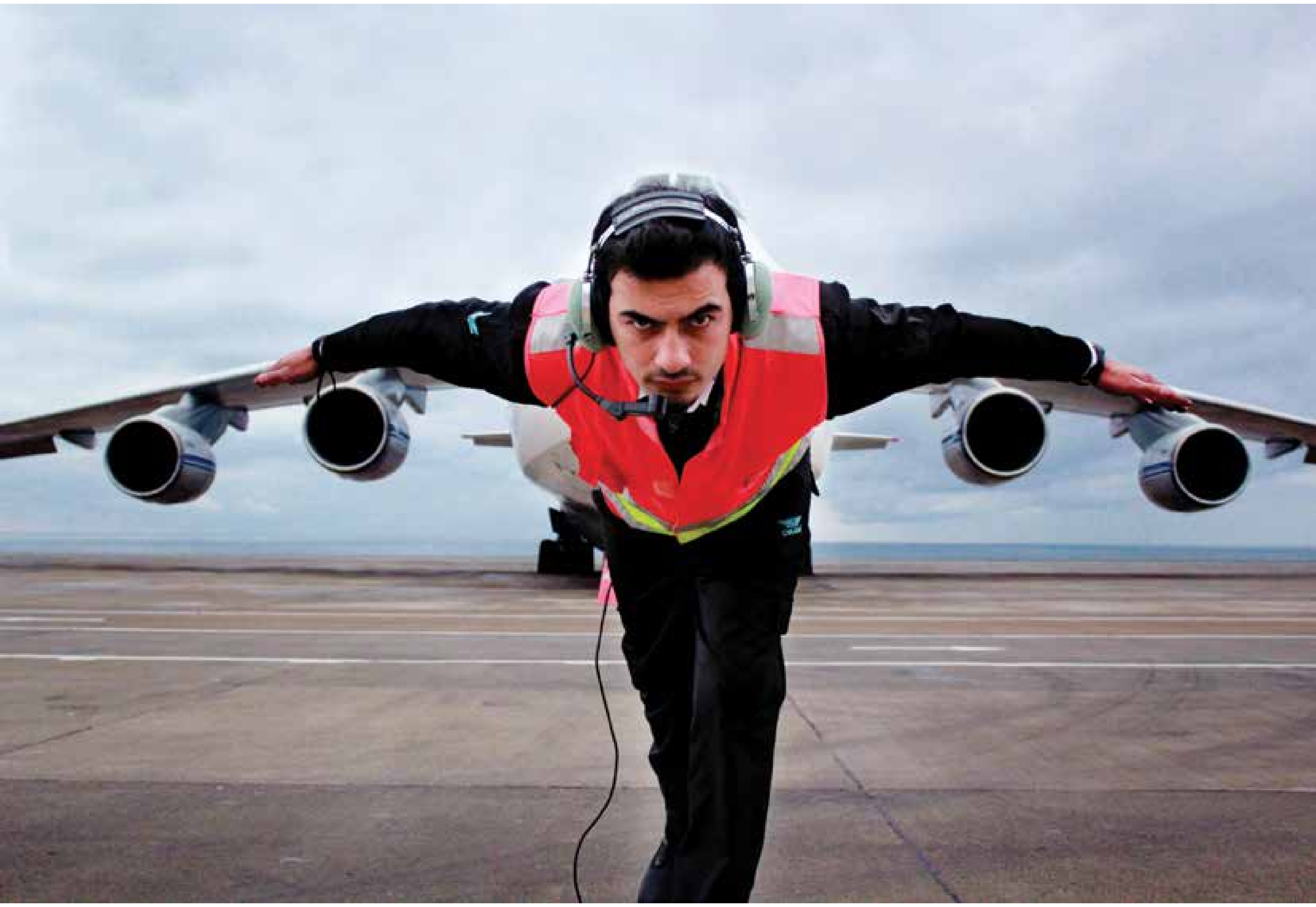

Çelebi Ground Handling Inc.
Annual Report 2013

Cover photo: 2013 Çelebi Traditional Photo Contest winner
Burak Ballı, CGH Trabzon station employee

CONTENTS

Dear Customers, Shareholders and Employees,

Having become Turkey's leading provider of ground handling services on the back of the tremendous development that it has demonstrated since its foundation, Çelebi Ground Handling maintained its success as a widely trusted corporation while at the same time demonstrating a strong financial performance in 2013 thanks to its modern management approach and its employees, which aim for customer satisfaction and perfect service quality. Our Company deploys all of its strengths to improve further and ensure that this success is permanent.

What lies behind Çelebi Ground Handling's 55-year leadership in the sector is its experience and the fact that it has established a dynamic corporate culture under changing market conditions. Its ability to act proactively and to lead change by keeping close view of its customers and the market is the most important element of Çelebi Ground Handling's innovative style.

Aiming at growth and profitability since the first day of its operations, Çelebi Ground Handling set out and implemented its future strategies in 2013, achieving a sound set of financial and operating results. The number of flights served by our Company increased by 3.4% in 2013, allowing us to maintain our leading position in the ground handling services sector.

Before presenting the results of Çelebi Ground Handling's operations in 2013, I would like to briefly discuss the latest developments in the world economy.

A period of rebalancing and re-pricing for the global economy

2013 was a year in which global economic activity recovered at a rate much slower than expectations, while the apparent differences in the growth performances of developed and emerging markets begun to disappear. The US and Japanese economies demonstrated some improvement, while economic activity in the Eurozone started to recover, particularly when compared to previous years.

The USA takes to the first step to exit its loose monetary policy.

In its meeting in December, Fed took the decision to taper its monthly asset purchases - which it has been carrying out for more than 1 year within the framework of the third quantitative easing program, and had stood at US$ 85 billion per month - by US$ 10 billion starting from 2014. The Fed stressed that it was ready to taper its asset purchase program for the sake of the US economy but drew attention to the fact that there was still time for a full recovery. Expressing that asset purchases would be cut throughout 2014 provided employment in the USA grew in line with expectations, the Fed also pointed out that the program would not be fully concluded before the end of 2014. The Fed finally mentioned that even if the unemployment fell to 6.5% - which was designated as a reference level - it would keep the policy interest rate close to zero as long as the rate of inflation remained under the long-term target of 2%.

The monetary policies applied by developed countries remain the determining factor for global economic activity.

As expectations regarding the Fed's move to taper its asset purchase program came to the agenda, there has been an increase in the volatility of capital flows to emerging markets since the second half of 2013. This has negatively affected economic activity in emerging markets. Other results of this trend were the devaluation of the local emerging market currencies and the upward pressure brought about by such a devaluation on inflation rates.

The rebalancing and re-pricing process which has been observed in the world economy, particularly since the second half of 2013, is projected to continue in 2014. Under this conjuncture, it is predicted that developed markets will demonstrate a relatively positive economic performance, while emerging markets will grow more moderately than in previous years.

Eurozone edges out of recession.

The Eurozone economy grew in 2Q 2013 and accordingly emerged out of its recession that had dragged on for six quarters.

On the other hand, however, economic activity in the region remains weak. Hence, in a bid to support the economy, the European Central Bank (ECB) cut interest rates twice in 2013 and declared that it would keep the policy interest rate low for a prolonged period of time. In addition to interest rate cuts, the ECB stressed that it could bring new policy instruments to the agenda, if necessary.

Some loss of momentum in emerging markets

Emerging markets continued to lose momentum in 2013. The uncertainty surrounding the future of the FED's asset purchase program precipitated increasing volatility in capital flows to emerging markets in the second half of the year, in turn leading to the depreciation of the local currencies of these countries against the US$. The increasing pressure on inflation and foreign borrowing conditions arising from this development have proven a contributing factor in the rise of interest rates in some emerging markets.

Prospects for the future

The gradual improvement expected in developed markets is expected to be positively reflected to emerging markets through the foreign trade channel in the period to come. In this context, the IMF projects a 3.7% rate of growth for the global economy in 2014 (3.0% in 2013).

Depending on the decisions to be taken by Fed in 2014 with respect to its monetary policy, potential fluctuations in capital flows will have a clear bearing on the performance of emerging markets in the periods to come.

Our performance in 2013 was in line with expectations

Under the global conjuncture summarized above, Çelebi Ground Handling has recognized the change in markets in a timely manner and maintained and improved its successful performance trend with its robust service structure, effective human resources and its business approaches oriented to business efficiency.

Thanks to its strengths in service offering, as well as it high quality standards and modern practices, our Company is considered as a leading service provider in national and international markets. Always remembering the mission that it took on 55 years ago, Çelebi Ground Handling moves forward with firm steps by taking sustainable initiatives.

The number of flights served by Çelebi Ground Handling in the Turkish market increased by 3.4% to reach 179,017 in 2013. This was mostly due to the increasing number (compared to the previous year) of domestic flights by Atlas Jet, Anadolu Jet and Onur Airlines and the flights performed by Pegasus Airlines from Sabiha Gökçen Airport.

Our growth, which was driven by our high operational performance, was also reflected to our financial performance, and Çelebi Ground Handling recorded consolidated net sales of TL 507,871,288 and an operating profit of TL 63,931,236 as of the end of 2013.

Çelebi Ground Handling works with quality systems that are preferred in the world of civil aviation.

Çelebi Ground Handling has a robust quality approach shaped by its know-how and perfectionist business approach. Operating with an integrated quality management system in which all processes are defined, scalable and traceable, and can be analyzed and improved upon, Çelebi Ground Handling strives for continuous development in this area.

Our Company's quality systems are certified with the ISO 9001:2008 Quality Management System and the OHSAS 18001:2007 Occupational Health and Safety Quality Management System, certified as a result of the audits performed by Cicert Belgelendirme Hizmetleri Ltd. Şti. in our 28 stations and head office. Moreover, our head office and our İzmir station have been granted the ISO 14001:2004 Environmental Management System certificates by the same agency.

ISAGO, a standardized safety audit program for ground handlers, is performed by airlines on behalf of IATA. Çelebi Ground Handling successfully passed IATA's ISAGO audit conducted for the Istanbul Station and the Headquarters units without any faults, and became the first ISAGO-certified ground handler in Turkey. As of 2013, the Company's Headquarters and the stations at İstanbul Atatürk, Dalaman, Bodrum, İzmir, Antalya, Adana, Trabzon, Istanbul Sabiha Gökçen, Samsun, Kayseri and Ankara were all ISAGO-certified.

Our first international subsidiary, Celebi Ground Handling Hungary, has renewed its contracts.

A subsidiary of Çelebi Ground Handling, Celebi Ground Handling Hungary operates at Budapest Airport (originally called as Budapest Ferihegy International Airport). The company served a total of 20,164 flights in 2013.

Having started cargo handling operations on January 1st, 2011 in its new warehouse located outside the airport, Celebi Ground Handling Hungary renewed its existing contracts for the handling of road haulage and air cargo with Air France-KLM, Alitalia and Martin Air in 2013. The company also provided services for a total of 10,686 tonnes of cargo shipped by Qatar Airlines, thus achieving a significant increase in cargo tonnage.

Our subsidiaries in India achieved results in line with our expectations.

Having begun to offer ground handling services at the New Delhi Indira Gandhi International Airport in India on June 2nd, 2010, Celebi Ground Handling Delhi Private Limited continues to expand its customer portfolio. The company renewed its existing contracts and added Malaysia Airlines and Eva Air to its customer portfolio in 2013.

The number of flights served by Celebi Ground Handling Delhi Private Limited rose by 14% from 4,759 in 2012 to 5,427 in 2013.

Having begun to offer service at Mumbai (Bombay) Chhatrapati Shivaji International Airport in India on July 1st, 2009, Çelebi-NAS, our other subsidiary in India, renewed its existing contracts with many of its customers, while signing new contracts with Jet Airways and Go Air to provide some additional major services to these airlines for their domestic flights. Çelebi-NAS served a total of 11,551 flights in 2013.

Successful progress for the Çelebi brand's second representative in Europe

Following the establishment of its brand in Hungary, Celebi Cargo GmbH was Çelebi's second subsidiary in Europe, and entered operation on January 10th, 2011 to offer air cargo storage and handling services in its storage facilities at the Frankfurt International Airport's "Cargo City Süd". The company provided services for a total of 88,546 tonnes of cargo between January-December 2013 (a 26.9% YoY increase compared to the 69,799 tonnes of cargo served between January-December 2012).

Çelebi Ground Handling to remain a real example of sustainability.

Aware of the steady improvement in its sector with each passing day, our Company has a vision of making change permanent while managing it. Our basic goals are to become a strategy-oriented organization, to establish a business excellence model which is based on the total quality management approach, to ensure this model derives its strength from our customers, to raise employee satisfaction and efficiency, and to increase revenues.

Having reached its current position by successfully balancing leadership and responsibility, our Company will remain the main preference of foreign and domestic customers, and maintain its position as most reputable company in the sector through long-term collaborations.

On behalf of myself and our Board of Directors, I would like to offer my thanks to you for your preference, trust, support and the contributions you have made to our Company.

Yours sincerely,

ÇELEBİ GROUND HANDLING INC.

Can Çelebioğlu
Chairman

I- OVERVIEW

1. FIELD OF ACTIVITY

Çelebi Hava Servisi A.Ş. (Çelebi Ground Handling Inc., "the Company") was the first privately-owned ground handling services company in the Turkish aviation industry and has been in business since 1958. The Company carries out its activities under the Çelebi Holding organization. The Company is registered with the Capital Markets Board of Turkey (CMB) and its shares began trading in Borsa Istanbul (BIST) on November 18th, 1996. The Company's principal business activity consists of providing domestic and foreign airlines and air cargo companies with ground handling services (representation, traffic, ramp, cargo, flight operations, and similar services) and refueling services. The Company's operations take place in Turkey at total 28 stations located in Adana, Ankara, Antalya, Bodrum, Bursa Yenişehir, Çorlu, Dalaman, Diyarbakır, Erzurum, İstanbul, İzmir, Isparta, Kars, Kayseri, Malatya, Mardin, Samsun, Trabzon, Van, Denizli, Hatay, Kahramanmaraş, Erzincan, Balıkesir Edremit, Çanakkale, Iğdır and Kocaeli airports which are under the control of State Airports Authority ("DHMI") and in Istanbul Sabiha Gökçen Airport which is under the control of Airport Administration and Aviation Industries ("HEAŞ").

The Company is registered with the Istanbul Trade Registry (192002-139527). Its address of record is:

Çelebi Ground Handling Inc.
Anel İş Merkezi, Saray Mahallesi Site Yolu Sokak No: 5 Kat: 9
34768 Ümraniye/İstanbul, Turkey

The Company's website is located at the address www.celebiholding.com. The internet address for the Company's investor relations is www.celebiyatirimci.com.

2. BOARD OF DIRECTORS, BOARD OF AUDITORS, COMMITTEES AND SENIOR MANAGEMENT

The Company's Board of Directors is formed of the following members:

Name	Position	Independent Member or Not
Can Çelebioğlu	Chairman	Non-independent Member
İsak Antika	Vice Chairman	Non-independent Member
Canan Çelebioğlu	Board Member	Non-independent Member
Turgay Kuttaş	Board Member	Non-independent Member
Mehmet Murat Çavuşoğlu	Board Member	Non-independent Member
Mehmet Yağız Çekin	Board Member	Non-independent Member
Feyzi Onur Koca	Board Member	Independent Member
İlter Turan	Board Member	Independent Member

The members of the Board of Directors have been elected for one year at the Ordinary General Meeting convened on May 17th, 2013 until the next Ordinary General Meeting.

According to the provisions of Corporate Governance Principles and the Company's articles of incorporation, İlter Turan and Feyzi Onur Koca, whose candidacy for independent membership on the Board of Directors has been deemed appropriate, have been elected as Independent Board Members to serve a term of office of 1 (one) year (for the period between the two Ordinary General Meetings).

The Company's Board of Directors consists of people chosen from among designated candidates who satisfy the levels of knowledge and skills stipulated in the CMB's Corporate Governance Principles and who possess specific experience and backgrounds. In addition, all Board members are in possession of the essential knowledge needed to read and analyze financial statements and reports, are familiar with the legal framework governing the Company's day-to-day and long-term dealings and transactions, and are capable of and committed to taking part in all of the year's regularly scheduled board meetings.

According to article 8 ("Representing and Binding the Company") of our articles of incorporation, the Board of Directors is responsible for the administration of the Company and for representing it before outside parties. The Board of Directors may delegate some or all of its powers to represent and administer the Company to executive directors and/or to managers who are not members of the Board. The individuals with the power to represent and bind the Company and the ways they may do so are determined by the Board and duly registered and announced. In order for any documents issued by the Company or for any contracts that are entered into to be valid, they must be signed, below the Company's legal name, by an individual or by individuals authorized to do so by the Board of Directors.

The authorities and responsibilities of our Company's Board members and managers are stated in signature circular VIII setting down the powers to represent and bind the Company that was registered by the İstanbul Trade Registry on March 29th, 2013 and announced as having been registered in issue 8293 of the Turkish Trade Registry Gazette dated April 4th, 2013.

As per the assignment of duties among the Board Members elected at the Ordinary General Meeting of May 17th, 2013, the Company's Board of Directors decided on May 20th, 2013 to elect Mr. Can Çelebioğlu as the Chairman and Mr. İsak Antika as Vice Chairman of the Board.

At the Ordinary General Meeting held on May 17th, 2013, the shareholders having management control over the company, members of the Board of Directors, senior executives and their partners and relatives by blood and marriage up to second degree have been authorized, as per Articles 395 and 396 of the Turkish Commercial Code (TCC), to enter into transactions that are of a nature that might lead to conflict of interest with the Company or its subsidiaries, to compete with those associates, to perform the tasks that fall under the Company's business scope personally or on behalf of others, and to become partners in companies that are engaged in similar activities, and to engage in other transactions; no transactions took place within the scope of the said authorization granted during the reporting period.

Auditors

Aiming to ensure that its consolidated financial statements for the accounting period 2013 subject to independent audit are independently audited in accordance with the legislation and regulations of the Capital Markets Board, the Company reached the following decision on April 18th, 2013: Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (Ernst&Young), which was elected as an independent auditor upon the Board's decision dated April 19th, 2012 and the approval of shareholders in the Annual General Meeting held on May 24th, 2012, shall be appointed as the independent audit company (Auditor) to take charge in the independent audit of the Company's annual financial statements for the period January 1st, 2013-December 31st, 2013, within the framework of the provisions set forth in the Turkish Commercial Code; and this decision shall be submitted to the approval of shareholders in the next Annual General Meeting. In the Annual General Meeting held on May 17th, 2013, shareholders present at the meeting unanimously decided to appoint Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (Ernst&Young) as the independent audit company (Auditor) to take charge in the independent audit of the Company's annual financial statements for the period, January 1st, 2013-December 31st, 2013, within the framework of the provisions set forth in the Turkish Commercial Code.

Corporate Governance, Audit, and Early Detection of Risk Committees

On April 3rd, 2013, the Company's Board of Directors decided on the following steps to achieve compliance with the Corporate Governance Principles as per the related legislation and pursuant to the Capital Markets Board's Communiqué on the "Determination and Implementation of Corporate Governance Principles":

- A new Early Detection of Risk Committee will be set up in accordance with the related article of the Communiqué to enable the Company's Board of Directors to fulfill its duties and liabilities;
- The Corporate Management Committee, which has already taken on the duties and liabilities of the Early Detection of Risk Committee, will hand over such duties and liabilities to the new Early Detection of Risk Committee;
- The "Working Principles of the Early Detection of Risk Committee" will be accepted, publicly disclosed, published on the Company's website and presented to the consideration of the Company's shareholders as a separate topic in the next Annual General Meeting.

In line with the provisions of the relevant article of the CMB Communiqué Serial: X No: 22 concerning Independent Audit Standards in the Capital Markets and the CMB Communiqué on the Determination and Implementation of Corporate Governance Principles, our Company's Board of Directors decided on May 20th, 2013 to elect

- Feyzi Onur Koca and İlter Turan as members of the Audit Committee,
- Mehmet Yağız Çekin and Feyzi Onur Koca as members of the Corporate Governance Committee,
- Turgay Kuttaş and İlter Turan as members of the Early Detection of Risk Committee

from amongst the Board Members elected at the 2012 Ordinary General Meeting of Shareholders.

Senior Management

The names of the executives who served at the Company during 2013 are presented below:

Name	Title	Effective from
Koray Özbay	Chief Executive Officer	2012
Deniz Bal	Financial Affairs Director	2013
Taner Sarı	Operations Director	2013
Eric Willems	Commerce Director	2012
Pınar Yenigün	Human Resources Director	2012

Following the departure of Ayfer Atlı, who had been functioning as the Financial Affairs Director since 2011, from the Company, Deniz Bal, who had been serving as the Budget and Finance Manager in the Company, was appointed to this position on June 14th, 2013. Serving as the Strategic Planning and Marketing Director since 2012, Gökhan Ahmet Üçel was appointed to Çelebi Havacılık Holding AŞ on June 14th, 2013; subsequently, the Strategic Planning and Marketing Director position was canceled in the Company. Taner Sarı, who had been functioning as the CEO of Çelebi Ground Handling Delhi Private Limited, a subsidiary of the Company, was appointed on August 1st, 2013 as the Operations Director to take the place of Murat Nursel, who had been serving in this position since 2010.

Investor Relations Unit and Coordination of Corporate Governance Practices

Pursuant to the provisions of Articles 7 and 8 of the CMB Communiqué Serial: IV, No: 41 on the Principles to be Complied with by Joint Stock Companies Subject to the Capital Market Law, and within the frame of efforts carried out to achieve full compliance with the Corporate Governance Principles published by the CMB, and to fully implement the same;

- There is an Investor Relations Unit, which handles exercising of shareholding rights at our Company that is listed on the Borsa İstanbul (BIST). This unit reports to the Board of Directors and maintains communication between the Board of Directors and shareholders. In this context, Deniz Bal, who is the Company's Financial Affairs Director and who was entitled to receive a "Capital Market Activities Advanced Level License" and "Corporate Governance Rating Expertise License", served during the reporting period as the head of Investor Relations Unit. (Tel: +90-216-666 6767, e-mail: deniz.bal@celebi.com)
- Deniz Bal, who has been serving as the head of Investor Relations Unit, and who holds "Capital Market Activities Advanced Level" and "Corporate Governance Rating Expertise License", served as executive personnel during the reporting period, responsible for the fulfillment of obligations arising from the Capital Market Legislation, for coordination of Corporate Governance practices, and for reporting to the Company's CEO, in addition to his existing responsibilities.

Information on General Meeting

Information on the Company's General Meetings held in the January 1st, 2013 and December 31st, 2013 period is disclosed under "4 - General Meetings" of the Corporate Governance Principles Compliance Report.

Financial Rights Provided to the Members of the Governing Body and Senior Managers

The Company designated its consolidated senior management team as the members of the Board of Directors, the Chief Executive Officer and Directors. The breakdown of the benefits provided to senior managers is presented in the table below:

	2013	2012
Short-term benefits to employees	9,141,280	11,597,795
Benefits after termination/end of employment	7,554	118,072
	9,148,834	11,715,867

3. NATURE AND VALUE OF ISSUED CAPITAL MARKET INSTRUMENTS

As of December 31st, 2013, our Company's issued capital amounted to TL 24,300,000. Our Company's capital structure on December 31st, 2013 and December 31st, 2012 was as follows:

Shareholders	(%)	31 December 2013	(%)	31 December 2012
Çelebi Havacılık Holding A.Ş.	77.36	18,797,553	54.73	13,299,633
Engin Çelebioğlu	0.00	0	10.02	2,432,430
Can Çelebioğlu	0.00	0	7.50	1,822,770
Canan Çelebioğlu	0.00	0	5.11	1,242,720
Others	22.64	5,502,447	22.64	5,502,447
	100.00	**24,300,000**	**100.00**	**24,300,000**

A "Share Purchase Agreement" has been signed on February 5th, 2013 by and between the Çelebioğlu Family (the Family) and Holland-based Zeus Aviation Services Investments B.V. ("Zeus"), controlled by the Actera Group ("Actera") regarding the transfer of the entirety of the shares representing the nominal shares worth TL 5,497,920 (22.63%) held by the Family in the Company's fully paid-in capital of TL 24,300,000 for a total price of TL 90,000,000 to Çelebi Havacılık Holding A.Ş. (ÇHH), and concurrently with the aforementioned, the transfer of the entirety of shares representing the nominal shares worth TL 12,935,000 (50.00%) in the fully paid-in capital of TL 25,870,000 held in ÇHH by the Family for a total price of TL 82,121,836 and USD 96,828,216 to Zeus. Following the fulfillment of the prerequisites arousing from closing operations mentioned on "Share Purchase Agreement" between the Family and Zeus under control of Actera and following the receipt of necessary permits, the closing and share transfer operations have been finalized on March 28th, 2013. The transfer price for the CGH shares held by the Family and that for the Holding shares held by the Family have been paid in cash and in full by the Holding and by Zeus, respectively on the closing date.

Identities of ultimate non-corporate controlling shareholders

The identities of our Company's ultimate non-corporate controlling shareholders purged of all cross-shareholding interests are as follows:

Shareholders	31 December 2013 (%)	31 December 2012 (%)
Zeus Aviation Services Investments B.V.	38.68	0.00
Engin Çelebioğlu	0.00	19.97
Can Çelebioğlu	19.34	29.89
Canan Çelebioğlu	19.34	27.50
Others	22.64	22.65
	100.00	**100.00**

There are no privileged votes under the provisions of the Company's articles of incorporation. From amongst the shares categorized under Classes A, B and C that represent the issued capital, holders of Class A and B shares have the privilege to nominate for the Board of Directors and the Board of Auditors.

The Company did not repurchase any own shares in the period from January 1st, 2013 to December 31st, 2013.

4. INFORMATION ON PERSONNEL AND HUMAN RESOURCES POLICY

The average number of personnel employed by the Company as at December 31st, 2013 is 4,207 (December 31st, 2012: 4,555 people).

The average number of personnel, including the subcontractor personnel was 10,343 and 10,880 people on December 31st, 2013 and December 31st, 2012, respectively.

Average Number of Employees of the Group (Consolidated)	January-December 2013	January-December 2012
Çelebi Hava Servisi A.Ş. ("Company")	4,207	4,555
Çelebi Güvenlik Sistemleri ve Danışmanlık A.Ş.	35	48
Celebi Ground Handling Hungary	622	708
Celebi Nas (India)	1,755	1,884
Celebi Delhi Cargo (India, including subcontractor personnel)	2,674	2,759
Celebi Delhi Ground Handling (India)	903	788
Celebi Cargo GmbH (Germany, including subcontractor personnel)	166	138
Total	10,343	10,880

There is no collective bargaining agreement at our Company; our employees are provided with all legal social rights under the Labor Law and applicable current legislation, besides salaries, overtime payments, lunch and transportation service.

Human Resources ("HR") Policy

With a view to rendering the Company's image before the society and its employees continuous, as well as its success, the Company's HR Committee oversees and develops all human resources practices that are supported by documentation and systems, and the resulting HR culture.

Our station managers are responsible for ensuring that Company-established HR policies are adhered to in all areas of their individual accountability without regard for language, race, religion, creed, or sex. Station managers also act as employee representatives and among their basic responsibilities are keeping employees informed about Company decisions and developments that may affect them.

There has never been a single instance of a complaint from anyone about discrimination among employees at our Company, which takes all due care to ensure that its personnel are not subjected to any kind of physical, mental, or emotional abuse whatsoever.

Supporting participation, teamwork, enterprise, creativity, and productivity, making our Company an employer which people prefer to work for in Turkey and which treats its personnel like one big happy family and strives to keep it that way are the foundation stones of the Çelebi HR policy.

The Elements that Underlie Human Resources Policies:

Supporting participation, teamwork, enterprise, creativity, and productivity, making our Company an employer which people prefer to work for in Turkey and which treats its personnel like one big happy family and strives to keep it that way.

Human Resources Systems

Selection and Placement

- Recruitment Process
- Orientation

Performance Management

- Objectives and Competency Management
- Compensation

Career Management

Training

- Coaching
- Career Planning
- Personal Development Training

Compensation Management

Corporate Development Activities

- Corporate Culture, Vision, Mission
- Employee Satisfaction Applications
- Regulation Studies
- Organization Studies
- Data-Processing Infrastructure

Selection and Placement

Recruitment Process/Creation of a Group-wide Pool of Candidates

The main principle in recruitment and placement is obtaining the human resource needs in a most efficient and most rapid way with the principle of "the right person for the right job". In this context the personnel needs are determined in accordance with the Company's goals and strategies in the frame of human resources planning, and the profile that the position needs is stated on the ground of the job definition and competencies. Human Resources personnel control whether the vacancy is placed in the budget when the request for a new employee comes. The position planning has to be conducted carefully, with special attention to efficiency. The Human Resources Department and Division Managers share the responsibility of recruiting personnel who are suitable for company mission and vision, who can perform the responsibilities of the job, who can adapt to the work conditions, who have the required competencies, and who at the least have the qualifications the job necessitates. Giving the opportunities primarily to all Çelebi employees for the jobs at the Company and Group companies suitable for their career development and potential is our recruiting policy. In the frame of this policy, a candidate information bank has been constituted in our Group companies and each day this bank becomes a databank all our Group companies can use. The program used in this purpose in the Holding structure is planned to turn into an integrated program connected to the other human resources processes.

Candidate Databank

The candidate databank includes the applications of the potential candidates that Çelebi employees suggest, candidates directly applying by sending CVs or filling the application form, people responding to an advertisement or announcement, applications collected during career days at various universities, applications from private training courses and education establishments with whom we plan to develop cooperation, and digital applications via electronic environment. The priority sequence followed in recruitment and selecting employees is:

- The employees apply to internal announcement,
- Candidates suggested by Çelebi personnel,
- Candidates who has applied directly or to an advertisement before,
- Candidates called by advertisement,
- Candidates directed to the Group by outsourcing consultancy firms.

All recruitment processes are performed in accordance to the recruitment and placement regulations by the human resources departments of the affiliated companies.

Also foreign languages, general skills tests and personality profiles prepared by the professional organizations for candidate selection are used. Reference control is conducted for the candidates who are found suitable for the job.

Orientation

Newly-hired employees are put through an orientation program in which they are informed about the Company's mission, vision, principles, and policies as well as about Çelebi Group companies, their areas of activity, and their working conditions.

Performance Management

Performance Evaluation

Performance evaluation system is carried out in order to ensure the existence of an environment suitable for the attainment of Company goals; identify and improve competency levels and priorities; support promotion, rotation, and career planning functions; strengthen relationships between subordinate and superior; develop management competencies in managers; and speed up the flow of information at all levels provide through feedback.

Once a year all our employees are given a performance evaluation by our Performance Evaluation System that has been designed to ensure that evaluations are made according to objective criteria defined according to required competencies. Objective-based evaluation criteria have been included in the performance evaluation system in addition to the performance-based evaluations to which is middle and senior managers are subject.

The 360-degree performance management system of which first performance evaluation was applied as a pilot study in 2006 was continued to be applied in 2013 and the work on turning into a more objective system by not only the subordinates evaluating the employees but also different channels evaluating each other was carried on.

During 2009, competencies used in the Human Resources processes have been reviewed and revised. Aiming to more clearly define the competencies expected of positions in a simpler and easier-to-understand manner, the project identified individual competencies for each position across Çelebi and established their weights.

"SAP Performance Appraisal System", which enables online handling of the Performance Appraisal application, represents another project that was conducted and brought to finalization during 2009. Theoretical and practical training sessions on the system and the Performance Management System were given to all managers subject to objective-based evaluation in 2010. "SAP Performance Appraisal System" is used for performance evaluation during the course of 2013.

Rewarding Performance

Based on the results of the annual performance appraisal, employees with outstanding performances are rewarded also in 2013 as previous years, with bonuses corresponding to a certain ratio of their annual salaries.

Career Management

The objective of career planning has been to create a candidate pool from internal sources and enable placement of candidates from that pool to vacant positions at Çelebi Ground Handling as well as synchronizing the employees' and the Company's expectations. From 2009 through 2013, a total of 12 senior executives were trained and assigned for ground handling operation in Mumbai and Delhi in India, as well as in Hungary, Frankfurt and Austria. These executives have been assigned to critical roles.

In this context in all our companies:

- Career maps are designed in accordance with the competency and qualification scales drawn formerly and trainings and rotations at each career step are continuously followed.
- For critical positions a back-up strategy is being developed.

With a view to giving a more systematic structure to the career management function, "Improvement Committees" were set up at the Headquarters and our stations in 2009. The project was successfully continued in 2013 as well.

These committees hold annual meetings to:

- ensure a realistic succession plan,
- identify eligible employees for critical roles,
- determine, develop and follow-up employees with a high-potential,
- review and control employee profile.

Under the criteria for making appointments from within, promotion/rotation opportunities are offered to the employees via the Development Councils. The position needs are primarily announced to Çelebi employees and the priority is given to our personnel. In 2013, the "Development Councils" systematic has been revised and the "Talent Management" project has been launched, whereby potential along with competencies are identified and assessments are backed by more scientific work. The project which created an opportunity for the assessment of all eligible employees carried on also in 2013.

The rate of promotion within the Company, which was 75% in 2008, increased to 83.70% in 2009, 82.76% in 2010, 91% in 2011, 77.03% in 2012 and 90.91% in 2013.

Training

Çelebi sets different levels of studies related to training and development programs. These parameters are intended to help determine and improve the areas to be developed, especially related to knowledge, skills and behavioral characteristics which all Çelebi jobs necessitate, and in order to prepare the employees for future responsibilities.

The Human Resources Department develops annual plans for personal and professional development training programs that are determined on a need basis, as well as compulsory trainings identified by the Directorate General of Civil Aviation (DGCA).

Personal and professional development trainings are determined for staff members proposed at the Performance Appraisal Outcomes and Development Panel conducted annually across the Company, and then incorporated in the plan. During 2013, training per person was 5.44 days.

All training reports are accessible via the SAP system. Training budget planning and reporting are performed periodically by the HR on the basis of these records.

Stations are provided with access to all training documents, technical training modules, exams, company guidelines/procedures and regulations via Lotus Notes.

All operational technical training programs are given by internal trainers. All documents, training modules and tests used for training are updated and announced biennially in a refreshing session held with internal trainers.

In 2009, the training module addressing the Ramp Department more heavily populated by blue-collar employees has been revised with a different perspective. The module has been simplified into a language that is easier to be understood by blue-collar workers, while visuality has been taken to the forefront with the films produced and animations designed, thereby creating an unmatched training module.

Agreements are made with professional training consultancy firms for personal and professional development training (Presentation Techniques, Teamwork, Management Skills, etc.)

Compensation Management

Within the frame of the compensation system at Çelebi Ground Handling, a remuneration scale has been formulated in line with the Company's vision and objectives, based on the prevailing market conditions and the developments in the aviation industry, which is designed to ensure consistency across the Company and reflected the realities mentioned above. If two people are doing the same job, in other words, if there is no difference in the value of their work in terms of content, time, resources and position profile, etc., the value of the job done is the same even if the personal traits and skills of the two people are different.

Headquarters remuneration scale is formed periodically, by making a comparison with the data obtained from salary survey companies and by including the results from these surveys as well. These criteria are taken as basis also when determining the remunerations of senior executives taking place in the Headquarters remuneration scale.

Salaries are determined according to the titles in the organizational structure, but are based on a tariff in connection with the magnitudes of stations and restricted seniority. Salaries are updated annually making use of market surveys.

Performance bears an impact upon an employee's income in the form of a year-end bonus paid only in the case of performance above expectations.

An employee who gets a passing grade in the exam given for positions that compel knowledge of a foreign language receives a foreign language allowance in addition to the current base salary. Apart from foreign language allowance, drivers are paid vehicle bonuses depending on the type of vehicle they drive.

Corporate Development Activities

Employee Satisfaction Applications

In 2007, consultancy service has been obtained from Synovate to establish employee satisfaction level. In this frame, an employee satisfaction survey was administered covering all employees on permanent staff with the Company, which was concluded with a participation ratio of 81%. To allow for the analysis of survey results, the outcomes were shared with all stations, inputs were consolidated, and an action plan was developed. With a view to encouraging efforts for improving the results revealed by the survey, targets in relation to the next year's survey were incorporated in the 2008 station manager PD system.

In the repeat of the employee satisfaction survey in 2008, the participation ratio was raised from 81% in 2007 to 92%. The ESS score improved by 50% in 2008 as compared with the previous year. In 2009, a consultancy firm was not engaged for the employee satisfaction measurements. Instead, these data were compiled in meetings and visits paid by the Human Resources Department to branches and units. Via the meetings held bi-annually, action plans were formulated to enhance employee satisfaction, under which necessary steps were taken. Synovate was engaged once again to conduct an employee loyalty survey in 2010; based on the results of the survey that secured a participation ratio of 88.85%, Company-wide loyalty index that stood at 69 in 2008 rose to 70 in 2010.

The Company's Human Resources Department continued to work towards enhancing employee satisfaction also in 2012. The Department's efforts to this end include visiting branches and units during which meetings are held and conducting employee satisfactions surveys since 2007.

During 2012, Employee Satisfaction was conducted in face-to-face contact with the employees through the "Open Door Meetings" carried out by the Human Resources Department. In these meetings, the employees' suggestions and opinions about the Company practices were sought, and various improvement activities were carried out via the project groups set up. Improvement activities continued throughout 2013.

Regulation Studies

Existing HR and training regulations that are currently in use are regularly reviewed and revised to ensure that they satisfy needs. In addition, joint projects are also carried out to develop new regulations for operational or other issues as circumstances dictate.

Organization Studies

Organizational structures are reviewed, revised, and standardized to maximize their effectiveness and ability to satisfy needs. Particular attention is given to ensuring that any organizational changes are tracked and made known throughout the Company. Determining hierarchical levels and revising roles in light of existing conditions is a prime consideration in all HR policies.

Communication

For the purposes of fostering a participatory style of management and providing all employees secure and safe working conditions, personnel are kept informed about issues concerning the Company's financial standing, compensation, career development, training, health, and similar at meetings on every occasion where it is possible to convey such messages. Feedback from personnel in the form of attitudes, opinions, suggestions, and complaints are used as input in subsequent activities. Along this line, development workshops were organized in 2010 broken down for employees and managers working at the Headquarters and the station management offices so as to ensure communication of employee opinions in a free platform, and the results were presented in a report to the senior management.

Furthermore, a suggestion development system was established in 2008, which targets participation of all employees so as to make more effective use of employees' opinions. The suggestion development system has successfully been used during 2013.

Employee Safety

Our Company has a management system that provides employees with a safe and healthy working environment, and carries out risk assessments that identify the threats and risks to which employees may be exposed. The system is also engaged in activities to reduce risk/threat levels through measures that are to be taken, complies with the requirements of the labor law, develops and implements programs to achieve occupational health and safety objectives, and continuously monitors occupational health and safety performance. In addition, the Company's 26 stations and the headquarters have been certified with OHSAS 18001 certification.

Social Activities

A painting contest themed "My Holiday" was organized in 2011 for the children of current employees' children aged 7-9 and 10-12, and the children that were placed in the top 5 ranks in both age groups were sent surprise gifts, while their paintings were exhibited in the station management offices. A second organization was a photography contest looking for the answer to the question "What is development" through photographs. The winning three photographers were awarded, and the best five photographs were put on display in the station management offices. In 2012, a photography contest and slogan contest themed "Teamwork" was organized among the employees, and those in the top places were given gifts. In 2013, a painting contest was organized for the children of current employees aged 7-9 and 10-12, and the children placed in the top places were given a variety of rewards.

II- FINANCIAL RIGHTS PROVIDED TO THE MEMBERS OF THE GOVERNING BODY AND SENIOR MANAGEMENT

The financial rights provided to the members of the Company's governing body and its senior management are disclosed under "20. Financial Rights" section of the Corporate Governance Principles Compliance Report.

III- RESEARCH AND DEVELOPMENT ACTIVITIES

5. OPERATIONAL EFFICIENCY

Introduced at the Company to help achieve increased efficiency and zero-error planning of operations, the "Resource Planning, Work Schedule Generation and Real-Time Control System (Inform-GroundStar) continued to be used successfully at İstanbul, Antalya, and Sabiha Gökçen stations during 2013.

Its installation completed during 2009, the E-SCF (Electronic Service Charge Form) project continued to be used during 2013.

In a bid to offer better service to our customers and to increase our productivity, the service standards at our stations in İstanbul, Sabiha Gökçen, Antalya, Dalaman, İzmir and Bodrum airports have been re-measured and updated standards in line with the changing conditions were also used in 2013.

In order to increase the Company's operational efficiency, a proportion of the personnel to be employed in the Ramp Services departments at the Sabiha Gökçen and İstanbul stations were selected from among people who can work part-time.

Our Company adopts the quality systems preferred in the civil aviation world, and employs AHS 1000 and IATA AHM 804 measurement systems. These systems determine and report measurable quality criteria, and serve to enable more efficient operation and increased operational productivity of airliners and ground handlers. These systems allow identification of the problematic step along the service process and taking necessary corrective action accordingly. Customer dissatisfaction arising during the service is monitored at all stations and necessary action and improvement steps are taken immediately for the customer complaints received. In addition, regular internal audits are conducted semi-annually by the Quality Department at all of our stations in an effort to prevent possible customer dissatisfaction, and corrective actions in relation to negative aspects identified by these audits are carried out by the stations.

IV- THE COMPANY'S ACTIVITIES AND MATERIAL DEVELOPMENTS IN ACTIVITIES

6. THE RELEVANT SECTOR, 2013 ACTIVITIES AND PERFORMANCE

The World and Turkish Economy in 2013

In the World...

Oil prices...

In the last quarter of the year, import prices (in US$ terms) remained slightly below the assumptions presented in the October Inflation Report, while oil prices proved consistent with the forecasts. The assumption for the average inflation of import prices in 2014 remained unchanged. In addition, record high US crude oil production and inventories also spelt a favorable outlook for oil prices. Meanwhile, output cuts resulting from technical issues as well as political risks exacerbated concerns over the Middle Eastern oil supply and threatened to put upward pressure on prices. As a result, Brent crude prices settled at US$112/bbl as of the year-end. Oil prices averaged US$94.20/bbl in the 2012 full year, edging up to US$97.80/bbl in 2013.

Inflation and growth…

In the fourth quarter of 2013, there was a considerable jump in the pace of growth in advanced economies, particularly the US, the UK and Japan, while the Euro Area started to climb out of recession. Meanwhile, growth rates accelerated, albeit modestly, across emerging economies in the third quarter of 2013, in another factor supporting the global economic recovery. The US economy continued to grow rapidly during the third quarter of 2013 and GDP increased at an annualized rate of 4.1% in the quarter. PMI data for the fourth quarter suggests that US growth will remain buoyant.

After a positive growth performance in the second quarter of the year, the Eurozone continued to improve in the third quarter and grew by 0.3% quarter-on-quarter. In addition to the brighter growth outlook, the halt in the rise in unemployment in the continent in the second half marked a clear indication that the economic recession had lost its grip. However, current expectations suggest that a full exit from the recession may only be possible in 2014 given the current elevated level of unemployment.

Displaying a positive outlook amid the rise in economic activity in advanced economies, global growth is likewise expected to pick up further in the fourth quarter of 2013. In the January issue of Consensus Forecasts, growth forecasts for 2014 were revised upward for advanced economies, especially for the US and the UK, but downward for emerging economies (excluding China) when compared to the previous reporting period.

In the fourth quarter of 2013, consumer inflation was slightly up from the end of the previous quarter across advanced and emerging economies. The favorable outlook for advanced economies and the depreciation in emerging market currencies driven by strong capital outflows were the main factors behind this development. Inflation forecasts for the end of 2014 have revised downward when compared to the previous reporting period (for the Inflation Report) for all advanced economies with the exception of Japan. Across emerging economies, forecasts were revised down for the Asia-Pacific and Eastern Europe and substantially upwards for Latin America and India. The uncertainty surrounding the inflation outlook will diminish as the possible effects of the Fed's tapering and the direction of capital flows becomes clearer during 2014.

In Turkey…

Exchange rates…

As a consequence of the domestic developments starting from the last quarter of the year, Turkey diverged somewhat from other emerging economies. In this period, Turkey's exchange rate depreciated more sharply against the US dollar than economies with similar economic conditions, and its relative risk increased. The depreciation in the Turkish Lira is expected to impose additional pressure on inflation in the upcoming period, if domestic uncertainty remains elevated for a long time. Meanwhile, aggregate demand conditions may put downward pressure on inflation amid rising risks and market rates. Therefore, the monetary policy stance will depend highly on how domestic uncertainties unfold in the coming period and their effect on the inflation outlook will be crucial in shaping the monetary policy stance.

Averaging 1.79 in the 12 months to end 2012, the average of USD for 2013 rose to the order of 1.93 during the same period of 2013. Similarly, the average Euro rate rose from the order of 2.31 in 2012 to 2.57 in average in the twelve months to end 2013. While the USD/EUR parity had averaged 1.29 in the last quarter of 2012, the same rose to an average of 1.33 year-to-year. Measuring the value of the Turkish currency against other currencies, the CBRT CPI-Based Real Effective Exchange Rate (2003=100) results showed that the index value that had stood at 118.18 as at end-December 2012 dropped to 106.83 as at end-December 2013.

Inflation…

Consumer inflation increased by 1.2 percentage points year-on-year to 7.4% in 2013, overshooting the uncertainty band around the target. Inflation followed a volatile path throughout the year and ended the mid-year significantly above the value implied by the target. In the last quarter of 2013, the annual rate of consumer inflation fell to 7.40%, a decline of 0.48 percentage points with respect to the previous quarter. Producer prices increased by 2.43% on the back of the dramatic hike in manufacturing and agricultural prices in the fourth quarter of 2013, and the annual rate of PPI inflation jumped by around 0.75 percentage points on the quarter to 6.97%. As a result, the rate of inflation climbed from 4.3% in the 2012 full year to 7.2% in 2013.

Civil Aviation Industry

In the World...

Based on the data released by the International Air Transport Association (IATA), international passenger traffic and cargo traffic went up by 5.2% and 1.4%, respectively year-on in 2013. The capacity increase was 4.3% in passenger traffic and 1.4% in cargo. The seating capacity utilization rate in passenger traffic materialized as 79.5%.

2013 was a year in which demand for global air transportation gradually increased. This increase in demand was a result of the rising stability in the Eurozone and strong economic performance in the Far East.

On the basis of regional developments, the passenger traffic in Europe showed a year-on rise of 3.8%. The Middle East, on the other hand, showed a rise of 12.1% in demand and 12.8% in capacity, and as such displayed the most solid performance globally. Air transportation increased by 4% in the Indian domestic market.

In Turkey...

In Turkey, there was an overall rise of 13.1% in the number of total commercial flights in 2013, split as 15.3% in domestic commercial flights and 10.7% in international commercial flights. Following suit, the passenger traffic rose by 17.6% and 11.8% in domestic and international flights, respectively, during the same period. The key drivers behind these increased figures include the continued growth of demand in the marketized domestic flights segment, and the growth strategy pursued by the Turkish Airlines which also brings about increased traffic of transit passengers. As a result of these indicators, the civil aviation industry in Turkey remained one of the fastest-growing markets on a global scale.

2013 Activities and Performance

A total of 179,017 flights were served by Çelebi Ground Handling in the Turkish market in 2013 (2012: 173,200 flights), corresponding to a 3.4% YoY increase. This was mostly due to the significant increase in the number of domestic flights by Atlas Jet, Anadolu Jet and Onur Air, and the flights by Pegasus Airlines from Sabiha Gökçen Airport. Our contracts with the Orenburg and Nordwind Airlines ended in 2013, while we reached a new agreement with Jettime Airlines in Denmark.

Having begun to offer ground handling services at the New Delhi Indira Gandhi International Airport in India on June 2nd, 2010, Celebi Ground Handling Delhi Private Limited attended and won the tenders called by Malaysia Airlines and Eva Air for ground handling services in the first 9-month period of 2013. The Company began to serve Eva Air on July 1st, 2013 and Malaysia Airlines on September 1st, 2013. In the last quarter of 2013, our existing contracts with Austrian Airlines, Air Astana, Prime Aviation and Flywell Aviation were renewed. The Company served 659 flights in 2010, 3,632 flights in 2011 and 4,759 flights in 2012, increasing by 14% to 5,427 in 2013.

Having begun to offer services at the Mumbai (Bombay) Chhatrapati Shivaji International Airport in India on July 1st, 2009, Çelebi-NAS - our other subsidiary in India - served only 11,551 flights in 2013 despite having served 17,910 flights in 2012. The primary reason for the decline in the number of flights served in 2013 when compared to 2012 was the bankruptcy of Kingfisher Airlines, which ceased its international flights in March and domestic flights in June. Other factors contributing to the decline were the bankruptcy of Bahrain Airlines, which terminated its operations, and the decision by Austria Airlines and Air Cargo Germany to cease their flights to Mumbai. In the first 9-month period of 2013, the Company renewed its existing contracts with Sri Lanka Airlines, Qatar Airlines and Bangkok Airways; and signed new contracts with Jet Airways and Go Air to provide some additional major services to these airlines for their domestic flights. In the last quarter, the Company participated in the tenders called by Air Mauritius and Gulf Air for ground handling services; results of the tenders are still pending. The Company expanded the scope of the additional services that it provides to Jet Air. Such additional services, which are not included in the stated number of flights, include passenger transport at the ramp, and baggage loading and unloading for Jet Airways and baggage loading and unloading for Go Air.

Çelebi Ground Handling's first international subsidiary, Celebi Ground Handling Hungary, renewed its contracts with British Airways, Qatar Airlines, TNT and Freebird Airlines. The company served a total of 20,164 flights between January-December 2013, down from the 27,148 flights served in 2012. The primary reason behind the decline in the number of flights served was that expiry of the agreement with Wizz Air in 2012. Only 5,004 Wizz Air flights were served in 2012.

Having started cargo handling operations on January 1st, 2011 in its new warehouse located outside the airport, Celebi Ground Handling Hungary signed new contracts with Air France-KLM, Alitalia and Martin Air with respect to the handling of land haulage and air cargo in early 2012. The company provided service for a total of 63,976 tonnes during 2013, compared to the 60,012 tonnes in the same period of 2012. The company also provided service for a total of 10,686 tonnes of cargo shipped by Qatar Airlines, thus achieving a significant rise in cargo tonnage compared to the 5,507 tonnes of cargo in the same period of 2012.

Celebi Cargo GmbH entered operation on January 10th, 2011 to offer air cargo storage and handling services in its storage facilities at the International Frankfurt Airport's "Cargo City Süd". The company provided service for a total of 88,546 tonnes of cargo between January-December 2013 (a 26.9% YoY increase compared to 69,799 tonnes of cargo handled during January-December 2012; 40,588 tonnes during January-December 2011). The company which demonstrated significant growth in its cargo traffic by adding Turkish Airlines, FedEx, Ethiopian Airlines, Bulgaria Air and LATAM Airlines to its customer portfolio in 2012 increased its integration with other Group companies by bringing the CRM customer relations management system into operation in the same period.

As at the 12-month period ended December 31st, 2013, our Company reached a consolidated net turnover of TL 507,871,288 TL (2012 12-months: TL 511,788,320).

The Company's consolidated gross profit for 2013 was up 9.06% to TL 135,666,984 (2012 12-months: TL 124,401,039). In the twelve-month period, the Company posted an operating profit of TL 63,048,582 (2012 12-month: TL 42,322,806).

The National Quality Movement and the "European Excellence Journey" Program

Our Company joined the "National Quality Movement" that was launched in 2005 by KalDer (Turkish Quality Association) under the slogan "Quality in every aspect of life". Like the many other companies and organizations that have joined this movement to raise the quality of national life, ÇGH signed KalDer's "Pact". In 2006, our Company's strengths and improvement areas were identified using the self-evaluation methods based on the "EFQM Excellence Model", and improvements were made in line with the findings of these self-assessments.

Our Company received the EFQM Competency in Excellence 4 * award in November 2008. Recapturing EFQM Competency in Excellence 4 * award in 2011, Çelebi Ground Handling showed its commitment to its quest for excellence. We strongly believe that we will successfully pass the phases in the path to receiving the National Quality Award and the European Quality Award on the back of our committed efforts.

Integrated Management Systems Components

Çelebi Ground Handling has a quality management system whose processes are fully defined, quantified, and monitored and which seeks to achieve continuous improvement. The quality management system of ÇGH is based on precisely defining all service and management processes and on ensuring that the results of those processes can be quantified, monitored, and analyzed so that they may be further developed. Çelebi Ground Handling's quality management system has been accredited by Cicert Belgelendirme Hizmetleri Ltd. Şti. with ISO 9001:2008 certification, which covers the headquarters and 28 of our stations.

Our Environmental Management System has been endorsed by ISO 14001:2004 certificate at İzmir station and the headquarters by Cicert Belgelendirme Hizmetleri Ltd. Şti.

Our Company has a management system, which provides employees with a safe and healthy working environment, and carries out risk assessments that identify the threats and risks to which employees may be exposed. The system is engaged in activities to reduce risk/threat levels through measures that are to be taken, which complies with the requirements of the labor law, which develops and implements programs to achieve occupational health and safety (OHS) objectives, and continuously monitors OHS performance. The Çelebi Ground Handling Quality Management System has been endorsed with ISO 18001:2007 certificate at the headquarters and 28 of our stations by Cicert Belgelendirme Hizmetleri Ltd. Şti.

For the purposes of increasing service quality, gaining access to important information about the sector, and keeping track of market and technological developments, our Company takes part in international seminars, meetings, and conferences held all over the world. In 2013, Çelebi Ground Handling attended seminars and other events organized by IATA International Ground Handling Council, IAHA, Ground Handling International, ACI, TIACA, Aviance, and others.

In an attempt to eliminate ground accidents and safety violations, and to develop a universal safety audit program, the IATA, in collaboration with air carriers, ground handling companies, civil aviation authorities, airport operators and other entities involved in the aviation industry, designed ISAGO, a standardized safety audit program for ground handlers, which is performed by airlines on behalf of IATA. The Company successfully passed IATA's ISAGO audit conducted for the İstanbul Station and the Headquarters units without any findings, and has become the first ISAGO-certified ground handler in Turkey.

As of 2013, Çelebi Ground Handling's Headquarters and the following stations were all ISAGO-certified: İstanbul Atatürk, Dalaman, Bodrum, İzmir, Antalya, Adana, Trabzon, Istanbul Sabiha Gökçen, Samsun, Kayseri and Ankara.

7. DEVELOPMENTS IN INVESTMENTS; INVESTMENT INCENTIVES USED

Tangible fixed asset investments realized by the group during the 12-month period that ended on 31 December 2013 amounted to TL 23,375,403 (31 December 2012: TL 34,835,762). 45% of this amount consisted of investments in machinery, equipment and appliances, 14% in special costs, 37% in investments in progress, and 4% in other investments. There are no incentives made available to the Company in relation to its investments in 2013.

Total consolidated investment outlays of the Group in tangible and intangible assets during the twelve months to 31 December 2013 were worth TL 23,675,972. (2011: TL 44,458,687)

8. DIRECT OR INDIRECT ASSOCIATES OF THE COMPANY AND INFORMATION ON SHAREHOLDING THEREIN

The Company holds a 49.99% stake in Çelebi IC Antalya Havalimanı Terminal Yatırım İşletme AŞ (Çelebi IC Investment), which has a capital of TL 50,000. A decision was taken in Çelebi IC Investment's 2011 Annual General Meeting to start the liquidation process for the company. The process has since been concluded and the company was legally closed down on September 11th, 2013.

The Company also holds a 94.8% stake in Çelebi Güvenlik Sistemleri ve Danışmanlık AŞ ("Çelebi Security"), a joint stock company engaged in airport terminal security and providing security service to airlines. The liquidation process has been initiated for Çelebi Güvenlik Sistemleri ve Danışmanlık AŞ in accordance with the decision of its General Assembly.

The Company also controls 100% stake (HUF 1,000,000,000) in the capital of Celebi Ground Handling Hungary Földi Kiszolgáló Korlátolt Felelősségű Társaság ("CGHH") offering ground handling service at Budapest Airport. 30% share (HUF 300,000,000) in the capital of CGHH has been taken over from Çelebi Havacılık Holding A.Ş. for TL 33,712,020 as of 08 December 2011. The Company's share in CGHH rose to 100%, and CGHH has been consolidated on a line-by-line basis without separating non-controlling shares. This transaction has been accounted for as a shareholders' equity transaction under the shareholders' equity effect resulting from acquisition in the consolidated financial statements. The paid-in capital of CGHH as at 31 December 2013 is HUF 200,000,000.

Within the frame of the procedures concerning the tender put out for the performance of ground handling services for a period of 10 years at the Mumbai Chhatrapati Shivaji International Airport in India, which has been contracted out to a consortium that also included the Company, a company by the name "Celebi Nas Airport Services India Private Limited ("Celebi Nas") has been incorporated on December 12th, 2008 to provide ground handling services at the said airport. Celebi Nas started the operations as of July 1st, 2009. Based in the Maharashtra state in Mumbai, India, Celebi Nas has a capital of INR 100,000,000, in which the Company controls 55% stake as a founding partner. The paid-in capital of Celebi Nas is INR 552,000,000 as of December 31st, 2013. In addition, INR 228,000,000, which has not been funded by the shareholders in Celebi Nas yet, has been paid as advance capital.

The Company established Celebi Delhi Cargo Terminal Management India Private Limited ("Celebi Delhi Cargo") with an initial capital of INR 100,000, in which it controls a 74% share as a founding partner and which will be engaged in the brownfield development, modernization and financing of the existing cargo terminal in the airport in New Delhi, India, and in its operation for a period of 25 years. The paid-in capital of Celebi Delhi Cargo as of December 31st, 2013 is INR 720,000,000.

Upon winning the contract for the execution of airport ground handling services for a period of 10 years at the Delhi International Airport, a total of INR 1,006,992,000 has been paid in premium share capital to fulfill the funding need of Celebi Ground Handling Delhi Private Limited ("Celebi GH Delhi"), the Company's 74%-owned subsidiary founded on November 18th, 2009 with a paid-in capital of INR 16,900,000, through premium capital increase as per the governing legislation in India in order to fulfill the obligations arising from the Concession Agreement concluded with the tender authority and to ensure realization of planned investments. The Company holds 74% stake in the capital of Celebi GH Delhi. Meanwhile, the Company's Board of Directors present at the meeting unanimously reached the following decisions on October 1st, 2013: to cover the shareholders' equity of INR 76,175,000 required by Celebi Ground Handling Delhi Private Limited ("Celebi GH Delhi") - which is located in New Delhi, India, has a paid-in capital of INR 16,900,000, and in which Çelebi Ground Handling Services holds a 74% stake in - to finance its operations and to undertake the projected investments; to raise the required funds for the above by means of a premium capital increase pursuant to the applicable law in India; to pay INR 75,850,000 (approximately US$ 1.2 million) in total and to maintain the maximum 74% share that may be held by the Company in accordance with the applicable law; and to carry out all required works and procedures for this purpose.

On 25 March 2010, the Company participated as the founding partner with 100% stake in the capital of the company set up with the company name Celebi Ground Handling Europe SL ("Celebi Europe") with a capital of EUR 10,000 in Madrid, Spain. Although it has not started operations yet, Celebi Europe holds 100% stake in the capital of the Poland-based company with the name Troy Airport Services ("Troy"), which has not started operations.

On 20 August 2010, the Company took over the entirety of the shares with a nominal value of TL 144,000 held by Çelebi Holding A.Ş., a Çelebi Group company, in Çelebi Cargo Warehouse and Distribution Services Inc. ("Çelebi Cargo") with a paid-in capital of TL 150,000, for a cash price of TL 146,880 (at a price of TL 1.02 for a nominal value of TL 1.00). Çelebi Cargo has been founded on 20 November 2008 to be involved in transport, cargo shipment, cargo storage and distribution activities. Çelebi Cargo is engaged in air cargo storage and handling at the storage/warehouse facility with a covered area of 28,300 sqm Celebi Cargo GmbH rented in Frankfurt Cargo City Süd located in Frankfurt International Airport. Residing in Frankfurt, Germany, Celebi Cargo GmbH is a wholly owned subsidiary of the Company founded in November 2009, and has a paid-in capital of EUR 8,500,000. The capital of Çelebi Cargo is TL 20,000,000 as of December 31st, 2013, which is fully paid-in.

Celebi GH Delhi participated in Delhi Aviation Services Private Limited ("DASL") by acquiring 16.67% stake in the company at the nominal value; DASL resides in New Delhi, India, has a paid-in capital of INR 250,000,000 and was set up to ensure execution of air conditioning units installed on passenger bridges in the airport's passenger terminal, generator and utility water services in compliance with international standards.

9. INFORMATION ABOUT FINANCIAL STATEMENTS AND REPORTS

The consolidated financial statements of Çelebi Ground Handling are issued in compliance with the Capital Markets Board of Turkey (CMB) Communiqué Serial: II, No: 14.1 on Principles of Financial Reporting in the Capital Markets, which is published in the Official Gazette no. 28676 and dated: June 13th, 2013. In accordance with Article 5 of the communiqué, the Turkish Accounting Standards / Turkish Financial Reporting Standards (TAS / TFRS) released by the Public Oversight Accounting and Auditing Standards Authority (KGK) and the related annexes and comments were taken as a basis in the publication of the consolidated financial statements.

The Group issued its financial statements for the period ending December 31st, 2013 in accordance with the Turkish Accounting Standards (TAS) released by the Public Oversight Accounting and Auditing Standards Authority (KGK).

Based on a decision passed on March 17th, 2005, the CMB announced that the application of inflation accounting would no longer be required for companies operating in Turkey effective January 1st, 2005. The Company prepared its financial statements in accordance with this decision.

When keeping their accounting records and preparing their mandatory financial statements, the Group and the Group companies located in Turkey conform to the principles and conditions set forth by KGK, as well as the Turkish Commercial Code (TCC), tax legislation, and the requirements of the Uniform Chart of Accounts issued by the Republic of Turkey Ministry of Finance (Ministry of Finance). Prepared in accordance with the Turkish Financial Reporting Standards, consolidated financial statements are issued in Turkish Lira ("TL") based on the historical cost conversion except for the financial assets and liabilities, which are recorded at their fair values. Consolidated financial statements are prepared according to legal records that are based on the historical cost principle, which reflect the necessary corrections and classifications for the purposes of correct representation, in accordance with the Turkish Financial Reporting Standards. The TL is accepted as the Company's functional currency and currency of presentation.

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"). Condensed consolidated financial statements are presented in TL, which is the Company's functional and the Group's presentation currency.

There are no assets that are not included in the Company's consolidated financial statements for the year ended December 31st, 2013. All matters that could be useful for those who will make use of these financial statements are contained in the financial statements and the footnotes thereto.

Impact of the fire in Celebi Delhi Cargo on the Consolidated Financial Statements

A fire broke out on January 5th, 2012 at the cargo terminal operated at the Delhi International Indira Gandhi Airport, which also houses the office of the Company's subsidiary Celebi Delhi Cargo Terminal Management India Private Limited ("Celebi Delhi Cargo"), causing partial damage to the office equipment, fixtures and accounting records of Celebi Delhi Cargo.

The Company's consolidated financial statements for the year ended December 31st, 2011 has been audited by another audit firm, which reported, in its report of April 13th, 2012, a qualified opinion about the accounts for which adequate audit evidence could not be obtained as a result of the fire that took place in the cargo terminal operated at the Delhi International Indira Gandhi Airport that also houses the office of Celebi Delhi Cargo Terminal Management India Private Limited ("Celebi Delhi Cargo"), the Company's subsidiary, regarding the fair and true presentation of the Group's consolidated financial position, consolidated financial performance and consolidated cash flows in the consolidated financial statements.

Impact of warehouse fire on the consolidated financial statements

There are lawsuits and enforcement proceedings initiated against the Company with a total worth of TL 15,821,307, under which the Company is a joint respondent with others (General Directorate of State Airports Authority (in Turkish: DHMİ), other warehouse operators, insurers) for an amount of TL 9,963,220 and under which it is the sole respondent for an amount of TL 5,858,087.

The Company held a fully-paid insurance policy of US$ 1,500,000 to cover the value of goods. This amount was registered as revenue as of December 31st, 2013 and collected in full from the insurance company.

For covering the legal claims arising out of the cargo warehouse fire that broke out on May 24th, 2006, the Company management decided to utilize its insurance policy with a cover of USD 10,000,000 under the funds set up with the State Airports Authority (DHMİ) and the other warehouse operator within the frame of the terms set out in the "Sharing Agreement" executed by and between the said parties. The said agreement has been set up to cover the joint claims in relation to losses arising as a result of the fire that occurred at the warehouse.

Although the Company, DHMİ and other warehouse operator that are parties to the agreement ("Fund Companies") maintain their defense that they should not be held liable in whatsoever manner for the fire in question and its consequences, the reinsurers of the Fund Companies decided to set up the fund in question in order to amicably settle pending or threatened suits against them. As of the disclosure date of the report, 217 legal cases, in which the Fund Companies are parties to and which have a lawsuit value of TL 89,261,267 (US$ 41,822,268) have been finalized through the payment of TL 53,297,959 (US$ 24,972,103) within the scope of settlement negotiations; TL 52,990,760 (US$ 24,828,169) was paid to the claimants for 209 of these lawsuits, which have a lawsuit value of TL 85,935,062 (US$ 40,263,816). The remaining 8 lawsuits with a lawsuit value of US$ 1,558,452 were finalized through the agreement that the Company shall pay US$ 143,934 to the claimants. The related payments shall be carried out shortly.

Negotiations are currently ongoing within the scope of the fund for a total of 16 claims for which no agreement has yet been reached by and between the fund and other claimants. The total value of these claims amounts to US$ 4,344,017. A balance of US$ 15 million will remain in the fund after the settlements (including the amounts payable for the finalized eight lawsuits as mentioned above); such a balance is expected to cover the settlement of all claims against all Fund participants, for which negotiations are still in progress.

Along the same lines, the Company management believes that all of the legal claims against the Company may be settled amicably within the scope of the collected insurance policy and the balance in the fund set up. Since no negative developments occurred in relation to the Company's possible liabilities that would change the points declared in the past period, no provisions have been set aside in the consolidated financial statements dated December 31st, 2013.

The companies incorporated into consolidation

The Company's consolidated financial statements for the period ending December 31st, 2013 include the results of the Company, Celebi Nas, CGHH, Çelebi Security, Celebi Delhi Cargo, Celebi GH Delhi, Çelebi Cargo, and Celebi Cargo GmbH, which are jointly referred to as the "Group".

Goodwill arising from the acquisition of 4% share in Celebi Nas

On January 26th, 2012, the Company acquired 4% share in Çelebi Nas, its joint venture where it had 51% stake, from the other shareholder Sovika Aviation Service Private Limited that had an 8% stake for a price of USD 1,000,000 (TL 1,820,300). The acquisition has been recognized in the accounts pursuant to the provisions of "IFRS 3 - Business Combinations", and the goodwill in the amount of TL 910,723, which is calculated after the acquisition, has been descended in the consolidated financial statements dated December 31st, 2013.

Comparative information and restated financial statements from the prior period

The Group carried out various rearrangements in its financial statements from previous years pursuant to the revised "Joint Arrangements" (TFRS 11) and "Employee Benefits" (TAS 19) standards being effective as of January 1st, 2013. Both standards were retroactively applied and the impacts of these rearrangements on the interim consolidated financial statements are explained below in detail.

The financial statements dated December 31st, 2012 which were rearranged as of December 31st, 2013 have been settled according to the previously reported financial statements as follows:

31 December 2012	Previously reported	Effect of changes in presentation according to CMB notification	Effects of IFRS 11 amendment	Effects of IAS 19 amendment	Restated 31.12.2012
Current Assets	144,325,063	(6,606,624)	(3,130,621)	-	134,587,818
Non-current Assets	341,225,553	6,460,466	(5,867,380)	-	341,818,639
TOTAL ASSETS	485,550,616	(146,158)	(8,998,001)		476,406,457
Current Liabilities	182,367,533	(146,158)	(6,196,406)	-	176,024,969
Non-current Liabilities	239,108,927	-	(2,801,595)	-	236,307,332
Equity	64,074,156	-		-	64,074,156
TOTAL LIABILITIES AND EQUITY	485,550,616	(146,158)	(8,998,001)		476,406,457

	Previously Reported 31.12.2012	Changes in presentation according to CMB notification	Effects of IFRS 11 amendment	Effects of IAS 19 amendment	Net off transactions	Restated 31.12.2012
CONTINUING OPERATIONS						
Revenue (net)	537,002,487	-	(13,082,992)	-	(12,131,175)	511,788,320
Cost of sales (-)	(410,338,527)	-	10,820,175	(104)	12,131,175	(387,387,281)
GROSS PROFIT	**126,663,960**	**-**	**(2,262,817)**	**(104)**	**-**	**124,401,039**
General administrative expenses (-)	(79,841,873)	-	1,646,975	-	-	(78,194,898)
Other operating income	4,231,025	(618,579)	(39,010)	-	-	3,573,436
Other operating expenses (-)	(7,459,806)	61,332	(1,614)	-	-	(7,400,088)
Income from investments accounted by equity method	-	-	(613,930)	-	-	(613,930)
OPERATING PROFIT/ (LOSS)	**43,593,306**	**(557,247)**	**(1,270,396)**	**(104)**	**-**	**41,765,559**
Income/expense from investment activities	-	557,247	-	-	-	557,247
Financial income	16,835,176	-	(340,270)	-	-	16,494,906
Financial expense (-)	(34,704,838)	-	1,491,445	-	-	(33,213,393)
INCOME BEFORE TAX	**25,723,644**	**-**	**(119,221)**	**(104)**	**-**	**25,604,319**
Income tax expense	**(8,109,353)**	**-**			**-**	**(8,109,353)**
Current tax expense	(10,152,177)	-	-	-	-	(10,152,177)
Deferred tax income/ (expense) expense (-)	2,042,824	-	-	-	-	2,042,824
NET INCOME/ (EXPENSE)	**17,614,291**	**-**	**(119,221)**	**(104)**	**-**	**17,494,966**
Attributable to:						
Non-controlling interest	(3,489,500)	-	-	-	-	(3,489,500)
Equity holder of the parent	21,103,791	-	(119,221)	(104)	-	20,984,466
	17,614,291	**-**	**(119,221)**	**(104)**	**-**	**17,494,966**

10. DONATIONS

In the year ending December 31st, 2013, the Group's donations and grants to various foundations, associations, chambers, public institutions and organizations amounted to TL 188,106.

V- FINANCIAL STANDING

11. KEY FINANCIAL RATIOS

The key ratios showing our Company's financial structure, profitability, and debt-servicing were calculated on the basis of the consolidated financial statements dated December 31st, 2013 and December 31st, 2012 mentioned above.

	31 December 2013	31 December 2012
Current Ratio (Current Assets/Current Liability)	0.97	0.76
Cash Ratio (Cash Assets/Current Liabilities)	0.36	0.26
Current Liabilities/Total Liabilities	36%	42.69%
External Resources/Shareholders' Equity	1000%	643.52%

	31 December 2013	31 December 2012
Average Collection Time	34.80	27.68
Gross Profit Margin	26.71%	24.31%
Operating Profit (Loss)/Net Sales Proceeds	12.41%	8.27%
Operating Profit (Loss)/Total Assets	12.24%	8.88%
EBITDA/Net Sales Proceeds	20.96%	18.29%

Current Ratio and Cash Ratio: The current ratio increased from 0.76 to 0.97 due to the 21.74% surge in current assets despite the 4.19% decrease in current liabilities (short-term external resources). The rise in the cash ratio, from 0.26 to 0.36, on the other hand, was a result of the 29.92% increase in liquid assets when compared to December 31st, 2012 against the 4.19% decline in current liabilities.

Short-Term Liabilities/Total Liabilities: This ratio declined from 42.69% to 36% as a result of the 26.89% increase in long-term liabilities, despite the 4.19% decrease in short-term liabilities.

External Resources/Shareholders' Equity: This ratio increased as a result of the 13.60% rise in external resources when compared to December 31st, 2012 and the 26.90% decline in shareholders' equity during the same period.

Average Collection Time: The average collection time increased from 27.68 to 34.8 as a result of the 0.77% decline in net sales revenues, despite the 24.72% rise in trade receivables.

Gross Profit Margin: The gross profit margin climbed from 24.31% to 26.71%, a result of the 0.77% decline in net sales revenues and the 9.06% increase in the gross profit as compared with 2012.

Operating Profit Margin: The operating profit margin increased from 8.27% to 12.41% as a result of the 48.97% rise in operating profit and the 0.77% decrease in net sales revenues.

Operating Profit/Total Assets: Operating Profit/Total Assets ratio rose from 8.88% to 12.24% due to the 48.97% rise in operating profit, despite a mere 8.15% increase in total assets when compared with 2012.

EBITDA Margin: The EBITDA margin rose from 18.29% to 20.96% due to the 13.76% increase in EBITDA, despite a 0.77% decline in net sales revenues.

12. INFORMATION ABOUT PRODUCTION AND SALES OF GOODS AND SERVICES

The number of aircraft serviced by our Company in the year ended December 31st, 2013 is stated below:

Number of aircraft serviced	2013	2012	2011	2013-2012 %	2012-2011 %
International Flights	82,544	84,840	80,324	(2.71)	5.62
Domestic Flights	96,528	88,360	75,997	9.24	16.27
Turkey Total	**179,071**	**173,200**	**156,321**	**3.39**	**10.80**
Hungary	20,164	27,148	20,224	(25.73)	34.24
India	16,978	22,669	32,453	(25.10)	(30.15)
Grand Total	**216,213**	**223,017**	**208,998**	**(3.05)**	**6.71**

Weight of cargo handled by the Company in the 12 months to December 31st, 2013:

	31 December 2013		31 December 2012	
Group (Consolidated)	WT (IMPORT)	WT (EXPORT)	WT (IMPORT)	WT (EXPORT)
Çelebi Ground Handling Inc.	46,599	51,767	39,649	46,252
Celebi Delhi Cargo (India)	145,674	183,831	162,275	191,610
Celebi GHH (Hungary)	31,264	32,712	28,714	31,298
Celebi Cargo GmbH (Germany)	32,798	55,748	25,539	44,261
Total Ton	**256,336**	**324,057**	**256,178**	**313,420**

13. DIVIDEND POLICY AND TIMING

With the decision of the Board of Directors on April 4th, 2006 our Company defined a written Profit Distribution Policy constituting a groundwork for preparation of profit distribution for presentation to the General Council in the frame of the compliance studies with Corporate Governance Principles published by Capital Markets Board "CMB" and of the CMB decision number 4/67 and dated January 27th, 2006. The decision was announced to the public through the material disclosure sent to Borsa İstanbul (BIST) on April 4th, 2006 and informed to the shareholders during the Ordinary General Meeting held on April 21st, 2006.

Accordingly, it has been resolved as follows:

- Provided that CMB legislation and arrangements will not be contradicted, as a principle, at least 50% of the distributable profit each year will be paid out as dividends in profit distribution for 2006 and subsequent years.
- Such pay-out will be carried out in the form of free distribution of shares to be issued by addition of cash or dividends to the capital, or through distribution of a certain amount of cash and certain amount of bonus shares, taking into consideration the investment and financing needs required by the Company's long-term growth.
- This profit distribution policy will be adhered to, save for special circumstances that will be warranted by the Company's investments and financial position and extraordinary developments in economic conditions.

Our financial statements, prepared on the basis of our legal books of account dated December 31st, 2012, show a net current profit of TL 23,178,903.18 remaining after the deduction of all taxes and other legal obligations.

Since there is no prior year loss that needs to be deducted from the net profit for the period and no first legal reserves that need to be set aside pursuant to the Turkish Commercial Code (TCC), the net distributable profit that can be paid out as a dividend on the basis of our legal books of account was TL 23,178,903.18.

The net profit for the period, after the deduction of tax and legal liabilities, in our consolidated financial statements as of December 31st, 2012 that have been prepared in accordance with the CMB communiqué XI, No: 29 on the "Principles of Financial Reporting in Capital Markets", and which have been audited by independent organizations, amounted to TL 21,103,781.00.

Within the framework of CMB legislation, since there was no prior year loss that was required to be deducted from the net profit for the period and no first legal reserves that were required to be set aside pursuant to the Turkish Commercial Code (TCC), the net distributable profit for the period set forth in our consolidated financial statements was TL 21,103,781.00.

Accordingly, the Company's Board of Directors reached the following decision on May 2nd, 2013: to distribute the net profit of TL 21,103,781.00 set forth in the consolidated financial statements dated December 31st, 2012 after TL 1,701,000.00 was allocated as second legal reserves and TL 1,177,781.00 as extraordinary reserves.

ÇELEBİ HAVA SERVİSİ A.Ş. PROFIT DISTRIBUTION TABLE FOR 2012 (TL)

	Distribution as required by CMB legislation	As shown in the legal books of account
NET PROFIT FOR THE PERIOD	21,103,781.00	23,178,903.18
PRIOR YEAR PROFITS	0	0
FIRST LEGAL RESERVES (-)	0	0
NET DISTRIBUTABLE PROFIT/(LOSS) FOR THE PERIOD	21,103,781.00	23,178,903.18
DIVIDENDS	18,225,000.00	18,225,000.00
SECOND LEGAL RESERVES (-)	1,701,000.00	1,701,000.00
TRANSFERRED TO EXTRAORDINARY RESERVES	1,177,781.00	3,252,903.18

There was an increase of TL 119,315 in the Company's net distributable profit for the year ending December 31st, 2012 after the necessary corrections were undertaken within the framework of TAS 19.

Hence, the Board of Directors unanimously (unanimously by the board members present at the meeting) decided to present the following issues to the approval of the Annual General Meeting which convened on May 17th, 2013:

- To pay resident corporate entities and non-resident corporate entities which earn dividends through an office or permanent representative in Turkey a gross/net cash dividend of TL 0.7500 for each share with a nominal value of TL 1.00, which corresponds to a dividend rate of 75.00%;
- To pay to other shareholders a gross cash dividend of TL 0.7500 for each share with a nominal value of TL 1.00 and corresponding to a dividend rate of 75% or a net cash dividend of TL 0.6375 for each share with a nominal value of TL 1.00 and corresponding to a dividend rate of 63.75%; and
- To set the date of dividend distribution as May 23rd, 2013.

It was unanimously decided by those present at the Annual General Meeting held on May 17th, 2013 to distribute a total of TL 18,225,000.00 in gross cash dividends (a gross cash dividend of TL 0.7500 for each share with a nominal value of TL 1.00 and corresponding to a dividend rate of 75%; or a net cash dividend of TL 0.6375 for each share with a nominal value of TL 1.00 and corresponding to a dividend rate of 63.75%) to shareholders on May 23rd, 2013. The dividend payments were made on the decided date.

14. MISSION, VISION AND STRATEGIC OBJECTIVES

Mission

To be the global solution partner, adding value to its shareholders while correctly perceiving the needs of airport users and sustaining quality.

Vision

With a team fully identified with the collective "Çelebi spirit", being an internationally leading and trustworthy company that creates changes in its sector and produces value for all stakeholders.

Strategic Objectives

The strategic objectives of Çelebi Ground Handling are to maintain its position as the leader of the ground handling services sector in Turkey, to take part in ventures in ground handling services and terminal management and operations inside/outside Turkey.

Our Values

- **Respect for the individual:** We believe in the worth of each and every person and strive to make people feel that they are worthwhile. We accept individual differences and listen to and respect individual ideas. We give people opportunities to see the added value that they create and we support their efforts to develop themselves professionally.
- **Commitment to the rules of ethics:** Each one of us is a trustworthy, reputable, and self-respecting individual. For this reason, individually and as a company we are bound by ethical values in business and social life and we believe in the merits of fulfilling our promises in a timely manner, of producing high-quality results that are correct and reliable, and of acting in accordance with established beliefs, rules, and ways of thinking.
- **Development:** The development of our company lies in the development of the individuals who make it up. For this reason, we believe first of all that we need to identify our own limitations and then acknowledge our responsibility for developing ourselves individually in order to overcome those limitations. "Development" is not understood exclusively in the professional dimension: we believe in the necessity of developing ourselves so as to improve our social skills as well. Telling others what we know and have seen, and sharing what we have with others makes us richer as well. We assume the duty of each other's development and guarantee our individual development through the people that we train to take our own places. Our commitment to development encourages us to constantly review how we do our work and perform our services and to strive to come up with methods that are more effective, productive, and straightforward.
- **Teamwork:** We believe in the need to complement each other in our efforts to maximize our individual successes and contributions. We strive in mutual assistance and solidarity with our shared goals, responsibilities, and sensitivities and with our rational and respectful professionalism. We are aware that the successes we achieve are the products of a team effort and with our collective "Çelebi spirit"; each of us feels the same sense of responsibility as individuals for the ensuing results.
- **Success and result focus:** As a team we strive to achieve our objectives without losing focus; make every necessary effort at every point to achieve results; maintain our discipline and determination to work until those results have been achieved. We take pleasure in working and in creating value. Each and every result and success we achieve is exciting for us.

Our Responsibilities

- **To our team:** Each of us is responsible for building a company that every member of our team can take pride in working for, for achieving a degree of cooperation that extends over many years, for creating a pleasant and calm work environment as one big family.
- **To our investors:** We fulfill our responsibilities towards our investors by creating a company which possesses the financial strength to guarantee its continued existence and which successful domestic and foreign firms will undertake joint projects with and whose shares are sought after by the public.
- **To our sector:** We see ourselves as having a responsibility to take our sector forwards and contribute proactively towards raising the standards of its services.
- **To society:** We believe we have a responsibility to improve the levels of health and education and also to inculcate a sense of environmental awareness in the society in which we live and we engage in an effort to make a difference, starting with ourselves.

VI- RISKS AND AN ASSESSMENT BY THE GOVERNING BODY

15. BASIC RISK MANAGEMENT POLICIES

Due to the nature of its activities, the Group is focused on managing various financial risks including the effect of changes in exchange and interest rates. By its risk management program, the Group aims to minimize the potential negative effect to be caused by the volatilities in the markets.

Risk management is carried out within the frame of policies approved by the Board of Directors. The tasks of planning risk management, overseeing its operations and effectiveness, and ensuring that the internal audit team carries out its activities within the framework of the risk management plan are the duty of the Audit Committee, which has been set up by a Board of Directors resolution pursuant to CMB regulations and of the Corporate Governance Committee pursuant to the CMB Communiqué on the Determination and Implementation of Corporate Governance Principles. The Audit Committee formulates a risk management and internal audit system capable of minimizing the risks that the Company could be exposed to and takes such measures as are needed to ensure that the system functions reliably. The Corporate Governance Committee sets up the necessary mechanisms for the early detection of operational and financial risks, implementation of necessary actions in relation to identified risks, and management of risk, and takes the necessary steps for their healthy operation.

Interest Rate Risk

The Company is exposed to interest rate risk due to the effect of the changes in interest rates on interest-bearing assets and liabilities. This risk is managed through balancing assets and liabilities that are sensitive to interest rates. Within the frame of its principle to manage risk with natural actions consisting of balancing the maturities of assets and liabilities sensitive to interest rates, the Company management utilizes its interest-bearing assets in matching-term investments. In addition, the Company protects itself from the interest risk arising from floating-rate bank loans through limited use of interest rate swap agreements that take place among derivative instruments as and when deemed necessary.

Liquidity Risk

The cash flow, made up of repayment times and amounts of loans, is managed in view of the amount of free cash flow to be generated by the Group on its activities. Therefore, while the option of debt repayment with the cash generated on activities when necessary is kept available on one hand, sufficient number of reliable and high-quality lending resources are kept accessible on the other.

Credit Risk

Credit risk consists of cash and cash equivalents, deposits held with banks, and customers exposed to credit risk that cover uncollected receivables.

With respect to the management of the credit risk concerning its receivables from customers, the Company identifies a risk limit individually for each customer (excluding related parties) using bank and other guarantees, and the customer carries out its business transactions so as not to exceed this risk limit. In the absence of these guarantees or in cases where they are required to be exceeded, transactions are carried out within internal limits set by procedures.

Exchange Rate Risk

Taking into consideration the significantly volatile course adopted in the past by the Turkish Lira against major foreign currencies and its over-valuation, the Group espoused a conservative monetary position and financial risk management policy. The Group is exposed to exchange rate risk due to its operations conducted in numerous currency units. Efforts are spent to keep the ratio of the amount of positions of these currencies among themselves or against Turkish Lira to total shareholders' equity within certain limits. To this end, foreign currency position is continually analyzed, and the exchange rate risk is managed using balance sheet transactions, or when necessary, off-balance sheet derivative instruments.

Capital Risk

The Company's goals in managing the capital is to be able to ensure the continuity of the Company's activities to sustain the optimum capital structure for the purpose of providing returns for its shareholders and benefits for its other stakeholders, and for minimizing the cost of capital. The Company's shareholders may, to the extent allowed by the CMB legislation, alter the amount of dividends paid to shareholders, return the capital to shareholders, issue new shares and sell its assets to decrease indebtedness in order to preserve or reformulate the capital structure. Along with the other companies in the sector, the Company monitors the capital by utilizing the debt/capital ratio, which is net indebtedness divided by total capital. Net debt is total debt less cash and cash-equivalent assets and deferred tax liabilities. Total capital is the shareholders' equity and net debt as shown in the balance sheet.

VII- OTHER MATTERS

16. CHANGES TO THE ARTICLES OF INCORPORATION AND COMPANY POLICIES

Changes to the Articles of Incorporation

The Company's Board of Directors reached the following decisions on January 30th, 2013: (i) to amend Article 7 entitled "Board of Directors" of the Company's Articles of Incorporation aimed at increasing the quorum for Board of Directors meetings from 5 to 6 and to ensure that decisions are taken with the "affirmative vote of at least six Board members" (previously "majority of participating members"); and Article 10 entitled "General Assembly" of the Company's Articles of Incorporation with the aim of complying with the principle defined in Article 5 of the Communiqué on "Attendance to General Assembly Meetings of Joint Stock Companies by Electronic Means" that was published in the Official Gazette No. 28395 dated August 28th, 2012; and (ii) to carry out the necessary work and procedures for the above as per the applicable law.

The decisions reached by the Company's Board of Directors on January 30th, 2013 for the amendment of Articles 7 and 10 of the Company's Articles of Incorporation were accepted at the Extraordinary General Meeting on March 7th, 2013.

Company Policies

Pursuant to the provision of Article 23 of the CMB Communiqué Serial: VIII, No: 54 on the Principles of Public Disclosure of Material Events and within the frame of efforts carried out to achieve full compliance with the Corporate Governance Principles published by the CMB, and to fully implement the same, the Company's Board of Directors has decided on April 30th, 2009 to post the Information Policy on the corporate website (www.celebihandling.com). Drawn up by the Company's General Management for the purpose of public disclosure within the frame of the Capital Market legislation, Borsa İstanbul (BIST) regulations, the Company's articles of association and the CMB's Corporate Governance Principles, the policy has also been presented for the information of shareholders at the ordinary general meeting on April 21st, 2006. The policy aims at:

- communicating the Company's past performance and future expectations within the frame of generally accepted accounting principles and CMB provisions, on the principles of completeness, fairness, accuracy, timeliness and intelligibility, making them equally available to all "stakeholders" such as national/foreign shareholders, stakeholders, investors and capital market institutions, and maintaining an active and transparent communication at all times; and
- ensuring that necessary information and disclosures other than trade secrets are made available to all stakeholders including shareholders, investors, employees and customers in a timely, accurate, complete, and intelligible manner, easily accessible at low cost.

17. ISSUES THAT HAVE ARISEN SINCE THE FINANCIAL STATEMENT DATE

The Company's Board of Directors decided to meet the INR 400,000,000 required by Celebi Delhi Cargo to finance its operations and to undertake the projected investments; to raise the required funds for the above through a capital increase pursuant to the applicable law in India; to participate in the cash capital increase of INR 400,000,000 by paying INR 296,000,000 (approximately US$ 4.8 million) in proportion to the Company's stake in Celebi Delhi Cargo; and to carry out all required work and procedures for this purpose in accordance with the applicable law in India. The payments to be made in order to participate in the capital increase in question are planned to be completed by April 5th, 2014.

The Company, through Çelebi Kargo Depolama ve Dağıtım Hizmetleri AŞ, in which it holds a 99.97% stake, applies an effective strategic plan aimed at growth in the international air cargo sector. In this context, an "equity buy-sell agreement" was signed by and between Celebi Cargo GmbH (which operates in Frankfurt, Germany and in which Çelebi Kargo Depolama ve Dağıtım Hizmetleri AŞ holds a 100% stake in) and Aviapartner GmbH (which also operates in Frankfurt, Germany) on February 18th, 2014 for the transfer of all shares of Aviapartner Cargo GmbH (a fully owned subsidiary of Aviapartner GmbH) to Celebi Cargo GmbH for a consideration of € 4.6 million.

The closing procedures of the "equity buy-sell contract" for the transfer of shares in Aviapartner Cargo GmbH to Celebi Cargo GmbH and the related share transfer process were completed on February 28th, 2014

Since Çelebi Kargo's Board of Directors decided on February 20th, 2014 to raise the company's fully paid-in capital from TL 20,000,000 to TL 30,000,000, the Company's Board of Directors took the decision to participate in the cash capital increase of TL 10,000,000 by exercising the preferential rights on the Company's 99.97% stake in Çelebi Kargo and to pay the related amount(s) in accordance with the provisions set forth in the Articles of Incorporation and the Board decisions of Çelebi Kargo. A TL 7,500,000 portion of the above-mentioned amount to be paid in order to participate in the capital increase was paid on February 20th, 2014, while the remaining amount will be paid within 3 years of the registration date.

The resources to be provided to Çelebi Kargo through capital increase are planned to meet the operating capital needs of Celebi Cargo, a fully owned subsidiary of Çelebi Kargo, and to finance Celebi Cargo's acquisition of all shares of Aviapartner Cargo GmbH as set forth in the Company's material disclosure dated: February 19th, 2014.

On February 25th, 2014, Çelebi Havacılık Holding AŞ's Board of Directors decided to purchase the shares of its subsidiary, Çelebi Ground Handling Inc., which are traded on the Borsa Istanbul, until December 31st, 2014 at appropriate intervals, depending on market conditions; and to keep such shares in the Company's assets for a minimum of 2 years by pledging not to resell them, except in the case of possible purchase requests from international corporate investors.

18. PROFIT DISTRIBUTION PROPOSAL OF THE BOARD OF DIRECTORS

Our financial statements prepared on the basis of our legal books of account dated 31st, December 2013 show a net current profit in the amount of TL 3,168,955.08 remaining after the deduction of all taxes and other legal obligations.

Since there is no Prior Year Loss that needs to be deducted from the Net Profit for the Period and no first legal reserves that needs to be set aside pursuant to the Turkish Commercial Code (TCC), the net distributable profit that can be paid out as a dividend on the basis of our legal books of account is TL 3,168,955.08.

The net profit for the period, after the deduction of tax and legal liabilities, in our consolidated financial statements dated December 31st, 2013 that were prepared in accordance with the formats specified by CMB and in the Turkish Accounting Standards / Turkish Financial Reporting Standards (TAS / TFRS) pursuant to the Capital Markets Board of Turkey (CMB) Communiqué Serial: II, No: 14.1 on the "Principles of Financial Reporting in the Capital Markets", and which have been audited by independent organizations, amounted to TL 3,054,766.00.

Within the framework of CMB legislation, the Net Distributable Profit for the Period according to the Company's consolidated financial statements was TL 1,095,154.00, after TL 1,959,612 as prior year losses was deducted from the Net Profit for the Period, in accordance with the relevant legislation.

Accordingly, the Board of Directors decided to offset TL 1,959,612.00 as previous years' losses from the TL 3,054,766.00 Net Profit for Period, as shown in the Company's consolidated financial statements dated December 31st, 2013 and to allocate the remaining TL 1,095,154.00 as Extraordinary Reserves.

ÇELEBİ HAVA SERVİSİ A.Ş. PROFIT DISTRIBUTION TABLE FOR 2013 (TL)

	Distribution as required by CMB legislation	As shown in the legal books of account
NET PROFIT FOR THE PERIOD	3,054,766.00	3,168,955.08
PRIOR YEAR PROFITS	1,959,612.00	0
FIRST LEGAL RESERVES (-)	0	0
NET DISTRIBUTABLE PROFIT/(LOSS) FOR THE PERIOD	1,095,154.00	3,168,955.08
DIVIDENDS	0	0
TRANSFERRED TO EXTRAORDINARY RESERVES	1,095,154.00	3,168,955.08

We hereby submit the following for the approval of the General Assembly of Shareholders:

That, in the framework given above, no profit distribution may be undertaken in relation to the January 1st, 2013 - December 31st, 2013 fiscal year under the CMB provisions governing profit distribution, and that this issue shall be submitted to the approval of the General Assembly on May 8th, 2014.

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1. Statement of Compliance with Corporate Governance Principles

In the fiscal year ending December 31st, 2013, the Company worked as necessary to achieve full compliance and complete implementation of the Corporate Governance Principles published by CMB, and efforts continued to achieve compliance, understanding and implementation of these principles.

Pursuant to the CMB's Communiqué Serial: IV No: 56, dated December 30th, 2011 on the Determination and Implementation of Corporate Governance Principles, in 2013, all structural revisions and principles have been fully implemented that were stipulated as compulsory in the said Communiqué, including amending the Company's articles of incorporation, setting up the Committees specified in the principles, restructuring Company organs as stipulated, developing the infrastructure needed so that announcements are made subject to the principles.

We hereby declare that efforts will be persisted to achieve significant compliance with these principles.

Part I- Shareholders

2. Shareholder Relations Unit

Our Company carried out the following activities within the frame of the efforts to achieve full compliance and complete implementation of Corporate Governance Principles published by the CMB and the provisions of Articles 7 and 8 of the CMB Communiqué Serial: IV No: 41 on the Principles to be Followed by Firms under the Capital Market Law:

- An Investor Relations Unit is set up, which works for the exercise of shareholding rights at our Company whose shares are traded on the BIST. This Unit reports to the Board of Directors and maintains the communication between shareholders and the Board of Directors. During the reporting period, Deniz Bal, who functions as the Financial Affairs Director at the Company and who holds "Capital Market Activities Advanced Level License" and "Corporate Governance Rating Expertise" license served on this Unit. (Tel: +90 216-666 6767, e-mail: deniz.bal@celebi.com)
- The Company appointed a full-time manager responsible for the fulfillment of the Company's obligations arising from the capital market legislation, and coordination of corporate governance practices, who reports to the Board of Directors; thus, Deniz Bal, who functions as the Financial Affairs Director at the Company and holds a "Capital Market Activities Advanced Level License" and a "Corporate Governance Rating Expertise License", served as executive personnel. (Tel: +90 216-666 6767, e-mail: deniz.bal@celebi.com)

3. Shareholders' Exercise of Their Right to Obtain Information

During the reporting period, there were a limited number of verbal requests made by our Company's shareholders and investors for information about the performance of our Company's shares on the BIST, about the amounts and timings of dividend payments and share capital increases, about investments in progress, and about publicly disclosed financial statements and their footnotes. These requests were responded verbally and/or to in light of any information that had previously been publicly disclosed by means of special circumstance announcements within the framework of CMB regulations and on the basis of information provided in the "Questions and Answers" section of the Company's corporate website.

Shareholders' electronic access to information concerning the exercise of their rights through the Company's corporate website at www.celebihandling.com and investor relations website at www.celebiyatirimci.com was at the level stipulated in the corporate governance principles announced by the Capital Markets Board. At the same time, developments related to shareholders' exercise of their rights were also publicly disclosed by means of special circumstance announcements as required by CMB regulations and through newspaper announcements as required by law.

Moreover, in 2013, six informational meetings were held so as to keep brokers and analysts well informed on the Company's activities and financial performance.

A request to have a special auditor appointed is not an individual right provided for under our Company's articles of incorporation. There were no requests for the appointment of a special auditor in 2013.

4. General Meetings

General meetings held during the reporting period	Date	% of shares in attendance	Meeting announcements and invitations
Extraordinary General Meeting	07/03/2013	80.17%	Place, date, time and agenda of the Extraordinary General Meeting were announced via: 1- Material event disclosure placed on the Public Disclosure Platform (KAP) on February 11th, 2013 2- Announcements published in the February 12th, 2013 issue of the Turkish Trade Registry Gazette no: 8256 and the Milliyet newspaper dated February 12th, 2013 3- Announcement on the Company's website 4- Letters sent to registered shareholders 5- Announcement made through the Electronic General Meeting system
Ordinary General Meeting	17/05/2013	79.82%	Place, date, time and agenda of the Annual General Meeting were announced via: 1- Material event disclosure placed on the Public Disclosure Platform (KAP) on April 18th, 2013 2- Announcements published in the April 22th, 2013 issue of the Turkish Trade Registry Gazette no: 8305 and the Milliyet newspaper dated April 19th, 2013 3- Announcement on the Company's website 4- Letters sent to registered shareholders 5- Announcement made through the Electronic General Meeting system

Participation in general meetings

The Company's Extraordinary General Meeting held on March 7th, 2013 was attended by shareholders responding either in person or in proxy to invitations sent out, as well as by four members of the Company's Board of Directors, all senior managers, Company's personnel, and representatives of a number of media organizations.

The Ordinary General Meeting held on May 17th, 2013 was attended by shareholders responding either in person or in proxy to invitations sent out, as well as by four members of the Company's Board of Directors, all senior managers, Company's personnel, and representatives of a number of media organizations.

Entries in the shareholders' register

There is no period of time stipulated in the Company's articles of incorporation in which the holders of registered shares must have entries made in the shareholders' register in order to take part in general meetings. The provisions of the Turkish Commercial Law (TCC) governing such matters are complied with by the Company. Shares corresponding to more than 99% of our Company's capital have been duly registered as required by Capital Markets Board regulations. Shares belonging to our shareholders are retained in custody in the investor subaccounts of our Company as issuer and/or of brokerage concerns held by the Central Registry Agency.

Information announced to shareholders

With regard to the agenda of the Extraordinary General Meeting on March 7th, 2013, the draft amendment to the Company's articles of association was made available to shareholders and other stakeholders through the Electronic General Meeting system and the Company's website as of the date on which the general meeting was announced.

With regard to the agenda of the Annual General Meeting on May 17th, 2013, the Board of Directors membership candidate list, the annual report for the reporting period 2012, the Company's remuneration policy and the resolution for profit distribution for the 2012 calendar year 2012 were all made available to shareholders and other stakeholders through the Electronic General Meeting system and the Company's website on the date on which the general meeting was announced.

Shareholders' exercise of their right to ask questions at general meetings

The shareholders exercised their right to ask questions at the extraordinary general meeting held on March 7th, 2013, these questions were answered by the Company board members and executives that attended the meeting.

The shareholders exercised their right to ask questions at the ordinary general meeting held on May 17th, 2013, these questions were answered by the Company board members and executives that attended the meeting.

Motions made by shareholders at general meetings

In the Extraordinary General Meeting held on March 7th, 2013, a total of two resolutions, as listed below, were tabled by shareholders and all of the resolutions were unanimously accepted:

- The meeting's presiding committee is to be formed and authorized to sign the meeting minutes and documents on behalf of the general assembly of shareholders.
- While the Company's "Internal Regulation on the Working Methods and Principles of the General Assembly" accepted by the Board of Directors was submitted for the consideration of shareholders through the Electronic General Meeting system of the Central Registry Agency, the general meeting considered that it had been read and decided not to read it.

During the Annual General Meeting on May 17th, 2013, a total of 5 resolutions as listed below were made by shareholders and all of the resolutions were unanimously accepted:

- The meeting's presiding committee is to be formed and authorized to sign the meeting minutes and documents on behalf of the general assembly of shareholders.
- While the annual report of the Board of Directors was made available for shareholders to examine before the general meeting and handed out to those present at the meeting, and because the 'profit distribution' section of the annual report is also to be read during the discussion of item 5 on the agenda, the general meeting agrees that it would suffice to read the Statutory Auditors' Report and Opinion of the Independent Auditors' Report for the discussion of item 3 on the agenda.
- While the balance sheet and income statement included in the annex to the annual report were made available for shareholders to examine before the general meeting and both were handed out to those present at the meeting, the general meeting agrees that a reading of the main headings of both balance sheet and income statement would suffice for the discussion of item 5 on the agenda.
- The candidates designated to serve as members of the Board of Directors until the next general meeting are hereby elected; Mrs. Canan Çelebioğlu, Mr. Mehmet Murat Çavuşoğlu, Mr. Mehmet Yağız Çekin and Mr. Turgay Kuttaş are to be elected as board members representing Group A shareholders (Çelebi Havacılık Holding AŞ) and Mr. Can Çelebioğlu and Mr. İsak Antika as board members representing Group B shareholders (Çelebi Havacılık Holding AŞ).
- Elected independent board members are to be paid remuneration, while board members elected to represent Group A and B shareholders shall not be paid any wages for this period.

Action taken to facilitate participation in general meetings

To facilitate participation in general meetings, a material event disclosure concerning them is made as required by CMB regulations while invitations announcing the meetings are published within the framework of the provisions of TCC and the Company's articles of incorporation at least twenty-one days before the meeting date in the Turkish Trade Registry Gazette and one newspaper published in the place where our headquarters are located and announced in our Company's internet site. Media organizations are also contacted to have the meeting announced in the press and electronic media.

Availability of general meeting minutes for inspection by shareholders

After they have been registered in accordance with applicable laws, regulations, and administrative provisions, general meeting minutes are published in the Turkish Trade Registry Gazette and are always available for the inspection of stakeholders at our Company's headquarters and on its corporate website.

Presentation of information to shareholders regarding the amount and recipients of grants and donations during the reporting period under a dedicated agenda item in the general meeting

At the Ordinary General Meeting held on May 17th, 2013, information has been presented to shareholders about the donations and grants made during the reporting period to various foundations, associations, chambers, public institutions and organizations amounting TL 897,025.

While there is no specific policy for donations and grants that is approved by the General Assembly of Shareholders, grants and donations are made subject to the provisions of Article 3.9 of the Company's articles of incorporation, which reads "Donations and grants may be made to social foundations, associations, universities and similar institutions and public institutions subject to the principles set forth in the CMB legislation, by providing information to the shareholders at the general meeting and by complying with the public disclosure obligation pursuant to the Capital Market Legislation."

5. Voting Rights and Minority Rights

According to our Company's articles of incorporation, none of our Company's shares incorporate special voting rights. Three categories ("A", "B", and "C") of shares have been issued representing the Company's capital. Of these, only the owners of "A" and "B" shares have the right to designate candidates to be elected as Company directors and statutory auditors.

There are no reciprocal shareholding interests between our Company and our corporate entity shareholders.

Minority shareholdings interests are not represented in the Company's administration because there is are no minority shareholders who have been designated as candidates in elections for Company directors or statutory auditors and elected to such positions.

The Company's articles of incorporation contain no provisions concerning the representation of minority shareholding interests on the Board of Directors or governing the accumulated voting method.

6. Entitlement to Dividends

Special rights concerning participation in the Company's profits

There are no special rights concerning anyone's participation in the Company's profits.

Dividend payment policy

With the decision of the Board of Directors on 4 April 2006, our Company devised a written Profit Distribution Policy constituting a groundwork for preparation of profit distribution for presentation to the General Assembly in the frame of compliance efforts with Corporate Governance Principles published by the CMB and of the CMB decision number 4/67 and dated January 27th, 2006. The decision was announced to the public through the material disclosure sent to BIST on April 4th, 2006 and informed to the shareholders during the Ordinary General Meeting held on April 28th, 2006.

According to the statement it was decided as follows;

- Provided that CMB legislation will not be contradicted, as a principle, at least 50% of the distributable profit each year will be paid out as dividends in profit distribution for 2006 and subsequent years.
- Such pay-out will be made in cash or in bonus shares to be issued by addition of dividends to the capital, or through distribution of a certain amount of cash and certain amount of bonus shares, taking into consideration the investment and financing needs required by the Company's long-term growth.
- This profit distribution policy will be adhered to, save for special circumstances that will be warranted by the Company's investments and financial position and extraordinary developments in economic conditions.

Information on the Profit Distribution Policy is made available on the corporate website at www.celebiyatirimci.com and in the Board of Directors Activity Report.

Profit distribution timing

It was unanimously resolved at the Annual General Meeting on May 17th, 2013 to distribute a gross total of TL 18,225,000 in cash dividends (a gross dividend of TL 0.7500 (75%) corresponding to a net dividend of TL 0.6375 (63.75%) for each share with a 1 TL nominal value) from the Company's profit in 2012. Dividends were distributed to shareholders by the resolved date.

7. Transfer of Shares

The Company's articles of incorporation contain no provisions restricting the transfer of shareholding interests.

Part II: Public Disclosure and Transparency

8. Disclosure Policy

Pursuant to the provision of Article 23 of the CMB Communiqué Serial: VIII, No: 54 on the Principles of Public Disclosure of Material Events and within the frame of efforts carried out to achieve full compliance with the Corporate Governance Principles published by the CMB, and to fully implement the same, the Company's Board of Directors resolved on April 30th, 2009 to approve the Information Policy developed by the Company's General Management, to post it on the corporate website and present it for the information of shareholders at the immediately following general meeting. Enforced as of the same date, the Company Information Policy aims at communicating the Company's past performance and future expectations within the frame of generally accepted accounting principles and CMB provisions, on the principles of completeness, fairness, accuracy, timeliness and intelligibility, making them equally available to all "stakeholders" such as national/foreign shareholders, stakeholders, investors and capital market institutions, and targets to maintain an active and transparent communication and to ensure that necessary information and disclosures other than trade secrets are made available to all stakeholders including shareholders, investors, employees and customers in a timely, accurate, complete, and intelligible manner, easily accessible at low cost.

The Company "Information Policy" can be accessed at the corporate website at www.celebiyatirimci.com under the main heading "Information".

During 2013, Deniz Bal was responsible for the execution of the Information Policy, who functions as the head of the Investor Relations Unit at the Company and who holds "Capital Market Activities Advanced Level License" and "Corporate Governance Rating Expertise License".

9. Company Internet Site and its Content

The address of our corporate website is www.celebihandling.com and the address of Investor Relations is www.celebiyatirimci.com. There is an English version of the Company's website and the whole content is available in English.

Presence on the corporate website of information stipulated in the corporate governance principles published by CMB

Information	Availability
Commercial registry information	Yes
Current partnership and management structure	Yes
Detailed information about preferential share rights	Yes
Current form of the Company's articles of incorporation together with dates and numbers of trade registry gazettes in which amendments were published	Yes
Special circumstance announcements	Yes
Annual reports	Yes
Periodic financial statements and reports	Yes
Prospectuses and public offering circulars	n/a
General meeting agendas	Yes
General meeting attendance rosters and minutes	Yes
Proxy form	Yes
Mandatory information forms prepared for proxy solicitation or tender offers	n/a
Minutes of Board of Directors meetings whose decisions might have a material impact on the capital market instruments issued by the Company	Yes
Frequently-asked questions / Requests for information, questions, and warnings made to the Company / The Company's responses to them	Yes

Stakeholders are presently able to access some information in electronic format on our Company's corporate website at www.celebihandling.com and on Investor Relations website at www.celebiyatirimci.com.

10. Annual Report

The Annual Report of the Company's Board of Directors covers the information specified in the CMB Communiqué Serial: IV No: 56 on the Determination and Implementation of Corporate Governance Principles.

Part III: Stakeholders

11. Keeping Stakeholders Informed

Based on the Company 's Board of Directors decision passed on March 19th, 2009, pursuant to the provision of Article 7 of the CMB Communiqué Serial: IV No: 41 on the Principles to be Complied with by Joint Stock Companies Subject to the Capital Market Law, and within the frame of efforts carried out to ensure achievement of full compliance by the Company with the Corporate Governance Principles published by the CMB and to fully implement the same, the Company set up an Investor Relations Unit, which will handle exercising of shareholding rights at our Company that is listed on the BIST, which reports to the Board of Directors, and which will maintain communication between the Board of Directors and shareholders. In this context, Deniz Bal, who has earned the "Capital Market Activities Advanced Level License" and who presently functions as the Financial Affairs Director at the Company was appointed as the head of the Investor Relations Unit as a full-time manager responsible for the fulfillment of the Company's obligations arising from the capital market legislation, coordination of corporate governance practices and reporting thereon to the Board of Directors, and he carried out his duty during 2013.

In 2013, for the purpose of informing stakeholders, our Company's executive director and other members of management gave interviews that appeared in the press and electronic media, took part in TV programs and discussions, and made press statements. Detailed information about the Company and its investments was provided in the course of such appearances and announcements.

The Company could not yet set up the mechanisms for the communication of the Company's illegitimate and unethical transactions by stakeholders to the Corporate Governance Committee or the Audit Committee; the failure to achieve compliance with the CMB's Corporate Governance Principles stems from the fact that the Company's Board of Directors has not completed its own assessment of relevant developments and implementations concerning these issues.

12. Stakeholder Participation in Management

Airport ground handling services are a part of the civil aviation industry and as such they are a business that imposes stringent demands on specialization and expertise whose rules are specifically spelled out by international aviation agencies and organizations. Partaking in the management of a company engaged in this sector requires expertise in a variety of different areas and for that reason, no significant steps have been taken in the direction of involving the Company's employees, the majority of which are blue-collar workers, in the Company's management.

In matters involving non-technical issues such as employee rights and human resources policies on the other hand, individual workplace meetings are held regularly and at least once a year during which employees' views on the conduct of work and Company practices are solicited. Changes are made where necessary in light of such views and feedback is provided.

13. Human Resources Policy

Our Company Human Resources policy is presented in section "4. Information on Personnel and Human Resources Policy" of our Company's annual report for 2013.

14. Rules of Ethics and Social Responsibility

The vision and mission statements that have been adopted by the Company are included in its every publication, on its corporate website, and on the Company intranet. Besides, two publications (Corporate Culture and Our Policies) that have been put out by the Company contain the principles that must apply and to which every employee must adhere in all dealings with Company personnel and outside parties. Copies of these publications are given to every newly hired employee during his orientation.

Every year Company meetings are held in which Company directors and the general manager take part for the purposes of informing senior, middle, and lower management about the Company's ethical values, and short, medium, and long-term strategy within the framework of the mission and vision statements and ensuring that such matters are conveyed through them to all lower-echelon employees.

The Company's code of ethics has been shared with the public via our website.

Compliance with the European Union ("EU") Environmental Norms

When procuring new equipment, our Company only purchases items that comply with EU environmental norms. Our Company fully complies with all EU standards governing the prevention of noise and pollution.

Sectoral Responsibility Projects

There is not as yet a particularly great public awareness of the civil aviation industry in our country and for this reason, our Company gives special importance to supporting its sector to promote awareness and appreciation, and to help attract high-quality human resources to the industry.

To this end, the Company directly supports and sponsors:

- Sectoral movies about civil aviation
- The "Career Days" event held each year at the Eskişehir College of Civil Aviation
- The congresses, seminars, and training projects of aviation industry professional organizations.

On the other hand, the Company established cooperation with the Ministry of Transport and Erzincan University. Within the scope of the collaboration, the project has been launched to set up a School of Civil Aviation under the university.

Under the project, a school building is constructed with a floor area of 4,000 m^2 and a covered area of 15,000 m^2 holding 30 classrooms for a student body of 1,500.

The official opening of the Erzincan Ali Cavit Çelebioğlu Civil Aviation Academy, construction of which was completed in September 2010, took place ahead of the 2011-2012 academic year. A total of 117 students, including 50 students in the preparatory class, 41 as 1st year students and 26 as 2nd year students, received education at the academy during the 2012-2013 academic year. As well as employing foreign teachers and providing the prep class with support for books, Çelebi Ground Handling hired lecturers to share its sectoral experiences with students and awarded scholarships to 15 successful students during the 2012-2013 academic year. In addition, within the framework of a new protocol that the Company signed with the Erzincan Ali Cavit Çelebioğlu Civil Aviation Academy, the Company provided permission for "Applied Training" and theoretical training concerning the sector set forth in the curriculum of 2nd year students to be performed in the Çelebi stations at the respective airports within the designated period.

As a first among the Civil Aviation Academies in Turkey, the project also won recognition and support from the General Directorate of Civil Aviation (SHGM) and the Higher Education Council (YÖK). Within the framework of the project, twenty 2nd year students (six of whom were educated abroad in the scope of the Erasmus Program) participated in "Applied Training" at the stations in the cities of their choice, based in the cities' accommodation facilities. Four of the two students who participated in applied training worked as operations clerks until the end of the season. Moreover, between May 20th-28th, Çelebi Ground Handling's Training Department provided basic training on Passenger Services to students who had completed their first year of education in 2013. All of the participating students were granted training certificates. Eight of these students (six in Dalaman and two in Bodrum) worked on a part-time basis as Passenger Services clerks for an entire season.

Under the "I'm Home" project, which is being carried out in collaboration with TOÇEV (Tüvana Educational Support Foundation), the Ministry of National Education and the Ministry of Transportation, Çelebi initiated work in 2008 to renovate the lodging allocated to the teachers of 50 village schools identified in cities located in the eastern part of the country, and to equip them with basic furniture and appliances.

Under the repairing and renovation works carried out, Çelebi Homes are recreated in a healthy structure from their foundations to their roofs. Improvements are made to the interiors as well and the homes are furnished and equipped with basic necessities and appliances from sofa beds to refrigerators, TV sets to stoves. Each Çelebi Home is thus converted into a cozy home enabling the teachers to move in just taking along their personal belongings and "feel at home".

Following the initial two homes in Kars completed during 2008 under the project "I'm Home", in 2009, eight more homes were built, of which two were in Diyarbakır, two in Erzurum, three in Erzincan, and one in Mardin, thus bringing the total number to ten. The number of homes completed and turned over reached twenty six with the addition of two in Hatay, two in Kahramanmaraş, three in Malatya, and three in Osmaniye during 2010, three in Van and three in Erzurum during 2011, and seven in Van and 3 in Malatya in 2012. In accordance with the decision taken at the end of 2013, the Company brought the construction of an additional building for the Erzurum Civil Aviation School to the agenda, instead of building 14 homes that were planned to be furnished and delivered by the Company to the Ministry of National Education.

The Environment and Nature

Our Company has an Environment Management System (EMS) that has been developed in order to systematically reduce or eliminate the harm that is or may be caused to the environment. Our Company's EMS aims at identifying environmental factors and at controlling such factors in order to minimize their environmental impact and to improve environmental performance during all the stages from the design of services to their presentation to the customers.

The Environment Management System has been awarded ISO 14001:2004 certification at headquarters offices and at the İzmir station by Cicert Belgelendirme Hizmetleri Ltd. Şti. With this certification, we declare that we shall:

- Carry out programs to minimize our waste and achieve compliance with laws and regulations.
- Carry out programs to minimize resource use.
- Coordinate efforts aimed at more environment-friendly production.

Aware of the need and responsibility on the part of people to use the natural resources they require to maintain a good way of life in a renewable way, which is to say mindfully of future generations as well, our Company engages in the following activities to achieve optimum use of natural resources and to minimize pollution.

Combat Against Climate Change

- Voluntary calculation and disclosure of our carbon footprint under the Carbon Disclosure Project (CDP),
- Purchasing and using, to the extent possible, electric-powered vehicles (tractors, ladders, push-back, etc.) instead of fossil-fueled vehicles used for apron services,
- Having annual flue gas analysis conducted by accredited organizations and keeping sources of carbon emission under control.

Efficiency of Natural Resources

- Sorting at source the recyclable (paper, plastic, etc.) and recoverable (waste batteries, toners/cartridges, electronic waste, etc.) waste generated by our company and having them recycled/recovered via licensed facilities,
- Having high calorific value waste such as waste oil, end-of-life tires that result from activities disposed of at licensed incinerators and ensuring energy recovery,
- Reducing building electricity consumption by using photocell systems and high energy-efficient light bulbs for buildings,
- Reducing building water consumption by using photocell sanitary fittings in lavatories in buildings

Waste Management

- Having wastewater analyses regularly conducted by accredited organizations and keeping sources of wastewater under control,
- Having the hazardous waste resulting from our activities, which do not have an economic value, moved and disposed of by firms l3 by the Ministry of Environment and Urbanization, thus preventing damage to the environment thereby.

Being an "an environmentally-sensitive company in the aviation sector" with its implementations, our Company focused on an approach that will preserve and improve the quality of living of its employees and customers in its environment policy.

Waste generated by the business units of our Company is delivered to firms licensed by the Ministry of Environment and Urbanization for disposal/recovery.

Every year, our waste inventory is calculated for reviewing our environmental performance, which is then reported to third parties in the form of "Environmental Performance Reports".

The types of waste delivered in 2013 to licensed firms for ensuring safe disposal and their quantities are presented below:

Recycling:

- Waste paper - 32,147 kg
- Scrap metal - 35,851 kg
- Waste plastic and glass - 387 kg

Recovery:

- Waste accumulators - 26,557 kg
- Waste toners/cartridges - 349 kg
- Waste batteries - 171 kg

Energy Recovery:

- Waste oil - 15,705 liters
- End-of-life tires - 9,829 kg
- Contaminated fabric and packaging - 2,750 kg
- Furthermore, the following have been delivered to licensed firms for safe disposal:
- Waste filters - 2,074 kg
- Fluorescent lamps - 123 kg
- Tank bottom mud - 265 kg
- Medical waste - 180 kg

In 2009, Republic of Turkey Ministry of Transport Directorate General of Civil Aviation (DGCA) launched the project Green Airport in an effort to systematically reduce and eliminate the actual or potential damage caused to the environment by establishments operating in airports.

Having started the relevant work, Çelebi Ground Handling filed its first application with the DGCA for the İzmir Station. As a result of the reviews carried out, it has been established that our application fulfilled the required conditions under the Project Green Airport, and our İzmir Station became the first establishment to receive the “Green Company” certification in the Turkish Civil Aviation industry. Çelebi Ground Handling, with the title earned, was entitled to use the logo set out in the project, as well as 20% discount in the extension fees charged on various permits such as enterprise authorization certificate, licenses and certificates.

Following the İzmir Station, applications were filed also for Bodrum and Antalya stations in 2011 and “Green Company” certification was received in 2012 for these two stations, as well.

In 2013, the Company’s Izmir, Bodrum and Antalya stations were evaluated within the scope of “Green Company” re-certification. As a result of the evaluation, these 3 stations were deemed to be of the required standard to keep their “Green Company” certificates.

It is targeted to win “Green Company” certification for two more stations (Dalaman and İstanbul) by the end of 2014 to bring the number of our “Green Company” stations to 5. Efforts to this end are progressing as planned.

The goals for the following years include earning “Green Company” certification for two stations every year, ultimately for all of our existing stations that currently number 30.

Çelebi Ground Handling has placed the principle of carrying out its operations efficiently and in an environmentally friendly manner as a part of its mission; and it has been fulfilling the necessary requirements for many years. In 2013, the Company received the ISO 14064 verification auditing services from Cicert Belgelendirme Hizmetleri Ltd. Şti for the purpose of developing its own programs to reduce greenhouse gas (GHG) emissions. Following the verification audit, the Company’s stations in İzmir, Antalya, Bodrum and Dalaman were certified according to the ISO 14064 standard.

Within the framework of the Carbon Disclosure Project (CDP), during 2013 Çelebi Ground Handling became one of the 39 leading companies in Turkey to submit CDP data concerning its greenhouse gas emissions and energy use, as well as the risks and opportunities brought about by climate change. The Company aims to submit data concerning its greenhouse gas emissions and energy use to the CDP by May 2014.

There are no environment-related lawsuits filed against our Company on account of harm caused to the environment in 2013, nor are there any fines imposed by legal institutions.

General Social Responsibility Projects

Health services: Our Company has been supporting the Lokman Hekim Health Foundation since 1986. Based in Gebze-Beylikbağı outside İstanbul, this foundation serves low-income people who are in need of health services without any concern for material gain.

Part IV: The Board of Directors

15. Structure and Formation of the Board of Directors

According to "Article 7 - Board of Directors" of our Company's articles of incorporation, the Company's affairs and administration are conducted by an eight-member Board of Directors; six of these members are elected by the General Assembly of Shareholders (four of them from among candidates nominated by a majority of Class A shareholders and two of them by a majority of Class B shareholders) and two independent members are elected by the General Assembly of Shareholders from amongst nominees satisfying the independence criteria. The number, qualifications, nomination and election of independent members who will serve on the Board of Directors are governed by the CMB requirements in relation to corporate governance. Company directors are elected for a maximum term of office of three years. A director whose term of office expires may be reelected.

A director who represents a corporate-entity shareholder must notify the Company if his relationship with that entity terminates, whereupon his seat on the board is vacated.

If a vacancy occurs in the Board's membership before a term of office expires, the remaining directors will chose a new member from among candidates designated by a majority of shareholders of the same class as put the departing member up as a candidate. If the seat of an independent member is vacated, then new member will be elected within the frame of CMB requirements, which will be laid down for approval at the next General Meeting. A member elected to the Board in this way will complete the remaining term of the departing director.

The Board of Directors will set up the Audit Committee and Corporate Governance Committee, Nomination Committee, Early Detection of Risk Committee and Compensation Committee to ensure healthy performance of its duties and responsibilities, in line with the Company's current circumstances and needs. If separate Nomination Committee and Compensation Committee are not created due to the structure of the Board of Directors, then these functions will be fulfilled by the Corporate Governance Committee.

Formation, decision-making process, duties and operating principles of committees are defined in detail and publicly disclosed by the Board of Directors in accordance with the compulsory Corporate Governance Principles of the CMB and in view of the provisions of the articles of incorporation. The Board of Directors may, at any time, revise the duties and operating scopes of committees and it may also make the necessary replacements in their memberships.

According to "Article 8 - Representing and binding the company" of our articles of incorporation, the Company is administered and represented by the Board of Directors. The Board of Directors may delegate some or all of its powers to represent and administer the Company to executive directors and/or to managers who are not members of the Board. The individuals with the power to represent and bind the Company and the ways they may do so are determined by the Board and duly registered and announced. In order for any documents issued by the Company or for any contracts that are entered into to be valid, they must be signed, below the Company's legal name, by an individual or by individuals authorized to do so by the Board of Directors.

Members of the Board of Directors elected by shareholders at the Ordinary General Meeting held on May 17th, 2013 and their resumes are presented below.

Name	Position	Independent Member or Not
Can Çelebioğlu	Chairman	Non-independent Member
İsak Antika	Vice Chairman	Non-independent Member
Canan Çelebioğlu	Board Member	Non-independent Member
Turgay Kuttaş	Board Member	Non-independent Member
Mehmet Murat Çavuşoğlu	Board Member	Non-independent Member
Mehmet Yağız Çekin	Board Member	Non-independent Member
Feyzi Onur Koca	Board Member	Independent Member
İlter Turan	Board Member	Independent Member

Can ÇELEBİOĞLU

Company/Title	Çelebi Hava Servisi - Chairman of the Board Çelebi Havacılık Holding - Chairman of the Board	
Education:	Boğaziçi University / Business Administration	
Experience	1982-	Çelebi Hava Servisi - Chairman of the Board
	1982-1996	Çelebi Hava Servisi - General Manager
	1995-	Çelebi Holding - Chairman of the Board
	1983-1995	Çe-Tur Çelebi Turizm Ticaret - Chairman of the Board
	2007-	Çelebi Marina ve Yat İşletmeciliği - Chairman of the Board
	1996-	Çelebi Hizmet Gıda İşletmeleri Turizm - Vice Chairman of the Board
	1997-	Çelebi Güvenlik Sistemleri ve Danışmanlık - Vice Chairman of the Board
	2005-	Çelebi Otelcilik ve Turizm İşletmeciliği - Vice Chairman of the Board
	2004-	Çelebi Yatırım Danışmanlık - Chairman of the Board
	1996-	Çelebi Hizmet Restorant İşletmeleri - Chairman of the Board
Foreign Languages	English	
Memberships/Awards	2010 - Ernst&Young, Entrepreneur of the Year	
E-mail	can.celebioglu@celebi.com	

İsak ANTİKA

Company/Position	Çelebi Hava Servisi - Vice Chairman of the Board Çelebi Havacılık Holding - Vice Chairman of the Board
Education	Boğaziçi University / MBA
Experience	Çelebi - Vice Chairman of the Board Actera Group - Managing Partner Antika Partners - Managing Partner JP Morgan Investment Banking - President
Foreign Language	English
E-mail	isak.antika@acteragroup.com

Canan ÇELEBİOĞLU

Company/Position	Çelebi Hava Servisi - Deputy Chairperson of the Board Çelebi Havacılık Holding - Deputy Chairperson of the Board Çelebi Holding - Chief Executive Officer	
Education	İstanbul University/Business Administration	
Experience	2002-2003	Çelebi Hava Servisi - General Manager
	1996-	Çelebi Holding Deputy - Chairperson of the Board
	1982-	Çelebi Hava Servisi - Deputy Chairperson of the Board
Foreign Language	English	
Memberships/Awards	2009	Economist Magazine, Woman Entrepreneur of the Year
	2010	Ernst&Young Entrepreneur of the Year
	2010	EGSİAD Businesswoman of the Year
	2010	Dünya Newspaper; Businessperson of the Year
E-mail	canan.celebioglu@celebi.com	

Mehmet Murat ÇAVUŞOĞLU

Company/Position	Çelebi Hava Servisi - Member of the Board of Directors Çelebi Havacılık Holding - Member of the Board of Directors
Education	Harvard Business School / MBA Stanford University / MS Engineering Economic Systems Virginia University / BS Electrical Engineering
Experience	Çelebi - Member of the Board of Directors Actera Group - Managing Partner Southeast Europe Equity Fund - Managing Director Taurus Capital Partners - Managing Partner Fiba Group - General Manager Goldman Sachs - M&A & Corporate Finance
Foreign Language	English
E-mail	murat.cavusoglu@acteragroup.com

Mehmet Yağız ÇEKİN

Company/Position	Çelebi Havacılık Holding - Member of the Board of Directors
Education	Virginia Tech. / MBA Boğaziçi University / MS Mechanical Engineering Economic Systems Virginia University / BS Electrical Engineering
Experience	Çelebi - Member of the Board of Directors Actera Group - Partner Southeast Europe Equity Fund - Vice President Taurus Capital Partners - Principal
Foreign Language	English
E-mail	yagiz.cekin@acteragroup.com

Turgay KUTTAŞ

Company/Position	Çelebi Havacılık Holding - Executive Board Member	
Education	İstanbul University/Tourism	
Experience	2007-	Çelebi Havacılık Holding - Advisor
	2004-2007	Pegasus - Chief Operational Officer (COO)
	1999-2004	Havaş - Member of the Board of Directors
	1997-1999	Circle International - Turkey Director
	1994-1997	Havaş - Assistant General Manager (Operations)
	1986-1994	Çelebi Holding - Member of the Board of Directors
Foreign Language	English	
E-mail	turgay.kuttas@celebi.com	

Feyzi Onur KOCA

Company/Position	Çelebi Hava Servisi - Member of the Board of Directors (Independent)	
Education	Boğaziçi University/Electrical Engineering	
Experience	2005-	Parker İklim Kontrol Sistemleri AŞ - General Manager
	2004-2005	Touch Group Plc. (London) - Group Chief Operating Officer (COO)
	2002-2004	Lanark Resources Ltd. - Founding Partner
	2002-2004	Capex Industries Ltd. - International Sales Coordinator
	1991-2001	Jotun Boya Sanayi Ticaret AŞ - Regional Director - Europe
Foreign Language	English	
E-mail	kocalar@tnn.net	

İlter TURAN

Company/Position	Çelebi Hava Servisi - Member of the Board of Directors (Independent)	
Education	Oberlin College / BA Political Sciences	
	Columbia University / MA Political Sciences	
	İstanbul University / Ph.D. Political Sciences	
Experience	1998-2001	İstanbul Bilgi University / Rector
	1993-1998	Koç University / Professor
	1992-1993	International Relations / President
	1984-1993	İstanbul University / Faculty of Political Sciences, Professor
	1976-1984	İstanbul University / Faculty of Economics, Political Sciences Professor
	1974-1976	İstanbul University / Faculty of Literature
	1973-1974	Turkish Armed Forces / Sub-Lieutenant
	1970-1972	İstanbul University / Faculty of Political Sciences, Associate Professor
	1966-1970	İstanbul University / Instructor
Foreign Language	English	

The Members of the Board of Directors have been elected to serve a term of office of one year at the Ordinary General Meeting convened on May 17th, 2013, until the next Ordinary General Meeting.

In accordance with the Company's Corporate Governance Principles and Articles of Incorporation, İlter Turan and Feyzi Onur Koca, who were approved for their candidacy of membership of the independent Board of Directors, were elected as independent Board members to serve a term of office of one year (the period between the two General Meetings).

"Declaration of Independence" by the independent Board directors is presented below:

I hereby declare that;

1. I stand for serving as an "Independent Member" on the Board of Directors of Çelebi Hava Servisi Anonim Şirketi ("the Company") within the scope of the criteria stipulated by the Corporate Governance Principles of the CMB legislation;
2. I have not held a seat on the Company's Board of Directors for more than six years in the past ten years;
3. Employment, capital or material commercial relationship, either direct or indirect, has not been established in the past five years between corporate entities with which any related party of the Company or shareholders holding, directly or indirectly, 5% or more share in the Company's capital is related with respect to management or capital, and myself, my spouse and my relations by blood or marriage up to third degree,
4. I have not worked for or served as a member on the boards of directors of any company conducting, under a contract, the Company's activities or organization in part or in whole, and particularly the firms performing the audit, rating and consultancy of the Company, in the past five years,
5. I was not a shareholder, employee or board member for any company supplying service or product of material quantity to the Company in the past five years,
6. I hold less than 1% share in the Company's capital and these are not preferential shares / I hold no share in the Company's capital,
7. I possess the professional education, knowledge and experience for due performance of the duties I will assume in connection with being an independent board member,
8. I am not a full-time employee of public institutions and establishments as at the date of nomination,
9. I am considered to be a resident of Turkey as for the purposes of Income Tax Law,
10. I am capable of making positive contributions to the Company's operations, maintaining my independence in possible conflicts of interest between the Company's shareholders, making decisions freely taking into consideration the rights of stakeholders, and I possess strong ethical standards, professional credibility and experience that are necessary to do that,
11. I will forthwith notify any event that prejudices my independence, if applicable, to the Board of Directors for public disclosure of the same,
12. I will not demand any compensation from the Company apart from Board of Directors compensation and attendance fee,
13. I will dedicate sufficient amount of time to be able to follow up the operation of the Company's affairs and to fully meet the requirements of the duties I undertake.

At the Company's Ordinary General Meeting held on May 17th, 2013, shareholders holding management control, the members of the Board of Directors, senior executives and their spouses and relatives by blood or marriage have been authorized to deal in transactions with the Company and its subsidiaries that might lead to conflict of interest, to compete with them, to carry out the business affairs that fall under the Company's scope personally or on behalf of others, and to become shareholders in companies that are engaged in similar kinds of business affairs, as well as engaging in other transactions, as per Articles 334 and 335 of the Turkish Commercial Code.

16. Operating Principles of the Board of Directors

Determining the agenda for board meetings

Agendas for Board of Directors meetings may be determined in three different ways. The chairman may determine the agenda on the basis of suggestions received from Company directors; the Company's General Manager may determine the agenda himself; the agenda for the next Board meeting may be determined during a Board meeting that is in progress.

Number of board meetings during the reporting period

The Company's Board of Directors convened 72 times during 2013.

Meeting and decision quorums and methods and processes for summoning the meeting

The secretariat of the chairman of the Board of Directors keeps Company directors informed about meeting times and agendas by means of reports sent out regularly prior to the meeting. In 2013, 17 meetings convened with the attendance of 6 board members, 33 with 7 members, and 22 with 8 members.

Whether the questions posed by Directors and dissenting members' reasonable and detailed objections during the meeting are entered into the record

The questions posed by the Company directors during the meeting are not entered into record.

The ability of Company directors to exercise special voting rights or veto board decisions

Our Company's articles of incorporation do not vest any Company director with special voting rights or the ability to veto board decisions.

17. Numbers, Structures and Independence of Committees within the Board of Directors

On April 3rd, 2013, the Company's Board of Directors reached the following decisions in order to achieve compliance with the principles set forth in the CMB Communiqué on the Corporate Governance Principles:

- A new Early Detection of Risk Committee will be set up to enable the Company's Board of Directors to fulfill its duties and liabilities;
- The Corporate Management Committee, which has already taken on the duties and liabilities of the Early Detection of Risk Committee, will hand over such duties and liabilities to the new Early Detection of Risk Committee;
- The "Working Principles of the Early Detection of Risk Committee" will be accepted, publicly disclosed, published on the Company's website and presented to the consideration of the Company's shareholders as a separate topic in the next General Meeting.

On May 20th, 2013, the Company's Board of Directors decided to appoint the following board members - who were elected in the Annual General Meeting for the 2012 reporting period - to the following positions in accordance with the related provisions of the Capital Markets Board's Communiqué on Corporate Governance Principles: Feyzi Onur Koca and İlter Turan as members of the Audit Committee, Mehmet Yağız Çekin and Feyzi Onur Koca as members of the Corporate Governance Committee, and Turgay Kuttaş and İlter Turan as members of the Early Detection of Risk Committee.

Since there are two independent members on the Company's Board of Directors, Feyzi Onur Koca serves both on the Audit Committee and the Corporate Governance Committee pursuant to Article 4.5.3 of the CMB Communiqué Serial: IV No: 56 on the Determination and Implementation of Corporate Governance Principles, which states "All members of the Audit Committee and the heads of other committees are to be elected from among independent board members". Likewise, İlter Turan, one of the other independent members on the Company's Board of Directors serves both on the Audit Committee and the Early Detection of Risk Committee. The Company's Audit Committee convened five times during 2013 at which times they interviewed the Company's managers and checked whether or not our publicly disclosed financial statements accurately reflected the true standing of our operational results and whether or not the accounting principles adhered to by the Company were in compliance with CMB laws and regulations. They reached the conclusion that financial statements were correct and had been prepared in accordance with such requirements.

Moreover, they presented their thoughts and opinions to the Company Board of Directors, on the explanations made at the declaration and notification of the annual and interim financial statements within the context of 28/B decisions of communiqué on "Capital Markets Independent Audit" Serial: X No.16 of Capital Markets Board and on information transmission and coordination to BIST, relations with the partners, and CMB Serial: VIII No.54, on material disclosures covered by communiqué on Principles on material disclosure to public within the context of the principles in BIST quotation regulations article 18/A as well as on defining by which executives of the Company these disclosures are to be conducted.

The Company's Corporate Governance Committee convened three times during 2013. The Committee works to determine and remedy non-conformities, if any, with the relevant articles of the CMB Communiqué on the Determination and Implementation of Corporate Governance Principles, reviews the activities of the Company's Investor Relations Unit with respect to their responsibilities arising from the legislation, and spends efforts to detect the Company's operational and financial risks, take necessary steps for identified risks, and manage risk.

The Company's Early Detection of Risk Committee convened three times in 2013 and took the necessary measures in strengthening the early detection of the causes that could threaten the existence of the company, its development and the continuity of the business unit. The Committee also applied the necessary measures and remedies in this regard, in the management of the risk.

During 2013, there were no related party transactions or transactions of a material nature, which had been laid down for the approval of independent Board members, nor were there any such transactions that were not approved and thus laid down for the approval of the General Assembly of Shareholders.

18. Risk Management and Internal Control Mechanism

The planning, conduct, functioning, and oversight of the effectiveness of risk management and internal control and the conduct of the internal control team's activities within the framework of the plan are the responsibility of the Audit Committee that has been set up by a Board of Directors resolution and as per article 28/A added to CMB communiqué X: 16. The Audit Committee creates a risk management and internal audit system capable of minimizing the impact of the risks that the Company may be exposed to and takes such measures as needed to ensure that this system functions reliably.

While there is no separate unit responsible for risk management and control in the Company's organization, these functions are carried out by the Holding Company's Audit Unit under the guidance of the Audit Committee.

19. Strategic Objectives of the Company

The Company's Strategic Objectives are described under the section "Company's Mission, Vision and Strategic Objectives" in the 2013 Annual Report.

20. Financial Rights

In the Annual General Meeting convened on May 17th, 2013, the decision was taken to pay a gross monthly remuneration of TL 3,500 to each of the independent board member and to pay no remuneration to those board members who were elected to represent Group A and B Shareholders. In this context, remunerations were paid to independent board members in 2013.

The Company's Board members have no debts carried forward from 2012; no Board member was lent money (advances on salaries) in 2013. There are no receivables (advances on salaries) to be paid by the Board members as of December 31st, 2013.

The amount due (advances on salaries) from the Company executives carried forward from

2012 was TL 40,000. During 2013, the Company lent a total worth of TL 35,457.46 for advances on salaries; the entire amount (advances on salaries) has been collected. There is no amount due (advances on salaries) from the Company executives as of December 31st, 2013.

The terms of these loans made to Board members and managers were not prolonged nor were their conditions improved; no credit was extended to them under the rubric of personal loan nor were they provided with any guarantees such as surety through any third party.

INFORMATION ON RELATIONS WITH CONTROLLING AND AFFILIATED COMPANIES PURSUANT TO ARTICLE 199 OF THE TURKISH COMMERCIAL CODE

Necessary explanations regarding the transactions the Company carried out with related parties in the 01.01.2013-31.12.2013 fiscal year are provided under note 26 to the consolidated financial statements for the 01.01.2013-31.12.2013 fiscal year.

In all transactions the Company carried out with its controlling company or the subsidiaries of the controlling company in 2013, an appropriate counter-performance was provided in each transaction according to the conditions and state known to us at the time the transaction and/or the action was realized/taken or avoided; there were no actions taken or avoided which might potentially cause loss to the Company, and hence, there are no transactions or actions that would require equalization within this scope.

ACKNOWLEDGEMENT OF RESPONSIBILITY PURSUANT TO THE CMB COMMUNIQUÉ NO: II-14.1, ARTICLE 9

BOARD OF DIRECTORS DECISION ESPOUSING THE FINANCIAL STATEMENTS AND ANNUAL REPORTS

DECISION DATE: 10.03.2014

DECISION NUMBER: 2014/32

We hereby represent that;

a. we have examined the independently audited consolidated financial statements which have been approved by our Company's Board of Directors decision dated 10.03.2014 and numbered 2014/32, and by the Audit Committee decision no. 2014-03 dated 10.03.2014, which are prepared pursuant to the CMB Communiqué No: II-14.1, article 9 on Principles of Financial Reporting in Capital Markets and drawn up in accordance with the Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS"), and the Board of Directors' Annual Report for the year ended December 31st, 2013,

b. to the best of our knowledge we have with respect to our positions and responsibilities in the Company, these financial statements and annual report contain no misrepresentations on material matters or no omissions whose absence could be misleading as of the date on which the statement was made; and

c. to the best of our knowledge we have with respect to our positions and responsibilities in the Company, the financial statements drawn up in accordance with the CMB Communiqué No: II-14.1, article 9 on Principles of Financial Reporting in Capital Markets -inclusive of those subject to consolidation- represent a true and fair view of the Company's assets, liabilities, financial status and profit/loss, and that the annual report presents a fair view of the development and performance of the business -inclusive of those subject to consolidation-, the Company's financial standing, and the key risks and uncertainties it is exposed to.

Yours sincerely,

Deniz BAL	Koray ÖZBAY	Feyzi Onur KOCA	İlter TURAN
Financial Affairs Director	CEO	Audit Committee Member	Audit Committee Member

CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - 31 DECEMBER 2013 AND INDEPENDENT AUDITOR'S REPORT

(Convenience translation of financial statements into English and independent auditors report originally issued in Turkish)

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To the Board of Director of Çelebi Hava Servisi Anonim Şirketi

1. We have audited the accompanying consolidated financial statements of Çelebi Hava Servisi A.Ş. and its subsidiaries and joint ventures (together "the Group"), which comprise the consolidated balance sheet as at December 31, 2013 and the related consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year ended December 31, 2012 and a summary of significant accounting policies and explanatory notes.

Management's responsibility for the consolidated financial statements

2. The Group's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Turkish Accounting Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA") and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to error and/or fraud.

Independent Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards issued by CMB. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

   We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

4. In our opinion, the accompanying consolidated financial statements present fairly the financial position of Group as at 31 December 2013 and their financial performance and cash flows for the year then ended in accordance with the Turkish Accounting Standards (Note 2).

Building a better working world

Reports on independent auditor's responsibilities arising from other regulatory requirements

5. In accordance with Article 402 of the Turkish Commercial Code ("TCC"); the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit, additionally, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2013 is not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.

6. Pursuant to Article 378 of Turkish Commercial Code no. 6102, Board of Directors of publicly traded companies are required to form an expert committee, and to run and to develop the necessary system for the purposes of: early identification of causes that jeopardize the existence, development and continuity of the company; applying the necessary measures and remedies in this regard; and, managing the related risks. According to subparagraph 4, Article 398 of the code, the auditor is required to prepare a separate report explaining whether the Board of Directors has established the system and authorized committee stipulated under Article 378 to identify risks that threaten or may threaten the company and to provide risk management, and, if such a system exists, the report, the principles of which shall be announced by the POA, shall describe the structure of the system and the practices of the committee. This report shall be submitted to the Board of Directors along with the auditor's report. Our audit does not include evaluating the operational efficiency and adequacy of the operations carried out by the management of the Group in order to manage these risks. As of the balance sheet date, POA has not announced the principles of this report yet so no separate report has been drawn up relating to it. On the other hand, the Company formed the mentioned committee on 3 April 2013 and it is comprised of 2 members. The committee has met 3 times from the date of establishment until the reporting date for the purposes of early identification of risks that jeopardize the existence of the Company and its development, applying the necessary measures and remedies in this regard, and managing the risks, and has presented the relevant reports to the Board of Directors.

   As at December 31, 2013, the accounting principles described in Note 2 (defined as Turkish Accounting Standards/ Turkish Financial Reporting Standards) to the accompanying financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting, certain reclassifications and also for certain disclosures requirement of the POA/CMB. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Ethem Kutucular, SMMM
Partner

10 March 2014
İstanbul, Turkey

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CONSOLIDATED FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2013

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

	Notes	(Audited) 31 December 2013	Restated(*) (Audited) 31 December 2012
ASSETS			
Current Assets			
Cash and cash equivalents	4	60.306.285	46.417.682
Trade receivables		65.019.429	52.447.810
- Due from third parties	8	54.345.748	43.831.020
- Due from related parties	8	10.673.681	8.616.790
Other receivables		7.018.641	8.751.236
- Other receivables from third parties	9	7.018.641	8.751.236
Inventories	10	8.499.388	8.301.002
Prepaid expenses	15	8.650.120	6.874.667
Assets related to current year tax	28	2.524.731	1.195.345
Other current assets	14	11.828.967	9.850.076
Total current assets		**163.847.561**	**134.587.818**
Non-current assets			
Financial investments	5	1.458.860	1.383.442
Investments accounted by equity method	6	13.160.780	10.026.878
Other long-term receivables		11.465.300	10.367.489
- Due from third parties	9	11.465.300	10.367.489
Property, plant and equipment	11	145.532.422	142.341.126
Intangible assets		130.294.290	131.152.167
- Other intangible assets	12	106.206.043	111.269.519
- Goodwill	12	24.088.247	19.882.648
Prepaid expenses	15	21.619.445	26.602.822
Deferred tax asset	28	20.348.294	15.554.815
Other non-current assets	14	7.529.467	4.389.900
Total non-current assets		**351.408.858**	**341.818.639**
Total assets		**515.256.419**	**476.406.457**

(*) Please refer to note 2.2

CONSOLIDATED FINANCIAL POSITION FOR THE YEARS ENDED 31 DECEMBER 2013

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

	Notes	(Audited) 31 December 2013	Restated (*) (Audited) 31 December 2012
LIABILITIES			
Current liabilities			
Short-term financial liabilities	7	4.759.407	5.300.947
Current portion of long term financial liabilities	7	84.133.917	99.377.156
Other financial liabilities	7	2.380.650	124.446
Trade payables		43.959.083	28.843.072
- Due to third parties	8	38.676.482	25.999.630
- Due to related parties	8	5.282.601	2.843.442
Liabilities for employee benefits	17	11.310.553	12.072.307
Other payables	9	7.700.859	3.642.598
- Due to third parties		7.700.859	3.642.598
Deferred income	16	8.192.306	18.773.139
Short-term provisions		3.039.290	3.755.212
- Provisions for employee benefits	13	-	228.922
- Other provisions	13	3.039.290	3.526.290
Current tax liabilities	28	-	-
Other current liabilities	14	3.166.014	4.136.092
Total current liabilities		**168.642.079**	**176.024.969**
Non-Current Liabilities			
Long-term financial liabilities	7	236.222.341	188.181.163
Other non-current payables	9	4.299.463	970.476
Deferred income tax liabilities	28	6.478.794	5.628.521
Long-term provisions		9.256.100	7.750.206
- Provisions for employee benefits	13	9.256.100	7.750.206
Deferred income	16	-	3.080.744
Other non-current liabilities	14	43.516.344	30.696.222
Total non-current liabilities		**299.773.042**	**236.307.332**
Total liabilities		**468.415.121**	**412.332.301**
EQUITY			
Equity attributable to equity holders of the parent		**40.519.086**	**55.975.098**
Share Capital	18	24.300.000	24.300.000
Other comprehensive income/(expense) not to be reclassified to profit or loss		(880.179)	362.943
- Actuarial gain/(loss) arising from defined benefit plans		(880.179)	362.943
Other comprehensive income/(expense) to be reclassified to profit or loss		3.578.298	1.141.212
- Foreign currency translation differences		3.578.298	1.141.212
Restricted reserves	18	28.274.456	26.573.456
Retained earnings		(17.808.255)	(17.386.979)
Net profit/(loss) for the year		3.054.766	20.984.466
Non-controlling interest		**6.322.212**	**8.099.058**
Total equity		**46.841.298**	**64.074.156**
Total liabilities and equity		**515.256.419**	**476.406.457**
Contingent assets and liabilities			

(*)Please refer to note 2.2

CONSOLIDATED PROFIT OR LOSS STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

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

	Notes	(Audited) 31 December 2013	Restated (*) (Audited) 31 December 2012
CONTINUING OPERATIONS			
Revenue (net)	19	507.871.288	511.788.320
Cost of sales (-)	19	(372.204.304)	(387.387.281)
GROSS PROFIT	19	135.666.984	124.401.039
General administrative expenses (-)	21	(78.978.932)	(78.194.898)
Other operating income	22	14.565.718	3.573.436
Other operating expenses (-)	23	(9.652.798)	(7.400.088)
Income from investments accounted by Equity method	6	2.330.264	(613.930)
OPERATING PROFIT		63.931.236	41.765.559
Income from investment activities	24	488.785	618.579
Expense from investment activities (-)	25	(1.371.436)	(61.332)
OPERATING PROFIT/(LOSS) BEFORE FINANCIAL INCOME/(EXPENSE)		63.048.585	42.322.806
Financial income	26	8.999.626	16.494.906
Financial expense (-)	27	(70.071.456)	(33.213.393)
INCOME BEFORE TAX		1.976.755	25.604.319
Income tax expense		(2.518.802)	(8.109.353)
Current tax expense	28	(5.186.563)	(10.152.177)
Deferred tax income/(expense)	28	2.667.761	2.042.824
NET INCOME/(EXPENSE)		(542.047)	17.494.966
Attributable to:			
Non-controlling interest		(3.596.813)	(3.489.500)
Equity holder of the parent		3.054.766	20.984.466
		(542.047)	17.494.966
Earnings/(losses) per share (Full TL)	29	0,001	0,009

(*) Please refer to note 2.2

CONSOLIDATED PROFIT OR LOSS STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

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

	Notes	*(Audited)* 31 December 2013	*Restated (*)* *(Audited)* 31 December 2012
Net profit/(loss) for the period		**(542.047)**	**17.494.966**
Other comprehensive income/(expense):			
To be reclassified to profit or loss			
- Currency translation differences		2.748.237	(4.022.348)
Not to be reclassified to profit or loss			
- Actuarial gain/(loss) arising from defined benefit plans		(1.235.813)	119.315
Other comprehensive income/(expense)		**1.512.424**	**(3.903.033)**
Total comprehensive income/(expense)		**970.377**	**13.591.933**
Total comprehensive income attributable to:			
Non-controlling interest		(3.278.353)	(4.273.013)
Equity holders of the parent		4.248.730	17.864.946

(*) Please refer to note 2.2

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013

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

				Other comprehensive income/(expense) to be reclassified to profit or loss
	Notes	Share Capital	Restricted Reserves	Cumulative Translation Differences
Balances at 1 January 2012 (Previously reported)		24.300.000	26.573.456	4.380.047
Effect of Adjustments- IAS 19 (Note 2.2)		-	-	-
Balances at 1 January 2012 (restated)		24.300.000	26.573.456	4.380.047
Transfers to retained earnings		-	-	-
Transactions related to non-controlling interests				
Increase in minority of subsidiaries		-	-	-
Other comprehensive income				
- Change in foreign currency translation differences		-	-	(3.238.835)
- Change n Actuarial gain/(loss) arising from defined benefit plans		-	-	-
Total other comprehensive income				(3.238.835)
Net profit/(loss) for the period		-	-	
Total comprehensive income/ (expense)		-	-	(3.238.835)
Balances at 31 December 2012		24.300.000	26.573.456	1.141.212

Other comprehensive income/(expense) not to be reclassified to profit or loss	Retained earnings				
Actuarial gain/(loss) arising from defined benefit plans)	Retained Earnings	Net profit/(loss) for the year	Equity attribute table to equity holders of the parent	Non- controlling interest	Total equity
-	(23.472.275)	7.623.634	39.404.862	11.077.361	50.482.223
243.628	(106.500)	(137.128)	-	-	-
243.628	(23.578.775)	7.486.506	39.404.862	11.077.361	50.482.223
-	7.486.506	(7.486.506)	-	-	-
-	(1.294.710)	-	(1.294.710)	1.294.710	-
-	-	-	(3.238.835)	(783.513)	(4.022.348)
119.315	-	-	119.315	-	119.315
119.315	-		(3.119.520)	(783.513)	(3.903.033)
		20.984.466	20.984.466	(3.489.500)	17.494.966
119.315	-	20.984.466	17.864.946	(4.273.013)	13.591.933
362.943	(17.386.979)	20.984.466	55.975.098	8.099.058	64.074.156

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013

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

				Other comprehensive income/(expense) to be reclassified to profit or loss
	Notes	Share Capital	Restricted Reserves	Cumulative Translation Differences
Balances at 1 January 2013 (Previously reported)		24.300.000	26.573.456	1.141.212
Effect of Adjustments- IAS 19(Note2.2)		-	-	-
Balances at 1 January 2013 (Restated)		24.300.000	26.573.456	1.141.212
Transfers to retained earnings	17	-	-	-
Transactions related to non-controlling interests		-	-	-
Dividends paid	17		1.701.000	-
Equity impact of the amortized joint venture		-	-	-
Increase in minority of subsidiaries		-	-	-
Other comprehensive income				
- Change in foreign currency translation differences		-	-	2.437.086
Change in Actuarial gain/(loss) arising from defined benefit plans				
Total other comprehensive income		-	-	2.437.086
Net profit/(loss) for the period		-	-	-
Total comprehensive income/ (expense)		-	-	2.437.086
Balances at 31 December 2013		24.300.000	28.274.456	3.578.298

Other comprehensive income/(expense) not to be reclassified to profit or loss	Retained earnings				
Actuarial gain/(loss) arising from defined benefit plans)	Retained Earnings)	Net profit/(loss) for the year	Equity attribute table to equity holders of the parent	Non- controlling interest	Total equity
-	(17.143.351)	21.103.781	55.975.098	8.099.058	64.074.156
362.943	(243.628)	(119.315)	-	-	-
362.943	(17.386.979)	20.984.466	55.975.098	8.099.058	64.074.156
-	20.984.466	(20.984.466)	-	-	-
-	(1.500.840)	-	(1.500.840)	1.500.840	-
-	(19.926.001)	-	(18.225.001)	-	(18.225.001)
-	21.099	-	21.099	-	21.099
-	-	-	-	667	667
-	-	-	2.437.086	311.151	2.748.237
(1.243.122)	-	-	1.193.964	318.460	1.512.424
-	-	3.054.766	3.054.766	(3.596.813)	(542.047)
(1.243.122)	-	3.054.766	4.248.730	(3.278.353)	970.377
(880.179)	(17.808.255)	3.054.766	40.519.086	6.322.212	46.841.298

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2013

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

	Notes	(Audited) 31 December 2013	Restated(*) (Audited) 31 December 2012
A. Cash flows from operating activities		54.092.572	38.772.316
Profit/loss before tax for the period		1.976.755	25.604.319
Adjustment for reconciliation of profit/(loss) before taxation		59.912.486	61.080.353
- Adjustment for depreciation and amortisation expense	11,12	33.136.423	32.817.208
- Adjustment for provisions	13	5.618.574	7.360.699
- Adjustment for interest income and expense	22,23	18.337.365	20.829.278
- Adjustment for (profit) on sales of property, plant and equipment, net		882.651	(557.247)
- Adjustments related to the fair value losses (gains)		1.620.505	(105)
- Other adjustments for reconciliation of profit/loss		295.868	630.520
- Other item's adjustments related to cash flows arising from financing or investing activities		21.100	-
Changes in working capital		(7.796.669)	(47.912.356)
- Adjustment for increase/decrease in inventories		(198.386)	(1.911.657)
- Adjustment for increase/decrease in trade receivables		(12.907.610)	(18.887.424)
- Adjustment for increase/decrease in other receivables related with operations		(1.275.750)	22.866.694
- Adjustment for increase/decrease in trade payables		15.116.011	(17.927.443)
- Adjustment for increase/decrease in other payables related with operations		7.070.165	(13.274.958)
- Adjustment for increase/decrease in joint ventures are accounted by the equity method		(3.133.902)	(1.081.213)
- Collection from doubtful receivable		212.846	21.413
- Retirement liability paid		(5.893.226)	(5.661.028)
- Vacation liability paid		(413.052)	(306.267)
Tax payments/returns		(6.373.765)	(11.750.473)
Cash flows from operating activities		54.092.572	38.772.316
B. Cash flows from investing activities		(26.870.833)	(45.760.304)
Cash inflows from the sale of property, plant and equipment and intangible assets	11,12	2.493.571	1.324.375
Cash outflows from the purchase of property, plant and equipment and intangible asset	11,12	(27.863.571)	(45.789.970)
Cash outflows from the purchase of long term asset		(1.500.833)	(1.294.709)
C. Cash flows from financing activities		(4.305.968)	(53.357.956)
Cash inflows from financial liabilities		32.256.399	(32.528.678)
Dividends paid	18	(18.225.002)	-
Interest received		2.689.020	3.122.777
Interest paid		(21.026.385)	(23.952.055)
Net (decrease)/increase in cash and cash equivalents		5.683.879	16.352.808
D. Impact of foreign currency translation differences on cash and cash equivalents		(9.027.163)	8.194.692
Net increase/decrease in cash and cash equivalents		19.572.484	(35.798.444)
E. Cash and cash equivalents at beginning of period		32.227.239	68.025.683
Cash and cash equivalents at end of period	4	51.799.723	32.227.239

(*) Please refer to note 2.2

Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS OF THE GROUP

Çelebi Hava Servisi A.Ş. (collectively referred to as the "Company" or "Çelebi Hava") established in 1958 was the first private ground handling service company in the Turkish aviation sector. The company is continuing its operations under Çelebi Holding. The Company provides ground handling services (representation, traffic, ramp, cargo, flight operations and aircraft maintenance etc) and fuel supplies to domestic and foreign airlines and private cargo companies The Company operates in İstanbul Atatürk, İzmir, Ankara, Adana, Antalya, Dalaman, Bodrum, Çorlu, Bursa Yenişehir, Diyarbakır, Erzurum, Kayseri, Samsun, Trabzon, Van, Malatya, Kars, Mardin, Denizli, Hatay, Kahramanmaraş, Isparta, Erzincan, Çanakkale, Balıkesir Edremit, Iğdır, Kocaeli airports, which are under the control of the State Airports Administration ("DHMI") and Istanbul Sabiha Gokcen airport which is under the control of the Airport Administration and Aviation Industries A.Ş. ("HEAS"). The company is jointly controlled by Çelebi Havacılık Holding A.Ş., the parent company which is controlled by Çelebioğlu Family and Zeus Aviation Services Investments B.V.

The company is registered in Capital Markets Board "CMB" and has been listed in Borsa Istanbul "BIST" since 18 November 1996.

The address of the Company is as follows:
Anel İş Merkezi Saray Mahallesi Site Yolu Sokak No: 5 Kat: 9
34768 Ümraniye/İstanbul

The liquidation process which started upon the resolution taken at the ordinary general assembly meeting in 2011 of Çelebi IC Antalya Havalimanı Terminal Yatırım İşletme A.Ş. ("Çelebi IC Yatırım") in liquidation with a share capital of TL 50.000, 49,99% of which is owned by the Company, has ended and was concluded legally on 11 September 2013.

The Company also owns 94,8% of Çelebi Güvenlik Sistemleri ve Danışmanlık A.Ş. ("Çelebi Güvenlik") which operates in airport terminal safety and provides safety services to airline companies. Pursuant to the resolution taken in the Ordinary General Assembly meeting, the liquidation process started as of December 31, 2013 and the title of the Company was changed into Çelebi Güvenlik Sistemleri ve Danışmanlık A.Ş. in Liquidation.

The Company has also participated in a tender offer as of 7 July 2006 called by the Budapest Airport Budapest Ferihegy Nemzetkozi Repuloter Uzemelteto Zartkoruen Mukodo Reszvenytarsasag ("Ba Zrt") company resident in Budapest, Hungary for the acquisition of the Budapest Airport Handling Kereskedelmi es Szolgaltato Korlatolt Feleossegu Tarsasag ("BAGH") company that provides ground handling services at Budapest Airport and in which ("Ba Zrt") has a 100% share. The Company was informed of winning the tender offer on 14 July 2006 and participates in the Celebi Tanacsado Korlatolt Felelossegu Tarsasag" ("Celebi Kft") company that was founded on 22 September 2006 as founding shareholder for the realization of the abovementioned share transfer. Celebi Kft acquired all the shares of BAGH on 26 October 2006 and the trade name of BAGH has been changed to Celebi Ground Handling Hungary Foldi Kiszolgalo Korlatolt Felelossegu Tarsasag ("CGHH").

Celebi Kft has been taken over by CGHH with all assets and liabilities and merger transactions have been completed at 31 October 2007 after the completion of the registration, related changes in Articles of Association and General Assembly decisions carried out within the legal framework effective in Hungary. Since Celebi Kft owned 100% of CGHH shares before the merger, the Company's share has remained 70% in CGHH share capital. As of 2011, shares representing 30% of CGHH were purchased from Çelebi Havacılık Holding A.Ş. for TL 33.712.020.

As a result shareholding percentage of the Company has increased to 100% and CGHH was fully consolidated to the financial statements and this transaction was accounted for as an equity transaction disclosed as "Additional contribution to shareholders equity related to share purchase" on the consolidated financial statements. As of 31 December 2013, total paid in capital of CGHH is 200.000.000 Hungarian forint.

Within the framework of the tender relating to provide ground handling services for 10 years period in Mumbai Chhatrapati Shivaji International Airport in India which resulted in favor of the consortium in which the Company takes part, a joint venture company has been established on 12 December 2008 with a capital of 100.000.000 Indian Rupee and the title of "Celebi Nas Airport Services India Private Limited ("Celebi Nas") resident in Maharashtra, Mumbai India to provide ground handling services. The Company, as co-founder, has a 55% stake in Celebi Nas and the capital of the company is amounting to 552.000.000 Indian Rupee. Also 228.000.000 Indian Rupee has been paid as capital advance which has been registered by Celebi Nas' partners yet.

The Company participated as a co-founders in the company with capital of 100.000 Indian Rupee under the title Celebi Delhi Cargo Terminal Management India Private Limited ("Celebi Delhi Cargo") to carry out activities relating to the development, modernization and 25-year operation of the existing cargo terminal in the airport ("Brownfield") in New Delhi in India on 6 May 2009, and its capital share in Celebi Delhi Cargo is 74%. The paid capital of the Celebi Delhi Cargo is amounting to 720.000.000 Indian Rupee.

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

The equity needed to meet financial requirement of the investments planned and the fulfillment of the requirements arising from the Concession Agreement signed by Celebi Ground Handling Delhi Private Limited ("Celebi GH Delhi"), established in 18 November 2009, with a paid-in capital amounting to 16.900.000 Indian Rupee and in which the Company participated at 74%, with the tender authority upon winning the tender opened for the conduct of airport ground handling services in Delhi International Airport for 10 years, was met through a premium capital increase according to the legal legislation in India by paying 1.082.842.000 Indian Rupee and the Company has a 74% stake in Celebi GH Delhi.

The Company participated 16,67% of company Delhi Aviation Services Private Limited ("DASPL") with capital of 250.000.000 Indian Rupee under the title Celebi GH Delhi to carry out activities relating to the development, modernization and standardization to the international standards of air-conditioning, power generators and water system on passenger bridges on the airport.

As of 25 March 2010, the Company participated 100% of a company that was established in Madrid, Spain under the title "Celebi Ground Handling Europe" ("Celebi Spain") with the capital of 10.000 Euro as a founding partner for the purpose of investing business in foreign countries, especially those in the European Union such as Troy Airport Services located in Poland of which the company owns %100 Shares but Celebi Europe has not started its operations yet.

The Company acquired shares of Çelebi Kargo Depolama ve Dağıtım Hizmetleri A.Ş. ("Çelebi Kargo"), owning TL 150.000 paid capital, having a nominal value of TL 144.000 from Çelebi Holding A,Ş, with cash amounted to TL 146.880 (1 TL nominal value: 1,02 TL) as of 20 July 2010, Çelebi Kargo was established as of 20 November 2008 to provide cargo storage and handling services in storage and warehouse facilities on rented area in Frankfurt Cargo City Süd by Celebi Cargo GmbH as of which is subsidiary of Çelebi Kargo with 100% shares, amounting 8.500.000 Euro paid capital, established in November 2009 located in Frankfurt, Germany. As of 31 December 2013 the capital of Çelebi Cargo has been increased to TL 20.000.000 was and totally paid.

As of 31 December 2013, the condensed interim consolidated financial statements of the Company include the Company, Celebi Nas, CGHH, Çelebi Güvenlik In Liquidation, Celebi Delhi Cargo, Celebi GH Delhi, Çelebi Kargo and Celebi Cargo (collectively, referred to as the "Group").

These consolidated financial statements for the period 1 January - 31 December 2013 have been approved for issue by the Board of Directors on 10 March 2014 and signed by Koray Özbay (General Manager) and Deniz Bal (Financial Affairs Director) on behalf of Board of Directors The shareholders of the Company have the power to amend the consolidated financial statements after the issue in the General Assembly meeting of the Company.

Subsidiaries:

The Company has the following subsidiaries. The nature of the business of the Subsidiaries and their respective geographical segments are as follows:

Subsidiary	Country of incorporation	Geographical segment	Nature of business
Çelebi Güvenlik In Liquidation	Turkey	Turkey	Aviation and other security services
CGHH	Hungary	Hungary	Ground handling services
Celebi Delhi Cargo	India	India	Warehouse and cargo services
Celebi GH Delhi	India	India	Ground handling services
Celebi Spain	Spain	Spain	Ground handling services (inactive)
Çelebi Kargo	Turkey	Turkey	Warehouse and cargo services
Celebi Cargo GmbH	Germany	Germany	Warehouse and cargo services

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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

Investments Accounted by Equity Method:

Investments Accounted by Equity Method	Country of incorporation	Geographical segment	Nature of business
Celebi Nas	India	India	Ground handling services

Affiliates:

The Company has the following subsidiaries (the "Subsidiaries"). The nature of the business of the Subsidiaries and their respective geographical segments are as follows

Affiliates	Country of incorporation	Geographical segment	Nature of business
DASPL	India	India	Ground handling services

In 2013 average number of personnel is 10.343 (2012: 10.880)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1. Basis of presentation

2.1.1 Financial reporting standards

The Group's 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") (hereinafter will be referred to as "the CMB Reporting Standards") on 13 June 2013 which is published on Official Gazette numbered 28676. In accordance with article 5th of the CMB Reporting Standards, companies should apply Turkish Accounting Standards/Turkish Financial Reporting Standards and interpretations regarding these standards as adopted by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA").

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

The consolidated financial statements are based on the statutory records, with adjustments and reclassifications for the purpose of fair presentation in accordance with the Turkish Accounting Standards published by POA.(Note: 2.2)

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 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. Company's functional and presentation currency is accepted as TL.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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

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 consolidated financial statements are presented in TL, which are the functional currency of the Company and the presentation currency of the Group. As of 31 December 2013, the currency of subsidiaries has shown below.

Company	Currency
Çelebi Güvenlik In Liquidation	Turkish Lira (TL)
CGHH	Hungarian Forint (HUF)
Celebi Delhi Cargo	Indian Rupee (INR)
Celebi GH Delhi	Indian Rupee (INR)
Celebi NAS	Indian Rupee (INR)
Çelebi Kargo	Turkish Lira (TL)
Celebi Cargo GmbH	Euro (EUR)

Going Concern

The Group prepared consolidated financial statements in accordance with the going concern assumption

2.1.2 Amendments in International Financial Reporting Standards (IFRS)

New and amended standards and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at 31 December 2013 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 2013. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

The new standards, amendments and interpretations which are effective as at 1 January 2013 are as follows:

TFRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendment)

The amendment requires the disclosure of the rights of the entity relating to the offsetting of the financial instruments and some information about the related regulations (eg, collateral agreements).

New disclosures would provide users of financial statements with information that is useful in;

i) evaluating the effect or potential effect of netting arrangements on an entity's financial position and,

ii) analyzing and comparing financial statements prepared in accordance with TFRSs and other generally accepted accounting standards.

New disclosures have to be provided for all the financial instruments in the balance sheet that have been offset in accordance with TAS 32. Such disclosures also apply to recognised financial instruments that are subject to enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with TAS 32. The amendment affects disclosures only and did not have any impact on the consolidated financial statements of the Group.

TAS 1 Presentation of Financial Statements (Amended) - Presentation of Items of Other Comprehensive Income

The amendments to TAS 1 change only the grouping of items presented in other comprehensive income. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time would be presented separately from items which will never be reclassified. The amendments will be applied retrospectively. The amendment affects presentation only and did not have an impact on the financial position or performance of the Group.

TAS 19 Employee Benefits (Amended)

Numerous changes or clarifications are made under the amended standard. Among these numerous amendments, the most important changes are removing the corridor mechanism, and recognizing actuarial gain/(loss) under other comprehensive income for defined benefit plans and making the distinction between short-term and other long-term employee benefits based on expected timing of settlement rather than employee entitlement.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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

The Group used to recognize the actuarial gain and loss in profit and loss statement before this amendment. The Group applied this amendment retrospectively and restated its prior year financial statements. The retrospective effects of the amendment to recognise actuarial gain and loss in the comprehensive income statement are disclosed in Note 13. Additionally, based on the amendment in the presentation of short term employee benefits, vacation pay liability formerly presented in the short term provisions has been retrospectively reclassified to long term provisions and calculated based on actuarial method.

TAS 27 Separate Financial Statements (Amended)

As a consequential amendment to TFRS 10 and TFRS 12, the TASB also amended TAS 27, which is now limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. This amendment did not have an impact on the financial position or performance of the Group.

TAS 28 Investments in Associates and Joint Ventures (Amended)

As a consequential amendment to TFRS 11 and TFRS 12, the TASB also amended TAS 28, which has been renamed TAS 28 Investments in Associates and Joint Ventures, to describe the application of the equity method to investments in joint ventures in addition to associates. Transitional requirement of this amendment is similar to TFRS 11. The Group has presented these disclosures in Note 2.2

TFRS 10 Consolidated Financial Statements

TFRS10, TAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. A new definition of control is introduced, which is used to determine which entities are consolidated. This is a principle based standard and require preparers of financial statements to exercise significant judgment. This amendment did not have an impact on the financial position or performance of the Group.

TFRS 11 Joint Arrangements

The standard describes the accounting for joint ventures and joint operations with joint control. Among other changes introduced, under the new standard, proportionate consolidation is not permitted for joint ventures. The Group applied the relevant changes in its financial statements as at 31 December 2013 and accounted according to equity method. Additionally, the Group restated its comparative financial statements according to this standard and has presented these disclosures in Note 2.2.

TFRS 12 Disclosure of Interests in Other Entities

TFRS 12 includes all of the requirements that are related to disclosures of an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The Group restated its comparative financial statements according to this standard and has presented these disclosures in Note 2.2.

TFRS 13 Fair Value Measurement

The new Standard provides guidance on how to measure fair value under TFRS but does not change when an entity is required to use fair value. It is a single source of guidance under TFRS for all fair value measurements. The new standard also brings new disclosure requirements for fair value measurements. The new disclosures are only required for periods beginning after TFRS 13 is adopted. The Group is in the process of assessing the impact of the new standard on the financial position and performance of the Group (Note 31).

Transition Guidance (Amendments to TFRS 10, TFRS 11 and TFRS 12)

The amendments change the transition guidance to provide further relief from full retrospective application. The date of initial application is defined as 'the beginning of the annual reporting period in which TFRS 10 is applied for the first time'. The assessment of whether control exists is made at 'the date of initial application' rather than at the beginning of the comparative period. If the control assessment is different between TFRS 10 and TAS 27/SIC-12, retrospective adjustments should be determined. However, if the control assessment is the same, no retrospective application is required. If more than one comparative period is presented, additional relief is given to require only one period to be restated. For the same reasons TFRS 11 and TFRS 12 has also been amended to provide transition relief. Group has reflected the effects of the Standard on its financial position and performance to financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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

Improvements to TFRSs

Annual Improvements to TFRSs - 2009 - 2011 Cycle, which contains amendments to its standards, is effective for annual periods beginning on or after 1 January 2013. This project did not have an impact on the financial position or performance of the Group.

TAS 1 Financial Statement Presentation:

Clarifies the difference between voluntary additional comparative information and the minimum required comparative information.

TAS 16 Property, Plant and Equipment:

Clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.

TAS 32 Financial Instruments: Presentation:

Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with TAS 12 Income Taxes. The amendment removes existing income tax requirements from TAS 32 and requires entities to apply the requirements in TAS 12 to any income tax arising from distributions to equity holders.

TAS 34 Financial Reporting:

Clarifies the requirements in TAS 34 relating to segment information for total assets and liabilities for each reportable segment. Total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual financial statements for that reportable segment.

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 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.

TAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial liabilities (Amended)

The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the TAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments are to be retrospectively applied for annual periods beginning on or after 1 January 2014. The Group does not expect that these amendments will have significant impact on the financial position or performance of the Group.

TFRS 9 Financial Instruments - Classification and measurement

As amended in December 2012, the new standard is effective for annual periods beginning on or after 1 January 2015. Phase 1 of this new TFRS introduces new requirements for classifying and measuring financial instruments. The amendments made to TFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option (FVO) liabilities and requires that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income. Early adoption is permitted. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

TFRIC Interpretation 21 Levies

The interpretation clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognized before the specified minimum threshold is reached. The interpretation is effective for annual periods beginning on or after 1 January 2014, with early application permitted. Retrospective application of this interpretation is required. The Group does not expect that this amendment will have any impact on the financial position or performance of the Group.

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IAS 36 Impairment of Assets - Recoverable Amount Disclosures for Non-Financial assets (Amendment)

As a consequential amendment to TFRS 13 Fair Value Measurement, some of the disclosure requirements in TAS 36 Impairment of Assets regarding measurement of the recoverable amount of impaired assets has been modified. The amendments required additional disclosures about the measurement of impaired assets (or a group of assets) with a recoverable amount based on fair value less costs of disposal. The amendments are to be applied retrospectively for annual periods beginning on or after 1 January 2014. Earlier application is permitted for periods when the entity has already applied TFRS 13. The Group does not expect that this amendment will have any impact on the financial position or performance of the Group.

IAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting (Amendment)

Amendments to TAS 39 Financial Instruments: Recognition and Measurement, 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. The amendments are to be applied retrospectively for annual periods beginning on or after 1 January 2014. The Group does not expect that this amendment will have any impact on the financial position or performance of the Group.

IFRS 10 Consolidated Financial Statements (Amendment)

TFRS 10 is amended to provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss in accordance with TFRS. The amendments are to be applied retrospectively for annual periods beginning on or after 1 January 2014. This amendment will not have any impact on the 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 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 Company/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.

IFRS 9 Financial Instruments - Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS

39 -IFRS 9 (2013

In November 2013, the IASB issued a new version of IFRS 9, which includes the new hedge accounting requirements and some related amendments to IAS 39 and IFRS 7. Entities may make an accounting policy choice to continue to apply the hedge accounting requirements of IAS 39 for all of their hedging relationships. The standard does not have a mandatory effective date, but it is available for application now; a new mandatory effective date will be set when the IASB completes the impairment phase of its project on 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.

Improvements to IFRSs

In December 2013, the IASB issued two cycles of Annual Improvements to IFRSs - 2010-2012 Cycle and IFRSs - 2011-2013 Cycle. Other than the amendments that only affect the standards' Basis for Conclusions, the changes are effective for annual reporting periods beginning on or after 1 July 2014. Earlier application is permitted.

Annual Improvements to IFRSs - 2010-2012 Cycle

IFRS 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.

IFRS 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 IFRS 9 Financial Instruments. The amendment is effective for business combinations prospectively.

IFRS 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.

Amendment to the Basis for Conclusions on 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.

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

The amendment to IAS 16.35(a) and IAS 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.

IAS 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 to IFRSs - 2011-2013 Cycle

IFRS 3 Business Combinations

The amendment clarifies that: i) Joint arrangements are outside the scope of IFRS 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.

IFRS 13 Fair Value Measurement

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

IAS 40 Investment Property

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

Resolutions promulgated by the Public Oversight Authority

In addition to those mentioned above, the POA has promulgated the following resolutions regarding the implementation of Turkish Accounting Standards. "The financial statement examples and user guide" became immediately effective at its date of issuance; however, the other resolutions shall become effective for the annual reporting periods beginning after December 31, 2012.

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2013-1 Financial Statement Examples and User Guide

The POA promulgated "financial statement examples and user guide" on May 20, 2012 in order to ensure the uniformity of financial statements and facilitate their audit. The financial statement examples within this framework were published to serve as an example to financial statements to be prepared by companies obliged to apply Turkish Accounting Standards, excluding financial institutions established to engage in banking, insurance, private pensions or capital market. The Group has made the related classifications stated in Note 2.2.1 in order to comply with the requirements of this regulation.

2013-2 Accounting of Combinations under Common Control

In accordance with the resolution it has been decided that i) combination of entities under common control should be recognized using the pooling of interest method, ii) and thus, goodwill should not be included in the financial statements and iii) while using the pooling of interest method, the financial statements should be prepared as if the combination has taken place as of the beginning of the reporting period in which the common control occurs and should be presented comparatively from the beginning of the reporting period in which the common control occurred. This resolution did not have any impact on the consolidated financial statements of the Group.

2013-3 Accounting of Redeemed Share Certificates

Clarification has been provided on the conditions and circumstances where the redeemed share certificates shall be recognized as a financial liability or equity based financial instruments. This resolution did not have any impact on the consolidated financial statements of the Group.

2013-4 Accounting of Cross Shareholding Investments

If a subsidiary of an entity holds shares of the entity then this is defined as cross shareholding investment. Accounting of this cross investment is assessed based on the type of the investment and different recognition principles adopted accordingly. With this resolution, this topic has been assessed under three main headings below and the recognition principles for each one of them has been determined.

i) the subsidiary holding the equity based financial instruments of the parent,

ii) the associates or joint ventures holding the equity based financial instruments of the parent,

iii) the parent's equity based financial instruments are held by an entity, which is accounted as an investment within the scope of TAS 38 and TFRS 9 by the parent.

This resolution did not have any 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 CMB 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 statement of financial position date. Exchange differences arising from the retranslation of the opening net assets of foreign undertakings and differences between the average and statement of financial position date rates are included in the "currency translation differences" under the shareholders' equity.

2.1.4 Basis of Consolidation

a) The consolidated financial statements include the accounts of the parent company. Çelebi Hava, its Subsidiaries and its Joint ventures (collectively referred to as the "Group") on the basis set out in sections (b), to (f) 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 applying uniform accounting policies and presentation. The results of Subsidiaries and Joint ventures are included or excluded from their effective dates of acquisition or disposal respectively.

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b) Subsidiaries are companies over which the Group's has capability to control the financial and operating policies for the benefit of the Group, either (a) through the power to exercise more than 50% of the voting rights relating to shares in the companies owned directly and indirectly by itself; or (b) although not having the power to exercise more than 50% of the voting rights, otherwise having the power to exercise control over the financial and operating policies. The available or convertible existence of potential voting rights are considered for the assessing whether the Group controls another organization Subsidiaries are consolidated from the date on which the control is transferred to the Group and consolidated by using full consolidation method. Subsidiaries are no longer consolidated from the date that the control ceases. The acquisition of the subsidiaries by the Group is recognized by using purchase method. The acquisition cost includes; the fair value of the assets on the purchase date, equity instruments disposed and the liabilities incurred at the exchange date and costs that directly attributable to the acquisition, The identifiable asset during the merge of the companies is measured by fair value at the purchase date of liabilities and contingent liabilities regardless of the minority shareholders. The Group recognized the goodwill for the exceed portion of the cost of acquisition that the fair value of net identifiable assets acquired. If the acquisition cost is below the fair value of identifiable net asset of subsidiary, the difference is recognized to the comprehensive income statement, Transactions between inter companies the balances and unearned gains arising from transactions between Group companies are eliminated. Unaccrued losses are also subjected to elimination. The accounting policies of subsidiaries are revised in accordance with the Group's policies. The balance sheets and income statements of the Subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by the Group and its Subsidiaries is eliminated against the related equity. Intercompany transactions and balances between company and its Subsidiaries are eliminated during the consolidation. The nominal amount of the shares held by the Group in its Subsidiaries and the associated dividends are eliminated from equity and income for the period, respectively.

The table below sets out all Subsidiaries and demonstrates their shareholding structures:

	Direct and indirect shareholding by Çelebi Hava and its Subsidiaries (%)	
Subsidiary	31 December 2013	31 December 2012
Çelebi Güvenlik In Liquidation [2]	94,8	94,8
CGHH	100,0	100,0
Celebi Delhi Cargo	74,0	74,0
Celebi GH Delhi	74,0	74,0
Celebi Spain [1]	100,0	100,0
Çelebi Kargo	99,7	99,7
Celebi Cargo GmbH	99,7	99,7

[1] As of 31 December 2013 Celebi Spain has directly and indirectly 100% voting right. However, Celebi Europe has not been consolidated in consolidated financial statements by reason of being immaterial for the consolidated financial statements and the company operations have not started as of 31 December 2012 (Note 5).

[2] Pursuant to the resolution taken in the Ordinary General Assembly meeting, of Çelebi Güvenlik, participated by the Company at the rate of 94,8%, the liquidation process started as of December 31, 2013 and the title of the Company was changed into Çelebi Güvenlik Sistemleri ve Danışmanlık A.Ş.in Liquidation. As of December 31, 2013, since Çelebi Güvenlik Sistemleri ve Danışmanlık A.Ş.in Liquidation did not constitute any materiality on the consolidated financial statements of the Group, no additional presentation was made in the financial statements within the scope of TFRS 5 Assets Held for Sale and Discontinued Operations.

c) The Group categorized the sales and purchase of its subsidiaries' shares transactions as transactions between group shareholders except parent company. Therefore, for the addition share purchase from other than parent company, the Group records the difference between cost of purchase and book value of asset of subsidiary's purchased portion under shareholders' equity. For the share sales to other than parent company, the Group records the income or loss as a result of the difference between sales price and book value of asset of subsidiary's sold portion under shareholders' equity.

d) Joint ventures are accounted by the equity method.

	Direct and indirect shareholding by Çelebi Hava (%)	
Investments Accounted by Equity Method	31 December 2013	31 December 2012
Çelebi IC Antalya In Liquidation Havalimanı Terminal Yatırım ve İşletme A.Ş [*]	-	%49,99
Celebi Nas	%55,00	%55,00

[*] The liquidation process which started upon the resolution taken at the ordinary general assembly meeting in 2011 of jointly controlled Çelebi IC Yatırım with a share capital of TL 50.000, 49,00% of which the Company is a shareholder, has ended and was concluded legally on September 11, 2013

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e) For available for sale financial assets under 20% of voting rights or over 20% of voting rights and that are excluded from the scope of consolidation on the grounds of materiality where there is no quoted market price and where a reasonable estimate of fair value cannot be determined since other methods are inappropriate and unworkable, they are carried at cost less any impairment in value.

f) Unrealized revenue transactions with the joint ventures have been eliminated by the rate of the controlling power of the Group over the Affiliate. Dividends from the shares the Company owns have also been eliminated from the related equity and income statement accounts.

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 December 2013 comparatively with the consolidated statement of financial position as of 31 December 2012, presented the consolidated statement of comprehensive income, comprehensive income consolidated statement of cash flows and consolidated statement of changes in equity for the period ended 31 December 2013 comparatively with the consolidated financial statements for the interim period ended 31 December 2012.

Pursuant to the decree taken in the CMB's meeting dated June 7, 2013 and numbered 20/670, for capital market board institutions within the scope of the Communiqué on Principles Regarding Financial Reporting in the Capital Market, financial statement templates and a user guide have been published, effective as of the interim periods ended after March 31, 2013. Various classifications were made in the Group's statement of financial position pursuant to these formats which have taken effect.

The classifications made in the condensed consolidated financial statement of the Group dated December 31, 2012 and the condensed consolidated profit or loss statement and other comprehensive income statement for the accounting period ended 31 December 2013 and the impacts of the amendments in IFRS 11 and IAS 19 are summarized in the following disclosures and statements;

- Receivables from third parties amounting to TL 209.154 shown in other current assets were classified as other receivables in the statement of financial position.
- Short-term prepaid expenses amounting to TL 6.874.667 shown in other current assets were classified as a separate account in the statement of financial position.
- Assets related to current tax amounting to TL 2.091.503 presented under other current assets and tax liability regarding the profit for the period amounting to TL 146.158 presented under other current liabilities have been offsetted in the statement of financial position and presented as assets related to the current tax amounting to TL 1.945.345.
- Fixed asset advances amounting to TL 26.602.822 shown in other current assets were classified as a long-term prepaid expenses.
- Long-term prepaid expenses amounting to TL 19.689.915 shown in other non-current assets were classified as a separate account in the statement of financial position.
- Fixed asset advances amounting to TL 452.411 shown in property, plant and equipment were classified as a long-term prepaid expenses
- Short-term portion of long-term borrowings amounting to TL 99.377.156 in short-term borrowings in the statement of financial position are shown as a separate account.
- Accruals borrowings amounting to TL 9.893.565 in other short-term borrowings in the statement of financial position are shown as a trade payables account.
- Deferred revenues amounting to TL 16.631.062, shown under other short term liabilities, calculated in accordance with TFRIC 12 and advances taken for placed orders amounting to TL 2.142.077 are shown as a different account under deferred short term income in the statement of financial position.
- Wages and salaries payable amounting to TL 7.468.988, employee taxes payable amounting to TL 3.277.806 and accrued bonus payable amounting to TL1.325.513 shown under other liabilities are classified under liabilities for employee benefits as a separate account.

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- Deferred insurance claim recovery amounting to TL 2.673.900 and short term deferred revenue amounting to TL 406.844 shown in other long-term financial liabilities in the statement of financial position as a separately.
- Income from the sale of fixed assets amounting to TL 618.579 shown under other operating income shown under income from investment activities as a separate account.
- Income from the sale of fixed assets amounting to TL 61.332 shown under other operating income was classified under income from investment activities.
- Projection costs amounting to TL 12.131.175 presented as gross in the revenue and sale costs have been offsetted.

IFRS 11 "Joint Arrangements" (The standard describes the accounting for joint ventures and joint operations with joint control. Among other changes introduced, under the new standard, proportionate consolidation is not permitted for joint ventures. The amendment is effective for the financial years starting after 1 January 2013 and the practice was applied retrospectively.

According to the amendments on IAS 19 "Employee Benefits", the actuarial gain/(loss) of employee benefits are recognized under other comprehensive income. The amendment is effective for the periods after 1 January 2013 and the Group applied the changes retrospectively.

The changes in the consolidated financial position as at 31 December 2012:

	Previously reported 31.12.2012	Effect of changes in presentation according to CMB notification	Effect of IFRS 11amendment	Effect of IAS 19 amendment	Restated 31.12.2012
ASSETS					
Current Assets					
Cash and cash equivalents	46.709.517	-	(291.835)	-	46.417.682
Trade receivables					
- Due from third parties	45.925.450	-	(2.094.430)	-	43.831.020
- Due from related parties	8.615.785	-	1.005	-	8.616.790
Other receivables					
- Due from third parties	9.003.609	209.162	(461.535)	-	8.751.236
Inventories	8.301.002	-	-	-	8.301.002
Prepaid expenses	-	6.874.667	-	-	6.874.667
Assets related to current year tax	-	12.125.201	-	-	1.945.345
Other current assets	25.769.700	(15.635.790)	(283.834)	-	9.850.076
Total current assets	**144.325.063**	**(6.606.624)**	**(3.130.621)**	**-**	**134.587.818**
Non-current Assets					
Financial investments	1.383.442	-	-	-	1.383.442
Other non-current receivables					
- Due from third parties	13.342.029	-	(2.974.540)	-	10.367.489
Property, plant and equipment	153.295.656	(452.441)	(10.502.089)	-	142.341.126
Other Intangible assets	112.698.089	-	(1.428.570)	-	111.269.519
Goodwill	19.882.648	-	-	-	19.882.648
Deferred tax assets	15.554.815	-	-	-	15.554.815
Prepaid expense	-	26.602.822	-	-	26.602.822
Investments accounted by equity method	-	-	10.026.878	-	10.026.878
Other non-current assets	25.068.874	(19.689.915)	(989.059)	-	4.389.900
Total non-current assets	**341.225.553**	**6.460.466**	**(5.867.380)**	**-**	**341.818.639**
Total assets	**485.550.616**	**(146.158)**	**(8.998.001)**	**-**	**476.406.457**

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	Previously reported 31.12.2012	Changes in presentation according to CMB notification	Effect of IFRS 11 amendment	Effect of IAS 19 amendment	Restated 31.12.2012
LIABILITIES					
Current Liabilities					
Short-term financial liabilities	109.291.229	(99.501.602)	(4.488.680)	-	5.300.947
Current portion of long term financial liabilities	-	99.377.156	-	-	99.377.156
Other financial liabilities	-	124.446	-	-	124.446
Trade payables					
- Due to third parties	16.314.649	9.891.481	(206.500)	-	25.999.630
- Due to related parties	2.836.880	2.076	4.486	-	2.843.442
Liabilities for employee benefits	-	12.072.307	-	-	12.072.307
Other payables					
- Due to third parties	4.027.985	-	(385.387)	-	3.642.598
Deferred income	-	18.773.139	-	-	18.773.139
Provisions					
- Provisions for employee benefits	228.922	-	-	-	228.922
- Other provisions	13.848.897	(9.893.565)	(429.042)	-	3.526.290
Current tax liabilities	-	-	-	-	-
Other current liabilities	35.818.971	(30.991.596)	(691.283)	-	4.136.092
Total current liabilities	**182.367.533**	**(146.158)**	**(6.196.406)**	**-**	**176.024.969**
Non-Current Liabilities					
Long-term financial liabilities	190.876.297	-	(2.695.134)	-	188.181.163
Deferred income	-	3.080.744	-	-	3.080.744
Other non-current payables	970.476	-	-	-	970.476
Deferred income tax liabilities	5.628.521	-	-	-	5.628.521
Provisions	-	-	-	-	
- Provisions for employee benefits	7.856.667	-	(106.461)	-	7.750.206
Other non-current liabilities	33.776.966	(3.080.744)	-	-	30.696.222
Total non-current liabilities	**239.108.927**	**-**	**(2.801.595)**	**-**	**236.307.332**
Total liabilities	**421.476.460**	**(146.158)**	**(8.998.001)**	**-**	**412.332.301**

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EQUITY					
Equity attributable to equity holders of the parent	**55.975.098**	**-**	**-**	**-**	**55.975.098**
Share Capital	24.300.000	-	-	-	24.300.000
Other comprehensive income/ (expense) not to be reclassified to profit or loss	-	-	-	-	-
- Actuarial gain/(loss) arising from defined benefit plans to gain or loss	-	-	-	362.943	362.943
Other comprehensive income/ (expense) to be reclassified to profit or loss	-	-	-	-	-
- Foreign currency translation differences	1.141.212	-	-	-	1.141.212
Restricted reserves	26.573.456	-	-	-	26.573.456
Retained earnings	(17.143.351)	-	-	(243.628)	(17.386.979)
Net profit/(loss) for the year	21.103.781	-	-	(119.315)	20.984.466
Non-controlling interest	**8.099.058**	**-**	**-**	**-**	**8.099.058**
Total equity	**64.074.156**	**-**	**-**	**-**	**64.074.156**
Total liabilities and equity	**485.550.616**	**(146.158)**	**(8.998.001)**	**-**	**476.406.457**

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The changes in statements of comprehensive income for the period ended 30 December 2012:

	Previously reported 31.12.2012	Changes in presentation according to CMB notification	Effect of IFRS 11 amendment	Effect of IAS 19 amendment	Net off transactions	Restated 31.12.2012
CONTINUING OPERATIONS						
Revenue (net)	537.002.487	-	(13.082.992)	-	(12.131.175)	511.788.320
Cost of sales (-)	(410.338.527)	-	10.820.175	(104)	12.131.175	(387.387.281)
GROSS PROFIT	**126.663.960**	**-**	**(2.262.817)**	**(104)**	**-**	**124.401.039**
General administrative expenses (-)	(79.841.873)	-	1.646.975	-	-	(78.194.898)
Other operating income	4.231.025	(618.579)	(39.010)	-	-	3.573.436
Other operating expenses (-)	(7.459.806)	61.332	(1.614)	-	-	(7.400.088)
Income from investments accounted by equity method	-	-	(613.930)	-	-	(613.930)
OPERATING PROFIT	**43.593.306**	**(557.247)**	**(1.270.396)**	**(104)**	**-**	**41.765.559**
Income from investment activities	-	618.579	-	-	-	618.579
Expense from investment activities	-	(61.332)	-	-	-	(61.332)
Operating profit/(loss) before financial income/(expense)	**43.593.306**	**-**	**(1.270.395)**	**(104)**	**-**	**42.322.806**
Financial income	16.835.176	-	(340.270)	-	-	16.494.906
Financial expense (-)	(34.704.838)	-	1.491.445	-	-	(33.213.393)
INCOME BEFORE TAX	**25.723.644**	**-**	**(119.221)**	**(104)**	**-**	**25.604.319**
Income tax expense	**(8.109.353)**	**-**			**-**	**(8.109.353)**
Current tax expense	(10.152.177)	-	-	-	-	(10.152.177)
Deferred tax income	2.042.824	-	-	-	-	2.042.824
NET INCOME/(EXPENSE)	**17.614.291**	**-**	**(119.221)**	**(104)**	**-**	**17.494.966**
Attributable to:						
Non-controlling interest	(3.489.500)	-		-	-	(3.489.500)
Equity holder of the parent	21.103.791	-	(119.221)	(104)	-	20.984.466
	17.614.291	**-**	**(119.221)**	**(104)**	**-**	**17.494.966**

2.3. Summary of Significant Accounting Policies

The significant accounting policies applied in the preparation of these consolidated financial statements are summarized below. These accounting policies are applied on a consistent basis for the comparative balances and results, unless otherwise indicated.

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

2.3.1 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits at banks and highly liquid short-term investments, with maturity periods of less than three months, which has insignificant risk of change in fair value (Note 4).

2.3.2 Revenue

Revenues are the invoiced values of trading goods sold and services given. Revenues are recognized on an accrual basis at the time the Group sells a product to the customer, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group at the fair value of considerations received or receivable. Net sales represent the invoiced value of trading goods sold and services given less sales returns, discount and commissions. In cases where the revenue income forecasts has been conducted reliably, the ending reporting period of the process associated with the level of completion are saved taking into consideration of financial tables. Rent income is recorded on an accrual basis, while interest income is recorded on an effective interest yield method basis. Dividend income is recorded as income as of the collection right transfer date.

In case of the Group sells on credit and does not acquired any interest throughout the maturity term or applies the lower interest rate than market interest rate and thus the transaction involves an effective financing process, the fair value of the provision for the sale is calculated by discounting the present value of receivables. The difference between the fair value and the nominal amount of the consideration is recognized as financial income in accordance with effective rate (internal efficiency).

According to the concession agreement signed by Celebi Delhi Cargo and Delhi International Airport Private Limited ("DIAL") on 24 August 2009, 36% of the income, except for income resulting from IFRIC 12, is generated from the operation of the cargo terminal in the airport in New Delhi for 25 years, belongs to DIAL and this amount is indicated in the consolidated financial statements by netting off against the sales income of Celebi Delhi Cargo.

According to the concession agreement signed by Celebi Nas and Mumbai International Airport Private Limited ("MIAL") on 14 November 2008, 15% of the income is generated from the airport ground services provided in the airport in Mumbai for 11 years, belongs to MIAL and this amount is indicated in the consolidated financial statements by netting off against the sales income of Celebi Nas.

According to concession agreement signed by Celebi GH Delhi and Delhi International Airport Private Limited ("DIAL") on 2 June 2010, comparatively higher amount among 15% of the income which is generated from the airport ground services provided in the airport in New Delhi for 10 years or 12,75% of income based on price ceiling determined by DIAL, belongs to DIAL and this amount is indicated in the consolidated financial statements by netting off against the sales income of Celebi Nas.

Since the gross revenue of CGHH is not subject to concession fee payment to authorities, revenue of CGHH has not been net-off in the consolidated financial statements (Note 19).

2.3.3 Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation, restated to the equivalent purchasing power at 31 December 2004 for the items purchased before 1 January 2005 and stated at cost less depreciation for the items purchased after 1 January 2005. Depreciation is provided on restated amounts of property, plant and equipment using the straight-line method based on the estimated useful lives of the assets (Note 11).

The depreciation periods for property and equipment, which approximate the economic useful lives of assets concerned, are as follows:

	Useful Lives (Years)
Machinery and equipment	3-20
Motor vehicles	5
Furniture and fixtures	2-15
Leasehold improvements	5-15

Depreciation is provided for assets when they are ready for use. Depreciation continues to be provided on assets when they become idle.

Gains or losses on disposals of property, plant and equipment are determined by comparing the carrying amount at financial statements and collected amount and included in the other income or expense accounts, as appropriate.

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of asset net selling price or value in use. The recoverable amount of the property, plant and equipment is the higher of future net cash flows from the utilization of this property, plant and equipment or fair value less cost to sell.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits with the item will flow to the company. Repairs and maintenance are charged to the statements of income during the financial year in which they are incurred.

2.3.4 Intangible Assets

Intangible assets are comprised of trademark licenses, patents, Build-Operate-Transfer investments, customer relations and computer software (Note 12).

a) Goodwill

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment.

The estimations related with the future cash flows do not include cash inflows and outflows related with restructuring that the Group has not committed yet or the enhancing or the improving the performance of the asset.

b) Commercial Business Licenses (Rights)

Commercial business licenses are carried at cost in financial statement. Commercial business licenses have a limited useful life and are measured at cost less accumulated amortization. The estimated useful (19 years) lives for amortization of licenses for commercial operation cost is calculated using the straight line method.

c) Contractual customer relationships

Contractual customer relationships acquired in a business combination are recognized at fair value at the acquisition date. The contractual customer relations have a finite useful life (7 years) and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected life of the customer relationship. Where there is any indication that a contractual customer relationships may be impaired, the carrying value of asset is tested for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

d) Computer software

Rights arising on computer software are recognized at its acquisition cost. Computer software is amortized on a straight-line basis over their estimated useful lives and carried at cost less accumulated amortization. The estimated useful life of computer software is between 3-5 years. Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

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e) Service Concession Arrangements & Build Operate - Transfer Investment

A service concession arrangement is an arrangement whereby a government or other public sector body contracts with a private operator to develop (or upgrade), operate and maintain the grantor's infrastructure. During the arrangement period, operator recognizes revenue in return for the services it provides. The grantor controls or regulates what services the operator must provide using the assets, to whom, and at what price, and also controls any significant residual interest in the assets at the end of the term of the arrangement. The operator is obliged to hand over the infrastructure to the party that grants the service arrangement.

Since the Group has a right to charge to users regarding usage of investment, determined with Service Concession Agreements, Group has applied an intangible asset model described in IFRIC 12 "Service Concession Agreements" for the agreements listed below.

Intangibles arising from service concession agreement classified as build- operate - transfer investment as intangible assets.

The operator shall account for revenue and costs relating to construction or upgrade services in accordance with Construction Contracts "IAS 11".

Operation or service income are recognized in the reporting period in which the services are rendered.

According to service concession agreements, maintenance and modernization within in the scope of the contractual obligations are accounted in accordance with IAS 37 ("Provisions, Contingent Liabilities and Contingent Assets").

The amortization of the leasehold improvements related with the construction of the terminal has been conducted using the straight-line method based on the operation period of the terminal.

Celebi Nas	11 years
Celebi Delhi Cargo	25 years
Celebi GH Delhi	10 years

Borrowing costs that are directly attributable to the build-operate-transfer investment are capitalized as part of the cost of that asset, if the amount of costs can be measured reliably and it is probable that the economic benefits associated with the qualifying asset will flow to the Group.

Celebi Delhi Cargo

An Agreement regarding improvement, modernization, financing and 25 years finite operating rights of the airport located in Delhi city of India has been signed on 24 August 2009. INR 1.200.000.000 deposit had been paid. Additional deposit, amounting to INR 78.148.352 is also paid in the period of 2012.

Celebi Nas

Operating rights agreement regarding ground services of airport in Mumbai, India for 11 years had been signed on 14 November 2008. INR 210.000.000 had been paid as deposit. As of 31 December 2013 INR 42.500.000 of the deposit amount had been returned back.

Celebi GH Delhi

Ground services agreement for 10 years regarding airport in Delhi city of India has been signed on 2 June 2010. INR 400.000.000 deposit has been paid.

According to these concession agreements, the Group has capitalized the differences between the paid deposit and its today's value as Build-Operate-Transfer investment and amortized them during the periods of concession agreements (Note 12).

2.3.5 Inventories

Inventories are valued at the lower of cost or net realizable value less costs to sell. Cost of inventories is comprised of the purchase cost and the cost of bringing inventories into their present location and condition. Cost is determined by the monthly moving weighted average method. The cost of borrowings is not included in the costs of inventories. Net realizable value less costs to sell is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale (Note 10).

2.3.6 Impairment of Assets

At each reporting date, the Group assesses whether there is any indication that an asset other than deferred tax asset, intangible assets with indefinite useful lives, financial assets at fair value and goodwill may be impaired. When an indication of impairment exists, the Group estimates the recoverable values of such assets. Impairment exists if the carrying value of an asset or a cash generating unit is greater than its recoverable amount which is the higher of value in use or fair value less costs to sell. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. An impairment loss is recognized immediately in profit or loss. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash flows from other assets or group of assets.

An impairment loss recognized in prior period for an asset is reversed if the subsequent increase in the asset's recoverable amount is caused by a specific event since the last impairment loss was recognized. Such a reversal amount cannot be higher than the previously recognized impairment loss and shall not exceed the carrying amount that would have been determined, net of amortization or depreciation, had no impairment loss been recognized for the asset in prior years. Such a reversal is recognized as income in the consolidated financial statements.

2.3.7 Financial Liabilities and Borrowing Costs

Borrowings are recognized initially at the proceeds received, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortized cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of comprehensive income over the period of the borrowings.

The Company compares borrowing costs arising from foreign currency borrowings for Residuum Upgrading Project with functional currency equivalent borrowing's interests and capitalizes borrowing costs by using cumulative approach in its financial statements (Note 7).

2.3.8 Financial Instruments

Trade receivables

Trade receivables that are created by way of providing goods or services directly to a debtor are carried at amortized cost using the effective interest method (Note 8).

A credit risk provision for trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception. If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other income.

Financial assets

Financial assets are initially recognized in the consolidated financial statements at their acquisition costs including the operational costs. Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale in accordance with the requirements of IAS 39, "Financial Instruments". These are included in non-current assets unless management has the express intention of holding the investment for less than 12 months from the balance sheet date or unless they will need to be sold to raise operating capital, in which case they are included in current assets. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of financial assets classified as available for sale, a significant or prolonged decline in the fair value of the assets below its cost is considered as an indicator that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value- is removed from "Financial Assets Fair Value Reserve" in equity and the remained amount recognized as loss in the comprehensive income statement of the period.

The unrealized gains and losses arising from changes in the fair value of available-for-sale securities are recognized in "Financial Assets Fair Value Reserve" in equity. Gains and losses previously recognized in "Financial Assets Fair Value Reserve" are transferred to the statement of income when such available-for-sale financial assets are derecognized.

Available-for-sale assets that do not have a quoted market price in active markets and whose fair value cannot be measured reliably, the fair value of these assets are determined by using valuation techniques. These valuation techniques include taking as a basis the current transactions compatible with market conditions and other similar investment tools and the discount cash flow analyses considering the conditions specific for the company invested in.

For investments as subsidiaries that are excluded from the scope of consolidation on the grounds of materiality where there is no quoted market price and where a reasonable estimate of fair value cannot be determined since other methods are inappropriate and unworkable, they are carried at cost less any impairment in value.

2.3.9 Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method (Note 8).

2.3.10 Business Combinations and Goodwill

A business combination is the bringing together of separate entities or businesses into one reporting entity. Business combinations are accounted for using the purchase method in accordance with IFRS 3 (Note 12).

The cost of a business combination is allocated by recognizing the acquiree's identifiable assets, liabilities and contingent liabilities at the date of acquisition. Goodwill has been recognized as an asset and has initially been measured as the excess of the cost of the combination over the fair value of the acquiree's assets, liabilities and contingent liabilities. In business combinations, the acquirer recognizes identifiable assets (such as deferred tax on carry forward losses), intangible assets (such as trademarks) and/or contingent liabilities which are not included in the acquiree's financial statements at their fair values in the consolidated financial statements. The goodwill previously recognized in the financial statements of the acquiree is not considered as an identifiable asset.

Goodwill recognized as a result of business combinations is not amortized and its carrying value is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. Provisions for goodwill impairment loss are not cancelled at subsequent periods. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment.

Any excess of the Group's share in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the business combination is accounted for as income in the related period.

In combinations involving entities under common control, assets and liabilities subject to a business combination are recognized at their carrying amounts in the consolidated financial statements. In addition, a statement of income contains the operations that take place after the business combination. Similarly, comparative consolidated financial statements are restated retrospectively for comparison purposes. As a result of these transactions, no goodwill is recognized. The difference arising in the elimination of the carrying value of the investment held and share capital of the acquired company is directly accounted as "effect of transactions under common control" under "Additional contribution to shareholders' equity related to take-over".

Fair value changes of contingent consideration that arise from business combinations occurred before 1 January 2010 are adjusted against goodwill.

IFRS 3 "Business Combinations", which is effective for the periods beginning 1 January 2010, is applied for business combinations realized in 2011.

The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss (rather than by adjusting goodwill).

2.3.11 Foreign Currency Transactions

Transactions in foreign currencies during the period have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated at the exchange rates prevailing at the balance sheet dates. Exchange gains or losses arising from the settlement and translation of foreign currency items have been included in the consolidated statements of income.

2.3.12 Earnings Per Share

Earnings per share presented in the consolidated statement of income are determined by dividing consolidated net income attributable to that class of shares by the weighted average number of such shares outstanding during the year concerned (Note 29).

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them retroactive effect for the year in which they were issued and for each earlier period.

2.3.13 Subsequent Events

The Group adjusts the amounts recognized in the consolidated financial statements to reflect the adjusting events after the balance sheet date. If non-adjusting events after the balance sheet date have material influences on the economic decisions of users of the financial statements, they are disclosed in the notes to the consolidated financial statements (Note 29).

2.3.14 Provisions, Contingent Liabilities and Contingent Assets

The conditions which are required to be met in order to recognize a provision in the consolidated financial statements are those that the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation (Note 13).

Where the effect of the time value of money is material, the amount of the provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted.

Liabilities or assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of the entity should not be recognized as liabilities or assets, however they should be disclosed as contingent liabilities or assets.

2.3.15 Leases

Financial leases

Assets acquired under finance lease agreements are capitalized at the inception of the lease at the fair value of the leased asset, net of grants and tax credits receivable, or at the present value of the lease payment, whichever is the lower. Lease payments are treated as comprising capital and interest elements, the capital element is treated as reducing the capitalized obligation under the lease and the interest element is charged as expense to the statement of income. Depreciation on the relevant asset is also charged to the statement of income over its useful life (Note 7).

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Operational leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the consolidated statement of income on a straight-line basis over the period of the lease.

2.3.16 Related Parties

Shareholders who have control or common control on the Group, the companies or affiliates controlled by or affiliated to the shareholders, key management personnel and members of the board of directors, their families, the companies or affiliates controlled by or affiliated to them are deemed related parties in accordance with the aim of these consolidated financial statements (Note 30).

2.3.17 Segment Reporting

The operating segments are evaluated in parallel to the internal reporting and strategic sections presented to the organs or persons authorized to make decisions regarding the activities of the Group. The organs and persons authorized to make strategic decisions regarding the Group's activities with respect to the resources to be allocated to these sections and their evaluation are defined as the Group's senior managers of the Group. The Group's senior managers follow up the Group's activities on activity basis such as; ground handling services, airport security services, airport terminal operating and cargo and warehouse services (Note 3).

2.3.18 Taxes on Income

Current and deferred income tax

Taxes on income for the period comprise of current tax and the change in the deferred income taxes. Current taxes on income comprise tax payable calculated on the basis of expected taxable income for the period using the tax rates enacted at the balance sheet date and any adjustment in taxes payable for previous periods.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements. Currently enacted tax rates are used to determine deferred income tax at the balance sheet date (Note 28).

Deferred income tax liabilities are recognized for all taxable temporary differences, whereas deferred income tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

When the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority and there is a legally enforceable right to offset current tax assets against current tax liabilities, deferred tax assets and deferred tax liabilities are offset accordingly (Note 28).

2.3.19 Employee Benefits

Employment termination benefits, as required by the Turkish Labour Law and the laws applicable in the countries where the subsidiaries operate, represent the estimated present value of the total reserve of the future probable obligation of the Company arising in case of the retirement of the employees, termination of employment without due cause, call for military service, be retired or death upon the completion of a minimum one year service.

Provision which is allocated by using defined benefit pension's current value is calculated by using prescribed liability method. All actuarial profits and losses are recognized in consolidated statements of income (Note 13).

2.3.20 Statement of Cash Flows

Cash flows during the period are classified and reported by main, investing and financing activities in the cash flow statements.

Cash flows from main activities represent the cash flows of the Group generated from airport ground handling services, airport construction and operating activities.

Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Group (fixed investments and financial investments).

Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

2.3.21 Dividends

Dividends receivable are recognized as income in the period when they are declared. Dividends payable are recognized as an appropriation of profit in the period in which they are declared.

2.3.22 Paid-in Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.3.23 Offsetting

All items with significant amounts and nature, even with similar characteristics, are presented separately in the financial statements. Insignificant amounts are grouped and presented by means of items having similar substance and function. When the nature of transactions and events necessitate offsetting, presentation of these transactions and events over their net amounts or recognition of the assets after deducting the related impairment are not considered as a violation of the rule of non-offsetting. As a result of the transactions in the normal course of business, revenue other than sales are presented as net provided that the nature of the transaction or the event will qualify for offsetting.

2.3.24 Derivative financial instruments and hedging activities

The Group uses foreign currency forward contracts to decrease its foreign exchange position and as of December 31, 2013 and 2012, it carries these instruments at their market value in its consolidated financial statements. The Group uses its year-end market rates and interest rates to calculate the market value of the foreign exchange forward contracts. In accordance with TAS 39 (Financial instruments: Recognition and Measurement), they are defined as held for trading and classified in the account of current liabilities (financial liabilities) in the consolidated financial statements and the changes in their fair value are reflected on the income statement.

As a result of the valuation performed regarding the forward contracts, the Group recorded the expense accrual in the account of other financial liabilities in its financial statements dated 31 December 2013.

2.4 Critical Accounting Estimates and Assumptions

The preparation of 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 all management information related to the events and transactions, actual results may differ from them. The estimates and assumptions that may have a material adjustment to the carrying amounts of assets and liabilities for the next reporting period are outlined below:

(a) Goodwill impairment tests

As explained in Note 2.2.6 the Group performs impairment tests on goodwill annually at 31 December or more frequently if events or changes in circumstances indicate that it might be impaired. The recoverable amount of the cash generating unit has been determined based on the fair value less costs to sell calculations. These calculations include certained estimations and assumptions. As a result of the impairment tests performed with the use of the above assumptions, no impairment was detected in the goodwill amount as of 31December 2013 (Note 12).

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(b) Impairment of intangible assets

According to the accounting policy stated in Note 2.2.4. The intangible non-current assets are shown with their net value after the deduction of the accumulated depreciation, if any, and the value subtracted from the acquisition costs. As a result of the valuation studies performed at the purchase of 100% of CGHH shares, "Customer Relations" has been considered as an identifiable asset by the Group and shown under the intangible non-current assets. While the terms of the agreements signed by CGHH with its clients are either unlimited or for two to three years, it is seen that the clients continue the agreements for more than two to three years considering the average terms in the sector. The redemption and amortization are determined as seven years according to these estimates; all the important clients of CGHH have continued to work with CGHH since the year it started operations in Budapest and no important level of decrease is expected in the existing market share of CGHH. Thanks to the positive developments in the operations of CGHH, no indicator has been noted relating to whether or not there is a decrease in the registered net book value of the intangible non-current assets which are defined as "Customer Relations" and whose useful life is determined as seven years (Note 12).

(c) Provisions

As explained in Note 2.2.l4, provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when reliable estimate can be made of the amount of the obligation. In this context, the Group has evaluated the law suits and court cases opened against it at 31 December 2012 and for the ones where the Group estimates more than 50% probability of losing them necessary provisions are accounted for in the consolidated financial statements (Note 13).

(d) Taxes on income

As explained in Note 2.2.18, a provision is recognized for the current year tax liability based on the period results of the Group at the balance sheet date. Tax legislations in the Group's subsidiaries' and joint ventures' operating countries are subject to different manners of interpretation and subject to be altered frequently. Accordingly, the interpretation of tax implications regarding the operations of subsidiaries and joint ventures in foreign countries by the tax authorities may differ from the interpretation of the management. Consequently, the Group may encounter additional taxes, penalties and interests.

As of 31 December 2013, the Group has evaluated the possibility of any tax exposure that may arise in foreign subsidiaries and joint ventures and has not identified any necessity to recognize a provision.

(e) Unused carry-forward tax losses

Deferred tax asset is booked where there is a probability that a tax advantage can be gained in future periods.

As of 31 December 2012, since there has been no expiry date for the utilization of carry-forward tax losses in the Hungarian Tax System and CGHH has strength probability of ability to utilize carry-forward tax losses amounting to TL 4.622.514, the Company has accounted for deferred tax asset amounted to TL 670.264.

Same as above, the Celebi GH Delhi has not booked deferred tax amounted to TL 22.093.485 to its financial statements as of 31 December 2013 which is arisen from the carry forward losses amounted to TL 7.168.231 due to the probability of inability to utilize carry-forward tax losses.

(f) Expenditures made within the scope of concession agreements according to IFRIC 12 application

Celebi Delhi Cargo Terminal Management India Private Limited ("Celebi Delhi Cargo"), the subsidiary of the Group, established in New Delhi India, signed a concession agreement on 6 May 2009 with Delhi International Airport Private Limited ("DIAL") for development, modernization and operating of the cargo terminal at the airport in the city of New Delhi for 25 years.

Group, has accounted the capital expenditures related to the aforementioned investments in accordance with the with International Financial Reporting Interpretations Committee ("IFRIC 12") Service Concession Arrangements.

The estimates used by the Group in the application of IFRIC 12 are as follows:

i) TL 8.636.332 (31 December 2012: TL 5.490.831) has been provided regarding the estimated future renovation obligations in the consolidated financial statements as at 31 December 2013. The aforementioned provision was amortized by using average rate of 8,04% (31 December 2012: 8,04%).

ii) Concession rights presented under intangible assets has been determined by including profit margin determined by using the similar construction services on top of the estimated costs of the development and modernization of cargo terminal in accordance with the aforementioned concession agreement. Aforementioned intangible assets has been carried at amortized costs, Profit margin and discount rate is 2% (31 December 2012:2%) and 7,25% (31 December 2012: 7,25%) as at 31 December 2012.

NOTE 3 - SEGMENT REPORTING

Management determines the operating segments based on the reports analyzed by the board of directors, and found effective in strategically decision taking.

The management considers the Group within the views named geographic and operational segments. They are assessing the Group's performance on an operating segment basis; Ground Handling Services, Security Services, Cargo and Warehouse Services, Terminal Construction and Management. Reportable operating segment revenues are Ground Handling Services, Security Services, Terminal Construction and Management and Cargo and Warehouse Services. The management assesses the performance of the operating segments based on a measure of EBITDA after IFRIC 12 effect and expense offsetting amount that does not have any cash-flow effect, regarding to operating leasing are excluded.

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The segment information provided to the board of directors as of 30 December 2013 is as follows:

31 December 2013

	Reportable Segments				
	Ground Handling Services	Airport Security Services	Cargo and Warehouse Services	Consolidation Adjustments	Consolidated
Revenue - net	367.900.271	930.922	139.583.849	(543.754)	507.871.288
Cost of sales	(258.030.412)	(1.588.349)	(113.024.716)	439.173	(372.204.304)
Gross profit	**109.869.859**	**(657.427)**	**26.559.133**	**(104.581)**	**135.666.984**
General administrative expenses	(60.507.267)	(244.840)	(18.867.574)	640.749	(78.978.932)
Addition: Depreciation and amortization	24.578.338	21.201	8.536.884	-	33.136.423
Addition: Operating lease equalization	125.673	-	7.805.335	-	7.931.008
Addition: Effect of IFRIC 12 shares	-	-	2.304.769	-	2.304.769
Addition: Prepaid allocation cost expense	1.155.072	-	-	-	1.155.072
Effect of EBITDA to	-	-	-	-	-
investments accounted by equity method	5.211.619	-	33.282	-	5.244.901
EBITDA	**80.433.294**	**(881.066)**	**26.371.829**	**536.168**	**106.460.225**

31 December 2012

	Reportable Segments				
	Ground Handling Services	Airport Security Services	Cargo and Warehouse Services	Consolidation Adjustments	Consolidated
Revenue - net	362.507.953	1.374.492	148.264.134	(358.259)	511.788.320
Cost of sales	(258.651.898)	(1.752.103)	(127.478.907)	495.627	(387.387.281)
Gross profit	**103.856.055**	**(377.611)**	**20.785.227**	**137.368**	**124.401.039**
General administrative expenses	(61.850.977)	(278.251)	(17.391.157)	1.325.487	(78.194.898)
Addition: Depreciation and amortization	25.047.632	27.882	7.741.694	-	32.817.208
Addition: Operating lease equalization	146.573	-	7.663.450	-	7.810.023
Addition: Effect of IFRIC 12 shares	-	-	2.285.484	-	2.285.484
Addition: Prepaid allocation cost expense	1.155.072	-	-	-	1.155.072
Effect of EBITDA to investments accounted by equity method	3.452.612	-	(145.062)	-	3.307.550
EBITDA	**71.806.967**	**(627.980)**	**20.939.636**	**1.462.855**	**93.581.478**

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Reconciliation of EBITDA figure to income before tax is provided as follows:

	31 December 2013	31 December 2012
EBITDA for reported segments	106.460.225	93.581.478
Depreciation and amortization	(33.136.423)	(32.817.208)
Operating lease equalization	(7.931.008)	(7.810.023)
Effect of IFRIC 12	(2.304.769)	(2.285.484)
Other operating income	14.565.718	3.573.436
Other operating expenses (-)	(9.652.798)	(7.400.088)
Addition: Prepaid allocation cost expense	(1.155.072)	(1.155.072)
EBITDA effect of equity accounted investees	(5.244.901)	(3.307.550)
Share of profit from equity accounted inventees	2.330.264	(613.930)
Operating profit	**63.931.236**	**41.765.559**
Income from investment activities	488.785	618.579
Expenses from investment activities(-)	(1.371.436)	(61.332)
Financial income	8.999.626	16.494.906
Financial expenses (-)	(70.071.456)	(33.213.393)
Income before tax	**1.976.755**	**25.604.319**

The figures provided to the board of directors with respect to total assets and liabilities are measured in a manner consistent with that of the consolidated financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Total Assets	31 December 2013	31 December 2012
Turkey	342.990.373	337.725.169
India	157.161.385	153.401.585
Hungary	63.349.971	56.760.329
Germany	21.677.151	20.436.696
Segment Assets (*)	**585.178.880**	**568.323.779**
Unallocated assets	70.690.153	40.175.351
Less: Inter-segment elimination	(140.612.614)	(132.092.673)
Total assets as per consolidated financial statements	**515.256.419**	**476.406.457**

(*) Total combined assets are generally formed of assets that are related with operations and do not include deferred income tax assets, time deposits.

Total Liabilities	31 December 2013	31 December 2012
Turkey	42.750.310	38.471.894
India	88.146.827	71.514.232
Hungary	8.293.472	8.416.292
Germany	5.447.635	3.985.119
Segment liabilities (*)	**144.638.244**	**122.387.537**
Unallocated liabilities	333.975.109	298.612.233
Less: Inter-segment elimination	(10.198.232)	(8.667.469)
Total liabilities as per consolidated financial statements	**468.415.121**	**412.332.301**

(*) Total combined liabilities are generally formed of liabilities that are related with operations and do not include financial liabilities, deferred income tax liabilities.

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Geographical Segments

Geographical Analysis for the interim period 1 January - 31 December 2013

	Turkey	Hungary	India	Germany	Total Combined	Intersegment Adjustment	Total
Revenue	325.160.766	72.732.131	79.940.400	30.069.324	507.902.621	(31.333)	507.871.288
Cost of sales	(222.863.543)	(42.171.080)	(75.307.293)	(31.862.388)	(372.204.304)	-	(372.204.304)
Gross profit	102.297.223	30.561.051	4.633.107	(1.793.064)	135.698.317	(31.333)	135.666.984
General administrative expenses	(53.071.268)	(12.531.103)	(7.823.138)	(5.845.880)	(79.271.389)	292.457	(78.978.932)
Other operating income Expense (net)	9.484.228	1.108.753	(5.406.115)	(42.218)	5.144.648	(231.728)	4.912.920
Profit from investments accounted under equity method	-	-	2.330.264	-	2.330.264	-	2.330.264
Operating profit	58.710.183	19.138.701	(6.265.882)	(7.681.162)	63.901.840	29.396	63.931.236

Geographical Analysis for the period 1 January- 31 December 2012

	Turkey	Hungary	India	Germany	Total Combined	Intersegment Adjustment	Total
Revenue	320.264.273	69.729.048	98.842.517	22.951.739	511.787.577	743	511.788.320
Cost of sales	(222.572.507)	(42.498.174)	(95.476.761)	(26.839.839)	(387.387.281)	-	(387.387.281)
Gross profit	97.691.766	27.230.874	3.365.756	(3.888.100)	124.400.296	743	124.401.039
General administrative expenses	(53.639.987)	(12.182.704)	(8.222.280)	(5.029.938)	(79.074.909)	880.011	(78.194.898
Other operating income Expense (net)	(988.099)	(1.383.449)	(507.223)	5.054	(2.873.717)	(952.935)	(3.826.652)
Profit from investments accounted under equity method	-	-	(613.930)	-	(613.930)	-	(613.930)
Operating profit	43.063.680	13.664.721	(5.977.677)	(8.912.984)	41.837.740	(72.181)	41.765.559

NOTE 4 - CASH AND CASH EQUIVALENTS

	31 December 2013	31 December 2012
Cash	187.617	117.031
Banks		
- Time deposit	50.341.859	24.620.534
- Demand deposit	9.773.946	21.637.195
Other liquid assets	2.863	42.922
	60.306.285	46.417.682

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Effective interest rates on TL, EUR, USD and INR denominated time deposits at 31 December 2013 are %6,93, %1,67, %2,28 ve 5,06. (31 December 2012: TL %8,40, EUR %2,39, USD %3,30, INR %4,75). The maturity days on TL, EUR, USD and INR denominated time deposits as of 31 December 2013 1-60 days for INR, EUR and USD, 1-3 day for TL. (31 December 2012: INR 20-60 days, TL, EUR and USD for 1-15 days)

The analysis of cash and cash equivalents in terms of consolidated statements of cash flows at 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Cash and banks	60.306.285	46.417.682
Less: Interest Accruals	(14.967)	(7.900)
Less: Restricted cash (*)	(8.491.595)	(14.182.543)
	51.799.723	32.227.239

(*) The mentioned amount represents the collections from the clients kept in mandatory restricted accounts according to the concession agreements signed for the operation of the terminals in New Delhi Airport in India (31 December 2012: 14.182.543 TL).

NOTE 5 - FINANCIAL INVESTMENTS

Available-for-sale assets:

	31 December 2013		31 December 2012	
	%	TL	%	TL
DASPL	%16,67	1.438.335	%16,67	1.362.917
Celebi Spain (*)	%100,0	20.525	%100,0	20.525
		1.458.860		1.383.442

(*) As at 31 December 2013, Celebi Spain is not material for the Group's financial statements at cost due to the failure and the company's operations have not started yet after deduction of depreciation not been consolidated in the consolidated financial statements and accounted for as available-for-sale financial assets are reflected in the financial statements.

NOTE 6 - EQUITY ACCOUNTED INVESTEES

	31 December 2013		31 December 2012	
	%		%	
Çelebi Nas	%55	13.160.780	55%	10.022.975
Çelebi IC Yatırım	-	-	49%	3.903
		13.160.780		10.026.878

The movement in the investments accounted by equity method during the periods ended 31 December is as follows:

	31 December 2013	31 December 2012
As of 1 January	10.026.878	8.945.665
Share on profit/loss	2.330.264	(613.930)
Currency translation differences	699.923	(1.252.287)
Additions to equity accounted investees	-	1.991.453
Actuarial gains/losses fund from retirement plans	103.715	106.943
Equity effect of additional share purchase	-	849.034
As of 31 December	13.160.780	10.026.878

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Profit/loss from investments accounted under equity method:

	31 December 2013	31 December 2012
Çelebi Nas	2.330.264	(610.540)
Çelebi IC Yatırım	-	(3.390)
	2.330.264	**(613.930)**

Summary statement of equity accounted investees:

	31 December 2013	31 December 2012
Total Assets	34.384.187	34.630.954
Total Liabilities	10.455.495	16.392.465

	31 December 2013	31 December 2012
Total Revenue	27.197.455	23.790.364
Profit/(Loss) for the period	4.236.844	(1.123.017)

NOTE 7 - SHORT TERM AND LONG TERM FINANCIAL LIABILITIES

Short-term financial liabilities:	31 December 2013		
	Effective Interest Rate (%)	Original Amount	TL
Short term borrowings:			
INR borrowings	11,50% - 12,78%	82.786.616	2.857.794
Other short term financial liabilities:			
Derivative liabilities (*)		810.710	2.380.650

(*) 5 units of forward transactions to avoid the risk associated with cash flow with maturities differing between 1day and-129days Bank purchase amount is EUR 10.500.000 and bank selling the amount is TL 29.076.125.

Short-term finance lease obligations			
Short-term finance lease obligations - US Dollar		79.393	169.449
Short-term finance lease obligations -Euro		589.874	1.732.164
Total short-term finance lease obligations			**1.901.613**
Short-term portion of long-term borrowings:			
Interest expense accrual - INR	-	5.547.683	191.506
Interest expense accrual - EUR	-	600.067	1.762.097
INR borrowings	11,50% - 12,78%	475.789.340	16.424.248
EUR borrowings	Libor/Euribor + 4,00% - 6,50%	22.392.667	65.756.066
Short-term portion of total long term borrowings:			**84.133.917**
Total short term borrowings:			**91.273.974**

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Long-term financial liabilities:	31 December 2013		
	Effective interest rate (%)	Original amount	TL
INR borrowings	11,50% - 12,78%	1.614.817.584	55.743.503
EUR borrowings	Libor/Euribor + 4,00% - 6,50%	59.404.834	174.442.294
			230.185.797
Long-term finance lease obligations:			
Long-term finance lease obligations - US Dollar		98.662	210.575
Long-term finance lease obligations - EUR		1.983.984	5.825.969
Total long-term finance lease obligations			6.036.544
Total long-term financial liabilities			236.222.341
Total financial liabilities			327.496.315

Short-term financial liabilities:

	31 December 2012		
	Effective Interest Rate	Original amount	TL
Short term borrowings:			
INR borrowings	11,75%-12,82%	85.864.843	2.808.639
Other short term financial liabilities:			
Derivative liabilities (*)		52.917	124.446

(*) 5 November 2012 is date of forward transactions for cash flow hedges, value date is 9 January 2013,bank purchase amount is EUR 2.000.000, bank selling amount is TL 4.589.000.

Short-term finance lease obligations:

Short-term finance lease obligations - Euro	1.003.480	2.359.885
Short-term finance lease obligations - Us Dollar	74.286	132.423
Total short-term finance liabilities:		2.492.308

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	31 December 2012		
	Effective Interest Rate	Original Amount	TL
Short-term portion of long-term borrowings:			
Interest expense accrual - US Dollar	-	19.954	35.570
Interest expense accrual - EUR	-	980.910	2.306.806
Interest expense accrual - INR	-	26.120.300	854.395
US Dollar borrowings	Libor+3,40%	2.000.000	3.565.200
EUR borrowings	Euribor+ 3,40%- Euribor+ 6,50%	33.282.666	78.270.846
INR borrowings	11,54%-15,75%	438.530.694	14.344.339
Short-term portion of total long term borrowings:			99.377.156
Total short term liabilities:			104.802.549

	31 December 2012		
	Effective Interest Rate	Original Amount	TL
Long-term financial liabilities:			
INR borrowings	11,54%-15,75%	1.878.334.026	61.440.306
EUR borrowings	Euribor+ 3,40%- Euribor+ 6,50%	50.864.167	119.617.262
			181.057.568
Long-term finance lease obligations :			
Long-term finance lease obligations -Euro		2.898.317	6.815.971
Long-term finance lease obligations -US Dollar		172.570	307.624
Total long-term finance lease obligations			7.123.595
Total long-term financial liabilities:			188.181.163
Total financial liabilities			292.983.712

The redemption schedule of borrowings according to their contractual re-pricing dates is as follows:

	31 December 2013	31 December 2012
Less than 3 months	14.168.862	8.910.293
Between 3-12 months	77.105.112	95.892.256
Between 1-5 years	230.454.960	176.550.409
5 years and more	5.767.381	11.630.754
	327.496.315	292.983.712

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The redemption schedules of long-term bank borrowings as of 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013	31 December 2012
Between 1-2 years	70.492.852	53.694.807
Between 2-3 years	94.306.790	43.554.597
Between 3-4 years	43.391.295	40.753.153
5 years and more	21.994.860	43.055.011
	230.185.797	181.057.568

The redemption schedules of financial lease obligations as of 31 December 2013 and 31 December 2012 are as follows:

	31 December 2013			31 December 2012		
	Minimum lease Payments	Interest	Total obligation	Minimum lease payments	Interest	Total obligation
Less than 1 year	2.316.726	(415.113)	1.901.613	2.983.498	(491.190)	2.492.308
Between 1-2 years	2.129.453	(295.120)	1.834.333	2.150.466	(397.356)	1.753.110
Between 2-3 years	1.982.556	(184.460)	1.798.096	1.960.679	(267.115)	1.693.564
Between 3-4 years	1.810.594	(83.160)	1.727.434	1.589.241	(165.296)	1.423.945
4 years and more	680.752	(4.071)	676.681	2.357.611	(104.635)	2.252.976
	8.920.081	(981.924)	7.938.157	11.041.495	(1.425.592)	9.615.903

NOTE 8 - TRADE RECEIVABLES AND PAYABLES

	31 December 2013	31 December 2012
Short-term trade receivables		
Due from third parties	57.473.999	47.048.972
Less: Provision for doubtful receivables	(3.128.251)	(3.217.952)
Trade receivables from third parties (net)	**54.345.748**	**43.831.020**
Due from related parties (Note 30)	**10.673.681**	**8.616.790**
Total short-term trade receivables	**65.019.429**	**52.447.810**

The maturities of trade receivables are generally less than one month (31 December 2012: less than one month) The fair value of current trade receivables as of 31 December 2013 and 31 December 2012 equals their carrying amount as the impact of discounting is not significant.

The Group's previous experience in the collection of receivables has been considered in the provisions booked. Therefore, the Group does not foresee any additional trade receivable risk for the possible collection losses.

Movement of provision for doubtful receivables is as follows:

	31 December 2013	31 December 2012
Opening balance	3.217.952	2.818.081
Cumulative translation differences	30.573	442.584
Foreign currency translation differences	92.572	(21.300)
Collections and reversal of provisions	(212.846)	(21.413)
Closing balance	**3.128.251**	**3.217.952**

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Credit risks exposed by the Group for each financial instrument type as of 31 December 2013 and 2012 are shown below:

	Trade receivables		Other receivables		
31 December 2013	Related party	Other	Related party	Other	Bank deposits (*)
The maximum of credit risk exposed at the reporting date	10.673.681	54.345.748	-	18.483.941	60.118.668
Credit risk covered by guarantees	-	2.869.827	-	-	-
Net carrying value of financial assets either are not due or not impaired	10.672.531	33.736.320	-	18.483.941	60.118.668
Net carrying value of financial assets which are overdue but not impaired	1.150	20.609.428	-	-	-
- Amount of risk covered by guarantees		1.926.170			
Net carrying value of impaired assets	-	-	-	-	-
- Overdue (gross carrying value)	-	3.128.251	-	-	-
- Impairment amount (-)	-	(3.128.251)	-	-	-
- Amount of risk covered by guarantees	-	-	-	-	-

(*) Including restricted cash.

	Trade receivables		Other receivables		
31 December 2012	Related party	Other	Related party	Other	Bank deposits(*)
The maximum of credit risk exposed at the reporting date	8.616.790	43.831.020	-	19.118.725	46.300.651
Credit risk covered by guarantees	-	2.413.446	-	-	-
Net carrying value of financial assets either are not due or not impaired	8.616.790	27.252.989	-	19.118.725	46.300.651
Net carrying value of financial assets which are overdue but not impaired	-	16.578.031	-	-	-
- Amount of risk covered by guarantees	-	2.184.894	-	-	-
Net carrying value of impaired assets	-	-	-	-	-
- Overdue (gross carrying value)	-	3.217.952	-	-	-
- Impairment amount (-)	-	(3.217.952)	-	-	-
- Amount of risk covered by guarantees	-	-	-	-	-

(*) Including restricted cash

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Aging which is prepared considering the overdue days of overdue receivables that are not impaired including receivables from related parties is as follows:

	31 December 2013	31 December 2012
Less than 1 month	7.586.554	7.806.477
Between 1-3 months	6.208.396	4.702.479
Between 3-12 months	6.357.855	3.761.180
Between 1-5 years	457.773	307.895
	20.610.578	**16.578.031**

Aging of overdue receivables that are not impaired including receivables from related parties is as follows:

	Trade receivables	
31 December 2013	Related party	Other
Overdue 1-30 days	1.150	7.585.404
Overdue 1-3 months	-	6.208.396
Overdue 3-12 months	-	6.357.855
Overdue 1-5 years	-	457.773
Amount of risk covered by guarantees	**-**	**1.926.170**

	Trade receivables	
31 December 2012	Related party	Other
Overdue 1-30 days	-	7.806.477
Overdue 1-3 months	-	4.702.479
Overdue 3-12 months	-	3.761.180
Overdue 1-5 years	-	307.895
Amount of risk covered by guarantees	**-**	**2.184.894**

Short-term trade payables

	31 December 2013	31 December 2012
Trade payables to third parties	37.933.964	16.106.062
Accrued liabilities	742.518	9.893.568
Total trade payables to third parties	**38.676.482**	**25.999.630**
Due to third parties (Note 30)	5.282.601	2.843.442
Total trade payables	**43.959.083**	**28.843.072**

The fair value of short-term trade payables as of 31 December 2012 and 2011 equals their carrying amount as the impact of discounting is not significant.

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NOTE 9 - OTHER RECEIVABLES AND PAYABLES

	31 December 2013	31 December 2012
Other short-term receivables		
Receivables from Tax Office	6.738.823	6.922.418
Deposits and guarantees given	254.343	1.507.727
Other short-term receivables	25.475	321.091
	7.018.641	8.751.236

	31 December 2013	31 December 2012
Other long-term receivables		
Deposits and guarantees given (*)	11.465.300	10.367.489
	11.465.300	10.367.489

(*) As of 31 December 2013, the amount which was given for Group's subsidiaries and joint ventures in India, the Celebi GH Delhi, Celebi Delhi Cargo, Celebi Nas amounting to 7.179.458 (31 December 2012: TL 6.724.877) and 4.284.455 (31 December 2012: TL 3.642.226) as a deposit to the local authorities, companies and the amount which was shown in banks as blockage.

	31 December 2013	31 December 2012
Other short-term payables		
Liquidated damage fee (**)	5.160.740	-
Other short-term payables (*)	2.499.581	3.251.728
Deposits received	40.538	390.870
	7.700.859	3.642.598

(*) As of 31 December 2013; TL 2.455.407 (31 December 2012: TL 3.251.728) Celebi Delhi Cargo, a subsidiary of the Company in India, the other partner DIAL debts arising from the concession contract.

(**) Pursuant to the privilege agreement signed between Celebi Delhi Cargo and DIAL, DIAL claimed a penalty in 2011 on the account that Celebi Delhi Cargo did not conform to the construction period determined in the appendix of the agreement for the construction to be made. As of February 1, 2014, the company and DIAL reconciled on the payment of a damage compensation amounting to INR 149.500.000 (TL 5.160.740).

	31 December 2013	31 December 2012
Other long-term payables		
Deposits and guarantees received	4.299.463	970.476
	4.299.463	970.476

NOTE 10 - INVENTORIES

	31 December 2013	31 December 2012
Trade goods	1.461.261	1.784.407
Other inventories	7.038.127	6.516.595
	8.499.388	8.301.002

Other inventories include fuel oil, baggage sticker, boarding passes, miscellaneous periodicals, clothes and spare parts.

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NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment for the period ended 31 December 2013 are as follows:

	Opening 1 January 2013	Additions	Disposals	Transfers	Foreign Currency Translation Differences	Closing 31 December 2013
Cost						
Plant, machinery and equipment	188.801.585	10.521.524	(1.742.441)	4.674	4.728.339	202.313.681
Motor vehicles	33.617.328	262.652	(2.278.015)	-	5.323.948	36.925.913
Furniture and fixtures	20.608.807	643.415	(527.277)	-	744.961	21.469.906
Leasehold improvements (*)	97.683.472	3.278.742	(2.334.394)	748.786	582.928	99.959.534
Construction in Progress	739.294	8.669.070	-	(753.460)	14.168	8.669.072
	341.450.486	23.375.403	(6.882.127)	-	11.394.344	369.338.106
Accumulated depreciation						
Plant, machinery and equipment	(115.539.730)	(11.356.922)	1.652.972	-	(1.822.255)	(127.065.935)
Motor vehicles	(19.976.849)	(2.456.416)	624.133	-	(3.527.968)	(25.337.100)
Furniture and fixtures	(14.818.571)	(1.725.652)	515.581	-	(313.846)	(16.342.488)
Leasehold improvements (**)	(48.774.210)	(6.915.261)	714.080	-	(84.770)	(55.060.161)
	(199.109.360)	(22.454.251)	3.506.766	-	(5.748.839)	(223.805.684)
Net book value	142.341.126					145.532.422

(*) The land plots where the stations and cargo buildings were constructed by Çelebi Hava Servisi A.Ş. in the airports within which it operates were rented from the DHMI and other local authority. The station and cargo buildings on this land were constructed by the Group and recorded under the tangible assets of the Group as leasehold improvements. As of 31 December 2013 the net book value of these stations was TL 41.789.147. The lease contract signed by the Group and the DHMI is valid for one year and the agreement is renewed every year. The agreement is renewed automatically. The Group amortizes these station buildings over 15 years which correspond to their economic lives. If the DHMI does not renew the lease contract within this period, the Group may have to amortize the relevant leasehold improvements over a shorter period.

Depreciation expense for the period ended 31 December 2013 in the amount of TL 20.187.509 and TL 2.266.743 are respectively included in cost of sales and operating expenses.

There are net book value TL 8.304.151 worth of financial leasing assets in plant, machinery and equipment as of 31 December 2013.

Movements in property, plant and equipment for the period ended 31 December 2012 are as follows:

	Opening 1 January 2012	Additions	Disposals	Transfers	Foreign Currency Translation Differences	Closing 31 December 2012
Cost						
Plant, machinery and equipment	170.899.258	20.501.977	(1.034.065)	220.856	(1.786.441)	188.801.585
Motor vehicles	28.998.664	4.657.049	(43.769)	-	5.384	33.617.328
Furniture and fixtures	17.212.715	2.228.757	(282.765)	1.403.561	46.539	20.608.807
Leasehold improvements (*)	90.171.598	6.211.672	(35.214)	1.368.705	(33.289)	97.683.472
Construction in Progress	1.885.369	1.236.307	-	(2.279.146)	(103.236)	739.294
	309.167.604	34.835.762	(1.395.813)	713.976	(1.871.043)	341.450.486
Accumulated depreciation						
Plant, machinery and equipment	(105.536.891)	(10.664.818)	370.022	-	291.957	(115.539.730)
Motor vehicles	(17.177.796)	(2.688.597)	42.921	-	(153.377)	(19.976.849)
Furniture and fixtures	(13.454.825)	(1.553.992)	215.157	-	(24.911)	(14.818.571)
Leasehold improvements (**)	(42.516.126)	(6.260.534)	585	-	1.865	(48.774.210)
	(178.685.638)	(21.167.941)	628.685	-	115.534	(199.109.360)
Net book value	130.481.966					142.341.126

(*) The land plots where the stations and cargo buildings were constructed by Çelebi Hava Servisi A.Ş. in the airports within which it operates were rented from the DHMI and other local authority. The station and cargo buildings on this land were constructed by the Group and recorded under the tangible assets of the Group as leasehold improvements. As of 31 December 2012 the net book value of these stations was TL 44.770.508. The lease contract signed by the Group and the DHMI is valid for one year and the agreement is renewed every year. The agreement is renewed automatically. The Group amortizes these station buildings over 15 years which correspond to their economic lives. If the DHMI does not renew the lease contract within this period, the Group may have to amortize the relevant leasehold improvements over a shorter period.

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Depreciation expense for the period ended 31 December 2012 in the amount of TL 18.174.077 and TL 2.993.864 are respectively included in cost of sales and operating expenses.

There are net book value TL 9.341.778 worth of financial leasing assets in plant, machinery and equipment as of 31 December 2012.

NOTE 12 - INTANGIBLE ASSETS

Other Intangible Assets

Movements in intangible assets for the period ended 31 December 2013 are as follows:

	Opening 1 January 2013	Additions	Disposals	Foreign Currency Translation Differences	Closing 31 December 2013
Cost					
Rights	12.453.583	11.852	(1.743)	(773.594)	11.690.098
Customer relations	32.379.129	-	-	7.177.645	39.556.774
Software	7.358.230	270.717	(17.551)	1.361.874	8.973.270
Concession rights (**)	61.327.682	-	-	3.393.559	64.721.241
Build-operate-transfer investments (*)	47.997.671	-	-	2.655.939	50.653.610
	161.516.295	282.569	(19.294)	13.815.423	175.594.993
Accumulated depreciation					
Rights	(1.648.775)	(668.146)	882	311.968	(2.004.071)
Customer relations	(28.606.362)	(3.958.613)	-	(6.991.799)	(39.556.774)
Software	(4.890.610)	(1.079.229)	17.551	(666.358)	(6.618.646)
Concession rights (**)	(7.925.520)	(2.538.256)	-	(589.864)	(11.053.640)
Build-operate-transfer investments (*)	(7.175.509)	(2.437.928)	-	(542.382)	(10.155.819)
	(50.246.776)	(10.682.172)	18.433	(8.478.435)	(69.388.950)
Net book value	111.269.519				106.206.043

(*) TL 34.957.485 which is difference between discounted present value of deposit paid with interest rate,11,46%, and the deposit amounting to INR 1.200.000.000, additionally INR 78.148.352, paid in accordance with the concession agreement on the development, modernization, finance and 25-year operation of the cargo terminal in the airport in New Delhi, India, has been capitalized as a Build-Operate-Transfer investment and it will be amortized in 25 years until operations end in Delhi International Airport. In addition, TL 5.442.161 which is difference between discounted present value of deposit paid with interest rate, 10,82%, and the deposit amounting to INR 400.000.000 paid in accordance with the concession agreement on the development, modernization, finance and 10-year operation of the cargo terminal in the airport in New Delhi, India, has been capitalized as a Build-Operate-Transfer investment and it will be amortized in 10 years until operations end in Delhi International Airport.

(**) Celebi Delhi Cargo within the scope of the concession agreement signed between DIAL and refers to spending on fixed assets recognized in accordance with IFRIC 12.

Amortization expense for the period ended 31Dcember 2013 in the amount of TL 4.622.795 and TL6.059.378 are included in operating expenses and cost of sales.

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Other Intangible Assets

Movements in intangible assets for the period ended 31 December 2012 are as follows:

	Opening 1 January 2012	Additions	Disposals	Foreign Currency Translation Differences	Closing 31 December 2012
Cost					
Rights	9.594.834	2.889.235	(3.629)	(26.857)	12.453.583
Customer relations	31.661.370	-	-	717.759	32.379.129
Software	6.532.512	795.811	3.629	26.278	7.358.230
Concession rights	63.235.826	3.498.908	-	(5.407.052)	61.327.682
Build-operate-transfer investments (*)	49.807.508	2.438.971	-	(4.248.808)	47.997.671
	160.832.050	9.622.925	-	(8.938.680)	161.516.295
Accumulated depreciation					
Rights	(820.949)	(829.396)	-	1.570	(1.648.775)
Customer relations	(23.449.180)	(4.559.509)	-	(597.673)	(28.606.362)
Software	(4.056.358)	(820.145)	-	(14.107)	(4.890.610)
Concession rights	(5.534.069)	(2.948.339)	-	556.888	(7.925.520)
Build-operate-transfer investments (*)	(5.197.907)	(2.491.878)	-	514.276	(7.175.509)
	(39.058.463)	(11.649.267)	-	460.954	(50.246.776)
Net book value	121.773.587				111.269.519

(*) TL 34.709.370 which is difference between discounted present value of deposits paid with interest rate, 11,46%, and the deposit amounting to INR 1.200.000.000, paid in accordance with the concession agreement on the development, modernization, finance and 25-year operation of the cargo terminal in the airport in New Delhi, India has been capitalized as a Build-Operate-Transfer investment and it will be amortized in 25 years until operations end in Delhi International Airport.

As of 2 June 2010, TL 6.112.791 which is difference between discounted present value of deposits paid with interest rate, 10,82%, and the deposit amounting to INR 400.000.000 paid in accordance with the concession agreement on the development, modernization, finance and 10-year operation of the cargo terminal in the airport in New Delhi, India has been capitalized as a Build-Operate-Transfer investment and it will be amortized in 10 years until operations end in Delhi International Airport.

Amortization expense for the period ended 31 December 2012 in the amount of TL, 6.580.527 and TL, 5.068.740 are included in operating expenses and cost of sales.

Goodwill

Positive goodwill at 31 December 2013 and 31 December 2012 is as follows:

	31 December 2013	31 December 2012
Goodwill due to acquisition of CGHH	23.177.524	18.971.925
Celebi Nas due to acquisition of Celebi Nas addition share	910.723	910.723
	24.088.247	19.882.648

Goodwill due to acquisition of CGHH

The Company participated in the tender offer on 7 July 2006 opened by the Budapest Airport Budapest Ferihegy Nemzetkozi Repuloter Uzemelteto Zartkoruen Mukodo Reszvenytarsasag ("Ba Zrt") company resident in Budapest, Hungary for the acquisition of the Budapest Airport Handling Kereskedelmi es Szolgaltato Korlatolt Feleossegu Tarsasag ("BAGH") company that provides ground handling services at Budapest Airport and in which ("Ba Zrt") has a 100% share. The company was informed of winning the tender offer on 14 July 2006 and is participating in the Celebi Tanacsado Korlatolt Felelossegu Tarsasag" ("Celebi Kft") company founded on 22 September 2006 as a founding shareholder for the realization of the abovementioned share transfer. The trade name of the company BAGH was changed to Celebi Ground Handling Hungary Foldi Kiszolgalo Korlatolt Felelossegu Tarsasag ("CGHH") after the acquisition dated 26 October 2006.

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After the studies of the independent valuation company named American Appraisal Hungary Ltd,, fair value of the net assets of CGHH was determined to be TL 31.287.893 as of 26 October 2006 and acquired by Celebi Kft at a price of TL 49.448.419 which is the TL equivalent of 6.691.261.000 Hungarian Forint (EUR 25.593.870). The acquisition has been accounted for according to the clauses of IFRS 3 "Business Combinations" and the goodwill amounting to TL 18.160.526 (2.336.444.000 HUF) projected after the acquisition has been reflected in the financial statements at 31 December 2006.

The whole amount of goodwill is related to the acquisition of BAGH Company by Celebi Kft at 26 October 2006. Due to this acquisition, all assets and liabilities of Celebi Kft have been taken over by CGHH. The Group management considers the significant market position of CGHH in Hungary and the energy existed through merger with Çelebi Hava as main reasons to create goodwill. Accordingly, the Group management allocated the mentioned goodwill amount over CGHH, by assuming CGHH is solo cash generating unit. Goodwill details relating to the acquisition of CGHH at 31 December 2013 are below:

	31 December 2013	31 December 2012
1 January	18.971.925	18.551.365
Foreign currency translation differences	4.205.599	420.560
Goodwill	23.177.524	18.971.925

Goodwill Impairment Test

The group tests goodwill at least once a year for the risk of impairment. A valuation report prepared by an independent valuation firm is based on for ordinary goodwill impairment test.

	31 December 2013
Ground handling services - Hungary	23.177.524

The recoverable value of the aforementioned cash generating unit, has been determined by taking the usage calculations as a basis. For the purposes of carrying out impairment tests, detailed forecasts for the next 7 years have been used which are based on approved annual budgets and strategic projections of the management representing the best estimate of future performance. Growth rate used in the projections to be realized after 7 years ensured to be 1%. The fair value of Euro amount is calculated in terms of Hungarian Forint which converted with the exchange rates at the balance sheet date. Therefore, the said fair value model is affected by the fluctuations in the foreign exchange market.

Other important assumptions in the fair value calculation model are as follows:

Discount rate	%12,2

The Group management determined the budgeted gross profit margin by taking into consideration for the previous performance of the Company and the market growth expectations. The weighted average growth rates used are in line with the estimation stated in industry reports. The discount rate used is the before tax discount rate and includes the Company specific risk factors.

As a result of impairment tests performed under above assumptions, no impairment was detected in the goodwill amount as of 31 December 2013.

Goodwill from purchasing 4% shares of Celebi Nas

The Company has purchased %4 shares of Celebi Nas on 26 January 2012 by paying USD 1.000.000 (TL 1.820.300) from Sovika Aviation Private Limited which has already owned %8 shares of Celebi Nas before, The purchase was recognized in accordance with IFRS 3 "Business Combinations" terms, The goodwill which has been calculated after the purchase as TL 910.723 has also been reflected in consolidated financial statements.

Goodwill Impairment Test

The group tests goodwill at least once a year for the risk of impairment. A valuation report prepared by an independent valuation firm is based on for ordinary goodwill impairment test.

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The details for goodwill from the purchase of 4% shares of Celebi Nas are as follows:

Purchasing amount	1.820.300
Less: Identifiable asset, liabilities	
and fair values of contingent liabilities	(857.813)
Foreign currency translation differences	(51.764)
Goodwill	**910.723**

Group management has evaluated the synergy which will be created by Celebi Nas with Celebi Hava in India as the main reasons of goodwill. By management, Celebi Nas has been evaluated as a single cash-generating unit thus goodwill has been allocated on Celebi Nas.

	31 December 2013
Ground handling services - India	910.723

The recoverable value of the aforementioned cash generating unit, has been determined by taking the usage calculations as a basis. For the purposes of carrying out impairment tests, detailed forecasts for the next 5 years have been used which are based on approved annual budgets and strategic projections of the management representing the best estimate of future performance. Cash flows corresponding to the period after five years have been determined using a 2% long-term-growth rate.

Other important assumptions in the fair value calculation model are as follows:

Discount rate	%15

The Group management determined the budgeted gross profit margin by taking into consideration for the previous performance of the Company and the market growth expectations. The weighted average growth rates used are in line with the estimation stated in industry reports. The discount rate used is the before tax discount rate and includes the Company specific risk factors.

As a result of impairment tests performed under above assumptions, no impairment was detected in the goodwill amount as of 31 December 2013.

NOTE 13 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

a) Short-term provisions

Short-term provision for employee benefits

	31 December 2013	31 December 2012
Provision for employee termination benefits	-	228.922

Other short-term provisions

	31 December 2013	31 December 2012
Provision for unused vacation	2.366.362	2.192.571
Provision for litigation	665.445	1.167.781
Other	7.483	165.938
	3.039.290	**3.526.290**

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Movements of short term provisions as of 31 December 2013 are as follows:

	Provision for unused vacation	Provision for litigation	Other provisions	Total
1 January 2013	2.192.571	1.167.781	165.938	3.526.290
Increase during the year	3.262.622	-	6.431	3.269.053
Payments during the year	(413.052)	-		(413.052)
Usage during the year	(2.770.352)	(527.085)	(174.104)	(3.471.541)
Exchange difference	94.573	24.749	9.218	128.540
31 December 2013	2.366.362	665.445	7.483	3.039.290

	Provision for unused vacation	Provision for litigation	Other provisions	Total
1 January 2012	1.669.724	906.470	-	2.576.194
Increase during the year	3.224.016	582.351	163.586	3.969.953
Payments during the year	(306.267)	(296.692)	-	(602.959)
Usage during the year	(2.398.028)	-	-	(2.398.028)
Exchange difference	3.126	(24.348)	2.352	(18.870)
31 December 2012	2.192.571	1.167.781	165.938	3.526.290

b) Long-term provisions:

Long-term provision for employee benefits	31 December 2013	31 December 2012
Provision for employee termination benefits	9.256.100	7.750.206

Provision for employment termination benefits is booked according to the explanations below. There are no agreements for pension commitments other than the legal requirement as explained below.

Under the Turkish Labor Law, the Group is required to pay termination benefits to each employee who has completed one year of service, who achieves the retirement age (58 for women and 60 for men), who has charged 25 years of services (20 years for women) and whose employment is terminated without due cause, is called up for military service or who dies.

Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement. The amount payable at 31 December 2013 consists of one month's salary limited to a maximum of TL 3.254,44 (31 December 2012: TL 3.033,98) for each year of service.

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

According to regulations in India, the Company is required to pay termination benefits to each employee in its subsidiaries and joint ventures who has completed five year of service, who is called up for military service, who achieves the retirement age, who early retires, or who dies. Total employee termination benefit liability is calculated by 15 days per year of service for the current period ended at 30 December 2013 and the liability is limited to INR 350.000 per employee. Employee termination benefit liability is calculated by estimating the present value of the future probable obligation to the employees of the group in its subsidiaries that are registered in Turkey arising from the retirement of the employees. IFRS requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans.

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The principal assumption is that the liability ceiling 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. Consequently, in the accompanying consolidated financial statements as at 31 December 2013, the provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The provision at 31 December 2013 has been calculated assuming an annual inflation rate of 5.00% and a discount rate of 8,75% resulting in a real discount rate of approximately 3.57% (31 December 2012: an annual inflation rate of 5.00% and a discount rate of 9,05% resulting in a real discount rate of approximately 3.86%). Since the Group calculates the reserve for employment termination benefits every six months the maximum amount of TL 3.254,44 which is effective from 1 January 2013 (31 December 2012: TL 3.033,98) has been taken into consideration in the calculations. Movements in the provision for employment termination benefits are as follows:

	31 December 2013	31 December 2012
As of 1 January	7.979.128	7.743.075
Paid during the year	(5.893.226)	(5.661.029)
Increase during the year	121.442	650.097
Actuarial losses/profits from retirement plan funds (*)	1.620.505	(105)
Service Cost	4.637.249	4.939.807
Interest Cost	1.031.798	338.638
Foreign currency translation differences	(240.796)	(31.355)
As of 31 December	9.256.100	7.979.128

(*) The actuarial income on the pension plans amounting to TL 103.715 arising from investments valued through the equity method have been recognized in the account of re-measurement losses on defined benefit plans in the statement other comprehensive income but has not been included the movement throughout the year of employment termination benefits provisions since it is not subject to full consolidation.

Contingent assets and liabilities of the Group

	31 December 2013	31 December 2012
Guarantees received:		
Guarantee letters	7.367.247	4.597.658
Guarantee check	1.847.072	1.280.212
Guarantee notes	887.672	671.245
	10.101.991	6.549.115
Guarantees given:		
Collateral	247.913.850	199.501.240
Guarantee letters	52.999.542	45.734.062
Share pledge	8.801.188	8.327.204
	309.714.580	253.562.506

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The Company has contingent assets amounting to TL 1.392.881 (31 December 2012: TL 1.308.628), due to the legal cases in favor of the Company and contingent liabilities amounting to TL 19.374.452 due to the legal cases and enforcement proceedings against the Company as of 31 December 2013 (2012: TL 15.345.945), TL 15.821.307 portion of contingent liabilities are comprised of legal cases and enforcement proceedings related with the fire in warehouse (Note 33) in which Company is a sole defendant and co-defendant with the DHMI, other warehouse management companies and insurance companies (2012: TL 12.848.434).

The details of collaterals, pledges and mortgages ("CPM") of the Company at 31 December 2013 and 31 December 2012 are as follows:

		31 December 2013		31 December 2012	
Collaterals, pledges and mortgages given by the Company	Currency	Amount	TL equivalent	Amount	TL equivalent
A.CPM given on behalf of the Company's legal personality					
			39.996.969		33.982.817
	TL	5.096.477	5.096.477	4.275.266	4.275.266
	EUR	2.053.918	6.031.332	1.914.959	4.503.408
	USD	1.810.500	3.864.150	1.910.499	3.405.656
	INR	561.999.117	19.400.210	550.984.000	18.022.687
	HUF	565.000.000	5.604.800	465.000.000	3.775.800
B. CPM given on behalf of fully consolidated subsidiaries			269.717.612		202.079.689
	EUR	33.700.000	98.960.050	31.700.000	74.548.890
	USD	6.092.196	13.002.574	6.592.194	11.751.245
	INR	4.569.959.100	157.754.988	3.539.576.700	115.779.554
C. CPM given for continuation of its economic activities on behalf of third parties					
D. Total amount of other CPM		-	-	-	17.500.000
i. Total amount of CPM given on behalf of the majority shareholder	TL	-	-	17.500.000	17.500.000
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		-	-	-	
			309.714.581		253.562.506

The ratio of other collaterals, pledges and mortgages given by the Company to equity of the Company is 0% as of 31 December 2013 (31 December 2012: 27,3%). The Company has no benefit from CPM given to third parties.

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NOTE 14 - OTHER ASSETS AND LIABILITIES

	31 December 2013	31 December 2012
Other current assets		
Restricted cash (*)	5.629.522	4.144.684
Deferred Value-added tax ("VAT")	1.208.353	1.391.381
Insurance expense need to be compensated	4.180.278	2.639.479
Value-added tax ("VAT") refund	275.423	1.403.798
Advances given to personnel	311.444	249.135
Other	223.947	21.599
	11.828.967	9.850.076

(*) The amount TL 5.629.522, consist of blocked deposits, whose maturities are more than 3 months, of Celebi Delhi Cargo, Group's subsidiary located in India as of 31 December 2013. (31 December 2012: 4.144.684)

	31 December 2013	31 December 2012
Other non-current assets		
Prepaid taxes and funds (*)	7.526.225	4.386.657
Other	3.242	3.243
	7.529.467	4.389.900

(*) The amount consist of prepaid taxes and funds, which can be offset in more than 1 year period, of Celebi GH Deli and Celebi Delhi Cargo amounting to TL 1.005.713 TL (31 December 2012: TL 952.980) and TL 6.520.512 respectively (31 December 2012: TL 3.433.677).

	31 December 2013	31 December 2012
Other current liabilities		
Taxes and funds payable	1.233.204	1.165.920
Provision for operational leasing equalization	968.464	756.696
Other miscellaneous payables and liabilities	964.346	2.213.476
	3.166.014	4.136.092

	31 December 2013	31 December 2012
Other non-current liabilities		
Provision for operational leasing equalization (*)	34.880.012	25.205.391
Provision for required renovation expenses (**)	8.636.332	5.490.831
	43.516.344	30.696.222

(*) Operating leasing cost equalization, in accordance with of IAS 17 "Leases", consists the difference between lease amounts defined on service concession agreement and the amount calculated taking into consideration the future constant lease increases and reflected on straight line basis to the financial statements

(**) Please refer to Note 2.3.f

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NOTE 15 - PREPAID EXPENSES

	31 December 2013	31 December 2012
Short-term prepaid expenses:		
Prepaid expenses (*)	6.366.303	5.836.718
Advances given	2.283.817	1.037.949
	8.650.120	**6.874.667**

	31 December 2013	31 December 2012
Long-term prepaid expenses:		
Prepaid expenses (*)	18.912.672	19.689.914
Fixed asset advances given	2.706.773	6.912.908
	21.619.445	**26.602.822**

(*) TL 19.636.224 (31 December 2012: 20.791.296 TL) of total prepaid expenses consist of long-term prepaid rent expenses in an airport in which Celebi Hava operates.

NOTE 16 - DEFERRED INCOME

	31 December 2013	31 December 2012
Short-term Deferred Income		
Short term deferred revenues calculated based on IFRYK12	5.922.443	16.631.061
Order advances received	2.269.863	2.142.078
	8.192.306	**18.773.139**

	31 December 2013	31 December 2012
Long term deferred income		
Deferred revenue	-	406.844
Deferred insurance claim recovery (*)	-	2.673.900
	-	**3.080.744**

(*) The deferred insurance claim recovery amount is comprised of the insurance policy related to the goods of third parties amounting to USD 1.500.000 which has been fully collected as of 31 December 2012 and is planned to be utilized by the Company under the circumstances that the Company is found to be liable for the losses incurred during the fire that broke out in Ataturk Airport ("AHL") Terminal C (Note 33).

NOTE 17 - LIABILITIES FOR EMPLOYEE BENEFITS

	31 December 2013	31 December 2012
Wages and salaries payable	6.273.012	7.468.988
Social security withholdings payment	3.707.536	3.277.806
Accrued bonus payable	1.330.005	1.325.513
	11.310.553	**12.072.307**

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NOTE 18 - EQUITY

Share Capital

As of 31 December 2013, the authorized share capital of the Group is TL 24.300.000 comprising of TL 2.430.000.000 registered shares with a face value each of 1 Kr (31 December 2012: 2.430.000.000).

At 31 December 2013 and 31 December 2012, the shareholding structure of the Group is stated in historical amounts below:

	31 December 2013		31 December 2012	
Shareholders	Amount	Share%	Amount	Share%
Çelebi Havacılık Holding A.Ş. (ÇHH)	18.797.553	77,36	13.299.633	54,73
Engin Çelebioğlu	-	-	2.432.430	10,02
Can Çelebioğlu	-	-	1.822.770	7,50
Canan Çelebioğlu	-	-	1.242.720	5,11
Other	5.502.447	22,64	5.502.447	22,64
	24.300.000	100,00	24.300.000	100,00

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 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 capital. Under the TCC, the legal reserves can be used only to offset losses and are not available for any other usage unless they exceed 50% of paid-in capital.

In accordance with the Communiqué Serial: XI, No: 29 according to the CMB's announcements clarifying the said Communiqué, "Share Capital", "Restricted Reserves Allocated from Profit" and "Share Premiums" need to be recognized over the amounts contained in the legal records. The valuation differences (such as inflation adjustment differences) shall be disclosed as follows:

- If the difference is arising from the valuation of "Paid-in Capital" and not yet been transferred to capital should be classified under the "Inflation Adjustment to Share Capital";
- if the difference is arising from valuation of "Restricted Reserves" and "Share Premium" and the amount has not been subject to dividend distribution or capital increase, it shall be classified under "Retained Earnings". Other equity items shall be carried at the amounts calculated based on CMB Financial Reporting Standards.

Capital adjustment differences have no other use other than being transferred to share capital.

Publicly held companies distribute dividends based on the Capital Market Board ("CMB") Dividend Communique numbered II-19.1 effective from 1 February 2014.

Companies distribute their profits in accordance with their dividend policy determined by the General Assembly and with General Assembly resolution in accordance with provisions of the relevant legislation. According to the aforementioned communique, a minimum distribution rate has not been determined. Companies pay dividends according to their articles of association or dividend distribution policy. In addition, dividends may be paid in equal or different amount of installments, and cash dividend advances may be distributed over profit for the period presented in interim financial statements.

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

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In accordance with the Board Decision dated 9 January 2009, the total amount of net income after the deduction of accumulated losses at statutory records and reserves that can be subject to dividend distribution shall be disclosed in the notes to the financial statements which will be prepared and publicly announced in accordance with Communiqué XI No: 29, In accordance with CMB Financial Reporting Standards, the Company classified the above mentioned amounts under "Restricted reserves", the amount of restricted reserves is TL 28.274.456 as of 31 December 2013 (31 December 2012: TL 26.573.456).

After booking TL 1.701.000 of the net profit for the period amounting to TL 21.103.781 in the consolidated financial statement dated December 31, 2012 as secondary legal reserves, the Group distributed the remaining TL 18.225.002 as dividend.

Hungary based Celebi Ground Handling Hungary Földi Kiszolgáló Korlátolt Felelõsségû Társaság ("CGHH") of which 70% is currently held by Çelebi, remaining 30% share is valuated by a firm with Capital Markets Board license with a value of TL 33.712.020 is purchased on 08.12.2011 therefore increasing the Group's share in CGHH to 100%. It is consisted of the difference between acquisition value and net asset value for the acquired part amounting to TL minus 33.751.667.In addition, as of 26 January 2012, the percentage of the Group for Celebi NAS increased 4%. It is consisted of the difference between acquisition value and net asset value for the acquired part amounting to TL minus 545.407. The amount has been considered as an item of retained earnings during the determination of net distributable income for the period. "Equity Effect due to Acquisition" minus item under the equity amounted to TL 34.297.074. In accordance with the resolution published on the bulletin of CMB dated 14 March, 2013 and numbered 9/319 in the accumulated loss account shall not be taken into account as an item of discount or addition in terms of the profit distribution in 2013 in terms of distributable net profit for the period.

NOTE 19 - REVENUE AND COST OF SALES

	31 December 2013	31 December 2012
Ground handling services	375.808.500	367.323.806
Cargo and warehouse services income	123.257.803	119.896.530
Airport security services	930.922	1.374.492
Revenue in the context of IFRIC 12	11.223.438	31.877.426
Rental revenue not related to aviation	9.354.644	3.533.488
Less: Returns and discounts	(12.704.019)	(12.217.422)
Sales revenue- net	**507.871.288**	**511.788.320**
Cost of sales	**(372.204.304)**	**(387.387.281)**
Gross profit	**135.666.984**	**124.401.039**

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NOTE 20 - EXPENSES BY NATURE

	31 December 2013	31 December 2012
Personnel expenses	(167.788.545)	(171.508.568)
Payments to authorities and terminal managements (*)	(82.223.901)	(79.787.850)
Equipment repair, maintenance, fuel and security expenses	(38.088.713)	(34.682.771)
Consultancy expenses	(38.061.626)	(34.779.281)
Depreciation and amortization expenses	(33.136.425)	(32.817.208)
Outsourced services	(15.580.863)	(16.296.409)
Expense in the context of IFRIC 12 (***)	(13.528.208)	(34.162.910)
Travel and transportation expenses	(12.572.293)	(13.047.637)
Taxes and other fees	(5.265.782)	(5.605.084)
Insurance premiums	(3.787.192)	(3.518.280)
Cost of goods sold (**)	(3.176.906)	(2.664.481)
Other expenses	(37.972.782)	(36.711.700)
	(451.183.236)	(465.582.179)

(*) Various expenses paid to authorities are comprised of royalty, rental facilities and check-in desks within the airport area, work licenses, and similar expenses.

(**) Those expenses are comprised of spare parts and de-icing.

(***) Those mentioned expenses are comprised of construction costs calculated under scope of IFRIC 12 and provisions for other liabilities within the frame of concession agreement.

NOTE 21 - GENERAL ADMINISTRATIVE EXPENSES

	31 December 2013	31 December 2012
Consultancy expenses	(36.553.790)	(33.575.966)
Personnel expenses	(22.156.264)	(22.771.665)
Depreciation and amortization	(6.889.538)	(8.062.604)
Travel and transportation expenses	(2.174.606)	(2.656.591)
Equipment repair, maintenance, fuel and security expenses	(2.337.625)	(2.170.316)
Payments to authorities and terminal managements	(1.721.638)	(1.653.939)
Insurance premiums	(656.102)	(679.981)
Taxes and other fees	(1.441.690)	(1.562.667)
Other expenses	(5.047.679)	(5.061.169)
	(78.978.932)	(78.194.898)

NOTE 22 - OTHER OPERATING INCOME

	31 December 2013	31 December 2012
Foreign exchange gains	7.708.851	2.251.544
Cancelation of provisions	3.998.379	228.250
Income from insurance claims	536.522	163.968
Other incomes	2.321.966	929.674
	14.565.718	3.573.436

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NOTE 23 - OTHER OPERATING EXPENSE

	31 December 2013	31 December 2012
Expenses and compensation for damage (*)	(5.426.052)	(799.987)
Foreign exchange losses	(2.002.127)	(2.371.752)
Donation expenses	(188.106)	(896.635)
Provision for doubtful receivables	(58.969)	(442.584)
Provision expenses	-	(582.352)
Other expenses	(1.977.544)	(2.306.778)
	(9.652.798)	(7.400.088)

(*) TL 5.160.740 is related to the damage compensation payment reconciled pursuant to the privilege agreement signed between is Celebi Delhi and DIAL. (Refer to Note 9)

NOTE 24 - INCOME FROM INVESTMENT ACTIVITIES

	31 December 2013	31 December 2012
Income from the sale of fixed assets	488.785	618.579
	488.785	618.579

NOTE 25 - EXPENSE FROM INVESTMENT ACTIVITIES

	31 December 2013	31 December 2012
Loss from the sale of fixed assets	(1.371.436)	(61.332)
	(1.371.436)	(61.332)

NOTE 26 - FINANCIAL INCOME

	31 December 2013	31 December 2012
Foreign exchange gains	4.979.213	12.739.671
Interest income	2.689.020	3.122.777
Unearned finance income	918.338	632.344
Other financial income	413.055	114
	8.999.626	16.494.906

NOTE 27 - FINANCIAL EXPENSES

	31 December 2013	31 December 2012
Foreign exchange losses	(44.010.676)	(4.298.275)
Interest expenses	(21.026.385)	(23.952.055)
Valuation of forward transactions expense	(2.256.204)	(124.446)
Financial expenses incurred under scope of IFRIC 12	(1.092.353)	(4.014.420)
Unaccrued finance expenses	(805.118)	(585.564)
Other financial expenses	(880.720)	(238.633)
	(70.071.456)	(33.213.393)

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NOTE 28 - TAX ASSETS AND LIABILITIES

	31 December 2013	31 December 2012
Current period corporate tax provision	5.794.379	10.179.856
Current year tax assets	(8.319.110)	(12.125.201)
Tax liability payable - net	**(2.524.731)**	**(1.945.345)**

	31 December 2013	31 December 2012
Deferred tax assets	20.348.294	15.554.815
Deferred tax liabilities	(6.478.794)	(5.628.521)
Deferred tax liability - net	**13.869.500**	**9.926.294**

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, tax liabilities, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

In Turkey, the corporation tax rate for the fiscal year 2013 is 20% (2012: 20%), Corporation tax rate is applicable on the total income of companies after adjusting for certain disallowable expenses, income tax exemptions (participation exemption, investment allowance exemption, etc) and income tax deductions (like research and development expenses), No further tax is payable unless the profit is distributed.

Except for the dividends paid to non-resident corporations, which have a representative office in Turkey, or resident corporations, dividends are not subject to withholding tax. Dividends paid to other organizations or individuals are subject to withholding tax at the rate of 15%. Transfer of profit to capital is not accepted as a dividend distribution.

Corporations are required to pay advance corporation tax quarterly at the rate of 20% on their corporate income (2011: 20%). Advance tax is declared by the 14th and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. Despite the credit from annual corporation tax liability, if the company still has excess advance corporate tax, it can receive this balance in cash from the Government or as a credit for another financial debt to the Government.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 25th of the fourth month following the close of the related financial year. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

There are numerous exemptions in the Corporation Tax Law concerning the corporations. Those related to the Company are as follows:

Domestic participation exemption:

Dividend income earned from investments in another company's shares is excluded in the calculation of the corporate tax (dividend income gained related to the participation in investment funds and investment trust shares is excluded).

Share premiums exemption

New share issue premiums, which represent the difference between the nominal and sale values of shares issued by joint-stock companies, are exempt from corporation tax.

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

Foreign company participation exemption

The participation income of corporations participating for at least one continuous year of 10% that does not have their legal or business centre in Turkey (except for corporations whose principal activity is financial leasing or investment of marketable securities) up until the date the income is generated and transferred to Turkey and until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax subject to those subsidiaries being subject to corporate income tax, or alike in their country of legal or business centre at the rate of at least 15% (the corporate income tax rate applicable in Turkey for those companies whose principal activity is financial assurance or insurance).

Real estate, investment equity, preferential rights, usufruct shares, founding shares, sales exemption

75% portion of corporations' profits from the sale of participation shares, founding shares, pre-emptive rights and property, which have been in their assets for at least for two years, is exempt from corporate tax provided that these profits are added to share capital and are not withdrawn within five years, Income from the sale is generated until the end of the second calendar year following the year in which sale was realized.

The corporate tax rate is changed to since 2012 financial year. The corporation tax rate has been changed as 19% up to fiscal profit HUF 500.000.000 and 10% for fiscal profit over HUF 500.000.000 with the regulation in Hungary in the fiscal year 2012.

In India, the corporate tax rate is 32,45% for fiscal year 2012 (2012: 32,45%). Corporation tax rate is applicable on the total income of companies after adjusting for certain disallowable expenses, income tax exemptions (participation exemption, investment allowance exemption, etc) and income tax deductions (like research and development expenses).

In India, the corporate tax rate is 31,925% for fiscal year 2012 (2012: 31,925%). Corporation tax rate is applicable on the total income of companies after adjusting for certain disallowable expenses, income tax exemptions (participation exemption, investment allowance exemption, etc) and income tax deductions (like research and development expenses).

Tax expense for the periods end 31 December 2013 and 2012 is presented below:

	31 December 2013	31 December 2012
- Current year corporate tax	(5.186.563)	(10.152.177)
- Deferred tax income/(expense)	2.667.761	2.042.824
	(2.518.802)	**(8.109.353)**

Reconciliation of tax expenses stated in consolidated statements of income of the periods ended at 31 December 2013 and 2012 is as follows:

	2013	2012
Profit before tax	**1.976.755**	**25.604.319**
Expected tax expense according to parent company (20%)	(395.351)	(5.120.864)
Differences in tax rates of subsidiaries	(1.363.847)	(2.641.193)
Expected tax expense of the Group	**(1.759.198)**	**(7.762.057)**
Tax effect of non deductible expenses	(928.088)	(832.174)
Utilization of previous years losses	824.538	1.425.689
Non deductible expenses	(852.046)	(498.375)
Discount stems from donations and aids	32.897	179.207
Tax payables even if loss declared on statutory records (*)	-	(184.144)
Other	163.095	(437.499)
Current period tax expense of the Group	**(2.518.802)**	**(8.109.353)**

(*) According to Hungary's tax system the amount comprises of tax amount and is paid even if the companies declared loss.

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Deferred Taxes

The Group considers the differences arising from different valuation of the financial statements prepared in accordance with CMB regulations in the calculation of deferred tax assets and liabilities. The differences mainly arise due to the different accounting of income and expenses in line with Tax Laws and CMB Accounting Standards in different periods. In accordance with the method of liabilities based on subsequent differences, the rates for deferred revenue asset and liabilities are 20%, 19% or 10%, 32,45% for Turkey, Hungary, India New Delhi and Mumbai respectively.

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 December 2013 and 31 December 2012 using the enacted tax rates are as follows:

	Cumulative temporary Differences		Deferred tax assets/(liabilities)	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Deferred tax assets				
Non-deductible financial losses (*)	-	(4.622.514)	-	670.264
Personnel bonus accrual	(891.675)	(863.855)	178.335	172.771
Accrued sales commissions	(2.848.425)	(1.631.326)	569.685	326.265
Provision for employment termination benefits	(8.956.121)	(7.499.227)	1.791.224	1.499.845
Provision for operational leasing Equalization	(33.877.136)	(24.263.883)	10.991.437	7.872.417
Provision for unused vacation	(1.722.199)	(1.534.923)	344.440	306.985
Provision for legal claims	(665.445)	(665.445)	133.089	133.089
Provision for investment consultancy expenses	-	(1.247.820)	-	249.564
Net difference between the tax base and carrying amount of property plant and equipment and intangible assets	(23.109.125)	(20.959.738)	7.497.756	6.800.387
Deferred income from insurance claims	-	(2.673.900)	-	534.780
Other	(8.427.462)	(1.878.888)	2.335.231	295.511
			23.841.197	18.861.878
Net off			3.492.903	3.307.063
Deferred tax assets			20.348.294	15.554.815

(*) Tax asset of unused tax losses can be gained in future periods and recognized in case there is a probability of sufficient profit. Celebi GH Delhi's, which has TL 22.093.485 (31 December 2012: TL 17.035.523) of total financial losses due to the possibility of not being able to benefit from a part or all foreseeable terms and has not been reflected TL 7.168.231 of deferred tax amount as of December 31, 2013.

	Cumulative temporary Differences		Deferred tax assets/(liabilities)	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Deferred tax liabilities				
Net difference between the tax base and carrying amount of property plant and equipment and intangible assets	50.542.998	45.768.586	(9.963.894)	(8.935.201)
Other	-	1.915	(7.803)	(383)
			(9.971.697)	(8.935.584)
Net off			3.492.903	3.307.063
Deferred tax liabilities			(6.478.794)	(5.628.521)
Deferred tax asset, net			13.869.500	9.926.294

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Deferred tax movement table is as below:

	31 December 2013	31 December 2012
1 January	9.926.294	8.969.945
Foreign currency translation difference	994.469	(1.086.475)
Charge for the period	2.667.761	2.042.824
Actuarial gain/(loss) arising from defined benefit plans	280.976	-
31 December	13.869.500	9.926.294

NOTE 29 - 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 year.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings, For the purpose of earnings per share computations, such bonus shares are regarded as issued shares. Accordingly, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and for each earlier year.

Basic earnings per share are determined by dividing net income attributable to shareholders by the weighted average number of issued ordinary shares as below:

	31 December 2013	31 December 2012
Net profit/(loss) attributable to the equity holders of the parent	3.054.766	20.984.466
Weighted average number of shares with 1 Full TL face value each	2.430.000.000	2.430.000.000
Earnings/(losses) per share (Full TL)	0,001	0,009

NOTE 30 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Amounts due from and due to related parties during the periods and a summary of major transactions with related parties during the period are as follows:

i) Balances with related parties

Due from related parties	31 December 2013	31 December 2012
ÇHH (*)	10.385.750	8.301.471
Other	287.931	315.319
	10.673.681	8.616.790

(*) This amount consist included in the financial balance of interest amounting to Euro 3.500.000 which CGHH has given to ÇHH with 1 year, 1 week maturity and with 3+6m% Euribor rates.

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The maturities of due from related parties are generally shorter than a month (31 December 2012: shorter than a month). As of 31 December 2013 and 31 December 2012, the net book value and the fair value of short term due from related parties are taken equal, since the discounting transaction does not have a material effect.

Due to related parties	31 December 2013	31 December 2012
ÇHH (*)	4.540.479	2.441.257
Çe-Tur	712.968	388.611
Other	29.154	13.574
	5.282.601	2.843.442

(*) As of December 31, 2013, the related amount consists of legal, financial, human resources, management, corporate communication, procurement, business development services provided to the Group by ÇHH along with business development projects run by ÇHH on behalf and on account of the Group and expense projections.

ii) Transactions with related parties

	31 December 2013	31 December 2012
Miscellaneous sales to related parties		
Celebi Ground Services Austria GMBH	425.875	164.745
ÇHH	171.259	417.170
Çe-Tur	127.935	362.631
Other	33.609	52.397
	758.678	996.943

	31 December 2013	31 December 2012
Employee and transportation expenses payable to related parties		
Çe-Tur	6.061.724	4.013.810
Contribution to holding expenses (*)		
ÇHH	31.388.711	28.105.598

(*) Contribution paid to Çelebi Havacilik Holding A.Ş. for services (legal counseling, financial consultancy and human resource consultancy) provided to Çelebi Hava Servisi A.Ş. and Çelebi Güvenlik Sistemleri ve Danışmanlık A.Ş. by Çelebi Havacilik Holding A.Ş. These expenses have been consistently incurred between periods and participations in Çelebi Havacilik Holding A.Ş. in the consideration of criteria such as staff number, company turnover and asset size.

	31 December 2013	31 December 2012
Other purchases from related parties (*)		
ÇHH	3.838.027	4.235.383
Çe-Tur	1.050.589	1.269.374
Other	335.491	181.035
	5.224.107	5.685.792

(*) Other purchases include vehicle rent, organizational cost and other expenses. Purchases ÇHH that are classified under other purchases from related parties are comprised of expenses directly related to the Company that are business development projects and tenders executed and followed up ÇHH.

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Collaterals given in favor of related parties for borrowings as of 31 December 2013 and 31 December 2012 are as follow:

31 December 2013	EUR	USD	INR	HUF	TL	Total TL
ÇHH	-	-	-	-	-	-
CGHH [2]	24.200.000	-	-	-	-	71.063.300
Celebi Nas [1]	-	-	91.080.000	-	-	3.144.082
Celebi Delhi Cargo [3]	-	-	2.624.840.000	-	-	90.609.477
Celebi Delhi GH [4]	-	-	1.354.039.100	-	-	46.741.430
Celebi Cargo GmbH [5]	9.500.000	-	-	-	-	27.896.750

31 December 2012	EUR	USD	INR	HUF	TL	Total TL
ÇHH	-	-	-	-	17.500.000	17.500.000
CGHH [2]	24.200.000	-	-	-	-	56.911.140
Celebi Nas [1]	-	-	91.080.000	-	-	2.979.227
Celebi Delhi Cargo [3]	-	-	2.094.840.000	-	-	68.522.216
Celebi Delhi GH [4]	-	-	1.353.656.700	-	-	44.278.110
Celebi Cargo GmbH [5]	7.500.000	-	-	-	-	17.637.750

[1] 15,3% shares of the Company in Celebi Nas, Joint-Venture of the Company, have been pledged in favor of the relevant bank for the financial obligations stipulated by the agreements, signed by the Celebi Nas and a bank, resident in India, comprise INR 387.400.000 as cash credit and INR 50.000.000 as non-cash credit for the long-term project finance and INR100.000.000 as cash working capital credit.

[2] CCGH signed an agreement for project re-financing of its outstanding borrowings amounting to EUR 20.000.000 in cash and EUR 2.000.000 non cash, Fort he mentioned loan, the Group gave a guarantee amounting to EUR 24.200.000. The repayments to the loan balance is EUR 15.500.000 as of 31 December 2013.

[3] Celebi Delhi Cargo signed an agreement for bridge loan amounting to INR 2.465.000.000 and the Company gave a guarantee for full amount of borrowings to related banks. The Company gave corporate guarantee for amounting INR 720.000.000 of the loan to 30% the financial obligations stipulated in the agreements with relevant banks and all of the 74% shares of the Company in Celebi Delhi Cargo have been pledged in favor of these banks.

[4] The company has given guarantees for liabilities arised from the borrowing agreement signed for financing of long term projects with resident banks in India, which is amounted to INR 750.000.000 as cash, and amounted to INR 600.000.000 as non-cash, the company will pledge the shares amounting to all of the 74% shares of the company in Celebi Delhi Cargo which is corresponding to 23,9% of the total shares of company.

[5] For borrowing agreements which are EUR 9.500.000 amounted, between Celebi Cargo GmbH and some banks in Germany, Celebi Cargo GmbH has given guarantees and deposits as same amount as the borrowing amount, The repayments to the loan balance is EUR 9.500.000 as of 31 December 2013.

Key management compensation:

The Group has determined key management personnel as members of board of directors, general manager and vice general managers, Compensation amounts have been classified as follow:

	31 December 2013	31 December 2012
Short-term employee benefits	9.141.280	11.597.795
Post-employment benefits	7.554	118.072
	9.148.834	**11.715.867**

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NOTE 31 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial risk management

The Group focused to manage miscellaneous financial risks including foreign currency exchange rates and interest rates because of activities of the Group. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects.

Risk management is carried out under policies approved by the Boards of Directors.

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed using natural hedges that arise from offsetting interest rate sensitive assets and liabilities.

Interest rate positions of the Group at 31 December 2012 and 2011 are as follows:

	31 December 2013	31 December 2012
Fixed interest rate financial instruments		
Financial Asset		
- Cash and Cash Equivalents	50.341.859	24.620.534
Financial Liabilities	161.524.366	76.391.724
Floating interest rate financial instruments		
Financial liabilities	165.971.949	216.591.988

If other variables are kept constant, interest expense due to financial liabilities would have been either TL 189.412 higher or lower if the interest rates were 2% more or less at 31 December 2013. (31 December 2012: TL 268.071).

Expected re-pricing and maturity dates have not been presented with an additional statement due to agreement maturity dates of financial assets and liabilities excluding borrowings received are in line with the expected re-pricing and maturity dates.

Maturity analysis of the bank borrowing based on re-pricing dates as of 31 December 2013 and 2012 are presented at Note 7.

Credit risk

Credit risk consists of cash and cash equivalents, bank deposits and receivables from customers exposed to credit risk, Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. These risks are monitored by credit ratings and by limiting the aggregate risk from any individual counterparty (except related parties). (Note 8)

Liquidity risk

Cash flow generated through amount and term of borrowing back payments is managed by considering the amount of unreserved cash flow from its operations. Hence, on one hand it is possible to pay debts with the cash generated from operating activities when necessary and on the other hand sufficient and reliable sources of high quality loans are accessible. The Group has long-term financial liabilities amounted TL 236.222.341 as of 31 December 2013 (31 December 2012: TL 188.181.163) (Note 7).

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The table below demonstrates the Group's liquidity risk arising from financial liabilities:

31 December 2013	Carrying value	Total contractual cash outflow	Less than 3 months	3-12 months	1-5 years	Over 5 years
Non derivative financial liabilities						
Financial liabilities	325.115.665	377.035.962	18.272.080	82.713.642	264.961.170	11.089.070
Trade payables						
- Related party	5.282.601	5.282.601	5.282.601	-	-	-
- Other	38.676.482	38.676.482	38.676.482	-	-	-
Other liabilities	12.000.322	12.000.322	-	7.700.859	4.299.463	-

31 December 2012	Carrying value	Total contractual cash outflow	Less than 3 months	3-12 months	1-5 years	Over 5 years
Non derivative financial liabilities						
Financial liabilities	292.859.266	347.331.157	9.940.834	114.111.050	208.280.233	14.999.040
Trade payables						
- Related party	2.843.442	2.843.442	2.843.442	-	-	-
- Other	25.999.630	25.999.630	25.999.630	-	-	-
Other liabilities	4.613.074	4.613.074	-	3.642.598	970.476	-

Currency risk

The Group is exposed to foreign exchange rate risk through operations done using multiple currencies. The main principle in the management of this foreign currency risk is maintaining foreign exchange position in a way to be affected least by the fluctuations in foreign exchange rates, in other words, maintaining foreign exchange position close to zero.

For this reason, the proportion of the positions of these currencies among each other or against Turkish Lira to shareholders' equity is aimed to be controlled under certain limits. Derivative financial instruments are also used, when necessary. In this context, the Group's primary method is utilizing forward foreign currency transactions. The Group is exposed to foreign exchange rate risk mainly for Euro, US Dollar and INR.

As of 31 December 2013, other things being constant, if the TL was to appreciate/depreciate by 10% against the USD, foreign exchange gains/losses resulting from trade receivables and payables, cash and cash equivalents and advances received and given would increase/decrease net income by TL 1.762.458 (31 December 2012: TL 116.114).

As of 31 December 2013, other things being constant, if the TL was to appreciate/depreciate by 10% against the Euro, foreign exchange gains/losses resulting from trade receivables and payables, cash and cash equivalents and advances received and given would increase/decrease net income by TL 20.104.521 (31 December 2012: TL 21.448.189).

As of 31 December 2013, other things being constant, if the TL was to appreciate/depreciate by 10% against the INR, foreign exchange gains/losses resulting from trade receivables and payables, cash and cash equivalents and advances received and given would increase/decrease net income by TL 10.009.522 (31 December 2012: TL 8.933.279).

As of 31 December 2013, other things being constant, if the TL was to appreciate/depreciate by 10% against the HUF, foreign exchange gains/losses resulting from trade receivables and payables, cash and cash equivalents and advances received and given would increase/decrease net income by TL 1.328.779 (31 December 2012: TL 274.310).

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Foreign currency denominated assets and liabilities of the Group as of 31 December 2013 and 2012 are as follows:

	31 December 2013	31 December 2012
Assets denominated in foreign currency	167.159.103	119.425.813
Liabilities denominated in foreign currency (-)	(437.221.404)	(374.764.193)
Net balance sheet position	**(270.062.301)**	**(255.338.380)**

The table below summarizes TL equivalent of the Group's foreign currency denominated assets and liabilities as of 31 December 2013 and 31 December 2012:

31 December 2013	TL Equivalent (Functional Currency)	US Dollar	Euro	Indian Rupee	Hungarian Forint	GBP/British Pound
1. Trade receivables	53.402.237	6.446.598	6.332.294	253.789.871	1.238.675.000	-
2. Monetary financial assets (Cash, Bank Accounts)	55.600.837	6.468.069	8.603.008	353.461.084	396.952.000	112.224
3. Other	20.490.543	167.990	1.079.052	390.727.523	350.348.000	-
4. Current Assets(1+2+3)	**129.493.617**	**13.082.657**	**16.014.354**	**997.978.478**	**1.985.975.000**	**112.224**
5. Other	37.665.486	-	6.359.730	550.119.873	-	-
6. Non-current assets (5)	**37.665.486**	**-**	**6.359.730**	**550.119.873**	**-**	**-**
7. Total assets (4+6)	**167.159.103**	**13.082.657**	**22.374.084**	**1.548.098.351**	**1.985.975.000**	**112.224**
8. Trade payables	47.026.988	4.587.094	4.289.928	634.462.341	252.967.000	65.019
9. Financial liabilities	91.273.974	79.393	24.393.317	564.123.638	-	-
10. Other monetary liabilities	14.872.296	57.727	356.195	283.878.086	393.513.496	-
11. Current liabilities (8+9+10)	**153.173.258**	**4.724.214**	**29.039.440**	**1.482.464.065**	**646.480.496**	**65.019**
12. Financial liabilities	236.222.341	98.662	61.388.818	1.614.817.564	-	-
13. Other monetary liabilities	47.825.805	2.000	410.055	1.350.446.421	-	-
14. Non-current liabilities (12+13)	**284.048.146**	**100.662**	**61.798.873**	**2.965.263.985**	**-**	**-**
15. Total liabilities (11+14)	**437.221.404**	**4.824.876**	**90.838.313**	**4.447.728.050**	**646.480.496**	**65.019**
16. Net foreign currency asset/(liability) position (7-15)	**(270.062.301)**	**8.257.781**	**(68.464.229)**	**(2.899.629.699)**	**1.339.494.504**	**47.205**
17. Net monetary foreign currency asset/(liability) Position (7-15)	**(270.062.301)**	**8.257.781**	**(68.464.229)**	**(2.899.629.699)**	**1.339.494.504**	**47.205**

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31 December 2012	TL Equivalent (Functional Currency)	US Dollar	Euro	Indian Rupee	Hungarian Forint	GBP/British Pound
1. Trade receivables	43.938.847	902.869	13.912.294	252.710.885	165.724.015	-
2. Monetary financial assets (Cash, Bank Accounts)	38.587.525	3.625.930	5.560.008	479.942.643	412.284.631	625
3. Other	15.655.110	-	299.614	332.902.778	500.154.763	-
. Current Assets(1+2+3)	98.181.482	4.528.799	19.771.916	1.065.556.306	1.078.163.409	625
5. Other	21.244.331	-	-	649.475.115		
6. Non-current assets (5)	21.244.331	-	-	649.475.115	-	-
7. Total assets (4+6)	119.425.813	4.528.799	19.771.916	1.715.031.420	1.078.163.409	625
8. Trade payables	19.766.281	1.306.026	3.084.786	240.105.061	262.436.049	69.266
9. Financial liabilities	104.802.549	2.094.241	35.319.974	550.515.836	-	-
10. Other monetary liabilities	28.379.493	-	474.410	699.647.686	539.205.326	-
11. Current liabilities (8+9+10)	152.948.323	3.400.267	38.879.170	1.490.268.583	801.641.375	69.266
12. Financial liabilities	188.181.163	172.570	53.762.484	1.878.334.026	-	-
13. Other monetary liabilities	33.634.706	1.500.000	170.239	934.284.738	-	-
14. Non-current liabilities (12+13)	221.815.869	1.672.570	53.932.723	2.812.618.764	-	-
15. Total liabilities (11+14)	374.764.192	5.072.837	92.811.893	4.302.887.347	801.641.375	69.266
16. Net foreign currency asset/(liability) position (7-15)	(255.338.379)	(544.038)	(73.039.977)	(2.587.855.927)	276.522.034	(68.641)
17. Net monetary foreign currency asset/(liability) Position (7-15)	(255.338.379)	(544.038)	(73.039.977)	(2.587.855.927)	276.522.034	(68.641)

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The table below summarizes TL equivalent of export and import amounts for the years ended 31 December 2013 and 2012:

	31 December 2013	31 December 2012
Total export amount	-	893.472
Total import amount	9.848.239	14.069.365

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 to maintain an optimal capital structure to reduce the cost of capital.

The shareholders' of the Company, in order to maintain or modify capital structure, can change the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and sell assets to decrease financing needs consistent with the regulations of the CMB.

Consistent with others in the industry, the Group monitors capital on the basis of the debt/equity ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities less cash and cash equivalents and deferred tax liability, Total capital is calculated as equity, as shown in the consolidated balance sheet, plus net debt.

The ratio of net debt/(equity +net debt) at 31 December 2013 and 2012 is as follows:

	31 December 2013	31 December 2012
Total financial liabilities	327.496.315	292.983.712
Less: Cash and cash equivalents	(60.306.285)	(46.417.682)
Less: Current assets	(5.111.722)	(4.144.684)
Less: Long term receivables	-	(2.041.226)
Net debt	262.078.308	240.380.120
Equity	46.841.298	64.074.156
Equity + net debt	308.919.606	304.454.276
Net debt/(Equity + net debt) ratio	0,85	0,79

NOTE 32 - FINANCIAL INSTRUMENTS

Fair value estimation

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

Effective 1 January 2009, the group adopted the amendment to IFRS 7 for financial instruments that are measured in the balance sheet at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy.

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

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The Group's assets and liabilities quantified as fair values at 30 December 2013 and 31 December 2012 are as below:

31 December 2013	Level 1	Level 2	Level 3	Total
Assets				
Available for sale financial assets (Note 5)	-	-	1.458.860	1.458.860
Total assets	-	-	1.458.860	1.458.860

31 December 2013	Level 1	Level 2	Level 3	Total
Liabilities				
Derivative Financial Instruments (Note 7)	-	2.380.650	-	2.380.650
Total liabilities	-	2.380.650	-	2.380.650

31 December 2012	Level 1	Level 2	Level 3	Total
Assets				
Available for sale financial assets (Note 5)	-	-	1.383.442	1.383.442
Total assets	-	-	1.383.442	1.383.442

31 December 2012	Level 1	Level 2	Level 3	Total
Liabilities				
Derivative Financial Instruments (Not 7)	-	124.446	-	124.446
Total liabilities	-	124.446	-	124.446

Marketable securities are recognized at cost less any impairment loss, in the consolidated interim condensed financial statements.

NOTE 33 - DISCLOSURE OF OTHER MATTERS REQUIRED FOR THE PURPOSE OF UNDERSTANDING AND INTERPRETING THE CONSOLIDATED FINANCIAL STATEMENTS

The cargo building of the Company located at Ataturk Airport ("AHL") Terminal C in which the Company carries out cargo - warehouse operations was damaged by a fire that broke out on 24 May 2006.

As a result of the fire, goods belonging to third parties were also damaged in addition to the damage to property, plant and equipment and leasehold improvements of the Company. As of 31 December 2013 some of the owners of the goods have applied to the Company and its insurance company for compensation of their losses by filing lawsuits against the Company and via enforcement proceedings.

The Company has litigations and execution proceedings amounting to a total of TL 15.821.307 for lawsuits filed against the company regarding the fire; TL 9.963.220 for which the Company is a side as a defendant jointly along with other defendants ((DHMİ, Other Warehouse Operators, Insurance Companies) and TL 5.858.087 for which it is a side as an individual defendant.

The Company has an insurance policy regarding these commodities amounting to USD 1.500.000 which has been recorded as revenue and the whole amount of which has been collected.

For the purpose of compensating legal claims related to the fire that broke out on 24 May 2006, the company management has decided to use another insurance policy amounting to USD 10.000.000 in a special fund created in conjunction with the DHMI and other warehouse management company in accordance with the Sharing Agreement signed with same parties. The Sharing Agreement mentioned was established in order to deal with the consequences of legal cases and enforcement proceedings in which the Company is a co-defendant along with the DHMI and other warehouse management company.

As of the date of issuance of the Report, 217 lawsuits to which the Fund Companies have been a side and which has an invoice value of TL 89.261.267 (USD 41.822.268) has been settled amicably and 209 of these 217 lawsuits with a value of TL 85.935.062 (USD 40.263.816) has been paid to the claimants as TL 52.990.760 (USD 24.828.169). The amount that has been agreed on of these remaining 8 lawsuits that have been settled amicably is USD 143.934 and the claim value is USD 1.558.452; and it is projected that these 8 lawsuits will result in payment in the near future.

Discussions on the 16 claims between the other claimants and the fund, which have not yet been reconciled are ongoing. The invoice value of these claims are USD 4.344.017 and it is projected that the remaining balance of USD 15 million after the payment of the agreed amounts pertaining to the 8 lawsuits mentioned above will be sufficient to liquidate all of the claims which have been directed at all sides of the fund, but the reconciliation discussions of which have not yet been concluded.

In view of the foregoing, the Company believes that all legal claims faced may be settled as part of the insurance policy collected and the fund formed. Since there are no further development which adversely affects the matters disclosed in past, the Company has not booked any provision in consolidated financial statements as of 31 December 2013.

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NOTE 34 - SUBSEQUENT EVENTS

a- The indicative USD and Euro exchange rates determined by the Central Bank of the Republic of Turkey (CBRT) on March 7, 2014 at 15:30 are 2,1873 and 3,0381 respectively. As of December 31, 2013, the USD and Euro exchange rates are 2,1343 and 2,9365.

b- The Board of Directors of the Company has decided that the equity amounting to INR 7400.000.000 needed for the financing of the operations of Çelebi GH Delhi and the realization of planned investments, shall be provided through a capital increase within the governing legislation in India; that the Company shall participate in this capital amounting to INR 400.000.000 increased by cash by paying INR 296.000.000 (approximately USD 4,8 million), which corresponds to the 74% shareholding that, in this regard, all necessary procedures shall be performed by the Company shall be performed in accordance with the governing legislation in India. The payments to be made for participation in the capital increase are projected to be completed by April 5, 2014.

c- In the frame of the Company's strategic plan towards growing in the air Cargo industry abroad, a "share purchase and sale agreement" was signed on February 18, 2014 between Celebi Cargo GmbH, a subsidiary of Çelebi Kargo Depolama ve Dağıtım Hizmetleri A.Ş. registered in Frankfurt, Germany, 100% of the capital of which is owned by Çelebi Kargo Depolama ve Dağıtım Hizmetleri A.Ş., and Aviapartner GmbH, also registered in Frankfurt, Germany, for the transfer of the whole of the shares of Aviapartner Cargo GmbH, 100% of the capital of which is owned by Aviapartner GmbH for a price of EUR 4,6 million to Celebi Cargo GmbH.

The closing procedures set out in the "share purchase and sale agreement" regarding the acquisition of the whole of the shares of Aviapartner Cargo GmbH were completed on February 28, 2014 and the share transfer was completed.

d- Since the Board of Directors of the Company decided on February 20, 2014 to increase Çelebi Kargo's paid-in capital of TL 20.000.000 to TL 30.000.000, it was decided that the Company shall participate in the cash capital increase of TL 10.000.000 by using its preferential rights corresponding to its shares in the Company's equity at the rate of 99,97% and that this amount shall be paid in accordance with the provisions of the Main Agreement of the Company being participated in and the resolutions of the Board of Directors. The amount corresponding to the part amounting to TL 7.500.000 of the payments to be made was effectuated on February 20, 2014 and the payment of the remaining part is projected to be completed within 3 years from the date of registry.

The equity to be provided to Çelebi Kargo through capital increase is projected to be used in the operating capital needs of Celebi Cargo, 100% of the shares of which is owned by Çelebi Kargo and in the financing of the acquisition of the shares of Aviapartner Cargo GmbH by Celebi Cargo which was mentioned in the material disclosure dated February 19, 2014.

e- With the resolution taken on February 25, 2014, the Board of Directors of Çelebi Havacılık Holding A.Ş. decided that the shares of subsidiary Çelebi Hava Servisi A.Ş. traded at Borsa Istanbul shall be acquired depending on the market conditions, in favorable periods, by December 31, 2014, and that the acquired shares shall not be sold except for purchase requests from international corporate investors and shall be kept in the assets of the company for a minimum of 2 years.

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