Çelebi Hava Servisi A.Ş.

January 1 – June 30, 2014 condensed interim consolidated financial statements together with review report

(Convenience translation into English of condensed interim consolidated financial statements originally issued in Turkish)

(Convenience translation into English of a review report originally issued in Turkish)

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(Convenience translation into English of a review report originally issued in Turkish)

Review Report on the Interim Financial Information

To the Board of Directors of Çelebi Hava Servisi A.Ş.

Introduction

We have reviewed the accompanying condensed consolidated financial statements of Çelebi Hava Servisi A.Ş. ("the company") and its subsidiaries (all together referred to as "the Group") as of June 30, 2014, which comprise the statement of condensed consolidated financial position and the condensed consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the six-month-period then ended. The management of the Group is responsible for the preparation and fair presentation of these interim financial information in accordance with Turkish Accounting Standards TAS 34 Interim Financial Reporting ("TAS 34"). Our responsibility is to express a conclusion on these interim financial information based on our review.

Scope of a Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Limited Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit performed in accordance with the Independent Auditing Standards of Turkey and the objective of which is to express an opinion on the financial statements. Consequently, a review on the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention which may cause us to believe that the accompanying interim condensed consolidated financial information are not prepared, in all material respects, in accordance with TAS 34.

Other matter

As at June 30, 2014, 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 requirements. Accordingly, the accompanying interim 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

18 August 2014
Istanbul, Turkey

(Convenience translation into English of condensed interim consolidated financial statment originally issued in Turkish)

ÇELEBİ HAVA SERVİSİ A.Ş.
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2014 and DECEMBER 31, 2013

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

	Notes	*(Reviewed)* 30 June 2014	*(Audited)* 31 December2013
ASSETS			
Current Assets			
Cash and cash equivalents	4	44.389.842	60.306.285
Trade receivables		86.214.396	65.019.429
- Due from third parties	8	75.071.474	54.345.748
- Due from related parties	8	11.142.922	10.673.681
Other receivables		13.234.046	7.018.641
- Other receivables from third parties	9	13.234.046	7.018.641
Inventories		8.644.535	8.499.388
Prepaid expenses	14	20.320.836	8.650.120
Assets related to current year tax	23	-	2.524.731
Other current assets	13	16.151.052	11.828.967
Derivative assets		1.552.050	-
Total current assets		**190.506.757**	**163.847.561**
Non-current assets			
Financial investments	5	1.493.862	1.458.860
Investments accounted by equity method	6	14.938.168	13.160.780
Other long-term receivables		12.390.089	11.465.300
- Due from third parties	9	12.390.089	11.465.300
Property, plant and equipment	10	138.823.822	145.532.422
Intangible assets		133.221.996	130.294.290
- Other intangible assets	11	104.920.794	106.206.043
- Goodwill	11	28.301.202	24.088.247
Prepaid expenses	14	20.301.957	21.619.445
Deferred tax asset	23	21.607.419	20.348.294
Other non-current assets	13	9.305.876	7.529.467
Total non-current assets		**352.083.189**	**351.408.858**
Total assets		**542.589.946**	**515.256.419**

(Convenience translation into English of condensed interim consolidated financial statment originally issued in Turkish)

ÇELEBİ HAVA SERVİSİ A.Ş.
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2014 and DECEMBER 31, 2013

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

	Notes	(Reviewed) 30 June 2014	(Audited) 31 December2013
LIABILITIES			
Current liabilities			
Short-term financial liabilities	7	7.221.258	4.759.407
Current portion of long term financial liabilities	7	84.327.243	84.133.917
Other financial liabilities	7	-	2.380.650
Trade payables		48.294.375	43.959.083
- Due to third parties	8	44.835.614	38.676.482
- Due to related parties	8	3.458.761	5.282.601
Liabilities for employee benefits	16	13.459.323	11.310.553
Other payables	9	5.513.563	7.700.859
- Due to third parties		5.513.563	7.700.859
Deferred income	15	4.809.315	8.192.306
Short-term provisions		6.403.144	3.039.290
- Provisions for employee benefits	12	5.554.812	2.366.362
- Other provisions	12	848.332	672.928
Current tax liabilities	23	1.303.523	-
Other current liabilities	13	3.759.636	3.166.014
Total current liabilities		**175.091.380**	**168.642.079**
Non-Current Liabilities			
Long-term financial liabilities	7	234.240.455	236.222.341
Other non-current payables	9	4.625.287	4.299.463
Deferred income tax liabilities	23	6.641.617	6.478.794
Long term provisions		7.085.378	9.256.100
- Provisions for employee benefits	12	7.085.378	9.256.100
Other non-current liabilities	13	50.127.174	43.516.344
Total non-current liabilities		**302.719.911**	**299.773.042**
Total liabilities		**477.811.291**	**468.415.121**
EQUITY			
Equity attributable to equity holders of the parent		**54.246.133**	**40.519.086**
Share Capital	17	24.300.000	24.300.000
Other comprehensive income/(expense) not to be reclassified to profit or loss		354.290	(880.179)
- Actuarial gain/(loss) arising from defined benefit plans		354.290	(880.179)
Other comprehensive income/(expense) to be reclassified to profit or loss		3.097.705	3.578.298
- Foreign currency translation differences		3.097.705	3.578.298
Restricted reserves	17	28.274.456	28.274.456
Retained earnings		(14.753.489)	(17.808.255)
Net profit/ (loss) for the year		12.973.171	3.054.766
Non-controlling interest		**10.532.522**	**6.322.212**
Total equity		**64.778.655**	**46.841.298**
Total liabilities and equity		**542.589.946**	**515.256.419**

Contingent assets and liabilities

(Convenience translation into English of condensed interim consolidated financial statment originally issued in Turkish)

ÇELEBİ HAVA SERVİSİ A.Ş.
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED JUNE 30, 2014 AND 2013

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

	Notes	(Reviewed) 1 January - 30 June 2014	1 April - 30 June 2014	(Reviewed) 1 January - 30 June 2013	1 April - 30 June 2013
CONTINUING OPERATIONS					
Revenue (net)	18	283.385.228	166.644.406	230.156.860	128.419.117
Cost of sales (-)	18	(214.851.957)	(120.344.541)	(180.801.872)	(92.795.840)
GROSS PROFIT	**18**	**68.533.271**	**46.299.865**	**49.354.988**	**35.623.277**
General administrative expenses (-)	20	(42.908.987)	(22.794.045)	(41.016.315)	(21.719.990)
Other operating income		7.402.780	1.299.023	4.399.744	3.052.350
Other operating expenses (-)		(2.527.488)	(1.679.794)	(3.221.558)	(2.084.942)
Income from investments accounted by Equity method	6	1.358.963	724.573	593.684	515.959
OPERATING PROFIT		**31.858.539**	**23.849.622**	**10.110.543**	**15.386.654**
Income from investment activities		201.957	87.972	189.412	29.269
Expense from investment activities (-)		(6.817.011)	(6.648.469)	(398.905)	(349.946)
OPERATING PROFIT/(LOSS) BEFORE FINANCIAL INCOME/(EXPENSE)		**25.243.485**	**17.289.125**	**9.901.050**	**15.065.977**
Financial income	21	15.070.656	11.753.018	5.265.026	2.134.136
Financial expense (-)	22	(23.223.807)	(10.204.556)	(25.837.603)	(17.893.373)
INCOME BEFORE TAX		**17.090.334**	**18.837.587**	**(10.671.527)**	**(693.260)**
Income tax expense		**(3.716.752)**	**(2.699.346)**	**(1.288.861)**	**(107.099)**
Current tax expense	23	(4.571.457)	(3.671.084)	(2.232.142)	(764.382)
Deferred tax income/(expense)	23	854.705	971.738	943.281	657.283
NET INCOME/ (EXPENSE)		**13.373.582**	**16.138.241**	**(11.960.388)**	**(800.359)**
Attributable to:					
Non-controlling interest		400.411	(305.728)	(1.465.285)	(793.472)
Equity holder of the parent		12.973.171	16.443.969	(10.495.103)	(6.887)
		13.373.582	**16.138.241**	**(11.960.388)**	**(800.359)**
Earnings / (losses) per share (Full TL)	24	0,005	0,006	(0,004)	(0,0003)

ÇELEBİ HAVA SERVİSİ A.Ş.

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIODS ENDED 30 JUNE 2014 AND 2013

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

	Notes	(Reviewed) 1 January- 30 June 2014	(Unreviewed) 1 April- 30 June 2014	(Reviewed) 1 January - 30 June 2013	(Unreviewed) 1 April- 30 June 2013
Net profit / (loss) for the period		**13.373.582**	**16.138.241**	**(11.960.388)**	**(800.359)**
Other comprehensive income/ (expense):		**(401.369)**	**(1.354.254)**	**(492.408)**	**(542.880)**
To be reclassified to profit or loss					
- Currency translation differences		(401.369)	(1.354.254)	(492.408)	(542.880)
Not to be reclassified to profit or loss		**1.234.469**	**1.181.145**	**(357.881)**	**(357.881)**
- Actuarial gain/(loss) arising from defined benefit plans		1.234.469	1.181.145	(357.881)	(357.881)
Other comprehensive income/(expense)		**833.100**	**(173.109)**	**(850.289)**	**(900.761)**
Total comprehensive income/(expense)		**14.206.682**	**15.965.132**	**(12.810.677)**	**(1.701.120)**
Total comprehensive income attributable to:					
Non-controlling interest		479.635	(658.112)	(1.526.700)	(1.015.565)
Equity holders of the parent		13.727.047	16.623.244	(11.283.977)	(685.555)
		14.206.682	**15.965.132**	**(12.810.677)**	**(1.701.120)**

(Convenience translation into English of condensed interim consolidated financial statment originally issued in Turkish)

ÇELEBİ HAVA SERVİSİ A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED 30 JUNE 2014 AND 2013

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

				Other comprehensive income/(expense) to be reclassified to profit or loss	Other comprehensive income/(expense) not to be reclassified to profit or loss	Retained earnings				
	Notes	Share capital	Restricted reserves	Cumulative Translation Differences	Actuarial gain/(loss) arising from defined benefit plans	Retained Earnings	Net profit/(loss) fort he year	Equity attribute table to equity holders of the parent	Non-controlling interest	Total equity
Balances at 1 January 2013		**24.300.000**	**26.573.456**	**1.141.212**	**362.943**	**(17.386.979)**	**20.984.466**	**55.975.098**	**8.099.058**	**64.074.156**
Transfers to retained earnings		-	1.701.000	-	-	19.283.466	(20.984.466)	-	-	-
Transactions related to non-controlling interests		-	-	-	-	(854.632)	-	(854.632)	854.632	-
Dividend paid		-	-	-	-	(18.225.002)	-	(18.225.002)	-	(18.225.002)
Other comprehensive income							-			
- Change in foreign currency translation differences		-	-	(426.438)	-	-	-	(426.438)	(65.970)	(492.408)
- Change in Actuarial gain/(loss) arising from defined benefit plans		-	-		(362.436)	-	-	(362.436)	4.555	(357.881)
Total other comprehensive income		-	-	**(426.438)**	**(362.436)**	-	-	**(788.874)**	**(61.415)**	**(850.289)**
Net profit / (loss) for the period		-	-	-	-	-	(10.495.103)	(10.495.103)	(1.465.285)	(11.960.388)
Total comprehensive income/ (expense)		-	-	**(426.438)**	**(362.436)**	-	**(10.495.103)**	**(11.283.977)**	**(1.526.700)**	**(12.810.677)**
Balances at 30 June 2013		**24.300.000**	**28.274.456**	**714.774**	**507**	**(17.183.147)**	**(10.495.103)**	**25.611.487**	**7.426.990**	**33.038.477**

(Convenience translation into English of condensed interim consolidated financial statment originally issued in Turkish)

ÇELEBİ HAVA SERVİSİ A.Ş.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIODS ENDED 30 JUNE 2014 AND 2013

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

				Other comprehensive income/(expense) to be reclassified to profit or loss	Other comprehensive income/(expense) not to be reclassified to profit or loss	Retained earnings				
	Notes	Share capital	Restricted reserves	Cumulative Translation Differences	Actuarial gain/(loss) arising from defined benefit plans	Retained Earnings	Net profit/(loss) fort he year	Equity attribute table to equity holders of the parent	Non-controlling interest	Notes
Balances at 1 January 2014		**24.300.000**	**28.274.456**	**3.578.298**	**(880.179)**	**(17.808.255)**	**3.054.766**	**40.519.086**	**6.322.212**	**46.841.298**
Transactions related to non-controlling interests		-	-	-	-	-	-	-	3.730.675	3.730.675
Transfers to retained earnings	17	-	-	-	-	3.054.766	(3.054.766)	-	-	-
Other comprehensive income										
- Change in foreign currency translation differences		-	-	(480.593)	-	-	-	(480.593)	79.224	(401.369)
- Change in Actuarial gain/(loss) arising from defined benefit plans		-	-	-	1.234.469	-	-	1.234.469	-	1.234.469
Total other comprehensive income		-	-	**(480.593)**	**1.234.469**	-	-	**753.876**	**79.224**	**833.100**
Net profit / (loss) for the period		-	-	-	-	-	12.973.171	12.973.171	400.411	13.373.582
Total comprehensive income/ (expense)		-	-	**(480.593)**	**1.234.469**		**12.973.171**	**13.727.047**	**479.635**	**14.206.682**
Balances at 30 June 2014		**24.300.000**	**28.274.456**	**3.097.705**	**354.290**	**(14.753.489)**	**12.973.171**	**54.246.133**	**10.532.522**	**64.778.655**

ÇELEBİ HAVA SERVİSİ A.Ş.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR INTERIM PERIODS ENDED 30 JUNE 2014 AND 2013

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

	Notes	Reviewed 1 January – 30 June 2014	Reviewed 1 January– 30 June 2013
A. Cash flows from operating activities		**20.923.608**	**2.131.592**
Profit/loss before tax for the period		**17.090.334**	**(10.671.527)**
Adjustment for reconciliation of profit/(loss) before taxation		50 254 231	30 976 953
- Adjustment for depreciation and amortisation expense		14 910 757	16 895 717
- Adjustment for provisions		4 948 695	5 178 989
- Adjustment for interest income and expense		11 048 813	8 708 223
- Adjustment for (profit) on sales of property, plant and equipment, net		6 615 053	209 493
- Adjustments related to the fair value losses (gains)		(1 407 490)	408 383
- Other adjustments for reconciliation of profit/ loss		5 044 368	(423 851)
- Other item's adjustments related to cash flows arising from financing or investing activities		9 094 035	-
Changes in working capital		**(46.420.957)**	**(18.173.835)**
- Adjustment for increase/decrease in inventories		(145 147)	(695 569)
- Adjustment for increase/decrease in trade receivables		(21 183 384)	(22 193 722)
- Adjustment for increase/decrease in other receivables related with operations		(23 591 916)	(2 571 766)
- Adjustment for increase/decrease in trade payables		4 335 292	5 501 596
- Adjustment for increase/decrease in other payables related with operations		(900 295)	6 011 605
- Adjustment for increase/decrease in joint ventures are accounted by the equity method		(1 777 388)	(538 209)
Retirement liability paid		(2 477 823)	(4 297 014)
Collection of doubtful receivables		-	206 789
Vacation liability paid		-	(296 707)
Tax payments/returns		(680 296)	699 162
Cash flows from operating activities		**20.923.608**	**2.131.592**
B. Cash flows from investing activities		**(25.170.413)**	**(4.779.100)**
Cash inflows from the sale of property, plant and equipment and intangible assets	10, 11	405 564	1 869 469
Cash outflows from the purchase of property, plant and equipment and intangible asset	10, 11	(11 971 596)	(6 648 569)
Regarding the acquisition of control of subsidiaries cash outflows related to buy		(13 604 381)	-
C. Cash flows from financing activities		**(10.375.522)**	**10.620.750**
Cash inflows from financial liabilities		673 291	37 553 974
Dividends paid		-	(18 225 001)
Interest received		1 591 138	1 212 151
Interest paid		(12 639 951)	(9 920 374)
Net (decrease)/ increase in restricted cash and cash equivalents		**91.385**	**9.906.524**
D. Impact of foreign currency translation differences on cash and cash equivalents		**(1.294.116)**	**(1.655.343)**
Net increase/decrease in cash and cash equivalents		**(15.825.058)**	**16.224.422**
E. Cash and cash equivalents at beginning of period		**51.799.723**	**32.227.239**
Cash and cash equivalents at end of period	4	**35.974.665**	**48.451.661**

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, Bingöl 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. (In Liquidation Çelebi Güvenlik)

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.

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS OF THE GROUP (Continued)

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 30 June 2014, 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 820.000.000 Indian Rupee. Furthermore, a capital payment amounting to INR 300.000.000 was made by the shareholders to be added to the capital.

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 18.150.000 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.

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS OF THE GROUP (Continued)

The Company acquired shares of Çelebi Kargo Depolama ve Dağitim 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 10.800.000 Euro paid capital, established in November 2009 located in Frankfurt, Germany. As of June 30, 2014 the capital of Çelebi Kargo is TL 27.500.000 and totally paid. A "share purchase agreement" was signed on February 18, 2014 between Celebi Cargo GmBH, a subsidiary of Çelebi Kargo Depolama ve Dağıtım Hizmetleri A.Ş. registered in Frankurt, Germany, 100% of the capital of which is owned by Çelebi Kargo Depolama ve Dağıtım Hizmetleri A.Ş., in which the Company participates at the rate of 99,97%, and Aviapartner GmBH, also registered in Frankurt, Germany, for the transfer of all of the shares of Aviapartner Cargo GmbH operating in Frankfurt and Hahn International Airports in Germany, 100% of the capital of which is owned by Aviapartner GmBH for EUR 4,6 million to Celebi Cargo GmBH. The closing procedures regarding this agreement were concluded on February 28, 2014. Negotiations are ongoing regarding the determination of the ultimate purchase price of over the financial statement dated February 28, 2014 within the framework of the "Share purchase agreement. As of 30 April 2014, the title of Aviapartner Cargo is changed to Celebi GmbH.

As of 30 June 2014, the condensed interim consolidated financial statements of the Company include the Company, Celebi Nas, CGHH, Çelebi Guvenlik In Liquidation, Celebi Delhi Cargo, Celebi GH Delhi, Çelebi Kargo, Celebi Cargo and Celebi GmbH (collectively, referred to as the "Group").

These consolidated financial statements for the period 1 January – 30 June 2014 have been approved for issue by the Board of Directors on 18 August 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
Tasfiye halinde 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	Germany	Germany	Warehouse and cargo services
Celebi GmbH	Germany	Germany	Warehouse and cargo services

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS OF THE GROUP (Continued)

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

NOTE 2– BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

Affiliates:

The Company has the following 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 hadling services

As of 30 June 2014 average number of personnel is 10.232.(31 December 2013: 10.343).

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").

The Group has prepared its financial statements for the interim period ended June 30, 2014 in accordance with Turkish Accounting Standard, No 34 Interim Financial Reporting.

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. Please refer to Note 2.2.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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.

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 30 June 2014, the currency of subsidiaries has shown below.

Company	Currency
Çelebi Guvenlik 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)
Celebi 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)

The new standards, amendments and interpretations

The accounting policies adopted in preparation of the interim condensed consolidated financial statements as at 30 June 2014 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 2014. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The new standards, amendments and interpretations which are effective as at 1 January 2014 are as follows:

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 did not have an impact on the interim condensed consolidated financial statements of the Group

TRFS 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 not applicable for the Group and did not have any impact on the financial position or performance of the Group.

TAS 36 Impairment of Assets (Amended) - Recoverable Amount Disclosures for Non-Financial assets

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. These amendments did not have an impact on the interim condensed consolidated financial statements of the Group.

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

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

TFRS 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. This amendment does not have any impact on the financial position or performance of the Group.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the interim condensed consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the interim condensed consolidated financial statements and disclosures, when the new standards and interpretations become effective.

TFRS 9 Financial Instruments – Classification and measurement

As amended in December 2012, 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. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is adopted by POA.

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

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

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.

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.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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.

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 – 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.

Amendment to the Basis for Conclusions on 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.

The Group do not expect that these amendments will have significant impact on the financial position or performance of the Group.

IAS 19 Defined Benefit Plans: Employee Contributions (Amendment)

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

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

In May 2014 the IASB amended IFRS 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. This amendment requires the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3 Business Combinations, to apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs except for those principles that conflict with the guidance in this IFRS. In addition, the acquirer shall disclose the information required by IFRS 3 and other IFRSs for business combinations. These amendments are to be applied prospectively for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

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

In May 2014, the IASB issued amendments to IAS 16 and IAS 38, prohibiting the use of revenue-based depreciation for property, plant and equipment and significantly limiting the use of revenue-based amortisation for intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments will not have an impact on the financial position or performance of the Group.

IFRS 15 – Revenue from Contracts with Customers

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

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

In June 2014, the IASB issued amendments that bearer plants, such as grape vines, rubber trees and oil palms should be accounted for in the same way as property, plant and equipment in IAS 16. Once a bearer plant is mature, apart from bearing produce, its biological transformation is no longer significant in generating future economic benefits. The only significant future economic benefits it generates come from the agricultural produce that it creates. Because their operation is similar to that of manufacturing, either the cost model or revaluation model should be applied. The produce growing on bearer plants will remain within the scope of IAS 41, measured at fair value less costs to sell. Entities are required to apply the amendments for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendment is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IFRS 9 Financial Instruments - Final standard (2014)

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

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) 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.

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

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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(%)	
Subsidary	**30 June 2014**	**31 December 2013**
Çelebi Güvenlik In Liquadation (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	99,9	99,9
Celebi Cargo GmbH	99,9	99,9
Celebi GmbH	99,9	-

(1) As of 30 June 2014 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. (Note 5).

(2) Pursuant to the resolution taken in the Ordinary General Assembly meeting, of Çelebi Güvenlik with a capital of TL 1.906.736, 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 June, 2014, 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 IFRS 5 Assets Held for Sale and Discontinued Operations.

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

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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	**30 June 2014**	**31 December 2013**
Celebi Nas	%55,00	%55,00

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) 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

Reflected expenses amounting to TL 2.430.956 TL in gross amount under revenue and cost of sales in the condensed consolidated statement of profit or loss for the year ended June 30, 2013 have been reclassified by offsetting.

2.3. *Summary of Significant Accounting Policies*

Condensed consolidated financial statements for the period ended 30 June 2014, have been prepared in compliance with IAS 34, the IFRS standard on interim financial reporting. Furthermore, condensed consolidated financial statements as of 30 June 2014 have been prepared applying accounting policies which are consistent with the accounting policies used for the preparation of consolidated financial statements except IFRS 11 and IAS 19 for the year ended 31 December 2013. Thus, these condensed consolidated financial statements must be evaluated together with the consolidated financial statements for the year ended 31 December 2013.

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.

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

NOTE 3 - SEGMENT REPORTING (Continued)

The segment information provided to the board of directors as of 30 June 2014 is as follows :

1 January - 30 June 2014

	Reportable Segments				
	Ground Handling Services	Airport Security Services	Cargo and Warehouse Services	Consolidation Adjustments	Consolidated
Revenue - net	182.833.285	-	100.727.109	(175.166)	283.385.228
Cost of sales	(130.616.598)	(5.724)	(84.229.635)	-	(214.851.957)
Gross profit	**52.216.687**	**(5.724)**	**16.497.474**	**(175.166)**	**68.533.271**
General administrative expenses	(30.286.169)	(5.145)	(12.863.996)	246.323	(42.908.987)
Addition: Depreciation and amortization	10.197.005	9.675	4.704.078	-	14.910.758
Addition: Operating lease equalization	(167.030)	-	4.053.806	-	3.886.776
Addition: Effect of IFRIC 12 shares	-	-	1.194.945	-	1.194.945
Addition: Prepaid allocation cost expense	577.536	-	-	-	577.536
Effect of EBITDA to investments accounted by equity method	2.900.677	-	170.025	-	3.070.702
EBITDA	**35.438.706**	**(1.194)**	**13.756.332**	**71.157**	**49.265.001**

1 April- 30 June 2014

	Reportable Segments				
	Ground Handling Services	Airport Security Services	Cargo and Warehouse Services	Consolidation Adjustments	Consolidated
Revenue - net	108.653.831	-	58.061.176	(70.601)	166.644.406
Cost of sales	(71.863.945)	8.749	(48.489.345)	-	(120.344.541)
Gross profit	**36.789.886**	**8.749**	**9.571.831**	**(70.601)**	**46.299.865**
General administrative expenses	(15.838.644)	(1.869)	(7.046.000)	92.468	(22.794.045)
Addition: Depreciation and amortization	5.001.082	4.745	2.347.819	-	7.353.646
Addition: Operating lease equalization	11.636	-	1.938.020	-	1.949.656
Addition: Effect of IFRIC 12 shares	-	-	481.434	-	481.434
Addition: Prepaid allocation cost expense	288.768	-	-	-	288.768
Effect of EBITDA to		-			
investments accounted by equity method	1.645.276	-	92.098	-	1.737.374
EBITDA	**27.898.004**	**11.625**	**7.385.202**	**21.867**	**35.316.698**

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

NOTE 3 - SEGMENT REPORTING (Continued)

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

1 January - 30 June 2013

	Reportable Segments				
	Ground Handling Services	Airport Security Services	Cargo and Warehouse Services	Consolidation Adjustments	Consolidated
Revenue - net	159.057.802	521.873	70.766.285	(189.100)	230.156.860
Cost of sales	(123.564.512)	(704.105)	(56.785.824)	252.569	(180.801.872)
Gross profit	35.493.290	(182.232)	13.980.461	63.469	49.354.988
General administrative expenses	(31.627.219)	(142.894)	(9.514.018)	267.816	(41.016.315)
Addition: Depreciation and amortization	12.711.849	10.786	4.173.082	-	16.895.717
Addition: Operating lease equalization	71.768	-	4.010.745	-	4.082.513
Addition: Effect of IFRIC 12 shares	-	-	1.253.223	-	1.253.223
Addition: Prepaid allocation cost expense	577.536	-	-	-	577.536
Effect of EBITDA to investments accounted by equity method	2.149.726	-	(2.668)	-	2.147.058
EBITDA	19.376.950	(314.340)	13.900.825	331.285	33.294.720

1 April - 30 June 2013

	Reportable Segments				
	Ground Handling Services	Airport Security Services	Cargo and Warehouse Services	Consolidation Adjustments	Consolidated
Revenue - net	91.913.240	262.787	36.346.434	(103.344)	128.419.117
Cost of sales	(63.740.284)	(323.933)	(28.863.285)	131.662	(92.795.840)
Gross profit	28.172.956	(61.146)	7.483.149	28.318	35.623.277
General administrative expenses	(16.795.635)	(84.031)	(4.940.930)	100.606	(21.719.990)
Addition: Depreciation and amortization	6.315.025	5.116	2.092.627	-	8.412.768
Addition: Operating lease equalization	(104.094)	-	1.943.056	-	1.838.962
Addition: Effect of IFRIC 12 shares	-	-	337.404	-	337.404
Addition: Prepaid allocation cost expense	288.768	-	-	-	288.768
Effect of EBITDA to investments accounted by equity method	1.203.044	-	26.468	-	1.229.512
EBITDA	19.080.064	(140.061)	6.941.774	128.924	26.010.701

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

NOTE 3 - SEGMENT REPORTING (Continued)

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

	1 January – 30 June 2014	1 April– 30 June 2014	1 January– 30 June 2013	1 April– 30 June 2013
EBITDA for Reported segments	49.265.001	35.316.698	33.294.720	26.010.701
Depreciation and amortization	(14.910.758)	(7.353.646)	(16.895.717)	(8.412.768)
Operating lease equalization	(3.886.776)	(1.949.656)	(4.082.513)	(1.838.962)
Effect of IFRIC 12	(1.194.945)	(481.434)	(1.253.223)	(337.404)
Other operating income	7.402.780	1.299.023	4.399.744	3.052.350
Other operating expenses (-)	(2.527.488)	(1.679.794)	(3.221.558)	(2.084.942)
Addition: Prepaid allocation cost expense	(577.536)	(288.768)	(577.536)	(288.768)
EBITDA effect of equity Accounted investees	(3.070.702)	(1.737.374)	(2.147.058)	(1.229.512)
Share of profit from Equity accounted inventees	1.358.963	724.573	593.684	515.959
Operating profit	**31.858.539**	**23.849.622**	**10.110.543**	**15.386.654**
Income from investment activities	201.957	87.972	189.412	29.269
Expenses from investment activities (-)	(6.817.011)	(6.648.469)	(398.905)	(349.946)
Financial income	15.070.656	11.753.018	5.265.026	2.134.136
Financial expenses (-)	(23.223.807)	(10.204.556)	(25.837.603)	(17.893.373)
Income before tax	**17.090.334**	**18.837.587**	**(10.671.527)**	**(693.260)**

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:	30 June 2014	31 December 2013
Turkey	390.922.064	342.990.373
India	154.694.800	157.161.385
Hungary	63.857.798	63.349.971
Germany	42.296.154	21.677.151
Segment assets (*)	**651.770.816**	**585.178.880**
Unallocated assets	50.476.614	70.690.153
Less: Inter-segment elimination	(159.657.484)	(140.612.614)
Total assets as per consolidated financial statements	**542.589.946**	**515.256.419**

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

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

NOTE 3 - SEGMENT REPORTING (Continued)

Total Liabilities:	30 June 2014	31 December2013
Turkey	207.789.030	42.750.310
India	156.025.845	88.146.827
Hungary	43.437.619	8.293.472
Germany	57.280.484	5.447.635
Segment liabilities (*)	**464.532.978**	**144.638.244**
Unallocated liabilities	13.120.411	333.975.109
Less: Inter-segment elimination	157.902	(10.198.232)
Total liabilities as per consolidated financial statements	**477.811.291**	**468.415.121**

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

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

NOTE 3 - SEGMENT REPORTING (Continued)

Geographical Segments

Geographical Analysis for the interim period 1 January - 30 June 2014

	Turkey	Hungary	India	Germany	Total Combined	Intersegment Adjustment	Total
Revenue	160.596.729	38.356.696	43.558.916	40.927.287	283.439.628	(54.400)	283.385.228
Cost of sales	(112.305.604)	(22.865.030)	(38.235.803)	(41.445.520)	(214.851.957)	-	(214.851.957)
Gross profit	48.291.125	15.491.666	5.323.113	(518.233)	68.587.671	(54.400)	68.533.271
General administrative expenses	(29.343.185)	(4.634.555)	(4.552.100)	(4.470.735)	(43.000.575)	91.588	(42.908.987)
Other operating income expense (net)	14.863.522	434.233	4.634.601	-	19.932.356	(15.057.064)	4.875.292
Profit from investments accounted under equity method	-	-	1.358.963	-	1.358.963	-	1.358.963
Operating profit / (loss)	**33.811.462**	**11.291.344**	**6.764.577**	**(4.988.968)**	**46.878.415**	**(15.019.876)**	**31.858.539**

Geographical Analysis for the interim period 1 April - 30 June 2014

	Turkey	Hungary	India	Germany	Total Combined	Intersegment Adjustment	Total
Revenue	97.607.273	19.893.109	23.789.907	25.407.318	166.697.607	(53.201)	166.644.406
Cost of sales	(61.767.040)	(11.715.931)	(21.526.762)	(25.334.808)	(120.344.541)	-	(120.344.541)
Gross profit	35.840.233	8.177.178	2.263.145	72.510	46.353.066	(53.201)	46.299.865
General administrative expenses	(16.155.718)	(2.204.651)	(2.257.824)	(2.183.947)	(22.802.140)	8.095	(22.794.045)
Other operating income expense (net)	(553.507)	(386.694)	582.062	-	(358.139)	(22.632)	(380.771)
Profit from investments accounted under equity method	-	-	724.573	-	724.573	-	724.573
Operating profit / (loss)	**19.131.008**	**5.585.833**	**1.311.956**	**(2.111.437)**	**23.917.360**	**(67.738)**	**23.849.622**

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

NOTE 3 - SEGMENT REPORTING (Continued)

Geographical Segments

Geographical Analysis for the interim period 1 January - 30 June 2013

	Turkey	Hungary	India	Germany	Total Combined	Intersegment Adjustment	Total
Revenue	139.308.628	35.240.282	41.630.895	13.977.055	230.156.860	-	230.156.860
Cost of sales	(106.256.101)	(20.081.633)	(39.014.100)	(15.450.038)	(180.801.872)	-	(180.801.872)
Gross profit	33.052.527	15.158.649	2.616.795	(1.472.983)	49.354.988	-	49.354.988
General administrative expenses	(27.520.692)	(6.329.351)	(4.497.784)	(2.792.997)	(41.140.824)	124.509	(41.016.315)
Other operating income expense (net)	1.422.322	28.125	(177.193)	-	1.273.254	(95.068)	1.178.186
Profit from investments accounted under equity method	-	-	593.684	-	593.684	-	593.684
Operating profit / (loss)	**6.954.157**	**8.857.423**	**(1.464.498)**	**(4.265.980)**	**10.081.102**	**29.441**	**10.110.543**

Geographical Analysis for the interim period 1 April - 30 June 2013

	Turkey	Hungary	India	Germany	Total Combined	Intersegment Adjustment	Total
Revenue	84.183.698	16.475.300	20.669.321	7.090.798	128.419.117	-	128.419.117
Cost of sales	(55.755.332)	(10.064.665)	(19.432.780)	(7.543.063)	(92.795.840)	-	(92.795.840)
Gross profit	28.428.366	6.410.635	1.236.541	(452.265)	35.623.277	-	35.623.277
General administrative expenses	(14.540.995)	(3.253.727)	(2.348.037)	(1.629.515)	(21.772.274)	52.284	(21.719.990)
Other operating income expense (net)	1.267.063	(110.504)	(166.822)	-	989.737	(22.329)	967.408
Profit from investments accounted under equity method	-	-	515.959	-	515.959	-	515.959
Operating profit / (loss)	**15.154.434**	**3.046.404**	**(762.359)**	**(2.081.780)**	**15.356.699**	**29.955**	**15.386.654**

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

NOTE 4 - CASH AND CASH EQUIVALENTS

	30 June 2014	31 December 2013
Cash	345.988	187.617
Banks		
- Time deposit	28.869.195	50.341.859
- Demand deposit	15.162.799	9.773.946
Other liquid assets	11.860	2.863
	44.389.842	**60.306.285**

Effective interest rates on TL, EUR, USD and INR denominated time deposits at 30 June 2014 are 10,18%, 1,17%, 2,10%, 5,00%. (31 December 2013: TL 7,32%, EUR 1,95%, USD 0,98%, INR 5,07%). The maturity days on TL, EUR, USD and INR denominated time deposits as of 30 June 2014 20-60 days, 1-14 days and 1-3 days for INR, EUR and USD respectively, 1-3 day for TL. (31 December 2013: 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 30 June 2014 and 30 June 2013 are as follows:

	30 June 2014	30 June 2013
Cash and banks	44.389.842	52.735.580
Less: Interest Accruals	(25.753)	(4.525)
Less: Restricted cash (*)	(8.389.424)	(4.279.394)
	35.974.665	**48.451.661**

(*) 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 (30 June 2013: 14.170.568 TL).

NOTE 5 - FINANCIAL INVESTMENTS

Available-for-sale assets:

	30 June 2014		31 December 2013	
	%	TL	%	TL
DASPL	%16,67	1.473.337	%16,67	1.438.335
Celebi Spain (*)	%100,0	20.525	%100,0	20.525
		1.493.862		**1.458.860**

(*) As at 30 June 2014, 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.

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

NOTE 6- EQUITY ACCOUNTED INVESTEES

	%	30 June 2014	%	31 December 2013
Çelebi Nas	%55	14.938.168	%55	13.160.780
		14.938.168		**13.160.780**

The movement in the investments accounted by equity method during the periods ended 30 June is as follows:

	30 June 2014	30 June 2013
As of 1 January	13.160.780	10.026.878
Share on profit / loss	1.358.963	593.684
Currency translation differences	309.948	(105.973)
Actuarial gains/losses fund from retirement plans	108.477	50.499
As of 30 June	**14.938.168**	**10.565.088**

Profit /loss from investments accounted under equity method:

	1 January- 30 June 2014	1 January- 30 June 2013
Çelebi Nas	1.358.963	595.639
Çelebi IC Yatırım	-	(1.955)
	1.358.963	**593.684**

Summary statement of equity accounted investees:

	30 June 2014	31 December 2013
Total Assets	34.486.669	34.384.187
Total Liabilities	7.326.362	10.455.495

	1 January- 30 June 2014	1 January- 30 June 2013
Total Revenue	16.117.931	12.898.116
Profit / (Loss) for the period	2.470.842	1.079.425

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

NOTE 7-SHORT TERM AND LONG TERM FINANCIAL LIABILITIES

Short-term financial liabilities:

	30 June 2014		
	Effective Interest Rate (%)	**Original Amount**	**TL**
Short term borrowings:			
TL Borrowings		2.351.753	2.351.753
INR Borrowings	11,75% – 12,82%	83.919.005	2.967.376
EUR Borrowings		15.498	44.819
Total short term credits			**5.363.948**
Short-term finance lease obligations			
Short-term finance lease obligations - USD		79.058	167.872
Short-term finance lease obligations - EUR		584.197	1.689.438
Total short-term finance lease obligations			**1.857.310**
Short-term portion of long-term borrowings:			
Interest expense accrual – INR		17.722.511	626.668
Interest expense accrual – EUR		927.864	2.683.289
Interest expense accrual – TL		827.411	827.411
INR borrowings	11,75% – 12,82%	514.680.713	18.199.110
EUR borrowings	Libor/Euribor + 4,50% - 6,87%	21.435.999	61.990.765
Short-term portion of total long term borrowings:			**84.327.243**
Total short term borrowings:			**91.548.501**

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

NOTE 7-SHORT TERM AND LONG TERM FINANCIAL LIABILITIES (Continued)

Long-term financial liabilities:	**30 June 2014**		
	Effective Interest Rate (%)	**Original amount**	**TL**
INR borrowings	11,75% – 12,82%	1.461.794.966	51.689.070
EUR borrowings	Libor/Euribor + 4,50% - 6,87%	56.198.500	162.520.443
TL borrowings	13,50%	15.000.000	15.000.000
			229.209.513
Long-term finance lease obligations:			
Long-term finance lease obligations – USD		59.602	126.559
Long-term finance lease obligations – EUR		1.695.903	4.904.383
Total long-term finance lease obligations			**5.030.942**
Total long-term financial liabilities			**234.240.455**
Total financial liabilities			**325.788.956**

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
Total short term credits			**2.857.794**
Short-term finance lease obligations:			
Short-term finance lease obligations - EUR		589.874	1.732.164
Short-term finance lease obligations - USD		79.393	169.449
Total short-term finance lease obligations			**1.901.613**
Other short term financial liabilities:			
Derivative liabilities (*)		810.710	2.380.650

(*) 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.

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

NOTE 7-SHORT TERM AND LONG TERM FINANCIAL LIABILITIES (Continued)

	31 December 2013		
	Effective Interest Rate (%)	**Original amount**	**TL**
Short-term portion of long-term borrowings:			
Interest expense accrual - EUR	-	600.067	1.762.097
Interest expense accrual - INR	-	5.547.683	191.506
EUR borrowings	Libor/Euribor + 4,00% - 6,50%	22.392.667	65.756.066
INR borrowings	11,50% – 12,78%	475.789.340	16.424.248
Short-term portion of total long term borrowings:			**84.133.917**
Total short term liabilities:			**91.273.974**

	31 December 2013		
	Effective Interest Rate (%)	**Original amount**	**TL**
Long-term financial liabilities:			
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
Total long-term financial liabilities			**230.185.797**
Long-term finance lease obligations:			
Long-term finance lease obligations –EUR		1.983.984	5.825.969
Long-term finance lease obligations –USD		98.662	210.575
Total long-term finance lease obligations			**6.036.544**
Total long-term financial liabilities			**236.222.341**
Total financial liabilities			**327.496.315**

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

	30 June 2014	**31 December 2013**
Less than 3 months	12.243.831	14.168.862
Between 3-12 months	79.304.670	77.105.112
Between 1-5 years	232.794.508	230.454.960
5 years and more	1.445.947	5.767.381
	325.788.956	**327.496.315**

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

NOTE 7-SHORT TERM AND LONG TERM FINANCIAL LIABILITIES (Continued)

The redemption schedules of long-term bank borrowings as of 30 June 2014 and 31 December 2013 are as follows:

	30 June 2014	31 December 2013
Between 1-2 years	89.369.827	70.492.852
Between 2-3 years	91.482.461	94.306.790
Between 3-4 years	33.138.277	43.391.295
4 years and more	15.218.948	21.994.860
	229.209.513	**230.185.797**

The redemption schedules of financial lease obligations as of 30 June 2014 and 31 December 2013 are as follows:

	30 June 2014			31 December 2013		
	Minumum lease Payments	Interest	Total obligation	Minimum lease payments	Interest	Total obligation
Less than 1 year	2.189.103	(331.793)	1.857.310	2.316.726	(415.113)	1.901.613
Between 1-2 years	2.040.683	(234.495)	1.806.188	2.129.453	(295.120)	1.834.333
Between 2-3 years	1.878.804	(170.561)	1.708.243	1.982.556	(184.460)	1.798.096
Between 3-4 years	1.560.342	(43.831)	1.516.511	1.810.594	(83.160)	1.727.434
4 years and more	-	-	-	680.752	(4.071)	676.681
	7.668.932	**(780.680)**	**6.888.252**	**8.920.081**	**(981.924)**	**7.938.157**

NOTE 8 - TRADE RECEIVABLES AND PAYABLES

	30 June 2014	31 December 2013
Short-term trade receivables		
Due from third parties	78.188.142	57.473.999
Less: Provision for doubtful receivables	(3.116.668)	(3.128.251)
Trade receivables from third parties (net)	**75.071.474**	**54.345.748**
Due from related parties (Note 25)	11.142.922	10.673.681
Total short-term trade receivables	**86.214.396**	**65.019.429**

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

NOTE 8 - TRADE RECEIVABLES AND PAYABLES (Continued)

The maturities of trade receivables are generally less than one month (31 December 2013: less than one month).

The fair value of current trade receivables as of 30 June 2014 and 31 December 2013 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:

	30 June 2014	30 June 2013
Opening balance	3.128.251	3.217.952
Cumulative translation differences	(11.583)	(23.296)
Closing balance	**3.116.668**	**3.194.656**

Short-term trade payables

	30 June 2014	31 December 2013
Trade payables to third parties	29.406.312	25.263.887
Accrued liabilities	15.429.302	13.412.595
Total trade payables to third parties	**44.835.614**	**38.676.482**
Due to third parties (Note 25)	3.458.761	5.282.601
Total trade payables	**48.294.375**	**43.959.083**

The fair value of short-term trade payables as of 30 June 2014 and 31 December 2013 equals their carrying amount as the impact of discounting is not significant.

NOTE 9 - OTHER RECEIVABLES AND PAYABLES

	30 June 2014	31 December 2013
Other short-term receivables		
Receivables from Tax Office	9.123.306	6.738.823
Deposits and guarentees given	258.611	254.343
Other short-term receivables	3.852.129	25.475
	13.234.046	**7.018.641**

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

NOTE 9 - OTHER RECEIVABLES AND PAYABLES (Continued)

	30 June 2014	31 December 2013
Other long-term receivables		
Deposits and guarentees given (*)	12.390.089	11.465.300
	12.390.089	**11.465.300**

(*) As of 30 June 2014, 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 TL 7.760.649 (31 December 2013: TL 6.683.594) ve TL 4.627.597 (31 December 2013: TL 4.284.455) as a deposit to the local authorities, companies and the amount which was shown in banks as blockage. As of 30 June 2014, Group has no blockage balance.

	30 June 2014	31 December 2013
Other short-term payables		
Liquidated damage fee (**)	-	5.160.740
Other short-term payables (*)	5.472.039	2.499.581
Deposits received	41.524	40.538
	5.513.563	**7.700.859**

(*) As of 30 June 2014; TL 4.120.056 of other short-term payables (31 December 2013: 2.455.407) 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). All amount is paid in 2014.

	30 June 2014	31 December 2013
Other long-term payables		
Deposits and guarantees received	4.625.287	4.299.463
	4.625.287	4.299.463

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

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment for the period ended 30 June 2014 are as follows:

	Opening 1 January 2014	Additions due to purchase of subsidiaries(**)	Additions	Disposals(***)	Foreign currency Translation Differences	Closing 30 June 2014
Cost						
Plant, machinery and equipment	202.313.681	1.762.006	2.490.627	(349.548)	(158.043)	206.058.723
Motor vehicles	36.925.913	-	17.316	-	(1.338.671)	35.604.558
Furniture and fixtures	21.469.906	-	354.442	(211.318)	(143.957)	21.469.073
Leasehold improvements (*)	99.959.534	-	141.526	(11.720.444)	(18.688)	88.361.928
Construction in Progress	8.669.072	221	7.118.870	-	-	15.788.163
	369.338.106	**1.762.227**	**10.122.781**	**(12.281.310)**	**(1.659.359)**	**367.282.445**
Accumulated depreciation						
Plant, machinery and equipment	(127.065.935)	-	(5.974.192)	169.515	132.891	(132.737.721)
Motor vehicles	(25.337.100)	-	(1.150.182)	-	933.775	(25.553.507)
Furniture and fixtures	(16.342.488)	-	(949.204)	22.767	284.367	(16.984.558)
Leasehold improvements (*)	(55.060.161)	-	(3.195.773)	5.068.411	4.686	(53.182.837)
	(223.805.684)	-	**(11.269.351)**	**5.260.693**	**1.355.719**	**(228.458.623)**
Net book value	**145.532.422**					**138.823.822**

(*) 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 30 June 2014 the net book value of these stations was TL 32.275.833. 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 30 June 2014 in the amount of TL 9.964.151 and TL 1.305.200 are respectively included in cost of sales and operating expenses.

There are net book value TL 7.553.512 worth of financial leasing assets in plant, machinery and equipment as of 30 June 2014.

(**) For the detail of purchase of Celebi GmbH please refer to Note 11.
(***) Due to the apron widening works conducted by DHMI as a solution to the increasing passenger traffic at Atatürk Airport, the Company evacuated its service buildings to hand them over to DHMI in accordance with the provisions of the lease and moved into the new service buildings constructed in the area allotted by DHMI on July 1, 2014. The net book value of the investments regarding the service buildings evacuated/handed over to DHMI recognized in special expenses item as of the handing-over date is TL 6.652.033 which has been classified in expense from investment activities.

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

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in property, plant and equipment for the period ended 30 June 2013 are as follows:

	Opening 1 January 2013	Additions due to purchase of subsidiaries	Additions	Disposals	Foreign currency Translation Differences	Closing 30 June 2013
Cost						
Plant, machinery and equipment	188.801.585	4.268.576	(362.411)	4.392	813.167	193.525.309
Motor vehicles	33.617.328	256.317	(2.209.123)	-	1.120.626	32.785.148
Furniture and fixtures	20.608.807	161.121	(67.335)	-	198.303	20.900.896
Leasehold improvements (*)	97.683.472	1.812.991	(639.121)	736.712	141.358	99.735.412
Construction in Progress	739.297	-	-	(741.104)	1.807	-
	341.450.489	6.499.005	(3.277.990)	-	2.275.261	346.946.765
Accumulated depreciation						
Plant, machinery and equipment	(115.539.733)	(5.630.172)	334.047	-	(280.630)	(121.116.488)
Motor vehicles	(19.976.849)	(1.269.025)	605.852	-	(739.873)	(21.379.895)
Furniture and fixtures	(14.818.571)	(876.805)	56.647	-	(83.450)	(15.722.179)
Leasehold improvements (*)	(48.774.210)	(3.487.518)	202.482	-	(14.883)	(52.074.129)
	(199.109.363)	(11.263.520)	1.199.028	-	(1.118.836)	(210.292.691)
Net book value	142.341.126					136.654.074

(*) 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 30 June 2013 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.

Depreciation expense for the period ended 30 June 2013 in the amount of TL 9.939.352 and TL 1.324.168 are respectively included in cost of sales and operating expenses.

There are net book value TL 7.791.555 worth of financial leasing assets in plant, machinery and equipment as of 30 June 2013.

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

NOTE 11 - INTANGIBLE ASSETS

Other Intangible Assets

Movements in intangible assets for the period ended 30 June 2014 are as follows:

	Opening 1 January 2014	Additions	Disposals	Transfers	Foreign Currency Translarion Differences	Closing 30 June 2014
Cost						
Rights	11.690.098	-	-	-	-	11.690.098
Customer relations	39.556.774	-	-	-	(2.153.292)	37.403.482
Spftware	8.973.270	86.588	-	-	(127.804)	8.932.054
Concession rights (**)	64.721.241	-	-	-	1.574.900	66.296.141
Build-operate-transfer investments (*)	50.653.610	-	-	-	1.232.591	51.886.201
	175.594.993	**86.588**	-	-	**526.395**	**176.207.976**
Accumulated depreciation						
Rights	(2.004.071)	(332.584)	-	-	(648)	(2.337.303)
Concession rights (**)	(11.053.640)	(1.387.244)	-	-	(259.237)	(12.700.121)
Customer relations	(39.556.774)	-	-	-	2.153.292	(37.403.482)
Software	(6.618.646)	(589.167)	-	-	87.542	(7.120.271)
Build-operate-transfer investments(*)	(10.155.819)	(1.332.411)	-	-	(237.775)	(11.726.005)
	(69.388.950)	**(3.641.406)**	-	-	**1.743.174**	**(71.287.182)**
Net book value	**106.206.043**					**104.920.794**

(*) TL 34.951.522 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 5.208.673 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 30 June 2014 in the amount of TL 324.989 and TL 3.316.417 are included in operating expenses and cost of sales.

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

NOTE 11 - INTANGIBLE ASSETS (Continued)

Other Intangible Assets

Movements in intangible assets for the period ended 30 June 2013 are as follows:

	Opening 1 January 2013	Additions	Disposals	Foreign Currency Translation Differences	Closing 30 June 2013
Cost					
Rights	12.453.583	-	-	53.290	12.506.873
Customer relations	32.379.129	-	-	1.674.787	34.053.916
Spftware	7.358.230	149.564	-	84.551	7.592.345
Concession rights (**)	61.327.682	-	-	(581.216)	60.746.466
Build-operate-transfer investments (*)	47.997.672	-	-	(454.886)	47.542.786
	161.516.296	**149.564**	-	**776.526**	**162.442.386**
Accumulated depreciation					
Rights	(1.648.776)	(422.185)	-	(27.436)	(2.098.397)
Concession rights (**)	(7.925.520)	(1.255.482)	-	96.443	(9.084.559)
Customer relations	(28.606.362)	(2.287.160)	-	(1.624.902)	(32.518.424)
Software	(4.890.610)	(434.113)	-	(55.412)	(5.380.135)
Build-operate-transfer investments(*)	(7.175.509)	(1.233.257)	-	88.957	(8.319.809)
	(50.246.777)	**(5.632.197)**	-	**(1.522.350)**	**(57.401.324)**
Net book value	**111.269.519**				**105.041.062**

(*) TL 33.595.519 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. In addition, TL 5.627.458 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 30 June 2013 in the amount of TL 2.524.870 and TL 3.107.327 are included in operating expenses and cost of sales.

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

NOTE 11 - INTANGIBLE ASSETS (Continued)

Goodwill

Positive goodwill at 30 June 2014 and 31 December 2013 is as follows:

	30 June 2014	31 December 2013
Goodwill due to acquisition of CGHH	21.915.855	23.177.524
Celebi Nas due to acquisition of Celebi Nas addition share	910.723	910.723
Goodwill due to acquisition of Aviapartner	5.474.624	-
	28.301.202	**24.088.247**

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.

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 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 30 June 2014 are below:

	30 June 2014	30 June 2013
1 January	23.177.524	18.971.925
Foreign Currency Translation Differences	(1.261.669)	(1.144.857)
Goodwill	**21.915.855**	**17.827.068**

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

NOTE 11 - INTANGIBLE ASSETS (Continued)

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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	30 June 2014
Ground handling services - Hungary	**21.915.855**

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 30 June 2014.

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.

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**

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

NOTE 11 - INTANGIBLE ASSETS (Continued)

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.

	30 June 2014
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.

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 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 30 June 2014.

Goodwill due to acquisition of Celebi GmbH

A "share purchase agreement" was signed on February 18, 2014 between Celebi Cargo GmBH, a subsidiary of Çelebi Kargo Depolama ve Dağıtım Hizmetleri A.Ş. registered in Frankurt, Germany, 100% of the capital of which is owned by Çelebi Kargo Depolama ve Dağıtım Hizmetleri A.Ş., in which the Company participates at the rate of 99,97%, and Aviapartner GmBH, also registered in Frankurt, Germany, for the transfer of all of the shares of Aviapartner Cargo GmbH (Aviapartner Cargo) operating in Frankfurt and Hahn International Airports in Germany in cargo storage and handling, 100% of the capital of which is owned by Aviapartner GmBH for EUR 4,6 million to Celebi Cargo GmBH. The closing procedures regarding this agreement were concluded on February 28, 2014. As of June 30, 2014, negotiations are ongoing regarding the ultimate determination of the purchase price over the financial statements dated February 28, 2014 within the framework of the "Share purchase agreement. An ultimate agreement on the purchase price has not been reached by the group's management within the frame of this agreement and the purchase readjustment amounting to EUR 414.675 has been included in the calculation of goodwill. The closing procedures regarding this agreement were concluded on February 28, 2014. The title of Company is changed to Celebi GmbH as of 30 April 2014.

The goodwill arising from the subject purchase has been recognized in the financial statements dated June 30, 2014 provisionally within the scope of TFRS 3.

Goodwill of Celebi GbmH which is calculated with net asset is follows:

Purchasing amount	13.604.381
Less: Identifiable asset, liabilities and fair values of contingent liabilities	(9.094.035)
Adjustment for purchase price	1.265.090
Foreign currency translation differences	(300.812)
Goodwill	**5.474.624**

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

NOTE 12 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

a) Short term provisions

Other short-term provisions

	30 June 2014	31 December2013
Provision for unused vacation	848.332	665.445
Other	-	7.483
	848.332	**672.928**

Movements of short term provisions as of 30 June 2014 are as follows:

	Provision for unused vacation	Provision for litigation	Total
1 January 2014	**665.445**	**7.483**	**672.928**
Increase during the year	188.736	-	188.736
Payments during the year	-	-	-
Usage during the year	-	-	-
Exchange difference	(5.849)	(7.483)	(13.332)
30 June 2014	**848.332**	**-**	**848.332**

	Provision for unused vacation	Provision for litigation	Total
1 January 2013	**1.167.781**	**165.938**	**1.333.719**
Increase during the year	46.783	-	46.783
Payments during the year	-	-	-
Usage during the year	-	(45.283)	(45.283)
Exchange difference	28.954	5.702	34.656
30 June 2013	**1.243.518**	**126.357**	**1.369.875**

Long-term provision for employee benefits

	30 June 2014	31 December 2013
Provision for employee termination benefits	2.101.826	-
Provision for unused vacation	3.452.986	2.366.362
	5.554.812	**2.366.362**

b) Long-term provisions:

Long-term provision for employee benefits

	30 June 2014	31 December 2013
Provision for employee termination benefits	7.085.378	9.256.100

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

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

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 30 June 2014 consists of one month's salary limited to a maximum of TL 3.438,22 (31 December 2013: TL 3.254,44) 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 June 2014 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.

The principal assumption is that the liability ceiling for each year of service will increase in line with inflation. Böylece Thus the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Since the Group calculates the reserve for employment termination benefits every six months the maximum amount of TL 3.438,22 which is effective from 1 January 2014 (31 December 2013: TL 3.254,44) has been taken into consideration in the calculations. Movements in the provision for employment termination benefits are as follows:

	30 June 2014	30 June 2013
As of 1 January	**11.622.462**	**10.171.698**
Paid during the year	(2.477.823)	(4.593.721)
Increase during the year	4.239.594	2.045.775
Used during the period	(802.973)	(999.866)
Service Cost	1.100.989	4.034.640
Interest Cost	411.085	143.722
Actuarial gain/loss	(1.407.490)	455.250
Foreign currency translation differences	(45.654)	(260.825)
End of the period	**12.640.190**	**10.996.673**

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

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

Contingent assets and liabilities of the Group

	30 June 2014	31 December 2013
Guarantees received:		
Guarantee letters	7.585.618	7.367.247
Guarantee check	1.303.685	1.847.072
Guarantee notes	765.736	887.672
	9.655.039	**10.101.991**

	30 June 2014	31 December 2013
Guarantees given:		
Collateral	261.024.650	247.913.850
Guarantee letters	57.136.009	52.999.542
Share pledge	9.810.911	8.801.188
	327.971.570	**309.714.580**

The Company has contingent assets amounting to TL 1.462.625 (31 December 2013: TL 1.392.881), due to the legal cases in favor of the Company and contingent liabilities amounting to TL 19.341.544 due to the legal cases and enforcement proceedings against the Company as of 30 June 2014 (2013: TL 19.374.452), TL 15.592.061 portion of contingent liabilities are comprised of legal cases and enforcement proceedings related with the fire in warehouse (Note 28) in which Company is a sole defendant and co-defendant with the DHMI, other warehouse management companies and insurance companies(2013:TL15.821.307).

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

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

The details of collaterals, pledges and mortgages ("CPM") of the Company at 30 June 2014 and 31 December 2013 are as follows:

		30 June 2014		31 December 2013	
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			**44.199.841**		**39.996.969**
	TL	5.865.276	5.865.276	5.096.477	5.096.477
	EUR	2.935.510	8.489.201	2.053.918	6.031.332
	USD	2.210.500	4.693.776	1.810.500	3.864.150
	INR	561.999.117	19.872.289	561.999.117	19.400.210
	HUF	562.825.000	5.279.299	565.000.000	5.604.800
B. CPM given on behalf of fully consolidated subsidiaries			**283.771.729**		**269.717.611**
	EUR	37.500.000	108.446.250	33.700.000	98.960.049
	USD	6.092.196	12.936.169	6.092.196	13.002.574
	INR	4.592.457.850	162.389.310	4.569.959.100	157.754.988
C. CPM given for continuation of its economic activities on behalf of third parties		-	-	-	-
D. Total amount of other CPM					
i. Total amount of CPM given on behalf of the majority shareholder		-	-	-	-
ii. Total amount of CPM given to on behalf of other group companies which are not in scope of B and C					
iii. Total amount of CPM given on behalf of third parties which are not in scope of C					
			327.971.570		**309.714.580**

The ratio of other collaterals, pledges and mortgages given by the Company to equity of the Company is 0,0% as of 30 June 2014 (31 December 2013: 0,0%). The Company has no benefit from CPM given to third parties.

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

NOTE 13 - OTHER ASSETS AND LIABILITIES

	30 June 2014	31 December 2013
Other current assets		
Restricted cash (*)	5.369.770	5.629.522
Deferred Value-added tax ("VAT")	5.490.779	1.483.776
Insurance expense need to be compensated	4.282.000	4.180.278
Advances given to personnel	241.201	311.444
Other	767.302	223.947
	16.151.052	**11.828.967**

(*) Comprises the deposits blocked of Çelebi Delhi Cargo and Celebi GH Delhi, the subsidiaries of the Group in India, as of 30 June 2014. (31 December 2013: TL 4.144.684).

	30 June 2014	31 December 2013
Other non-current assets		
Prepaid taxes and funds (*)	9.302.634	7.526.225
Other	3.242	3.242
	9.305.876	**7.529.467**

(*)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 2.037.372 (31 December 2013: TL 1.005.713) ve TL 7.070.460 (31 December 2013: TL 6.520.512).

	30 June 2014	31 December 2013
Other current liabilities		
Taxes and funds payable	843.859	1.233.204
Rent equilization reserves	817.468	968.464
Other miscellaneous payables and liabilities	2.098.309	964.346
	3.759.636	**3.166.014**

	30 June 2014	31 December 2013
Other non-current liabilities		
Provision for operational leasing equalization (*)	39.603.991	34.880.012
Other	10.523.183	8.636.332
	50.127.174	**43.516.344**

(*) 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.

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

NOTE 14 – PREPAID EXPENSES

	30 June 2014	31 December 2013
Short-term prepaid expenses		
Prepaid expenses (*)	13.245.726	6.366.303
Advances given	7.075.110	2.283.817
	20.320.836	**8.650.120**

	30 June 2014	31 December 2013
Long-term prepaid expenses		
Prepaid expenses (*)	18.111.822	18.912.672
Capital advances given	2.190.135	2.706.773
	20.301.957	**21.619.445**

(*) TL 19.058.688 (31 December 2013:TL 19.636.224) of total prepaid expenses consist of long-term prepaid rent expenses in an airport in which Celebi Hava operates.

NOTE 15 – DEFERRED INCOME

	30 June 2014	31 December 2013
Short-term Deferred Income		
Short term deferred revenues calculated based on IFRYK12	2.556.184	5.922.443
Order advances received	2.253.131	2.269.863
	4.809.315	**8.192.306**

NOTE 16 – LIABILITIES FOR EMPLOYEE BENEFITS

	30 June 2014	31 December 2013
Wages and salaries payable	8.393.939	6.273.012
Social security withholdings payment	3.921.787	3.707.536
Accrued bonus payable	1.143.597	1.330.005
	13.459.323	**11.310.553**

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

NOTE 17 - EQUITY

Share Capital

As of 30 June 2014, 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 2013: 2.430.000.000).

At 30 June 2014 and 31 December 2013, the shareholding structure of the Group is stated in historical amounts below:

	30 June 2014		31 December 2013	
Shareholders	**Amount**	**Share%**	**Amount**	**Share%**
Çelebi Havacılık Holding A.Ş. (ÇHH)	18.930.598	77,90	18.797.553	77,36
Other	5.369.402	22,10	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.

Dividend requirements regulated by CMB applicable to listed companies are as follows:

In accordance with the CMB Decision No, 02/51 and dated 27 January 2010, concerning allocation basis of profit from operations of 2009, minimum profit distribution will not be applied.

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

NOTE 17 – EQUITY (Continued)

According to the Board's decision and Communiqué No, IV-27 issued by the CMB regarding the allocation basis of profit of publicly owned companies, the distribution of the relevant amount may be realized as cash or as bonus shares or partly as cash and bonus shares; and in the event that the first dividend amount to be specified is less than 5% of the paid-up capital, the relevant amount can be retained within the Company. However, companies that made capital increases before distributing dividends related to the prior period and whose shares are therefore classified as "old" and "new" and that will distribute dividends from the profit made from operations are required to distribute the initial amount in cash.

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.

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 30 June 2014 (31 December 2013: TL 28.274.456).

NOTE 18 – REVENUE AND COST OF SALES

	1 January - 30 June 2014	1 April- 30 June 2014	1 January- 30 June 2013	1 April- 30 June 2013
Ground handling services	185.819.482	110.402.024	161.674.679	93.828.805
Cargo and warehouse services income	94.247.583	53.720.166	61.320.814	32.478.732
Airport security services	-	-	521.873	262.787
Revenue in the context of IFRIC 12	3.392.897	2.694.804	6.829.348	3.529.493
Rental revenue not related to aviation	5.689.531	3.058.501	4.115.867	1.264.072
Less: Returns and discounts	(5.764.265)	(3.231.089)	(4.305.721)	(2.944.772)
Sales revenue- net	283.385.228	166.644.406	230.156.860	128.419.117
Cost of sales	(214.851.957)	(120.344.541)	(180.801.872)	(92.795.840)
Gross profit	68.533.271	46.299.865	49.354.988	35.623.277

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

NOTE 19 - EXPENSES BY NATURE

	1 January - 30 June 2014	1 April- 30 June 2014	1 January- 30 June 2013	1 April- 30 June 2013
Personnel expenses	(98.133.870)	(51.126.861)	(85.958.153)	(44.107.261)
Payments to authorities and terminal managements (*)	(44.146.786)	(24.085.479)	(36.228.718)	(19.590.605)
Consultancy expenses	(21.631.097)	(11.396.945)	(18.849.130)	(10.296.080)
Equipment repair, maintenance fuel and security expenses	(19.147.974)	(10.064.142)	(19.698.259)	(10.465.671)
Depreciation and amortization expenses	(14.910.757)	(7.353.647)	(16.895.717)	(8.412.768)
Expense in the context of IFRIC 12 (***)	(4.587.842)	(3.176.238)	(8.082.572)	(3.866.896)
Outsourced services	(8.991.869)	(4.903.969)	(7.203.552)	(3.494.799)
Travel and transportation expenses	(6.488.181)	(3.638.646)	(6.181.169)	(3.313.238)
Taxes and other fees	(2.720.400)	(1.370.640)	(2.963.991)	(1.414.135)
Insurance premiums	(2.160.544)	(1.092.977)	(1.520.974)	(771.161)
Cost of good sold (**)	(173.783)	(4.427)	(1.834.150)	(1.156.890)
Other expenses	(34.667.841)	(24.924.615)	(16.401.802)	(7.626.326)
	(257.760.944)	**(143.138.586)**	**(221.818.187)**	**(114.515.830)**

(*) 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.

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

NOTE 20 - GENERAL ADMINISTRATIVE EXPENSES

	1 January - 30 June 2014	1 April- 30 June 2014	1 January- 30 June 2013	1 April- 30 June 2013
Consultancy expenses	(20.947.140)	(11.050.597)	(18.108.044)	(9.979.753)
Personnel expenses	(12.240.718)	(6.571.127)	(12.319.551)	(6.502.397)
Depreciation and amortization	(1.630.189)	(833.490)	(3.849.038)	(1.885.786)
Travel and transportation expenses	(1.335.970)	(806.295)	(1.188.518)	(463.325)
Equipment repair, maintenance, fuel and security expenses	(1.077.823)	(535.871)	(794.273)	(351.284)
Payments to authorities and terminal managements	(873.087)	(348.966)	(799.185)	(421.677)
Insurance premiums	(348.843)	(182.032)	(314.888)	(158.921)
Taxes and other fees	(667.557)	(325.733)	(663.084)	(380.565)
Other expenses	(3.787.660)	(2.139.934)	(2.979.734)	(1.576.282)
	(42.908.987)	**(22.794.045)**	**(41.016.315)**	**(21.719.990)**

NOTE 21 – FINANCIAL INCOME

	1 January - 30 June 2014	1 April- 30 June 2014	1 January- 30 June 2013	1 April- 30 June 2013
Foreign exchange gains	10.425.035	9.945.437	3.295.327	966.285
Interest income	1.591.138	713.020	1.212.151	648.539
Unearned finance income	770.324	507.808	554.556	416.356
Forward valuation income	2.038.350	463.050	202.992	102.956
Other incomes	245.809	123.703	-	-
	15.070.656	**11.753.018**	**5.265.026**	**2.134.136**

NOTE 22 - FINANCIAL EXPENSES

	1 January - 30 June 2014	1 April- 30 June 2014	1 January- 30 June 2013	1 April- 30 June 2013
Foreign exchange losses	(9.244.350)	(3.768.870)	(14.650.776)	(12.932.463)
Interest expenses	(12.639.951)	(5.746.261)	(9.920.374)	(4.267.600)
Financial expenses incurred under scope of IFRIC 12	(333.777)	(114.993)	(483.547)	(344.436)
Other expenses	(1.005.729)	(574.432)	(782.906)	(348.874)
	(23.223.807)	**(10.204.556)**	**(25.837.603)**	**(17.893.373)**

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

NOTE 23 - TAX ASSETS AND LIABILITIES

	30 June 2014	31 December 2013
Current period corporate tax provision	4.508.550	5.794.379
Less: Prepaid corporate tax	(3.205.027)	(8.319.110)
Assets related to current year tax - net	**1.303.523**	**(2.524.731)**

	30 June 2014	31 December 2013
Deferred tax assets	21.607.419	20.348.294
Deferred tax liabilities	(6.641.617)	(6.478.794)
Deferred tax assets/ (liabilities) - net	**14.965.802**	**13.869.500**

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 2014 is 20% (2013: 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 withholding tax at the rate of 19,8% on the investment incentive allowance amount utilized within the scope of the Provisional Article 61 of the Income Tax Law).

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 (2013: 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:

NOTE 23 - TAX ASSETS AND LIABILITIES (Continued)

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.

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 has been changed to since 2014 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 India, the corporate tax rate is 32,45% for fiscal year 2014 (2013: 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 Germany, the corporate tax rate is 31,925% for fiscal year 2014 (2013: 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).

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

NOTE 23 - TAX ASSETS AND LIABILITIES (Continued)

Tax expense for the periods end 30 June 2014 and 2013 is presented below:

	1 January - 30 June 2014	1 April- 30 June 2014	1 January- 30 June 2013	1 April- 30 June 2013
- Current year corporate tax	(4.571.457)	(3.671.084)	(2.232.142)	(764.382)
- Deferred tax income /(expense)	854.705	971.738	943.281	657.283
	(3.716.752)	**(2.699.346)**	**(1.288.861)**	**(107.099)**

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 30 June 2014 and 31 December 2013 using the enacted tax rates are as follows:

	Cumulative temporary Differences		Deferred tax assets / (liabilities)	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Deferred tax assets				
Non-deductible financial losses (*)		-		-
Personnel bonus accrual	(984.536)	(891.675)	196.907	178.335
Accrued sales commissions	(3.741.099)	(2.848.425)	748.220	569.685
Provision for employment termination benefits	(6.871.585)	(8.956.121)	1.374.317	1.791.224
Provision for operational leasing equilization	(38.726.839)	(33.877.136)	12.564.923	10.991.437
Provision for unused vacation	(2.451.653)	(1.722.199)	490.331	344.440
Provision for legal claims	(665.445)	(665.445)	133.089	133.089
Net difference between the tax base and carrying amount of property plant and equipment and intangible assets	(21.708.550)	(23.109.125)	7.043.339	7.497.756
Other	(6.639.022)	(8.427.462)	2.008.794	2.335.231
			24.559.920	**23.841.197**
Net - off			**(2.952.501)**	**(3.492.903)**
Deferred tax assets			**21.607.419**	**20.348.294**

(*) 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 23.486.717 (31 December 2013: TL 22.093.485) 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 7.620.265 of deferred tax amount as of June 30, 2014.

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

NOTE 23 - TAX ASSETS AND LIABILITIES (Continued)

	Cumulative temporary Differences		Deferred tax assets / (liabilities)	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Deferred tax liabilities				
Net difference between the tax base and carrying amount of property plant and equipment and intangible assets	47.479.795	50.542.998	(9.275.904)	(9.963.894)
Other	1.552.050	-	(318.214)	(7.803)
			(9.594.118)	**(9.971.697)**
Net - off			**2.952.501**	3.492.903
Deferred tax liabilities			**(6.641.617)**	**(6.478.794)**
Ertelenen vergi varlıkları, net			**14.965.802**	**13.869.500**

Deferred tax movement table is as below:

	2014	2013
1 January	**13.869.500**	**9.926.294**
Foreign currency translation difference	241.597	(194.436)
Charge for the period	854.705	943.281
30 June	**14.965.802**	**10.675.139**

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

NOTE 24 - 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.

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:

	1 January - 30 June 2014	1 April- 30 June 2014	1 January- 30 June 2013	1 April- 30 June 2013
Net profit / (loss) attributable to the equity holders of the parent	12.973.171	16.443.969	(10.495.103)	(6.887)
Weighted average number of shares with 1 Full TL face value each	2.430.000.000	2.430.000.000	2.430.000.000	2.430.000.000
Earnings / (losses) per share (Full TL)	**0,005**	**0,007**	**(0,004)**	**(0,0003)**

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

NOTE 25 - 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	30 June 2014	31 December 2013
ÇHH (*)	10.284.110	10.385.750
Other	858.812	287.931
	11.142.922	**10.673.681**

(*) 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.

The maturities of due from related parties are generally shorter than a month (31 December 2013: shorter than a month). As of 30 June 2014 and 31 December 2013, 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	30 June 2014	31 December 2013
ÇHH (*)	2.735.290	4.540.479
Çe-Tur	604.240	712.968
Other	119.231	29.154
	3.458.761	**5.282.601**

(*) As of June 30, 2014, 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

	1 January - 30 June 2014	1 April- 30 June 2014	1 January - 30 June 2013	1 April- 30 June 2013
Miscellaneous sales to related parties				
ÇHH	40.597	16.537	100.932	26.450
Çe-Tur	79.691	56.654	79.518	30.264
Celebi Ground Service Austria	332.003	185.717	87.720	19.397
Other	158.149	149.685	10.814	7.229
	610.440	**408.593**	**278.984**	**83.340**

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

NOTE 25 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

	1 January - 30 June 2014	1 April- 30 June 2014	1 January - 30 June 2013	1 April- 30 June 2013
Employee and transportation expenses payable to related parties				
Çe-Tur	2.601.702	1.445.574	2.372.801	1.496.833
Contribution to holding expenses (*)				
ÇHH	17.699.738	9.379.612	15.565.256	8.844.625

(*) 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 Guvenlik Sistemleri ve Danismanlik 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.

	1 January - 30 June 2014	1 April- 30 June 2014	1 January - 30 June 2013	1 April- 30 June 2013
Other purchases from related parties (*)				
ÇHH	1.270.256	457.505	1.765.241	855.136
Çe-Tur	646.863	343.000	604.516	327.967
Other	1.046.561	798.083	84.555	52.492
	2.963.680	**1.598.588**	**2.454.312**	**1.235.595**

(*) 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.

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

NOTE 25 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Collaterals given in favor of related parties for borrowings as of 30 June 2014 and 31 December 2013 are as follow:

30 June 2014	EUR	USD	INR	Total TL
ÇHH				
CGHH (2)	24.200.000	-		69.983.980
Celebi Nas (1)	-	-	91.080.000	3.220.589
Celebi Delhi Cargo (3)	-	-	2.647.040.000	93.599.334
Celebi Delhi GH (4)	-	-	1.354.337.850	47.889.386
Celebi Cargo GmbH (5)	13.300.000	-		38.462.270

31 December 2013	EUR	USD	INR	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

(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 it's 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 12.500.000 as of 30 June 2014.

(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 13.300.000 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 13.300.000 as of 30 June 2014.

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:

	1 January - 30 June 2014	1 April- 30 June 2014	1 January - 30 June 2013	1 April- 30 June 2013
Short-term employee benefits	4.446.111	2.273.764	4.864.923	2.144.065
Post-employment benefits	62.553	-	7.553	7.553
	4.508.664	**2.273.764**	**4.872.476**	**2.151.618**

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

DİPNOT 26 - FINANCIAL RISK MANAGEMENT

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.

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, HUF and INR.

As of 30 June 2014, 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 622.049 (31 December 2013: TL 1.762.458).

As of 30 June 2014, 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 15.247.337 (31 December 2013: TL 20.104.521).

As of 30 June 2014, 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 5.791.632 (31 December 2013: TL 10.009.522).

As of 30 June 2014, 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 1.001.261 (31 December 2013: TL 1.328.779).

Foreign currency denominated assets and liabilities of the Group as of 30 June 2014 and 31 December 2013 are as follows:

	30 June 2014	**31 December 2013**
Assets denominated in foreign currency	221.403.263	167.159.103
Liabilities denominated in foreign currency (-)	(415.463.268)	(437.221.404)
Net balance sheet position	**(194.060.005)**	**(270.062.301)**

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

DİPNOT 26 - FINANCIAL RISK MANAGEMENT (Continued)

Foreign currency denominated assets and liabilities of the Group as of 30 June 2014 and 31 December 2013 are as follows:

30 June 2014	TL Equivalent (Functional Currency)	US Dollar	Euro	Indian Rupee	Hungarian Forin	GBP/ British Pound
1. Trade receivables	73.382.253	1.431.465	16.920.120	265.781.240	1.280.742.000	-
2. Monetary financial assets (Kasa Cash, Bank Accounts)	39.259.666	2.847.010	6.954.830	295.097.937	249.010.883	91.779
3. Other	44.170.358	172.833	5.402.576	664.971.319	497.469.680	-
4. Current Assets(1+2+3)	156.812.277	4.451.308	29.277.526	1.225.850.496	2.027.222.563	91.779
5. Other	64.590.986	26.420	6.565.340	1.284.624.488	13.247.000	-
6. Non-current assets (5)	64.590.986	26.420	6.565.340	1.284.624.488	13.247.000	-
7. Total assets (4+6)	221.403.263	4.477.728	35.842.866	2.510.474.984	2.040.469.563	91.779
8. Trade payables	32.787.899	1.407.575	6.208.026	249.516.966	297.277.568	65.019
9. . Financial liabilities	88.369.337	79.058	22.963.558	616.322.229	-	-
10. Other monetary liabilities	19.606.784	-	1.129.319	303.130.811	599.381.729	-
11. Current liabilities (8+9+10)	140.764.020	1.486.633	30.300.903	1.168.970.006	896.659.297	65.019
12. . Financial liabilities	219.240.455	59.602	57.894.403	1.461.794.966	-	-
13. Other monetary liabilities	55.458.793	2.000	371.847	1.517.615.112	76.368.000	-
14. Non-current liabilities (12+13)	274.699.248	61.602	58.266.250	2.979.410.078	76.368.000	-
15. Total liabilities (11+14)	415.463.268	1.548.235	88.567.153	4.148.380.084	973.027.297	65.019
16. Net foreign currency asset/(liability) position (7-15)	(194.060.005)	2.929.493	(52.724.287)	(1.637.905.100)	1.067.442.266	26.760
17. Net monetary foreign currency asset/(liability) Position (7-15)	(194.060.005)	2.929.493	(52.724.287)	(1.637.905.100)	1.067.442.266	26.760

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

DİPNOT 26 - FINANCIAL RISK MANAGEMENT (Continued)

31 December 2013	TL Equivalent (Functional Currency)	US Dollar	Euro	Indian Rupee	Hungarian Forin	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 (Kasa 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**

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

DİPNOT 26 - FINANCIAL RISK MANAGEMENT (Continued)

The table below summarizes TL equivalent of export and import amounts for the years ended 30 June 2014 and 30 June 2013:

	1 January - 30 June 2014	1 January - 30 June 2013
Total export amount	-	-
Total import amount	580.086	2.910.380

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 30 June 2014 and 31 December 2013 is as follows:

	30 June 2014	31 December 2013
Total financial liabilities	325.788.956	327.496.315
Less: Cash and cash equivalents	(44.389.842)	(60.306.285)
Less: Current assets	(4.839.370)	(5.629.522)
Net debt	276.559.744	261.560.508
Equity	64.778.655	46.841.298
Equity + net debt	341.338.399	308.401.806
Net debt / (Equity + net debt) ratio	0,81	0,85

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

NOTE 27 - 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).

The Group's assets and liabilities quantified as fair values at 30 June 2014 and 31 December 2013 are as below:

30 June 2014	Level 1	Level 2	Level 3	Total
Assets				
Available for sale financial assets (Note 5)	-	-	1.493.862	**1.493.862**
Derivative assets(*)	-	1.552.050	-	**1.552.050**
Total assets	-	1.552.050	1.493.862	**3.045.912**

The date of forward transaction for cash flow hedging is January 23, 2014, the net maturity dates are August 8, 2014 and July 9, 2014 while the bank purchase cost is EUR 4.500.000 and bank sale cost is TL 14.669.550.

30 June 2014	Level 1	Level 2	Level 3	Total
Liabilities				
Derivative Financial Instruments	-	-	-	-
Total liabilities	-	-	-	-

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

NOTE 27 - FINANCIAL INSTRUMENTS (Continued)

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				
Other financial liabilities (Note 7)	-	2.380.650	-	**2.380.650**
Total liabilities	-	2.380.650	-	**2.380.650**

Marketable securities are recognized at cost less any impairment loss, in the consolidated interim condensed financial statements.

NOTE 28 - 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 30 June 2014 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.

There are legal cases and enforcement proceedings under way: this comprises legal cases and enforcement proceedings amounting to TL 9.935.870 (Note 12) in which the Company is a co-defendant along with the DHMI, other warehouse management companies and insurance companies; and legal cases and enforcement proceedings amounting to TL 5.656.191 in which the Company is the sole defendant. Total legal cases and enforcement proceedings is TL 15.592.061.

NOTE 28 - DISCLOSURE OF OTHER MATTERS REQUIRED FOR THE PURPOSE OF UNDERSTANDING AND INTERPRETING THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 as of 30 September 2013.

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, 219 lawsuits with value of TL 89.211.262 (USD 42.013.404) to which the Fund Companies have been a side and which has an invoice value of TL 53.212.327 (USD 25.059.964) has been settled amicably and 212 of these 219 lawsuits with a value of TL 85.596.574 (USD 40.311.092) has been paid to the claimants as TL 52.781.918 (USD 24.857.266). The amount that has been agreed on of these remaining 7 lawsuits that have been settled amicably is USD 202.698 and the claim value is USD 1.702.312; and it is projected that these 7 lawsuits will result in payment in the near future.

Discussions on the 17 claims between the other claimants and the fund, which have not yet been reconciled are ongoing. The invoice value of these claims are USD 4.307.789 and it is projected that the remaining balance of USD 15 million after the payment of the agreed amounts pertaining to the 7 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 30 June 2014.

NOTE 29 - SUBSEQUENT EVENTS

a) The Company participated in the licence tender held by Tanzania Airports Authority regarding the operation of airport ground services in Julius Nyerere International Airport in Darussalam, Tanzania for a period of 10 (ten) years as consortium jointly with Universal Electronics & Hardware (T) Ltd., a local company registered in Tanzania and submitted the offer to the tender authority. The process regarding the tender is ongoing.

   In 2013, approximately 39 thousand flights and 2,4 million passengers were served in the Julius Nyerere International Airport in the city of Darussalam of Tanzania and the ground operations currently conducted by 1 (one) licensed company will be start to be conducted by 1 (two) licensed company after the mentioned tender.

NOTE 29 - SUBSEQUENT EVENTS (Continued)

b) The Company has signed a consultancy agreement with FLYNAS NATIONAL AIR SERVICES LLC ("FlyNas") which operates in the aviation industry in Saudi Arabia. With this agreement, the Company shall provide consultancy services to FlyNas regarding the establishment of operational processes of airport ground services within the scope of the related regulations and the improvement of the management of ground services in Riyadh, Jeddah, Dammam and Medina airports until the end of 2016.

Apart from the consultancy services to be provided to FlyNas in Saudi Arabia, the Company has also initiated negotiations with FlyNas regarding the determination of the content of the machinery and equipment to be used in ground services operations and their provision, as supplementary services.

c) Within the scope of operations performed as part of the strategic growth plans in the India, Celebi Nas has been found appropriate by Mumbai International Airport Private Limited ("MIAL"), the operator of Chhatrapati Shivaji International Airport ("CSIA") registered in Mumbai, where Celebi Nas operates, for the provision of air-conditioning and generator services, which have been mounted to the passenger bridges in the passenger terminal in the subject airport and has been invited to sign the Letter of Award ("LOA").

In the case that the event is attended, our Subsidiary is required to sign the Concession Agreement within one month. Upon the finalization and signing of the agreement, the subsidiary shall have a concession right for 22 years in the financing, establishment, operation, maintenance and management of air-conditioning and generator services in the passenger terminal at the airport.