AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED CONSOLIDATED INTERIM FINANCIAL FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2013 TOGETHER WITH AUDITOR'S REVIEW REPORT

(ORIGINALLY ISSUED IN TURKISH)

INDEPENDENT AUDITOR'S REVIEW REPORT
ORIGINALLY ISSUED IN TURKISH

REPORT ON REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the Board of Directors of
Aksa Akrilik Kimya Sanayii A.Ş.

Introduction

1. We have reviewed the accompanying condensed consolidated interim balance sheet Aksa Akrilik Kimya Sanayii A.Ş., its subsidiaries and joint venture (collectively referred to as the "Group") as of 30 June 2013, and the related condensed statements of comprehensive income, changes in equity and cash flows for the six-month period then ended. The Group management is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with the financial reporting standards accepted by the Capital Market Board. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

2. We conducted our review in accordance with the principles and standards on the review of interim financial statements as set out in the communiqué on the auditing standards issued by the Capital Markets Board. A review of interim financial statements consist of making inquires, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with independent auditing standards issued by the Capital Markets Board and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an independent audit opinion.

Conclusion

3. Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with financial reporting standards accepted by the Capital Markets Board (Note 2).

Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.** a member of **PricewaterhouseCoopers
BJK Plaza, Süleyman Seba Caddesi No:48 B Blok Kat 9 Akaretler Beşiktaş 34357 İstanbul-Turkey
www.pwc.com/tr Telephone: +90 (212) 326 6060 Facsimile: +90 (212) 326 6050

Additional paragraph for convenience translation into English:

4. The financial reporting standards accepted by Capital Markets Board as described in Note 2 to the accompanying condensed interim financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting for the period between 1 January - 31 December 2005 . Accordingly, the accompanying financial statements are not intended to present the financial position, the financial performance and the cash flows of the Group in accordance with IFRS.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers

Baki Erdal, SMMM
Partner

Istanbul, 16 August 2013

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2013

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CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS
AT 30 JUNE 2013 AND 31 DECEMBER 2012
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	Notes	30 June 2013 USD (*)	*Reviewed* 30 June 2013 TL	*Audited* 31 December 2012 TL
ASSETS				
Current Assets		**395,786**	**761,811**	**692,258**
Cash and cash equivalents		95,664	184,135	141,472
Trade receivable				
- Other trade receivables	7	109,774	211,293	179,383
- Due from related parties	22	70,894	136,457	139,091
Other receivables				
- Other receivables	8	89	172	170
Inventories	9	85,902	165,345	164,935
Prepaid expenses	13	3,623	6,973	5,008
Other current assets	13	29,840	57,436	62,199
Non-current Assets		**460,758**	**886,870**	**864,698**
Financial investments	4	689	1,327	1,327
Trade receivables				
- Other trade receivables	7	-	-	4,490
Investment in joint ventures	5	121,320	233,517	227,742
Property, plant and equipment	10	328,037	631,405	618,035
Intangible assets				
- Goodwill		3,111	5,989	5,989
- Other intangible assets	11	5,284	10,171	4,821
Prepaid expenses	13	2,311	4,449	2,280
Other non-current assets		6	12	14
TOTAL ASSETS		**856,544**	**1,648,681**	**1,556,956**

(*) USD amounts presented above have been translated from Turkish Lira ("TL") for convenience purposes only, at the official TL bid rate announced by the CBRT at 30 June 2013, and therefore do not form part of these consolidated financial statements (Note 2.5).

These condensed consolidated interim financial statements as of and for the period ended 30 June 2013 have been reviewed by the Audit Committee and approved for issue by the Board of Directors on 16 August 2013.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.5)

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS AT 30 JUNE 2013 AND 31 DECEMBER 2012

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

	Notes	30 June 2013 USD (*)	*Reviewed* 30 June 2013 TL	*Audited* 31 December 2012 TL
LIABILITIES				
Current Liabilities		**259,657**	**499,793**	**429,596**
Financial liabilities	6	66,471	127,944	133,859
Short term portion of long term financial liabilities	6	25,582	49,240	36,538
Trade payables				
- Other trade payables	7	145,897	280,822	215,793
- Due to related parties	22	11,936	22,975	28,674
Other payables				
- Other payables	8	1,722	3,315	2,992
Deferred income	13	56	107	23
Taxes on income	20	5,500	10,587	5,902
Provisions				
- Provision for employment termination benefits		440	846	513
- Other provisions	12	1,198	2,305	4,126
Derivative financial instruments	14	687	1,322	-
Other current liabilities	13	168	330	1,176
Non-current Liabilities		**96,747**	**186,218**	**156,440**
Financial liabilities	6	83,968	161,622	129,126
Derivative financial instruments	14	562	1,081	1,723
Long-term provisions				
- Provision for employment termination benefits		7,915	15,234	16,156
Deferred income	13	223	430	992
Deferred tax liabilities	20	4,079	7,851	8,443
Total Liabilities		**356,404**	**686,011**	**586,036**
EQUITY		**500,141**	**962,670**	**970,920**
Attributable to Equity Holders of the Parent		**495,534**	**953,803**	**960,623**
Share capital	15	96,114	185,000	185,000
Adjustment to share capital	15	101,400	195,175	195,175
Share premium		23	44	44
Other comprehensive income/expense not to be classified to profit and loss				
-Remeasurement gain/loss arising from defined benefit plans		(1,726)	(3,322)	(4,220)
Other comprehensive income/expense to be classified to profit and loss				
- Currency translation differences		6,132	17,348	(1,098)
- Hedge funds		(650)	(1,251)	(993)
Restricted reserves		42,999	82,764	60,644
Retained earnings		215,296	414,401	357,562
Net income		35,946	63,644	168,509
Non-Controlling Interests		**4,607**	**8,867**	**10,297**
TOTAL LIABILITIES AND EQUITY		**856,544**	**1,648,681**	**1,556,956**

(*) USD amounts presented above have been translated from Turkish Lira ("TL") for convenience purposes only, at the official TL bid rate announced by the CBRT at 30 June 2013, and therefore do not form part of these consolidated financial statements (Note 2.5).

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

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIODS ENDED 30 JUNE 2013 AND 2012

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

	Notes	1 January - 30 June 2013 USD (*)	*Reviewed* 1 January - 30 June 2013 TL	*Not reviewed* 1 April - 30 June 2013 TL	*Reviewed* 1 January - 30 June 2012 TL	*Not reviewed* 1 April - 30 June 2012 TL
Revenue		440,912	799,450	411,230	837,300	426,382
Cost of sales (-)	16	(368,445)	(668,056)	(343,439)	(717,655)	(364,361)
Gross profit		**72,467**	**131,394**	**67,791**	**119,645**	**62,021**
General administrative expenses (-)	16	(12,518)	(22,698)	(12,133)	(28,326)	(15,758)
Marketing, selling and distribution expenses (-)	16	(8,461)	(15,342)	(8,496)	(17,021)	(7,996)
Research and development expenses (-)	16	(2,010)	(3,644)	(2,543)	(848)	(496)
Other operating income	17	13,573	24,610	13,155	110,859	95,298
Other operating expenses (-)	17	(14,426)	(26,157)	(17,400)	(29,053)	(6,731)
Operating profit		**48,625**	**88,163**	**40,374**	**155,256**	**126,338**
Share of loss of investment in Joint Venture	5	(6,567)	(11,908)	(4,590)	-	-
Operating profit before finance income/(expense)		**42,058**	**76,255**	**35,784**	**155,256**	**126,338**
Financial income	18	25,574	46,371	28,872	49,376	13,169
Financial expenses (-)	19	(20,637)	(37,418)	(22,694)	(38,902)	(18,646)
Profit before tax from continuing operations		**46,995**	**85,208**	**41,962**	**165,730**	**120,861**
Continuing operations tax expense:						
- Current period tax expense (-)	20	(11,447)	(20,756)	(10,837)	(52,697)	(43,826)
- Deferred tax income/(expense)	20	398	721	550	2,242	(20)
Net income for the period		**35,946**	**65,173**	**31,675**	**115,275**	**77,015**
Earnings per share (KR)	21	0.19	0.35	0.17	0.62	0.42

(*) USD amounts presented above have been translated from Turkish Lira ("TL") for convenience purposes only, at the average official TL bid rate announced by the CBRT for the period between 1 January 2013 - 30 June 2013, and therefore do not form part of these consolidated financial statements (Note 2.5).

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

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIODS ENDED 30 JUNE 2013 AND 2012

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

	Notes	1 January - 30 June 2013 USD (*)	*Reviewed* 1 January - 30 June 2013 TL	*Not reviewed* 1 April - 30 June 2013 TL	*Reviewed* 1 January - 30 June 2012 TL	*Not reviewed* 1 April - 30 June 2012 TL
Other comprehensive income/ (expense):						
Items not to be classified under profit and loss						
Remeasurement gain/loss arising from defined benefit plans		619	1,123	1,123	-	-
Taxation on other comprehensive income not to be classified to profit and loss		(124)	(225)	(225)	-	-
Items to be classified under profit and loss						
Fair value changes on derivative financial instruments		(178)	(323)	(829)	1,021	530
Currency translation differences		10,173	18,446	15,791	(7,007)	4,175
Currency translation differences and fair value changes on derivative financial instruments due to subsidiary sale		-	-	-	8,341	8,341
Taxation on other comprehensive income		36	65	166	(204)	(106)
Total comprehensive income		**46,472**	**84,259**	**47,701**	**117,426**	**89,955**
Net Income Attributable to:						
Equity holders of the parent		35,103	63,644	30,637	113,759	76,257
Non-controlling interest		843	1,529	1,038	1,516	758
		35,946	**65,173**	**31,675**	**115,275**	**77,015**
Total comprehensive income attributable to:						
Equity holders of the parent		45,629	82,730	46,663	115,910	89,197
Non-controlling interest		843	1,529	1,038	1,516	758
		46,472	**84,259**	**47,701**	**117,426**	**89,955**
Earnings per share for equity holders of the parent (Kr)	21	0.19	0,34	0,17	0,61	0,41

(*) USD amounts presented above have been translated from Turkish Lira ("TL") for convenience purposes only, at the average official TL bid rate announced by the CBRT for the period between 1 January 2013 - 30 June 2013, and therefore do not form part of these consolidated financial statements (Note 2.5).

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIODS ENDED 30 JUNE 2013 AND 2012

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

	Attributable to equity holders of the parent											
	Share capital	Adjustments to share capital	Share premium	Restricted reserves	Currency translation differences	Hedge funds	Remeasurement loss arising from defined benefit plans	Retained earnings	Net income for the period	Total	Non-controlling interest	Total equity
Balance at 1 January 2012 (Previously reported)	**185,000**	**195,175**	**44**	**52,542**	**1,185**	**(3,340)**	**-**	**313,774**	**97,049**	**841,429**	**9,518**	**850,947**
Effect of restatement (IAS 19) (Note 2.3)	**-**	**-**	**-**	**-**	**-**	**-**	**(1,704)**	**1,156**	**548**	**-**	**-**	**-**
Balance at 1 January 2012 (Restated)	**185,000**	**195,175**	**44**	**52,542**	**1,185**	**(3,340)**	**(1,704)**	**314,930**	**97,597**	**841,429**	**9,518**	**850,947**
Transfers	-	-	-	7,645	-	-	-	89,952	(97,597)	-	-	-
Dividends paid	-	-	-	-	-	-	-	(46,863)	-	(46,863)	-	(46,863)
Total comprehensive income	-	-	-	-	(567)	2,718	-	-	113,759	115,910	1,516	117,426
Balance at 30 June 2012	**185,000**	**195,175**	**44**	**60,187**	**618**	**(622)**	**(1,704)**	**358,019**	**113,759**	**910,476**	**11,034**	**921,510**

	Attributable to equity holders of the parent											
	Share capital	Adjustments to share capital	Share premium	Restricted reserves	Currency translation differences	Hedge funds	Remeasurement loss arising from defined benefit plans	Retained earnings	Net income for the period	Total	Non-controlling interest	Total equity
Balance at 1 January 2013 (Previously reported)	**185,000**	**195,175**	**44**	**60,644**	**(1,098)**	**(993)**	**-**	**355,858**	**165,993**	**960,623**	**10,297**	**970,920**
Effect of restatement (IAS 19) (Note 2.3)	**-**	**-**	**-**	**-**	**-**	**-**	**(4,220)**	**1,704**	**2,516**	**-**	**-**	**-**
Balance at 1 January 2013 (Restated)	**185,000**	**195,175**	**44**	**60,644**	**(1,098)**	**(993)**	**(4,220)**	**357,562**	**168,509**	**960,623**	**10,297**	**970,920**
Transfers	-	-	-	22,120	-	-	-	146.389	(168,059)	-	-	-
Dividends paid	-	-	-	-	-	-	-	(89.550)	-	(89,550)	(2,959)	(92,509)
Total comprehensive income	-	-	-	-	18,446	(258)	898	-	63,644	82,730	1,529	84,259
Balance at 30 June 2013	**185,000**	**195,175**	**44**	**82,764**	**17,348**	**(1,251)**	**(3,322)**	**414.401**	**63,644**	**953,803**	**8,867**	**962,670**

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

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS PERIODS ENDED 30 JUNE 2013 AND 2012

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

	Notes	1 January - 30 June 2013 USD (*)	1 January - 30 June 2013 TL	1 January - 30 June 2012 TL
A. Cash Flows From Operating Activities		**84,578**	**153,355**	**123,657**
Net income for the period		35,944	65,173	115,275
Adjustments to reconcile net income to net cash provided by operating activities		**39,612**	**71,824**	**(23,261)**
Adjustments related to depreciation and amortization		13,195	23,924	28,796
Adjustments related to impairment / (reversal of impairment)		(46)	(83)	(1,020)
Adjustments related to provisions		(152)	(275)	2,604
Adjustments related to interest income and expense	18,19	(619)	(1,122)	(4,689)
Unrealized exchange differences		8,392	15,216	(9,075)
Adjustments related to undistributed loss of associates	5	6,567	11,908	-
Adjustments related to tax income/expense		11,050	20,035	50,455
Adjustments related to other items arising from investment or financing activities	17	-	-	(88,169)
Other adjustments related to profit/loss reconciliation		1,225	2,221	(2,163)
Changes in working capital		**7,754**	**14,059**	**26,219**
Adjustments related to increase / decrease in inventory		524	950	(37,757)
Adjustments related to increase / decrease in trade receivables		(15,851)	(28,741)	29,525
Adjustments related to increase / decrease in other receivables arising from operating activities		(1)	(2)	55
Adjustments related to increase / decrease in trade payables		34,269	62,135	49,239
Adjustments related to increase / decrease in other payables arising from operating activities		176	320	2,803
Other adjustments related to increase / decrease in working capital		(11,363)	(20,603)	(17,646)
Net cash generated from operating activities		**83,310**	**151,056**	**118,233**
Interest paid		(1,547)	(2,805)	(4,081)
Interest received		2,595	4,706	8,903
Taxes paid / returns		220	398	602
B. Cash Flows From Investing Activities		**(25,129)**	**(45,563)**	**(58,456)**
Cash inflow proceeds from subsidiary share sales		-	-	22,656
Cash inflow proceeds from disposal of tangible and intangible assets		1,589	2,882	1,624
Cash outflow proceeds from purchase of tangible and intangible assets		(26,718)	(48,445)	(82,736)
C. Cash Flows From Financing Activities		**(35,896)**	**(65,086)**	**(60,227)**
Cash Inflow arising from borrowings		18,075	32,774	-
Cash outflows arising from repayment of borrowings		(4,703)	(8,528)	(17,241)
Dividends paid		(49,389)	(89,550)	(46,863)
Interest received		1,581	2,866	12,847
Interest paid		(1,460)	(2,648)	(8,970)
Net increase in cash and cash equivalents before currency translation differences		**23,553**	**42,706**	**4,974**
D. Effect of Currency Translation Differences on Cash and Cash Equivalents		**33**	**59**	**(7,082)**
Net (decrease) / increase in cash and cash equivalents		**23,586**	**42,765**	**(2,108)**
E. Cash and Cash Equivalents at The Beginning of The Period		**76,499**	**138,706**	**83,691**
Cash and cash equivalents at the end of the period		**100,085**	**181,471**	**81,583**

(*) USD amounts presented above have been translated from Turkish Lira ("TL") for convenience purposes only, at the average official TL bid rate announced by the CBRT for the period between 1 January 2013 - 30 June 2013, and therefore do not form part of these consolidated financial statements (Note 2.5).

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

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Aksa Akrilik Kimya Sanayii A.Ş. ("Aksa" or the "Company") was established on 21 November 1968 and registered in Turkey.

Aksa and its subsidiaries (together "the Group") have the following main activities, manufacturing of textile, chemical and other industrial products and all kinds of raw materials, auxiliary materials and intermediate substances, artificial, synthetic and natural fibers, carbon fibers, filament and polymers, and any equipment, machinery or spare parts used in the production, processing or storage of these, importing exporting, establishment of domestic, foreign and international branches, marketing and trading, establishment and start-up and rental of energy generation plant, electricity generation and sale of generated electricity or capacity to customers.

Aksa is registered with the Capital Markets Board ("CMB") and its shares have been quoted in the Borsa İstanbul A.Ş. ("BİST") since 1986. As of 30 June 2013, the principle shareholders and their respective shareholding rates in the Company are as follows (Note 15):

	%
Akkök Sanayi Yatırım ve Geliştirme A.Ş. "Akkök"	39.59
Emniyet Ticaret ve Sanayi A.Ş.	18.72
Other (*)	41.69
Total	**100.00**

(*) As of 30 June 2013, 37.25% of the Group's shares is traded on BİST. The address of the registered office of the Company is as follows:

Gümüşsuyu,Miralay Şefik Bey Sokak
Akhan No: 15
34437 Beyoğlu - İstanbul

Main operations of the Group are in Turkey and for the purpose of segment reporting, the operations are summarized in three operational segments as fibers, energy and other (Note 3):

- Fibers
- Energy
- Other

The Company has the following subsidiaries, joint venture and associate, County, nature of operations and segmental informations of these companies are as follows:

Subsidiaries	**Country**	**Nature of business**	**Segment**
Ak-Tops Tekstil Sanayi A.Ş. ("Ak-Tops")	Turkey	Textile	Other
Fitco BV ("Fitco")	Holland	Investment	Other
Aksa Egypt Acrylic Fiber Industry SAE ("Aksa Egypt")	Egypt	Textile	Fiber

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

Joint ventures	Country	Nature of business
DowAksa Advanced Composites Holdings BV ("DowAksa Holdings")	Holland	Investment
DowAksa İleri Kompozit Malzemeler San. Ltd. Şti.	Turkey	Textile
DowAksa Switzerland Gmbh	Turkey	Investment

Associates	Country	Nature of business
Ak-Pa Tekstil İhracat Pazarlama A.Ş. ("Ak-Pa")	Turkey	Foreign Trade

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of preparation

2.1.1 Financial Reporting Standards Applied

The condensed consolidated interim financial statements of Aksa have been prepared in accordance with the accounting and reporting principles accepted by the Capital Markets Board ("CMB"), namely "CMB Financial Reporting Standards". CMB regulated the principles and procedures of preparation, presentation and announcement of financial statements prepared by the entities with the Communiqué No: II-14.1 "Principles of Financial Reporting in Capital Markets". According to the Communiqué, entities shall prepare their financial statements in accordance with International Financial Reporting Standards ("IAS/IFRS") endorsed by the European Union. Until the differences of the IAS/IFRS as endorsed by the European Union from the ones issued by the International Accounting Standards Board ("IASB") are announced by Turkish Accounting Standards Board ("TASB") (In November 2011 TASB has been dismissed and its responsibilities are transferred to Public Oversight Accounting and Auditing Standards Authority), IAS/IFRS issued by the IASB shall be applied. Accordingly, Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") accepted by the TASB which are in line with the aforementioned standards shall be considered.

With the decision taken on 17 March 2005, the CMB announced that, effective from 1 January 2005, for companies operating in Turkey and preparing their financial statements in accordance with CMB Financial Reporting Standards, the application of inflation accounting is no longer required. Accordingly, IAS 29, "Financial Reporting in Hyperinflationary Economies", issued by the IASB, has not been applied in the financial statements for the accounting periods starting 1 January 2005.

In accordance with the Communiqué No: II-14.1 issued by CMB, 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 consolidated interim financial statements for the interim period ended 30 June 2013 and prepared the condensed consolidated interim financial statements in compliance with CMB Financial Reporting Standards.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Aksa and its subsidiaries registered in Turkey maintain their books of account and prepare their statutory financial statements in accordance with the Turkish Commercial Code (“TCC”), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance and accounting principles issued by the CMB for listed companies. These condensed consolidated interim financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the CMB Financial Reporting Standards.

The condensed consolidated interim financial statements are prepared in Turkish Lira (“TL”) based on the historical cost convention except for the financial assets and liabilities which are expressed with their fair values.

Amendments in International Financial Reporting Standards

Group has applied standards and interpretations which is published in International Accounting Standards Board (“IASB”) and International Financial Reporting Interpretations Committee (“IFRIC”) and valid after 1 January 2013.

a) Standards, amendments and IFRICs newly applicable for companies with 31 December 2013 year ends are set out below:

- IAS 19 (amendment) “Employee Benefits” (effective for annual periods beginning on or after January 1, 2013), IAS 19 has been amended to remove the corridor mechanism and to make the distinction between short-term and other long-term employee benefits based on expected timing of settlement rather than employee entitlement, The revised standard is applied retrospectively with a few exceptions, Early adoption is permitted.

  Change in accounting policy requires the restatement of the opening balance sheet of latest period which is presented in accordance with IAS 8 “Accounting Policies, Estimates and Errors” and it is also required to correct the effects of change in related accounting policy considering issued periods of financial statements. The Company analyzed the effect of change and has started to account actuarial gain/losses arising from provisions for employment termination benefits under shareholder’s equity due to the enactment of “IAS 19 (amendment) Employee Benefits” in 2013. At the same time, actuarial gain/losses in retained earnings has been reclassified to “Remeasurement gain/loss arising from defined benefit plans” under shareholder’s equity, retrospectively as of 31 December 2012 and 30 June 2012.

- IAS 1 (amendment), “Presentation of financial statements”, regarding other comprehensive income is effective for annual periods beginning on or after July 1, 2012. The main change resulting from these amendments is a requirement for entities to the group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. The revised standard will be applied retrospectively.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

- IFRS 10 "Consolidated Financial Statements" (effective for annual periods beginning on or after January 1, 2013). A new definition of control is introduced, which is used to determine which entities are consolidated, in the standard and it is applied on a modified retrospective approach.

- IFRS 11 "Joint Arrangements" (effective for annual periods beginning on or after January 1, 2013): IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case).

  The Company has been accounted Dow Aksa Holdings, which is the joint venture of the company, through the equity method in accordance with IFRS 11 "Joint Arrangements". The Group also was accounted its joint venture through the equity method in accordance with IAS 31 "Interest in Joint Ventures" in the prior period. Therefore, this amendment has not any significant impacts on consolidated financial statements of the Group.

- IFRS 7 (amendment) "Financial Instruments: Disclosures-Offsetting Financial Assets and Financial Liabilities" (to be retrospectively applied for annual periods beginning on or after January 1, 2013 and interim periods within those annual periods). The purpose of the amendment is to increase comparability between companies reporting under IFRS and US GAAP by improving disclosure explanations.

  IFRS/TFRS 10, 11 and 12 on transition guidance (amendment), is effective for annual periods beginning on or after 1 January 2013. The amendment also provide additional transition relief in IFRS/TFRSs 10, 11 and 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period.

- IFRS/TFRS 12, "Disclosures of interests in other entities", is effective for annual periods beginning on or after 1 January 2013. This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance-sheet vehicles.

- IFRS 13, "Fair value measurement", (effective for annual periods beginning on or after January 1, 2013). The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs.

- IAS/TAS 27 (revised), "Separate financial statements", is effective for annual periods beginning on or after 1 January 2013. The standard includes the provisions on separate financial statements that are left after the control provisions of IAS/TAS 27 have been included in the new IFRS/TFRS 10.

- IAS/TAS 28 (revised), "Associates and joint ventures", is effective for annual periods beginning on or after 1 January 2013. The standard includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS/TFRS 11.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

- IFRS 1 (amendment), "First time adoption, on government loans", is effective for annual periods beginning on or after January 1, 2013 and earlier application is permitted, The amendment introduces how the first time adopters shall account the government loans at a below market rate of interest.

- Improvements made to IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34 in 2011 are effective for the periods beginning on or after January 1, 2013.

- IFRIC/TFRIC 20, "Stripping costs in the production phase of a surface mine"

The above standards and interpretations have no significant impact on consolidated financial statements of the Group in the future, except defined impacts under IAS 19 and IFRS 11.

b) Standards, amendments and interpretations not yet effective as of 30 June 2013:

- IAS 31 (amendment), "Financial instruments: Presentation", on offsetting financial assets and financial liabilities", is effective for annual periods beginning on or after 1 January 2014. The amendment updates the application guidance in IAS 32, "Financial instruments: Presentation", to clarify some of the requirements for offsetting financial assets and financial liabilities on the statements of financial position.

- IFRS 9 "Financial instruments: classification and measurement", is effective for annual periods beginning on or after 1 January 2015. The standard addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments.

According to Group management, the above standards and interpretations have no significant impact on the consolidated financial statements in the future.

2.1.2 Basis of Consolidation

a) The condensed consolidated interim financial statements include the accounts of the parent company, Aksa, and its subsidiaries on the basis set out in sections (b) below, The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and have been prepared in accordance with CMB Financial Reporting Standards by applying uniform accounting policies and presentation The results of operations of subsidiaries are included or excluded from their effective dates of acquisition or disposal respectively.

b) Subsidiaries are companies in which Aksa has the power to control the financial and operating policies for the benefit of itself, either (1) through the power to exercise more than 50% of voting rights related to shares in the companies as a result of shares owned directly and/or indirectly by itself or (2) although not having the power to exercise more than 50% of the voting rights, through the exercise of actual dominant influence over the financial and operating policies.

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

The table below sets out all subsidiaries and demonstrates their shareholding structure as of 30 June 2013 and 31 December 2012:

	Direct and indirect ownership interest Aksa and its subsidiaries (%)	
Subsidiary	**30 June 2013**	**31 December 2012**
Ak-Tops	60.00	60.00
Fitco	100.00	100.00
Aksa Egypt	99.14	99.14

The financial statements of subsidiaries are consolidated on a line-by-line basis.

Subsidiaries are consolidated from the date on which the control is transferred to the Group and are deconsolidated from the date that the control ceases. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Carrying values of the subsidiaries' shares held by the Company are eliminated against the related equity of subsidiaries. Intercompany transactions and balances between Aksa and its subsidiaries are eliminated on consolidation. Dividends arising from shares held by the Group in its subsidiaries are eliminated from income for the period and equity, respectively.

The minority shareholders' share in the net assets and results of subsidiaries for the period are separately classified as non-controlling interests in the consolidated balance sheets and statements of comprehensive income.

c) Joint ventures

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 Company and one or more other parties, The Company exercises such joint control through direct and indirect ownership interest held by itself and related shareholders majority of who declared their intention to exercise their voting power in favor of Company.

Joint venture is accounted for using the equity method of accounting in accordance with IFRS 11 "Joint Arrangements" (Note 5).

Eliminations that are not subjected to consolidation, are presented in balances and transactions with related parties note (Note 22).

The financial statements of the joint ventures, financial statements as of and considering the uniform accounting principles and practices adopted in the preparation of the latest annual financial statements are prepared using accounting policies and methods of computation.

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Joint ventures operating results are included or excluded at the effective date of transaction dates of acquisition or disposal of the joint venture.

	Direct and indirect ownership interest by Aksa and its subsidiaries (%)	
Joint venture	**30 June 2013**	**31 December 2012**
DowAksa Holdings	50.00	50.00
DowAksa İleri Kompozit Malzemeler San. Ltd. Şti.	50.00	50.00
DowAksa Switzerland Gmbh	50.00	-

(d) Financial investments

Groups share of the net assets of the unquoted financial investment considered as its fair value and accounted accordingly.

	Direct and indirect ownership interest by Aksa and it's subsidiaries (%)	
Unquoted Financial Investments	**30 June 2013**	**31 December 2012**
Ak-Pa	13.47	13.47

2.2 Changes in Accounting Policies, Accounting Estimates and Errors

Significant changes in accounting policies or significant errors are corrected, retrospectively; by restating the prior period consolidated financial statements. The effect of changes in accounting estimates affecting the current period is recognized in the current period; the effect of changes in accounting estimates affecting current and future periods is recognized in the current and future periods.

2.3 Summary of Significant Accounting Policies

The condensed consolidated interim financial statements for the period ended 30 June 2013 have been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting". The accounting policies used in the preparation of these condensed consolidated interim financial statements for the period ended 30 June 2013 are consistent with those used in the preparation of annual consolidated financial statements for the year ended 31 December 2012 except for the following:

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Accounting policy change which is explained in Note 2.1.1 with details has been applied due to change in "IAS 19 (amendment) Employee Benefits" effective on 1 January 2013. Actuarial gain/losses arising from provisions for employment termination benefits has been accounted under equity as part of amendments in IAS 19 "Employee Benefits". This amendment is effective for annual periods beginning on and after 1 January 2013 and has been applied, retrospectively.

Actuarial loss amounting TL548 and TL1,156, net off deferred tax as classified under net income for the period and retained earnings, respectively, in the balance sheet as of 31 December 2011 and actuarial loss amounting TL2,156 and TL1,704, net off deferred tax as classified under net income for the year and retained earnings respectively, in the balance sheet as of 31 December 2012 have been reclassified to "Remeasurement gain/loss arising from defined benefit plans" in the related balance sheets.

Additionally, based on the decision taken on 7 June 2013 by the CMB at its meeting numbered 20/670, a new illustrative financial statement and guidance to it has been issued effective from the interim periods ended after 31 March 2013, which is applicable for the companies that are subject to Communiqué on the Principles of Financial Reporting In Capital Markets. Based on these new illustrative financial statements, a number of changes made at the Group's consolidated balance sheets. The reclassifications that are made at the Group's consolidated balance sheet as at 31 December 2012 are as follows:

- "Advances given to suppliers" amounting TL7,288 included in "Other current asset" have been reclassified to "Prepaid expenses" as a separate balance sheet item.

- "Short term portion of long term borrowings" amounting TL133,859 included in "Short term borrowings have been reclassified as a separate balance sheet item.

- "Unused vacation liability" amounting TL513 included in "Provisions" has been reclassified to "Short-term employee termination benefits".

- "Provisions" amounting TL4,126 has been reclassified to "Other short term provisions" under Provisions separately,

- "Deferred revenue" amounting TL23 included in "Other short term liability" and "Deferred revenue" amounting TL992 included in "Other long term liability" have been reclassified to "Deferred revenue" as separate balance sheet item.

Reclassifications on condensed consolidated interim statements of comprehensive income for the six months periods ended 30 June 2012:

- Foreign exchange gain related to operating activities TL10,359 amounting and rediscount income from operating activities amounting TL8,903 included in "Financial income" have been reclassified to "Other operating income".

- Foreign exchange loss related to operating activity amounting TL24,683 and rediscount expense from operating activities amounting TL4,081 included in "Financial expense" have been reclassified to "Other operating expense".

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Reclassifications on condensed consolidated interim statements of cash flow for the six months period ended 30 June 2012:

- Reclassification related to cash flows generated from operating activities has been applied respectively in TL7,082 amounted "Effect of currency translation differences on cash and cash equilivants" has been presented separately after "Net (decrease) / increase in cash and cash equivalents" line.

Tax provisions in interim financial statements are calculated taking expected tax rates applied on yearend financial results into consideration. Uneven distributed expenses within annual financial period have been taken into consideration only if these expenses will be estimated and deferred appropriately in interim condensed consolidated financial statements.

The condensed consolidated interim financial statements for the period ended 1 January- 30 June 2013 should be evaluated together with the fiscal year 31 December 2012 for balance sheet, and 1 January - 30 June 2012 with the interim period for income statements, statements of cash flow and statements of changes in equity.

2.4 Critical Accounting Judgments, Estimates and Assumptions

The preparation of condensed consolidated interim financial statements necessitates the use of estimates and assumptions that affect asset and liability amounts reported as of the balance sheet date, explanations of contingent liabilities and assets; and income and expense amounts reported for the accounting period. Although these estimates and assumptions are based on Group management's best information regarding the current events and transactions, actual results may differ from those estimates and assumptions. Assumptions are re-evaluated on a regular basis; necessary adjustments are reflected accordingly and accounted for in the statement of income as they are incurred. Critical accounting estimates and assumptions in the interim condensed consolidated financial statements as of 30 June 2013 have been applied on a consistent basis with the critical accounting estimates and assumptions in the consolidated financial statements as of 31 December 2012.

2.5 Convenience Translation into English of Consolidated Financial Statements

As of 31 December 2012, the financial reporting standards described in Note 2.1 (defined as "CMB" Financial Reporting Standards) to the consolidated financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting for the periods between 1 January and 31 December 2005. Accordingly, these consolidated financial statements are not intended to present the financial position and the results of operations in accordance with IFRS

USD amounts shown in the consolidated balance sheet prepared in accordance with CMB Financial Reporting Standards have been translated from TL, as a matter of arithmetic computation only, at the official USD bid rates announced by the Central Bank of the Republic of Turkey on 30 June 2013 of TL1,9248 = USD1 and USD amounts shown in the consolidated statements of income, comprehensive income and cash flow have been translated from TL, as a matter of arithmetic computation only, at the average official USD bid rates calculated from the official daily bid rates announced by the Central Bank of the Republic of Turkey for the period ended 30 June 2013 of TL1,8132 = USD1, and do not form part of these interim condensed consolidated financial statements.

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

NOTE 3 - SEGMENT REPORTING

Segmental information of the Group is as follows:

	1 January - 30 June 2013			
	Fibers	**Energy**	**Other**	**Total**
Total segment revenue	746,395	55,937	22,287	824,619
Inter-segment revenue	-	(4,083)	(21,086)	(25,169)
External revenues	**746,395**	**51,854**	**1,201**	**799,450**
Adjusted EBITDA	**131,699**	**9,147**	**(1,820)**	**139,026**
Unallocated corporate expenses (*)	-	-	-	(25,392)
Amortization and depreciation	(13,854)	(8,210)	(1,860)	(23,924)
Other operating income, net (Note 17)	-	-	-	(1,547)
Share of loss of investment in Joint Ventures	(11,908)	-	-	(11,908)
Financial expenses, net (Note 18-19)	-	-	-	8,953
Profit before tax				**85,208**

(*) As of 1 January- 30 June 2013, unallocated corporate expenses consists of general administrative expenses amounting to TL22,410, research and development expenses amounting to TL2,982.

	1 April - 30 June 2013			
	Fibers	**Energy**	**Other**	**Total**
Total segment revenue	384,429	28,269	11,985	424,683
Inter-segment revenue	-	(2,136)	(11,317)	(13,453)
External revenues	**384,429**	**26,133**	**668**	**411,230**
Adjusted EBITDA	**68,386**	**4,843**	**(1,047)**	**72,182**
Unallocated corporate expenses (*)	-	-	-	(14,858)
Amortization and depreciation	(7,560)	(4,236)	(909)	(12,705)
Other operating income, net (Note 17)	-	-	-	(4,245)
Share of loss of investment in Joint Ventures	(4,590)	-	-	(4,590)
Financial expenses, net (Note 18-19)	-	-	-	6,178
Profit before tax				**41,962**

(*) As of 1 April - 30 June 2012, unallocated corporate expenses consists of general administrative expenses amounting to TL12,314, research and development expenses amounting to TL2,544.

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

NOTE 3 - SEGMENT REPORTING (Continued)

	30 June 2013				
	Fibers	**Energy**	**Other**	**Unallocated**	**Total**
Total segment assets	731,109	364,698	58,924	-	1,154,731
Investment in joint ventures	233,517	-	-	-	233,517
Inter-segment adjustments and classifications	-	(699)	(8,141)	-	(8,840)
Unallocated corporate assets	-	-	-	269,273	269,273
Total assets	**964,626**	**363,999**	**50,783**	**269,273**	**1,648,681**

	1 January - 30 June 2012			
	Fibers	**Energy**	**Other**	**Total**
Total segment assets	807,453	38,550	22,777	868,780
Inter-segment revenue	-	(10,377)	(21,103)	(31,480)
External revenues	**807,453**	**28,173**	**1,674**	**837,300**
Adjusted EBITDA	**123,233**	**2,336**	**(964)**	**124,605**
Unallocated corporate expenses (*)	-	-	-	(22,359)
Amortization and depreciation	(18,359)	(8,494)	(1,943)	(28,796)
Other operating income, net (Note 17)	-	-	-	81,806
Financial income, net (Note 18-19)	-	-	-	10,474
Profit before tax				**165,730**

(*) As of 1 January - 30 June 2012, unallocated corporate expenses consists of general administrative expenses amounting to TL21,801, research and development expenses amounting to TL558.

	1 April - 30 June 2012			
	Fibers	**Energy**	**Other**	**Total**
Total segment assets	408,397	22,509	11,630	442,536
Inter-segment revenue	-	(5,352)	(10,802)	(16,154)
External revenues	**408,397**	**17,157**	**828**	**426,382**
Adjusted EBITDA	**66,194**	**543**	**(184)**	**66,553**
Unallocated corporate expenses (*)	-	-	-	(13,017)
Amortization and depreciation	(10,484)	(4,342)	(939)	(15,765)
Other operating income, net (Note 17)	-	-	-	88,567
Financial expenses, net (Note 18-19)	-	-	-	(5,477)
Profit before tax				**120,861**

(*) As of 1 April - 30 June 2012, unallocated corporate expenses consists of general administrative expenses amounting to TL12,811, research and development expenses amounting to TL206.

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

NOTE 3 - SEGMENT REPORTING (Continued)

	30 June 2012				
	Fibers	**Energy**	**Other**	**Unallocated**	**Total**
Total segment assets	791,731	321,068	40,728	-	1,153,527
Investment in joint ventures	237,825	-	-	-	237,825
Inter-segment adjustments and classifications	-	(794)	(7,935)	-	(8,729)
Unallocated corporate assets	-	-	-	197,930	197,930
Total assets	**1,029,556**	**320,274**	**32,793**	**197,930**	**1,580,553**

NOTE 4 - FINANCIAL INVESTMENTS

	30 June 2013	**31 December 2012**
Unquoted financial assets:		
Ak-Pa	1,327	1,327

NOTE 5 -INVESTMENT IN JOINT VENTURES

Joint Ventures

	30 June 2013	**31 December 2012**
DowAksa Holdings	233,517	227,742

Summary of DowAksa Holding's financial statements is as follows;

	30 June 2013	**31 December 2012**
Current assets	300,248	284,319
Non-current assets	358,648	327,485
Total Assets	**658,896**	**611,804**
Short term liabilities	53,191	27,760
Long term liabilities	138,672	128,561
Equity	467,033	455,483
Total liabilities and equity	**658,896**	**611,804**
Equity For 50% Share of the Group	**233,517**	**227,742**

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

NOTE 5 -INVESTMENT IN JOINT VENTURES (Continued)

	1 January - 30 June 2013	1 April - 30 June 2013
Revenues	29,942	16,927
Net loss	(23,815)	(9,179)
Shareholders' Net Loss For 50% Share of the Group	**(11,908)**	**(4,590)**

Movements of the investment in joint ventures during the period are as below:

	2013	2012
1 January	227,742	-
Acquisition	-	237,825
Net loss for 50% share of the Group	(11,908)	-
Currency translation differences	18,455	-
Change in hedge funds	(772)	-
30 June	**233,517**	**237,825**

NOTE 6 - FINANCIAL LIABILITIES

Group's financial liabilities are as follows:

	30 June 2013	31 December 2012
Short term bank borrowings	116,696	126,870
Short term factoring liabilities	11,248	6,989
Current portion of long-term bank borrowings and interests	49,240	36,538
Short term financial liabilities	**177,184**	**170,397**
Long term factoring liabilities	-	4,686
Long term bank borrowings	161,622	124,440
Long term financial liabilities	**161,622**	**129,126**
Total financial liabilities	**338,806**	**299,523**

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

NOTE 6 - FINANCIAL LIABILITIES (Continued)

	30 June 2013		31 December 2012	
	Yearly weighted average interest rate %	**TL**	**Yearly weighted average interest rate %**	**TL**
Short-term bank borrowings:				
USD borrowings	1.07	115,488	2.19	124,960
TL borrowings	-	1,208	-	1,910
		116,696		126,870
Factoring liabilities	3.86	11,248	5.95	6,989
Current portion of long term bank borrowings				
USD bank borrowings	2.75	49,240	3.52	36,538
Total short-term financial liabilities		**177,184**		**170,397**
Long-term bank borrowings:				
Factoring liabilities	-	-	5.95	4,686
USD bank borrowings	3.44	126,430	3.52	124,440
EUR bank borrowings	3.83	35,192	-	-
Total long-term financial liabilities		**161,622**		**129,126**

The redemption schedule of financial liabilities is as follows

	30 June 2013	**31 December 2012**
Less than 3 months	127,887	133,866
Between 3-12 months	49,297	36,531
Between 1-2 years	71,297	47,723
Between 2-3 years	24,781	22,240
Between 3-4 years	56,861	14,812
The payment within 4 year and over	8,683	44,351
Total	**338,806**	**299,523**

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

NOTE 7 - TRADE RECEIVABLES AND PAYABLES

Details of trade receivables and payables are as follows:

Short-term trade receivables:

	30 June 2013	31 December 2012
Trade receivables	147,002	127,905
Notes receivable and cheques	106,339	92,739
Less: Provision for doubtful receivables	(40,242)	(40,248)
Less: Unearned finance income on term based sales	(1,806)	(1,013)
Total short-term trade receivables, net	**211,293**	**179,383**

Trade receivables as of 30 June 2013 and 31 December 2012 have an average maturity of 3 months and they are discounted with an average annual interest rate of 6%.

The past experience of the Group in collecting receivables has been taken into consideration when determining the provision amount for doubtful receivables. Therefore, the Group believes that, there are no collection risks for trade receivables other than the provision taken for possible collection risks.

Long term-trade receivables:

	30 June 2013	31 December 2012
Notes receivable and cheques	-	4,532
Less: Unearned finance income on term based sales	-	(42)
Total long-term trade receivables, net	**-**	**4,490**

Short term-trade payables:

	30 June 2013	31 December 2012
Suppliers	281,723	216,884
Less: Unincurred finance costs on purchases (-)	(901)	(1,091)
Total	**280,822**	**215,793**

Trade payables as of 30 June 2013 and 31 December 2012 have an average maturity of 3 months and they are discounted with an average annual interest rate of 3% in USD terms (31 December 2012: 3%).

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

NOTE 8 - OTHER RECEIVABLES AND PAYABLES

Details of other receivables and payables of the Group are as follows:

Short-term other receivables:

	30 June 2013	31 December 2012
Deposits and guarantees given	172	170

Short-term other payables:

	30 June 2013	31 December 2012
Taxes and funds payable	3,228	2,867
Other	87	125
Total	**3,315**	**2,992**

NOTE 9 - INVENTORIES

	30 June 2013	31 December 2012
Raw materials	89,797	102,308
Semi-finished goods	7,814	13,482
Finished goods	53,787	35,975
Other stocks and spare parts	14,074	13,380
Less: Provision for impairment on inventories	(127)	(210)
Total	**165,345**	**164,935**

The inventory impairment provision is related with the finished goods.

Group has included the movements in the provision for impairment to cost of goods sold between 30 June 2013 and 31 December 2012. The reason of decrease on impairment some of inventories have sold and the unit price increased.

Group has USD 60 million worth insurance on nationalized inventories amounting to TL 131,019 as of 30 June 2013 and 31 December 2012 (31 December 2012: TL 123,515).

As of 30 June 2013, raw materials include goods in transit amounting to TL 34,326 (31 December: TL 41,420).

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

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

The movement of property plant and equipment dated 30 June 2013 and 2012 is as follows;

	2013	**2012**
Net book value at 1 January	**618,035**	**838,915**
Additions	40,421	81,501
Current period depreciation	(24,705)	(30,841)
Currency translation differences	(53)	(10,870)
Subsidiary share sales	-	(290,731)
Disposals	(2,293)	(1,584)
Net book value at 30 June	**631,405**	**586,390**

NOTE 11 - INTANGIBLE ASSETS

The movement of intangible assets dated 30 June 2013 and 2012 is as follows:

	2013	**2012**
Net book value at 1 January	**4,821**	**21,406**
Additions (*)	8,534	1,235
Current period depreciation	(1,006)	(2,262)
Currency translation differences	(15)	(710)
Subsidiary share sales	-	(14,930)
Disposals	(2,163)	-
Net book value at 30 June	**10,171**	**4,739**

(*) Additions to intangible assets in the current period consists of capitalized research and development projects.

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

NOTE 12 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provisions:

	30 June 2013	31 December 2012
Provision for performance premium	1,606	3,256
Provision for lawsuits	538	538
Provision for other payables and expenses	161	332
Total	**2,305**	**4,126**

Contingent assets and liabilities:

a) The details of collaterals, pledges and mortgages of the Group for the periods are as follows:

	30 June 2013	31 December 2012
Collaterals given	232,760	202,890
Letter of credit commitments	226,360	135,067
Total	**459,120**	**337,957**

b) Collaterals, mortgages, guarantee notes and cheques, guarantee letters and other commitments received for short-term trade receivables are as follows:

	30 June 2013	31 December 2012
Credit insurance	240,042	193,385
Pledges received	75,972	72,056
Guarantee notes and cheques received	48,676	59,553
Limits of Eximbank	102,173	86,595
Confirmed/unconfirmed letter of credits	32,331	64,629
Limits of Direct Debit System ("DDS")	23,155	22,236
Guarantee letters received	4,400	7,222
Total	**526,749**	**505,676**

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

NOTE 12 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

c) Collaterals, Pledges, Mortgages("CPM"):

		30 June 2013	31 December 2012
A,	CPM given on behalf of the Company's legal personality	458,630	337,040
	- Turkish Lira	*121,432*	*99,207*
	- USD	*319,827*	*237,566*
	- Euro	*17,209*	*-*
	- Other	*162*	*267*
B,	CPM given on behalf of fully consolidated subsidiaries	-	-
C,	CPM given for continuation of its economic activities on behalf of third parties	490	917
	- USD	*490*	*917*
D,	Total amount of other CPM given	-	-
	i) Total amount of CPM given on behalf of the majority shareholder	-	-
	ii) Total amount of CPM given to on behalf of other group companies which are not in scope of B and C	-	-
	iii) Total amount of CPM given on behalf of third parties which are not in scope of C	-	-
Total		**459,120**	**337,957**

NOTE 13 - OTHER ASSETS AND LIABILITIES

Other current assets:

	30 June 2013	31 December 2012
VAT receivables	30,760	44,153
VAT to be transferred	25,703	17,215
Personnel advances	197	142
Other	776	689
Total	**57,436**	**62,199**

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

NOTE 13 - OTHER ASSETS AND LIABILITIES (Continued)

Prepaid Expenses:

	30 June 2013	31 December 2012
Prepaid expenses	4,479	2,817
Purchase advances given	2,035	2,143
Job advances	459	48
Total	**6,973**	**5,008**

Other non-current assets:

	30 June 2013	31 December 2012
Advances given for purchase of property, plant and equipment	4,394	2,233
Prepaid expenses	55	47
Total	**4,449**	**2,280**

Other current liabilities:

	30 June 2013	31 December 2012
Expense accrual	215	608
Advances received	115	568
	330	**1,176**

Deferred income:

	30 June 2013	31 December 2012
Deferred income - Short term	107	23
Deferred income - Long term	430	992
	537	**1,015**

Government incentives received for research and development projects are demonstrated as deferred revenue on balance sheet and associate to consolidated comprehensive income statement based on useful lives.

Incentives received as cash from TÜBİTAK and T.C. Prime Ministry Ministry of Economic on research and development plant investment in 2008 and 2009 have associated to comprehensive income statement based on useful lives.

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

NOTE 14 - DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are initially recognized in the consolidated balance sheet at cost and subsequently are re-measured at their fair value, The derivative instruments of the Group mainly consist of foreign exchange forward contracts and interest rate swap instruments,

	30 June 2013		31 December 2012	
	Asset	**Liabilities**	**Asset**	**Liabilities**
Held for hedging	-	1,081	-	1,723
Held for trading	-	1,322	-	-
Total	**-**	**2,403**	**-**	**1,723**

Derivative instruments held for hedging:

	30 June 2013		31 December 2012	
	Contract Amount (USD*1,000)	**Fair Value Liability TL**	**Contrat Amount (USD*1,000)**	**Fair Value Liability TL**
Interest rate swap	74,056	1,081	32,593	1,723

On the date a derivative contract is entered into, the Group designates certain derivatives as either a hedge of the fair value of a recognized asset or liability ("fair value hedge"), or a hedge of a forecasted transaction or a firm commitment ("cash flow hedge").

These derivative transactions provide effective economic hedges under the Group risk management position and qualify for hedge accounting under the specific rules and are therefore treated as derivatives held for hedging. Changes in the fair value of derivatives that are designated as being and qualify as cash flow hedges and are highly effective, are recognized in equity as "hedging reserve".

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, or when a committed or forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the consolidated income statement. The realization of promised or probable future transactions are recorded in the income statement, if not realized, accumulated gains or losses are recognized as income or loss in the consolidated financial statements.

At 30 June 2013, the fixed interest rates vary from 2.5% to 4.2% (31 December 2012: 2.5% to 4.2%), and the main floating rates are EURIBOR and LIBOR. Gains and losses recognized in the hedging reserve in equity on interest rate swap contracts as of 30 June 2013 will be continuously released to the income statement within finance cost until the repayment of the bank borrowings (Not 5).

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

NOTE 14 - DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Financial instruments held for trading:

As of 30 June 2013, Group has foreign exchange sales and purchase option contacts. Such option transactions are recognized as derivative instruments held for trading in the consolidated financial statements due to not holding the necessary conditions in terms of risk accounting and changes in the fair value of these derivatives are recognized in the income statement.

	30 June 2013		31 December 2012	
	Contrat Amount EUR 1,000	Fair Value Liability TL	Contrat Amount EUR 1,000	Fair Value Liability TL
Foreign exchange sales and purchase transactions	34,001	1,322	-	-

NOTE 15 - EQUITY

Aksa has adopted the registered share capital system applicable to companies registered on the CMB and set a limit on its registered share capital representing type of registered shares with a nominal value of TL1. Historical, authorized and issued capital of Aksa as of 30 June 2013 and 31 December 2012 is presented below:

	30 June 2013	31 December 2012
Limit on registered share capital (historical)	425,000	425,000
Issued share capital	185,000	185,000

The Groups shareholders and their respective shareholding structure as follows:

	Share %	30 June 2013	Share %	31 December 2012
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	39,59	73,237	39,59	73,237
Emniyet Ticaret ve Sanayi A.Ş.	18,72	34,638	18,72	34,638
Other	41,69	77,125	41,69	77,125
	100,00	**185,000**	**100,00**	**185,000**
Adjustment to share capital		195,175		195,175
Total paid-in share capital		**380,175**		**380,175**

The approved and paid-in share capital of the Group consists of 18,500,000,000 (31 December 2012: 18,500,000,000) shares issued on bearer with a nominal value of Kr1 (31 December 2012: Kr1) each. All shareholders have same rights and there are not issued different type of shares such as privilege and common shares.

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

NOTE 16 - EXPENSES BY NATURE

Cost of sales, marketing, selling and distribution expenses and general administrative expenses by nature for the six-month periods ended at 30 June 2013 and 2012 are as follows:

	1 January - 30 June 2013	1 April - 30 June 2013	1 January - 30 June 2012	1 April - 30 June 2012
Raw materials and goods	596,073	305,549	641,169	324,119
Employee benefits	32,154	15,719	37,230	18,765
Depreciation and amortization	23,924	12,705	28,796	15,765
Repair, maintenance and cleaning expenses	9,564	5,761	9,268	4,962
Commission expense	6,956	4,342	8,145	3,794
Consultancy expenses	5,359	2,944	6,657	4,269
Export expenses	5,346	2,747	4,939	2,417
Information technologies expense	2,752	1,526	2,639	1,385
Travel expenses	1,843	915	2,111	1,064
Miscellaneous tax expenses	1,612	1,235	2,324	2,148
Other	24,157	13,168	20,572	9,923
Total	**709,740**	**366,611**	**763,850**	**388,611**

NOTE 17 - OTHER OPERATING INCOME / EXPENSE

Other operating income for the six-month periods ended at 30 June 2013 and 2012 are as follows:

	1 January - 30 June 2013	1 April - 30 June 2013	1 January - 30 June 2012	1 April - 30 June 2012
Foreign exchange gain on trading transactions	7,900	4,983	10,359	759
Insurance compensation gain (*)	6,592	2,677	13	-
Rediscount income	4,706	2,552	8,903	4,010
Gain on scrap disposal	1,832	995	525	129
Provisions released	1,123	-	19	7
Gain on sale of subsidiary shares	-	-	88,169	88,169
Other	2,457	1,948	2,871	2,224
Total	**24,610**	**13,155**	**110,859**	**95,298**

(*) Reimbursed amount from the insurance company has been offset with carrying value of damaged assets du-e to the fire and calculated amount is presented as net insurance compensation gain,.

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

NOTE 17 - OTHER OPERATING INCOME / (EXPENSE) (Continued)

Other operating expense for the six-month periods ended at 30 June 2013 and 2012 are as follows:

	1 January - 30 June 2013	1 April - 30 June 2013	1 January - 30 June 2012	1 April - 30 June 2012
Foreign exchange loss on trading transactions	21,639	14,775	24,683	4,579
Rediscount expenses	2,805	1,014	4,081	2,076
Loss on dispols of tangible assets	1,574	1,574	68	-
Other	139	37	221	76
Total	**26,157**	**17,400**	**29,053**	**6,731**

NOTE 18 - FINANCIAL INCOME

Financial income for the six-month periods ended at 30 June 2013 and 2012 is as follows:

	1 January - 30 June 2013	1 April - 30 June 2013	1 January - 30 June 2012	1 April - 30 June 2012
Foreign exchange gains (*)	42,780	27,291	45,416	11,223
Interest income	3,591	1,581	3,960	1,946
Total	**46,371**	**28,872**	**49,376**	**13,169**

(*) Foreign exchange gains are related to cash and cash equivalents, financial liabilities and other liabilities.

NOTE 19 - FINANCIAL EXPENSES

Financial expenses for the six-month periods ended at 30 June 2013 and 2012 are as follows:

	1 January - 30 June 2013	1 April - 30 June 2013	1 January - 30 June 2012	1 April - 30 June 2012
Foreign exchange expense (*)	34,949	21,500	34,809	16,443
Borrowing costs	2,469	1,194	4,093	2,203
Total	**37,418**	**22,694**	**38,902**	**18,646**

(*) Foreign exchange expenses are related to cash and cash equivalents, financial liabilities and other liabilities.

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

NOTE 20 - TAX ASSETS AND LIABILITIES

Tax expenses for the six-month periods ended at 30 June 2013 and 2012 are as follows:

	1 January - 30 June 2013	**1 April - 30 June 2013**	**1 January - 30 June 2012**	**1 April - 30 June 2012**
Current tax expense	(20,756)	(10,837)	(52,697)	(43,826)
Deferred tax income, net	721	550	2,242	(20)
Total tax expense	**(20,035)**	**(10,287)**	**(50,455)**	**(43,846)**

Deferred Income Tax Assets and Liabilities

The breakdown of cumulative temporary differences and deferred income tax assets and liabilities provided using enacted tax rates as of 30 June 2013 and 31 December 2012 are as follows:

	Temporary Taxable Differences		**Deferred Income Tax Asset/Liability**	
	30 June 2013	**31 December 2012**	**30 June 2013**	**31 December 2012**
Property, plant and equipment and intangible assets	(58,364)	(61,348)	(11,673)	(12,270)
Trade payables	(953)	(1,147)	(191)	(229)
Other	(511)	-	(102)	-
Deferred income tax liabilities			**(11,966)**	**(12,499)**
Employee benefits	15,234	16,156	3,047	3,231
Derivative financial instruments	2,403	1,723	481	345
Trade receivables	1,832	1,068	366	214
Other current liabilities	581	358	116	72
Inventories	523	831	105	166
Other	-	141	-	28
Deferred income tax assets			**4,155**	**4,056**
Deferred income tax liabilities, net			**(7,851)**	**(8,443)**

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

NOTE 20 - TAX ASSETS AND LIABILITIES (Continued)

Movement for the deferred income tax liabilities for the periods ended at 30 June 2013 and 2012 are as follows:

	2013	**2012**
1 January	8,443	17,182
Deferred tax (income)/expenses for the period, net	(721)	(2,242)
Equity	(92)	373
Currency translation differences	221	(2,381)
Subsidiary share sales	-	(4,425)
30 June	**7,851**	**8,507**

	30 June 2013	**31 December 2012**
Taxes on income calculated	20,756	68,004
Amount deducted from VAT receivables and prepaid corporate taxes	(10,169)	(62,102)
Taxes on income	**10,587**	**5,902**

NOTE 21 - EARNINGS PER SHARE

Earnings per share disclosed in the consolidated statements of income are determined by dividing the net income by the weighted average number of shares that have been outstanding during the period, Calculating of earnings per share for the six-month ended of 30 June 2013 and 2012 are as follows:

	1 January - 30 June 2013	**1 April - 30 June 2013**	**1 January - 30 June 2012**	**1 April - 30 June 2012**
Net income attributable to the equity holders of the parent (TL) (*) (A)	63,644,224	30,637,066	113,758,838	76,256,461
Weighted average number of shares (B)	18,500,000,000	18,500,000,000	18,500,000,000	18,500,000,000
Earnings per share (Kr) (A/B)	0.34	0.17	0.61	0.41

(*) Amounts expressed in Turkish Lira.

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

NOTE 22 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Trade receivables on related party transactions for the six-month periods ended at 30 June 2013 and 31 December 2012 are as follows:

	30 June 2013	31 December 2012
Ak-Pa (*) (1)	123,772	129,930
Akkim Kimya San. ve Tic. A.Ş. (2)	6,745	4,239
Akenerji Elektrik Enerjisi İthalat İhracat ve Toptan Tic. A.Ş. (3)	-	2,828
DowAksa İleri Kompozit Malzemeler San. Ltd. Şti. (4)	5,931	2,118
Other	35	31
Less: Unearned finance income on term based sales (-)	(26)	(55)
Total	**136,457**	**139,091**

(*) Sales to Ak-Pa comprise of export sales made to third party customers by export register and the balance consists of trade receivables arising from these transactions.

Trade payables on related party transactions for the six-month periods ended at 30 June 2013 and 31 December 2012 are as follows:

	30 June 2013	31 December 2012
Ak-Pa (1)	15,719	12,977
Akkim Kimya San. ve Tic. A.Ş. (2)	4,781	4,359
Dinkal Sigorta Acenteliği A.Ş. (2)	420	45
Akkök (5)	1,487	2,684
Aktek Bilgi İletişim Teknolojisi San. ve Tic. A.Ş. (2)	492	285
Other	115	117
Less: Unincurred finance costs on purchases (-)	(39)	(56)
Total	**22,975**	**20,411**

Financial liabilities on related party transactions for the six-month periods ended at 30 June 2013 and 31 December 2012 are as follows:

	30 June 2013	31 December 2012
Ak-Pa (1)	-	8,280
Less: Unincurred finance costs on purchases (-)	-	(17)
Total	-	**8,263**

(1) Akkök's subsidiary and Company's financial investment
(2) Subsidiary of Akkök
(3) Joint venture of Akkök
(4) Subsidiary of Company's joint venture
(5) Shareholders

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

NOTE 22 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Sales to related parties for the six-month periods ended at 30 June 2013 and 2012 are as follows:

	1 January - 30 June 2013	1 April - 30 June 2013	1 January - 30 June 2012	1 April - 30 June 2012
Ak-Pa (*) (1)	265,876	159,535	278,444	128,199
Akkim Kimya San. ve Tic. A.Ş. (2)	21,745	12,430	20,023	10,406
Akenerji Elektrik Enerjisi İthalat İhracat ve Toptan Tic. A.Ş. (3)	16,431	4,562	6,559	6,559
DowAksa İleri Kompozit Malzemeler San. Ltd. Şti. (4)	12,779	6,843	-	-
Other	277	104	292	144
Total	**317,108**	**183,474**	**305,318**	**145,308**

(*) The sales to Ak-Pa consist of sales to third parties via Ak-Pa.

Foreign exchange income from related parties for the six-month periods ended at 30 June 2013 and 2012 are as follows:

	1 January - 30 June 2013	1 April - 30 June 2013	1 January - 30 June 2012	1 April - 30 June 2012
Ak-Pa (*) (1)	3,504	2,394	2,798	1,777

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

NOTE 22 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Product and service purchases from related parties for the six-month periods ended 30 June 2013 and 2012 are as follows:

	1 January - 30 June 2013	1 April - 30 June 2013	1 January - 30 June 2012	1 April - 30 June 2012
Akkim Kimya San. ve Tic. A.Ş. (2)	22,228	11,609	21,231	11,141
Ak-Pa (1)	4,136	1,759	4,769	2,644
Aktek Bilgi İşlem Tekn. San. ve Tic. A.Ş. (2)	3,022	1,760	4,082	2,126
Dinkal Sigorta Acenteliği A.Ş. (2)	3,188	191	2,579	284
Akkök (5)	3,433	2,212	2,385	1,125
Ak Havacılık ve Ulaştırma Hizmetleri A.Ş. (2)	842	443	985	531
Ak-Han Bakım Yönt. Serv. Hizm. Güven. Malz. A.Ş. (2)	321	145	514	371
DowAksa İleri Kompozit Malzemeler San. Ltd. Şti. (4)	215	13	-	-
Other	211	184	58	31
Total	**37,596**	**18,316**	**36,603**	**18,253**

(1) Akkök's subsidiary and Company's financial investment
(2) Subsidiary of Akkök
(3) Joint venture of Akkök
(4) Subsidiary of Company's joint venture
(5) Shareholders

Purchases from related parties consist of energy, chemicals, service procurement, consulting and rent expenses.

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

NOTE 22 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

The Company defined its key management personnel as member of action committee and board of directors. Benefits provided to these key management personnel as of 30 June 2013 and 2012 are as follows:

	1 January - 30 June 2013	1 April - 30 June 2013	1 January - 30 June 2012	1 April - 30 June 2012
Salary and other short term employee benefits	1,608	692	2,197	1,230
Provision for employee termination benefit	35	(4)	24	13
Providing benefits after working period	-	-	-	-
Other long term benefits	-	-	-	-
Share payments	-	-	-	-
Total	**1,643**	**688**	**2,221**	**1,243**

The benefits provided to board of directors as of 30 June 2013 and 2012 are as follows:

	1 January - 30 June 2013	1 April - 30 June 2013	1 January - 30 June 2012	1 April - 30 June 2012
Salary and other short term employee benefits	583	341	846	398
Provision for employee termination benefit	-	-	-	-
Providing benefits after working period	-	-	-	-
Other long term benefits	-	-	-	-
Share payments	-	-	-	-
Total	**583**	**341**	**846**	**398**

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

NOTE 23 - NATURE AND LEVEL OF RISKS DERIVERED FROM FINANCIAL INSTRUMENTS

Financial risk factors

The Groups principal financial instruments are cash and cash equivalents, trade receivables and financial liabilities. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The main risks arising from the Group's financial instruments are liquidity risk, foreign currency risk and credit risk. The Group management reviews and agrees policies for managing each of the risks as summarized below.

Interest rate risk ski

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. The Group manages interest rate risk by using natural hedges that arise from offsetting interest rate of assets and liabilities or derivative financial instruments. In this case Group has give attention to same interest renewal periods besides interest rates. To minimize the impact of the interest rate changes in financial liabilities, fixed/flexible interest, short term maturity/long term maturity and TL/foreign currency ratios should be in line with each other and with assets structure.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of the counterparties. It is the Group policy that all customers who wish to trade on credit terms are subject to credit screening procedures and the Group also obtains collaterals from customers when appropriate. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. Trade receivables are evaluated by management based on their past experiences and current economic condition, and are presented in financial statements net of provision for doubtful receivables (Note 7).

Foreign Exchange Risk

The Group is exposed to foreign exchange risk arising from the ownership of foreign currency denominated assets and liabilities in the translation of the Turkish Lira. The exchange rate risk is monitored by the analyzing the foreign currency position. The Group is exposed to foreign exchange risk arising from the ownership of foreign currency denominated assets and liabilities,

Foreign currency position presented in TL is as follows:

	30 June 2013	**31 December 2012**
Assets	440,426	394,025
Liabilities	(594,554)	(497,464)
Net balance sheet position	**(154,128)**	**(103,439)**

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

NOTE 23 - NATURE AND LEVEL OF RISKS DERIVERED FROM FINANCIAL INSTRUMENTS (Continued)

Net foreign currency exposure for the consolidated group companies as of 30 June 2013 and 2012 are as follows:

	30 June 2013			
	TL equivalent	**USD**	**EUR**	**Other**
1. Trade Receivables	126,462	33,237	24,218	1,611
2a. Monetary Financial Assets (Cash and cash equivalents included)	312,657	146,336	12,328	-
2b. Non- monetary Financial Assets	-	-	-	-
3. Other	1,307	62	20	-
4. Current Assets (1+2+3)	**440,426**	**179,635**	**36,566**	**1,611**
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. Non-Current Assets (5+6+7)	-	-	-	-
9. Total Assets (4+8)	**440,426**	**179,635**	**36,566**	**1,611**
10. Trade Payables	268,011	133,443	4,417	-
11. Financial Liabilities	164,728	85,582	-	-
12a. Monetary Other Liabilities	-	-	-	-
12b. Non-monetary Other Liabilities	193	-	-	193
13. Current Liabilities (10+11+12)	**432,932**	**219,025**	**4,417**	**193**
14. Trade Payables	-	-	-	-
15. Financial Liabilities	161,622	65,685	14,000	-
16 a. Monetary Other Liabilities	-	-	-	-
16 b. Non-monetary Other Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	**161,622**	**65,685**	**14,000**	-
18. Total Liabilities (13+17)	**594,554**	**284,710**	**18,417**	**193**
19. Off Statement of Financial Position Derivative Items' Net Asset/(Liability) Position	**17,185**	**(25,476)**	**26,344**	-
19a. Net Assets of Off Statement of Financial Position	85,469	10,000	26,344	-
19b. Net Liabilities of Off Statement of Financial Position	68,284	35,476	-	-
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	**(136,943)**	**(130,551)**	**44,493**	**1,418**
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (=1+2a+5+6a-10-11-12a-14-15-16a)	**(155,242)**	**(105,137)**	**18,129**	**1,611**
22. Total Fair Value of Financial Instruments Used to Hedge the Foreign Currency Position	1,322	673	10	-
23. Total value of Hedged Foreign Currency Assets	-	-	-	-
24. Total value of Hedged Foreign Currency Liabilities	-	-	-	-

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

NOTE 23 - NATURE AND LEVEL OF RISKS DERIVERED FROM FINANCIAL INSTRUMENTS (Continued)

	31 December 2012			
	TL equivalent	**USD**	**EUR**	**Other**
1. Trade Receivables	93,193	44,621	4,782	2,406
2a. Monetary Financial Assets (Cash and cash equivalents included)	299,880	154,182	10,645	-
2b. Non- monetary Financial Assets	-	-	-	-
3. Other	952	24	29	841
4. Current Assets (1+2+3)	**394,025**	**198,827**	**15,456**	**3,247**
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. Non-Current Assets (5+6+7)	-	-	-	-
9. Total Assets (4+8)	**394,025**	**198,827**	**15,456**	**3,247**
10. Trade Payables	210,817	117,575	522	-
11. Financial Liabilities	161,498	90,597	-	-
12a. Monetary Other Liabilities	-	-	-	-
12b. Non-monetary Other Liabilities	709	-	-	709
13. Current Liabilities (10+11+12)	**373,024**	**208,172**	**522**	**709**
14. Trade Payables	-	-	-	-
15. Financial Liabilities	124,440	69,808	-	-
16 a. Monetary Other Liabilities	-	-	-	-
16 b. Non-monetary Other Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	**124,440**	**69,808**	-	-
18. Total Liabilities (13+17)	**497,464**	**277,980**	**522**	**709**
19. Off Statement of Financial Position Derivative Items' Net Asset/(Liability) Position	**(103,439)**	**(79,153)**	**14,934**	**2,538**
19a. Net Assets of Off Statement of Financial Position	-	-	-	-
19b. Net Liabilities of Off Statement of Financial Position	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	**(103,439)**	**(79,153)**	**14,934**	**2,538**
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (=1+2a+5+6a-10-11-12a-14-15-16a)	**(103,682)**	**(79,177)**	**14,905**	**2,406**
22. Total Fair Value of Financial Instruments Used to Hedge the Foreign Currency Position	-	-	-	-
23. Total value of Hedged Foreign Currency Assets	-	-	-	-
24. Total value of Hedged Foreign Currency Liabilities	-	-	-	-

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

NOTE 23 - NATURE AND LEVEL OF RISKS DERIVERED FROM FINANCIAL INSTRUMENTS (Continued)

The following table demonstrates the sensitivity to possible changes in the net position, on the Group's balance sheet as of 30 June 2013 and 31 December 2012

30 June 2013	**Appreciation of foreign currency**	**Depreciation of foreign currency**
In case 10% appreciation of USD against TL		
USD net asset/ (liability)	(20,225)	20,225
Amount hedged for USD risk	-	-
Net effect	**(20,225)**	**20,225**
In case 10% appreciation of EUR against TL		
EUR net asset/ (liability)	4,562	(4,562)
Amount hedged for EUR risk	-	-
Net effect	**4,562**	**(4,562)**

31 December 2012	**Appreciation of foreign currency**	**Depreciation of foreign currency**
In case 10% appreciation of USD against TL		
USD net asset/ (liability)	(14,110)	14,110
Amount hedged for USD risk	-	-
USD net effect	**(14,110)**	**14,110**
In case 10% appreciation of EUR against TL		
EUR net asset/ (liability)	3,512	(3,512)
Amount hedged for EUR risk	-	-
EUR net effect	**3,512**	**(3,512)**

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

NOTE 23 - NATURE AND LEVEL OF RISKS DERIVERED FROM FINANCIAL INSTRUMENTS (Continued)

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and maintain an optimal structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio, This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including financial liabilities, trade payables and due to related parties, as shown in the condensed consolidated interim balance sheet) less cash and cash equivalents. Total capital is calculated as equity, as shown in the condensed consolidated interim balance sheet, plus net debt.

The ratio of net debt to equity is as follows:

	30 June 2013	**31 December 2012**
Total liabilities	642,603	543,990
Less: cash and cash equivalents	(184,135)	(141,472)
Net debt	**458,468**	**402,518**
Total shareholders' equity	962,670	970,920
Total capital	**1,421,138**	**1,373,438**
Debt/equity ratio	**%32**	**%29**

NOTE 24 - EVENTS AFTER THE BALANCE SHEET DATE

Ak-Tops Tekstil Sanayi A.Ş. , the subsidiary of the Company at the rate of 60%, whose operating activities have been manufacturing and dyeing of acrylic fiber, has been operated as a natural extension of Aksa Akrilik Kimya Sanayii A.Ş. and its production and delivery processes have been conducted based on a structure where the activities of both facilities are interrelated. For the purpose of restructuring and simplification, fair value of Ak-Tops has been determined as USD 26,350,000 with reference to valuation report dated 27 June 2013 prepared by İş Yatırım Menkul Değerler A.Ş. assigned by the related Board of Directors' decision. Value of minority shares of Ak-Tops was calculated as USD 10,540,000 based on the valuation report of İş Yatırım Menkul Değerler A.Ş. This amount was paid to aforementioned shareholders pro-rata of their shares and 800,000 shares (TRY 800,000) with a nominal value per TRY 1 have been acquired on 7 August 2013.

As a result of these transactions, Ak-Tops Tekstil Sanayi A.Ş. has become a 100% subsidiary of the Company.

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