
Financial income:		
Foreign exchange gains on deposits	232.203	13.405
Foreign exchange gains on derivative instruments	178.715	-
Interest income on deposits	32.800	35.400
Total financial income	443.718	48.805
Financial expense:		
Foreign exchange losses on borrowings	(466.530)	(30.033)
Interest expenses	(86.763)	(81.654)
Other	(1.001)	(238)
Total financial expense	(554.294)	(111.925)

29. Tax assets and liabilities

i) Corporation tax:

	31 March 2015	31 December 2014
Current period corporate tax provision	1.654	5.147
Current year tax assets	(287)	(1.235)
Corporation tax provision	1.367	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).

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Türkiye Petrol Rafinerileri A.Ş.

Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
(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 31 March 2015 and 31 December 2014 using the enacted tax rates are as follows:

	Cumulative temporary differences		Deferred tax asset/(liability)	
	March 31, 2015	December 31, 2014	March 31, 2015	December 31, 2014
Difference between the carrying values and tax base of property, plant, equipment and intangible assets	962.304	1.107.247	(192.461)	(221.449)
Gain on derivative instruments	357.758	64.606	(71.552)	(12.921)
Prepaid expenses	164.349	167.419	(32.870)	(33.484)
Financial assets fair value difference	57.112	57.112	(2.856)	(2.856)
Deferred tax liability			(299.739)	(270.710)
Investment incentive income	6.987.711	6.297.223	3.199.515	2.888.214
Investment incentive income net-offed by tax base within the scope of Strategic Investment Incentive			(72.933)	(72.933)
Financial losses	455.548	-	91.110	-
Employment termination benefits and seniority incentive bonus provision	140.737	141.395	28.147	28.279
Impairment on inventories	5.461	90.204	1.092	18.041
Provision for unused vacation liability	36.042	35.550	7.209	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	14.887	13.743	2.977	2.749
Fair value difference of derivative financial instruments	-	559	-	112
Unearned credit finance income, (net)	43	148	9	30
Other	10.267	51.100	2.054	10.220
Deferred tax assets			3.264.942	2.893.844
Deferred tax asset / (liability), net			2.965.203	2.623.134

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29. Tax assets and liabilities (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 31 March 2015, investment expenditures amounting to TL 6.987.711 thousand (31 December 2014- TL 6.297.223 thousand) has been made and tax advantages amounting to TL 3.199.515 thousand (31 December 2014 – TL 2.888.214 thousand) has been realized to be used in future periods. Moreover, as of 31 March 2015 within the scope of the Strategic Investment the Company offset TL 72.933 thousand from tax base (31 December 2014 - TL 72.933 thousand).

The movement of deferred taxes is as follows:

	2015	2014
Deferred tax asset / (liability), net		
1 January	2.623.134	1.330.197
Deferred tax asset for the period	309.274	284.974
Gains on cash flow hedge	32.795	-
31 March	2.965.203	1.615.171

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Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
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30. Earnings per share

	1 January - 31 March 2015	1 January - 31 March 2014
Profit for the year attributable to shareholders of the Company	275.160	511.209
Weighted average number of shares with nominal value of Kr 1 each	25.041.920.000	25.041.920.000
Basic and diluted earnings per share in Kr	1,10	2,04

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:

	31 March 2015	31 December 2014
Yapı ve Kredi Bankası A.Ş. (2)	1.090.807	2.508.007
Total	1.090.807	2.508.007

b) Due from related parties:

	31 March 2015	31 December 2014
Opet Petrolcülük A.Ş. (1)	45.178	1.671
THY OPET Havacılık Yakıtları A.Ş. (1)	9.318	1.869
Opet Fuchs Madeni Yağ San.ve Tic. A.Ş. (1)	6.185	2.337
Aygaz A.Ş. (2)	4.719	1.503
Other (2)	11	3
Total	65.411	7.383

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Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
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31. Related party transactions (continued)

c) Due to related parties:

	31 March 2015	31 December 2014
Entek Elektrik Üretim A.Ş. (2)	32.347	-
Aygaz A.Ş. (2)	11.042	11.863
Opet Petrolcülük A.Ş. (1)	4.227	4.719
Zer Merkezi Hizmetler ve Ticaret A.Ş. (2)	3.816	10.704
Koç Sistem Bilgi ve İletişim A.Ş. (2)	2.257	4.985
Eltek Elektrik Enerjisi İthalat, İhracat ve Toptan Tic. A.Ş. (2)	1.292	2.596
Ark İnşaat A.Ş. (2)	1.202	13.459
RAM Sigorta Aracılık Hizmetleri A.Ş. (2) (*)	437	8.583
Diğer (2)	1.762	10.940
Total	58.382	67.849

(*) Includes paid and accrued insurance premiums in the year ended 31 March 2015 and 31 December 2014 in connection with insurance policies signed with insurance companies through RAM Sigorta Aracılık Hizmetleri A.Ş acting as an intermediary insurance agency.

d) Advances given for property, plant and equipment:

	31 March 2015	31 December 2014
Entek Elektrik Üretim A.Ş. (2)	13.065	-
Ark İnşaat A.Ş. (2)	6.832	-
RMK Marine Gemi Yapım Sanayii ve Deniz Taşımacılığı İşl. A.Ş. (2)	6.752	75.720
Other (2)	26	-
Total	26.675	75.720

e) Bank borrowings:

	31 March 2015	31 December 2014
Yapı ve Kredi Bankası A.Ş. (2)	36.966	22.791
Total	36.966	22.791

f) Product and service sales:

	1 January - 31 March 2015	1 January - 31 March 2014
THY OPET Havacılık Yakıtları A.Ş. (1)	932.366	1.271.754
Opet Petrolcülük A.Ş. (1)	591.872	849.500
Aygaz A.Ş. (2)	66.007	137.073
Opet Fuchs Madeni Yağ San. ve Tic. A.Ş. (1)	6.515	12.479
Ram Dış Ticaret A.Ş. (2)	-	4.805
Other (2)	588	423
Total	1.597.348	2.276.034

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**Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
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Türkiye Petrol Rafinerileri A.Ş.

Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
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31. Related party transactions (continued)

g) Product and service purchases:

	1 January - 31 March 2015	1 January - 31 March 2014
Aygaz A.Ş. (2)	85.213	88.347
THY OPET Havacılık Yakıtları A.Ş. (1)	29.060	13.613
Opet Petrolcülük A.Ş. (1)	13.300	14.216
Ark İnşaat A.Ş. (2)	13.107	917
Zer Merkezi Hizmetler ve Ticaret A.Ş. (2)	12.846	8.496
Eltek Elektrik Enerjisi İthalat, İhracat ve Toptan Tic. A.Ş. (2)	4.904	3.798
RMK Marine Gemi Yapım Sanayii ve Deniz Taşımacılığı İşl. A.Ş. (2)	4.713	-
Koç Sistem Bilgi ve İletişim A.Ş. (2)	3.461	1.920
Koç Holding A.Ş. (3)	2.566	2.500
Otokoç Otomotiv Tic. ve San. A.Ş. (2)	1.630	1.886
Opet Fuchs Madeni Yağ San. ve Tic. A.Ş. (1)	550	442
Other (2)	6.550	13.251
Total	177.900	149.386

h) Fixed asset purchases:

	1 January - 31 March 2015	1 January - 31 March 2014
RMK Marine Gemi Yapım Sanayii ve Deniz Taşımacılığı İşl. A.Ş. (2)	89.183	-
Entek Elektrik Üretim A.Ş. (2)	27.412	-
Ark İnşaat A.Ş. (2)	-	13.671
Zer Merkezi Hizmetler ve Ticaret A.Ş. (2)	303	-
Other (2)	69	18
Total	116.967	13.689

i) Remuneration of board of directors and executive management:

	1 January - 31 March 2015	1 January - 31 March 2014
Short term remunerations	3.467	1.327
Total	3.467	1.327

Remuneration of board of directors and executive management for the years ended 31 March 2015 and 2014 includes salaries, bonuses, employer shares of Social Security Institution and Koç Holding Emeklilik Vakfı and board of directors' honorarium expenses paid by the Company.

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31. Related party transactions (continued)

j) Financial expenses paid to related parties:

	1 January - 31 March 2015	1 January - 31 March 2014
Yapı Kredi Faktoring A.Ş. (2)	1.705	1.488
Yapı ve Kredi Bankası A.Ş. (2)	2.202	2.166
Total	3.907	3.654

k) Time deposit interest income:

	1 January - 31 March 2015	1 January - 31 March 2014
Yapı ve Kredi Bankası A.Ş. (2)	10.068	16.667
Total	10.068	16.667

l) Donations:

	1 January - 31 March 2015	1 January - 31 March 2014
DenizTemiz Derneği (2)	40	-
TEGV (2)	5	-
Total	45	-

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Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
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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.

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

	31 March 2015	31 December 2014
Assets	267.913	1.474.548
Liabilities	(10.563.405)	(10.046.577)
Net balance sheet foreign currency position	(10.295.492)	(8.572.029)
Net foreign currency position of derivative financial instrument	2.636.302	1.646.419
Net foreign currency position	(7.659.190)	(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 31 March 2015, the Group has crude oil and petroleum products amounting to TL 2.732.501 thousand (31 December 2014 - TL 2.263.213 thousand) (Note 8).

As of 31 March 2015, Group has been accounted loans of RUB amounting to 1.877 million dollars by cash flow hedge accounting method since the loans have defined as hedging instrument against USD/TL exchange rate risk subjected due to high probable expected export revenues. Excluding the concerning natural hedge amount and loans of RUB defined as hedging instrument, Group has net foreign exchange liability of 33.441 thousand TL as of 31 March 2015.

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Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
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32. Financial instruments and financial risk management (continued)

	Foreign currency position table									
	TL equivalent (In terms of functional currency)	31 March 2015				31 December 2014				
		USD	EUR	GBP	Other	TL equivalent (In terms of functional currency)	USD	EUR	GBP	Other
Trade receivables	13.002	4.982	-	-	-	9.089	3.919	-	-	-
Monetary financial assets(including cash, banks)	213.488	70.808	10.045	59	-	1.365.609	573.657	12.450	66	-
Other	2.155	811	14	-	-	3.008	1.294	3	-	-
Current assets	228.645	76.601	10.059	59	-	1.377.706	578.870	12.453	66	-
Other	39.268	6.036	7.689	-	1.755	96.842	720	33.133	-	1.715
Non-current assets	39.268	6.036	7.689	-	1.755	96.842	720	33.133	-	1.715
Total assets	267.913	82.637	17.745	59	1.755	1.474.548	579.590	45.586	66	1.715
Trade payables	3.021.038	1.140.303	14.546	210	2.627	3.379.589	1.430.395	21.048	685	805
Financial liabilities	603.069	212.340	16.757	-	-	516.692	202.028	17.090	-	-
Other monetary liabilities	9.347	3.581	-	-	-	923	398	-	-	-
Current liabilities	3.633.454	1.356.224	31.303	210	2.627	3.897.204	1.632.821	38.138	685	805
Financial liabilities	6.907.561	2.589.561	52.382	-	-	6.148.882	2.580.609	58.393	-	-
Other monetary liabilities	22.390	8.578	-	-	-	491	212	-	-	-
Non-current liabilities	6.929.951	2.598.139	52.382	-	-	6.149.373	2.580.821	58.393	-	-
Total liabilities	10.563.405	3.954.363	83.685	210	2.627	10.046.577	4.213.642	96.531	685	805
Net asset/liability position of off-balance sheet foreign currency derivatives	2.636.302	1.010.000	-	-	-	1.646.419	710.000	-	-	-
Total amount of off-balance sheet derivative financial assets	2.636.302	1.010.000	-	-	-	1.646.419	710.000	-	-	-
Total amount of off-balance sheet derivative financial liabilities	-	-	-	-	-	-	-	-	-	-
Net foreign currency asset/(liability) position	(7.659.190)	(2.861.726)	(65.940)	(151)	(872)	(6.925.610)	(2.924.052)	(50.945)	(619)	910
Net monetary foreign currency asset/(liability) position	(10.336.915)	(3.878.573)	(73.640)	(151)	(2.627)	(8.671.879)	(3.636.066)	(84.081)	(619)	(805)
Fair value of derivative instruments	325.090	124.546	-	-	-	64.606	27.861	-	-	-

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish-see Note 2.2.3)

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Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
(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 31 March 2015 and 31 December 2014.

Statement of foreign currency risk sensitivity				
31 March 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	(444.096)	444.096	(568.289)	568.289
Amount hedged for USD risk (-) (*)	185.324	(185.324)	-	-
USD net effect	(447.532)	239.971	(568.289)	568.289
10% change in EUR rate:				
Euro net assets/ liabilities	(20.847)	20.847	-	-
Amount hedged for Euro risk (-)	-	-	-	-
EUR net effect	(20.847)	20.847	-	-
TOTAL	(279.619)	279.619	(568.289)	568.289
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 the date of 31 March 2015, RUB investment loan and cross currency swap transactions used by the Company are evaluated within the scope of cash flow hedge accounting and the foreign currency income/expenses from these transactions are accounted under shareholders' 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.

(Convenience translation of condensed interim consolidated financial statements originally issued in Turkish-see Note 2.2.3)

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Notes to the consolidated financial statements for the three month interim period ended 31 March 2015(continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

32. Financial instruments and financial risk management (continued)

Export and import

	1 January - 31 March 2015	1 January - 31 March 2014
Export		
USD (equivalent of thousand TL)	1.828.432	1.944.303
Total	1.828.432	1.944.303
Import		
USD (equivalent of thousand TL)	5.987.120	8.034.347
Total	5.987.120	8.034.347

33. Subsequent events

None.