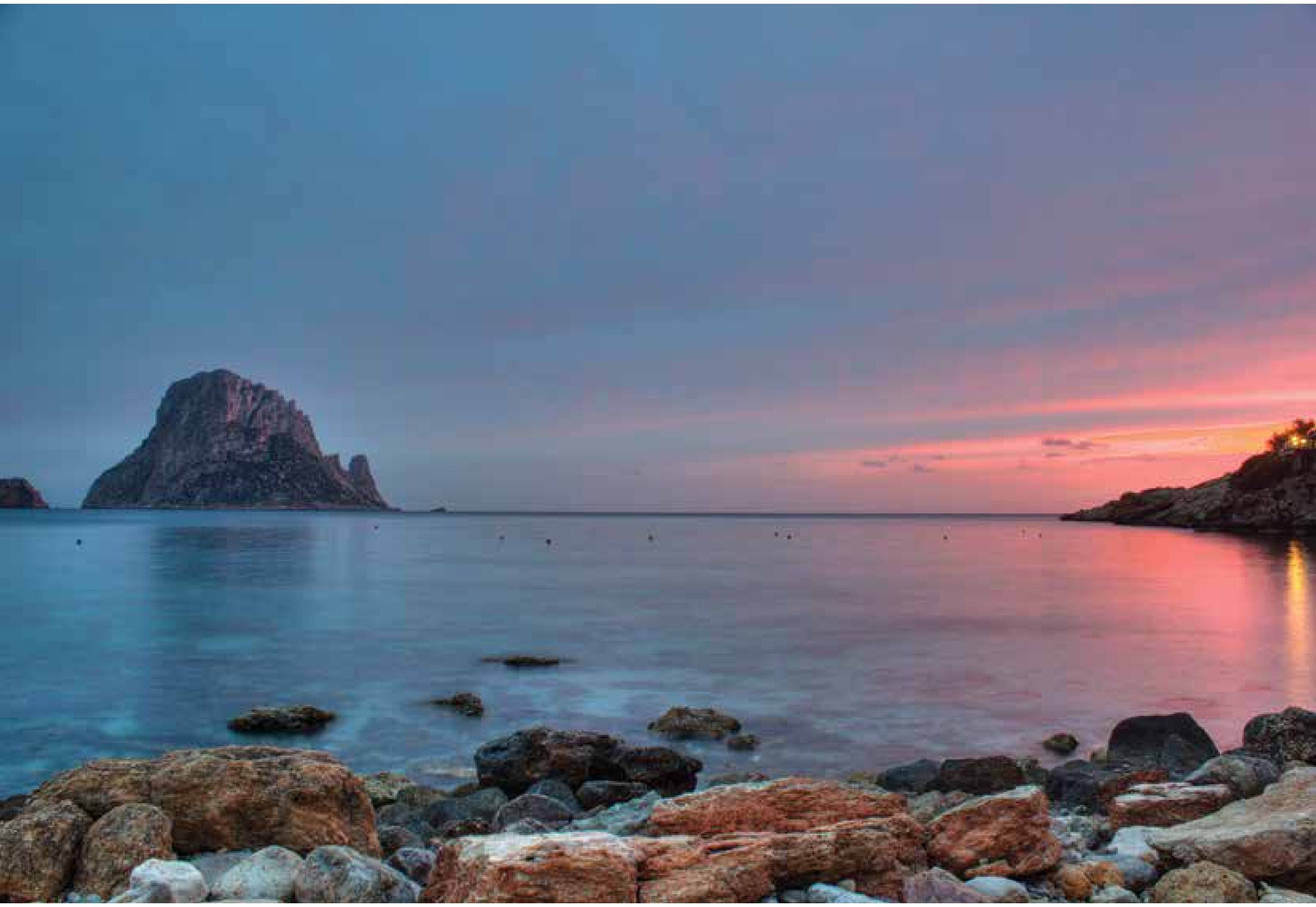

Çelebi Ground Handling Inc.
Annual Report 2014

Cover photo : 2014 Çelebi Photograph Contest Winner
Erçin ÜNLÜ
ÇHS - İzmir Station Operation Clerk

CONTENTS

MESSAGE FROM THE BOARD OF DIRECTORS

Esteemed customers, business partners, and employees:

With its world-class service and innovative vision, Çelebi Ground Handling is a strong player who shapes the market not just in its home country but in the global arena as well.

Çelebi Ground Handling's talent for long-term thinking, foreseeing, and planning is what distinguishes and helps it achieve its sustainable growth targets.

Çelebi Ground Handling is a company whose financial strength and superior corporate competencies have enabled it to successfully navigate its way through the world's and our country's constantly-changing economic landscapes over the last 56 years.

In today's world of globalized business, where economic sustainability demands long-term thinking, Çelebi Ground Handling's assets and resources are what distinguish it and help it stand out among its competitors.

Every step that we intend to take is designed and executed in keeping with our Company's approach to long-term thinking, foreseeing, and planning. We develop policies that will ensure profitable and consistent progress in our business processes while our strong financial structure lets us look ahead with confidence. It is in this context that our human resources, advanced management practices, and superior service competencies support our expectations of not just achieving but surpassing the targets we set for ourselves.

Çelebi Ground Handling performed successfully in 2014.

By achieving a 22.36% rate of year-on growth our Company registered yet another successful performance in 2014. Our corporate strategy of focusing on sustainable growth and service excellence in the conduct of our business played a big role in the financial and operational results that we achieved last year. Our Company defended its leading position in the ground handling services industry by registering a 7.8% increase in the number of aircraft that it serviced in 2014. However before discussing the results of Çelebi Ground Handling's operations in 2014, I wish first to briefly touch upon the year's world's economic developments.

The US Federal Reserve Bank's decision to phase out and terminate its monetary expansion slowed down developing countries' capital inflows.

Although the US economy performed somewhat weakly at the outset owing to severe winter weather conditions in the first quarter of 2014, it recovered strongly thereafter. The improvement in the economy prompted a US Federal Reserve Bank decision to gradually phase out the USD 85 billion/month asset-buying program that it had been implementing for more than two years and to terminate it entirely in October. Similarly the winding-up of the unconventional monetary policies that it been put into effect in the US in the wake of the global economic crisis signaled that the conditions under which the Fed might begin raising interest rates again had begun to obtain. That possibility in turn led to a strengthening of the US dollar at the expense of other currencies.

Weak economic activity in the euro area made new measures necessary.

The euro area suffered from depressed economic activity in 2014. The region's economy was so weak and inflation fell to such low levels that fears of impending deflation began to gain traction. In light of these developments the European Central Bank reduced its policy rate on two separate occasions bringing it close to zero while it was also decided that negative interest would be charged on the deposits that ECB held for other banks. These measures were accompanied by the bank's decision to embark upon a regime of buying up secured bonds and asset-backed securities while supplying markets with liquidity through long-term refinancing operations in order to support the financial sector. It appears that these steps in the direction of monetary expansion have yet to bring about any noteworthy improvement in the euro area's economy and this raises the possibility of the ECB's further expanding the scope of its asset purchases in 2015.

Developing countries' growth lost momentum in 2014.

A host of geopolitical issues, not least of them violent conflict in the Middle East and tensions between Russia and Ukraine, impaired risk perceptions vis-à-vis emerging markets. The result was that developing countries' economic growth, which was additionally suffering from the frailty observed in some developed countries' economies, proved to be less than anticipated. As expectations that US interest rates would rise again in 2015 grew stronger, capital flows heading towards developing countries became increasingly more turbulent. In the last quarter of 2014 this process caused their currencies to begin to lose value against the US dollar.

The collapse in oil prices is prompting the emergence of new dynamics in the global economy.

For emerging economies that are also oil-exporters, the collapse in oil prices is akin to being driven to the edge of a precipice. The economic consequences of the sharp fall in the barrel price to about half its peak level in the second half of the year were especially severe in countries such as Russia, where the ruble plummeted and the country risk premium soared, and in Brazil, where the still mostly state-owned Petrobras found it necessary to announce that its indebtedness had increased and that it was putting some new oilfield projects on hold.

Cheap oil is not without its risks, one of them being that the damage that it does to oil-exporting economies can have knock-on effects from which the global economy as a whole suffers. However in the nearer term at least, the impact of cheap oil on developed economies is benign insofar as it spurs economic growth and boosts consumers' buying power.

Our 2014 performance was in line with our expectations.

In the global landscape that I've just sketched out, Çelebi Ground Handling foresaw the market developments that were likely to ensue and by opportunely marshaling the strengths of its robust service structure, effective human resources, and operational-efficiency-focused business approaches it acted in time not just to maintain its successful performance but to improve upon it. Quality standards and state-of-the-art practices as well as service strengths are the reasons why Çelebi Ground Handling is regarded as a leading service provider in both its home market and those of other countries. Our Company continues to advance confidently and sustainably on course having never for a moment forgotten the pioneering mission that it undertook 56 years ago.

In 2014 we increased the number of aircraft serviced in the Turkish market to 193,042, which corresponds to a year-on rise of 7.8%.

Increases in Atlas Jet, Anadolu Jet, and OnurAir domestic flights and in Pegasus Airlines flights from Sabiha Gökçen airport on the Asian side of İstanbul contributed significantly to this growth.

The growth in our operational performance was naturally reflected in our financial performance. As of end-2014 Çelebi Ground Handling showed consolidated net sales of TL 621,449,683 and an operating profit of TL 94,888,487.

Çelebi Ground Handling's quality systems are the ones that are the most preferred by the world's civil aviation industry.

Çelebi Ground Handling's strong commitment to quality is informed both by its deep knowledge and experience and by its perfectionist approach to business. ÇGH is the hub of an integrated quality management system all of whose processes are defined, quantifiable, traceable, analyzable, and improvable and whose scope the Company constantly seeks to expand.

Our Company's quality systems are audited by Cicert Belgelendirme Hizmetleri Ltd, the representative of Certification International in Turkey, which has granted ISO 9001:2008 Quality Management System and OHSAS 18001 Occupational Health and Safety Management System certifications for the Company's headquarters and all 29 stations. Our headquarters, İstanbul Atatürk, Antalya, İzmir, Bodrum, and Dalaman environment management systems have also been granted ISO 14001:2004 certification by the Turkish Standards Institution.

Çelebi Ground Handling's headquarters units and İstanbul station were inspected by IATA under its ISAGO (IATA Safety Audit for Ground Operations) program, a standardized system for inspecting ground handling services providers. When no evidence of any infractions was turned up, ÇGH became the first ground handling services company in Turkey to be granted ISAGO certification.

As of end-2014, ISAGO certification had been awarded to ÇGH headquarters units as well as to its İstanbul Atatürk, Dalaman, Bodrum, İzmir, Antalya, Adana, Trabzon, İstanbul Sabiha Gökçen, Samsun, Kayseri, and Ankara stations.

Çelebi's first international venture, Celebi Ground Handling Hungary, has renewed its contracts.

Celebi Ground Handling Hungary, our Hungarian subsidiary operating at Budapest Ferihegy International Airport, serviced 19,570 aircraft in 2014.

ÇGH's first venture outside its home market, Celebi Ground Handling Hungary signed agreements with three new customers last year: El-Al, Air Serbia, and Silkway. In the twelve months to end-2014 the company serviced 19,570 aircraft, slightly below the 20,164 that it serviced in 2013. The shortfall last year is attributable primarily to the YoY decline in the number of Ryan Air flights at Ferihegy International.

The results of our operations in India were also in line with our expectations.

Celebi Ground Handling Delhi Private Limited, ÇGH's subsidiary in India, began serving customers at Delhi Indira Gandhi International Airport on June 2nd, 2010. Last year the company serviced 6,078 aircraft, which was up slightly on the previous year's figure of 5,427. Çelebi submitted the winning bid for the Fly Dubai ground handling services contract and began providing service under it to four flights a week on June 1st, 2014. Çelebi also bid on the ground handling services contract for Vistara Airlines, a joint venture of TATA and Singapore Airlines. An agreement was reached under which Celebi Ground Handling Delhi will be servicing Vistara Airlines flights at Ahmedabad Sardar Vallabhbhai Patel International Airport and Goa International Airport.

Çelebi NAS, another Indian subsidiary that began servicing flights at Chhatrapati Shivaji International Airport in Mumbai on July 1st, 2009, handled 11,551 and 12,096 aircraft in 2013 and 2014 respectively. Çelebi submitted the winning bid on the Gulf Air ground handling services contract and began servicing two flights a week on April 1st. The company was also awarded the Fly Dubai contract and is now servicing that airline as well. Çelebi NAS bid on and won the ground handling services contract for TATA-SIA, a joint venture of TATA and Singapore Airlines.

The second representative of the Çelebi brand in the European market continues to perform successfully.

Celebi Cargo GmbH, Çelebi's second venture in the European market, began providing air cargo warehousing and handling services at its storage & warehousing facilities at Frankfurt International Airport's Cargo City South on January 10th, 2011. Having handled 88,546 tons of cargo in 2013, the company increased that figure to 231,359 tons in 2014. This 162.5% year-on rise in Celebi Cargo GmbH's business is the result primarily of our Company's acquisition of the Aviapartner Cargo GmbH firm as of March 1st, 2014.

Çelebi Ground Handling will continue to be the most highly-regarded player in its industry.

Just as in the past so too in the future our primary objective will be to defend Çelebi Ground Handling's leading position and boost its market share in Turkey's ground handling services industry. At the same time however, we will also be seeking to increase the depth and breadth of our international operations through rational expansion in markets in which we believe there is sound growth potential.

Speaking personally and on behalf of our Board of Directors, I therefore take this opportunity to thank all of our shareholders, business partners, and employees for the support they have given and the confidence they have shown by accompanying us on the journey towards the successful fulfillment of our goals.

Very truly yours,

ÇELEBİ GROUND HANDLING INC.

Can Çelebioğlu
Chairman

I- OVERVIEW

1. FIELD OF ACTIVITY

Çelebi Hava Servisi A.Ş. (Çelebi Ground Handling Inc., "the Company") was the first privately-owned ground handling services company in the Turkish aviation industry and has been in business since 1958. The Company carries out its activities under the Çelebi Holding organization. The Company is registered with the Capital Markets Board of Turkey (CMB) and its shares began trading in Borsa Istanbul (BIST) on November 18th, 1996. The Company's principal business activity consists of providing domestic and foreign airlines and air cargo companies with ground handling services (representation, traffic, ramp, cargo, flight operations, and similar services) and refueling services. The Company's operations take place in Turkey at total 29 stations located in Adana, Ankara, Antalya, Bingöl, Bodrum, Bursa Yenişehir, Çorlu, Dalaman, Diyarbakır, Erzurum, İstanbul, İzmir, Isparta, Kars, Kayseri, Malatya, Mardin, Samsun, Trabzon, Van, Denizli, Hatay, Kahramanmaraş, Erzincan, Balıkesir Edremit, Çanakkale, Iğdır and Kocaeli airports which are under the control of State Airports Authority ("DHMI") and in İstanbul Sabiha Gökçen Airport which is under the control of Airport Administration and Aviation Industries ("HEAŞ").

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

Çelebi Ground Handling Inc.

Anel İş Merkezi, Saray Mahallesi Site Yolu Sokak No: 5 Kat: 9

34768 Ümraniye/İstanbul, Turkey

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

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

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

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

The members of the Board of Directors have been elected for one year at the Ordinary General Meeting convened on May 8th, 2014 until the next Ordinary General Meeting.

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

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

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

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

As per the assignment of duties among the Board Members elected at the Ordinary General Meeting of May 8th, 2014, the Company's Board of Directors decided on May 09th, 2014 to elect Mr. Can Çelebioğlu as the Chairman and Mr. İsak Antika as Vice Chairman of the Board.

At the Ordinary General Meeting held on May 8th, 2014, the shareholders having management control over the Company, members of the Board of Directors, senior executives and their partners and relatives by blood and marriage up to second degree have been authorized, as per Articles 395 and 396 of the Turkish Commercial Code (TCC), to enter into transactions that are of a nature that might lead to conflict of interest with the Company or its subsidiaries, to compete with those associates, to perform the tasks that fall under the Company's business scope personally or on behalf of others, and to become partners in companies that are engaged in similar activities, and to engage in other transactions; no transactions took place within the scope of the said authorization granted during the reporting period.

Auditors

In a resolution passed on February19th, 2014, the Board of Directors voted to recommend the appointment of Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (Ernst & Young) as the Company's independent auditor to be charged with independently auditing the Company's consolidated financial statements for 2014 and 2015 in compliance with Turkish Commercial Code and Capital Markets Board rules and regulations pertaining to the independent auditing of such statements prior to their public disclosure. At the annual general meeting of the Company held on May 8th, 2014, a majority of shareholders approved the appointment of Ernst & Young as the Company's independent auditor.

Corporate Governance, Audit, and Early Detection of Risk Committees

Of those who were elected to seats on the Board of Directors at the May 8th, 2014 annual general meeting of the Company, it has been decided, within the framework both of the applicable clause of *Capital Markets Board Communique X:22 Concerning Independent Auditing Standards In Capital Markets* and of the applicable provisions of *Capital Markets Board Corporate Governance Communique II-17.1*, to elect Feyzi Onur Koca and İlter Turan as members of the Audit Committee, to elect Mehmet Yağız Çekin and Feyzi Onur Kocaas members of the Corporate Governance Committee, and to elect Turgay Kuttaş and İlter Turan as members of the Risk Detection Committee.

On June 30th, 2014, the Board of Directors approved, by a majority vote of those present:

- Revisions in the Company's existing "Working Principles of the Corporate Governance Committee" to bring them into compliance with the newly-revised provisions of *CMB Corporate Governance Communique II-17.1*;
- Changing the name of the "Shareholder Relations Unit", which is responsible for handling communication between the Company and investors, to the "Investor Relations Unit" and similarly changing the job title of Deniz Bal, who holds both "Advanced Capital Market Operations" and "Corporate Governance Rating Specialist" licenses, from "Shareholder Relations Unit Manager" to "Investor Relations Unit Manager";
- Appointing Investor Relations Unit Manager Deniz Bal to a seat on the Corporate Governance Committee as per *Capital Markets Board Corporate Governance Communique II-17.1* and our own Company's revised "Working Principles of the Corporate Governance Committee";
- Informing shareholders about these matters at the next general meeting of the Company that is held.

Senior Management

The names of the executives who served at the Company during 2014 are presented below:

Name	Title	Effective from
Murat Zahal	Chief Executive Officer	2014
Deniz Bal	Financial Affairs Director	2013
Taner Sarı	Operations Director	2013
Bekir Güneş	Sales & Marketing Director	2014
Selin Sertel Ersoy	Human Resources Director (Acting)	2014

Pınar Yenigün, who had been serving as Human Resources Director since 2012, having left the Company as of March 31st, 2014, Meltem Güngör, who was serving in the capacity of Human Resources Project Coordinator, was appointed as acting Human Resources Director until such time as a new appointment should be made to the position. When acting Human Resources Director Meltem Güngör was appointed to another position on November 24th, 2014, Selin Sertel Ersoy was appointed acting Human Resources Director in her stead. Effective April 1st, 2014, Bekir Güneş was appointed Sales & Marketing Director to replace Eric Willems, who had held that position as "Commerce Director" since 2012. Koray Özbay, who had been serving as General Manager since October 10th, 2012, resigned his position and was replaced by Murat Zahal.

Investor Relations Unit and Coordination of Corporate Governance Practices

Within the framework of the provisions of articles 7 and 8 of *Capital Markets Board Communique IV:41 Concerning Principles That Joint Stock Companies Subject To The Capital Markets Law Must Comply With* and of our Company's efforts to achieve full compliance with CMB-published corporate governance principles and to ensure their strict implementation:

- There is an Investor Relations Unit, which handles exercising of shareholding rights at our Company that is listed on the Borsa İstanbul (BIST). This unit reports to the Board of Directors and maintains communication between the Board of Directors and shareholders. In this context, Deniz Bal, who is the Company's Financial Affairs Director and who was entitled to receive a "Capital Market Activities Advanced Level License" and "Corporate Governance Rating Expertise License", served during the reporting period as the head of Investor Relations Unit. (Tel: +90-216-666 6767, e-mail: deniz.bal@celebiaviation.com)
- Engin Aydın, a full-time employee of the Company who holds both "Advanced Capital Market Operations" and "Corporate Governance Rating Specialist" licenses, was appointed to the position of "Investor Relations Unit Employee" during the reporting period. (Tel: +90-216-666 6767, e-mail: eaydin@celebiaviation.com)
- Deniz Bal, who holds both "Advanced Capital Market Operations" and "Corporate Governance Rating Specialist" licenses and was serving in the capacity of Investor Relations Unit Manager, was charged during the reporting period with the additional duties of fulfilling obligations arising from capital market laws and regulations, of coordinating corporate governance practices, and of reporting on such matters to the Company's general manager.

Information on General Meeting

Information on the Company's General Meetings held in the January 1st, 2014 and December 31st, 2014 period is disclosed under "4 - General Meetings" of the Corporate Governance Principles Compliance Report.

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

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

	31.12.2014	31.12.2013
Short-term benefits to employees	8,949,045	9,141,280
Benefits after termination/end of employment	163,618	7,554
	9,112,663	9,148,834

3. NATURE AND VALUE OF ISSUED CAPITAL MARKET INSTRUMENTS

As of December 31st, 2014, our Company's issued capital amounted to TL 24,300,000. Our Company's capital structure on December 31st, 2014 and December 31st, 2013 was as follows:

Shareholders	(%)	31 December 2014	(%)	31 December 2013
Çelebi Havacılık Holding A.Ş.	78.36	19,042,115	77.36	18,797,553
Others	21.64	5,257,885	22.64	5,502,447
	100.00	24,300,000	100.00	24,300,000

Identities of ultimate non-corporate controlling shareholders

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

Shareholders	31 December 2014 (%)	31 December 2013 (%)
Zeus Aviation Services Investments B.V.	39.18	38.68
Can Çelebioğlu	19.59	19.34
Canan Çelebioğlu	19.59	19.34
Others	21.64	22.64
	100.00	100.00

The Company's articles of incorporation contain no provisions pertaining to special voting rights. However the shares representing the Company's issued capital are divided into three classes designated "A", "B", and "C" and only those who hold "A" and "B" shares are entitled to designate candidates for seats on the Company's Board of Directors and Board of Statutory Auditors.

The Company acquired none of its own shares during the period beginning on January 1st, 2014 and ending on December 31st, 2014.

As stated in a public announcement on February 25th, 2014 concerning purchases of our Company's shares being traded on BIST, our Company's majority shareholder, Çelebi Havacılık Holding AŞ, acquired a total of 231,962 of such shares in the period between June 11th, 2014 and September 30th, 2014 inclusive. In addition to these shares, on June 17th, 2014 Çelebi Havacılık Holding AŞ also received, by way of assignment from Necmi Yergök, shares which were not being traded on BIST and whose nominal value amounted to TL 12,600. As a result of these transactions, the portion of our Company's issued capital controlled by Çelebi Havacılık Holding AŞ increased from 77.36% to 78.36%.

4. INFORMATION ON PERSONNEL AND HUMAN RESOURCES POLICY

The average number of personnel employed by the Company as at December 31st, 2014 is 4,256 (December 31st, 2013: 4,207 people).

The average number of personnel, including the subcontractor personnel was 10,508 and 10,343 people on December 31st, 2014 and December 31st, 2013, respectively.

Average Number of Employees of the Group (Consolidated)	January-December 2014	January-December 2013
Çelebi Hava Servisi A.Ş. ("Company")	4,256	4,207
Çelebi Güvenlik Sistemleri ve Danışmanlık A.Ş.	0	35
Celebi Ground Handling Hungary	607	622
Celebi Nas (India)	1,766	1,755
Celebi Delhi Cargo (India, including subcontractor personnel)	2,660	2,674
Celebi Delhi Ground Handling (India)	884	903
Celebi Cargo GmbH (Germany, including subcontractor personnel)	335	166
Total	10,508	10,343

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

Human Resources ("HR") Policy

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

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

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

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

The Elements that Underlie Human Resources Policies:

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

Human Resources Systems

Selection and Placement

- Recruitment Process
- Orientation

Performance Management

- Objectives and Competency Management
- Compensation

Career Management

Training

- Coaching
- Career Planning
- Personal Development Training

Compensation Management

Corporate Development Activities

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

Selection and Placement

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

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

Candidate Databank

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

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

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

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

Orientation

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

Performance Management

Performance Evaluation

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

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

The 360-degree performance management system of which first performance evaluation was applied as a pilot study in 2006 was continued to be applied in 2014 and the work on turning into a more objective system by not only the subordinates evaluating the employees but also different channels evaluating each other was carried on.

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

"SAP Performance Appraisal System", which enables online handling of the Performance Appraisal application, represents another project that was conducted and brought to finalization during 2009. Theoretical and practical training sessions on the system and the Performance Management System were given to all managers subject to objective-based evaluation in 2010. "SAP Performance Appraisal System" is used for performance evaluation during the course of 2014.

Rewarding Performance

Based on the results of the annual performance appraisal, employees with outstanding performances are rewarded also in 2014 as previous years, with bonuses corresponding to a certain ratio of their annual salaries.

Career Management

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

In this context in all our companies:

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

With a view to giving a more systematic structure to the career management function, "Improvement Committees" were set up at the Headquarters and our stations in 2009. The project was successfully continued in 2014 as well.

These committees hold annual meetings to:

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

Under the criteria for making appointments from within, promotion/rotation opportunities are offered to the employees via the Development Councils. The position needs are primarily announced to Çelebi employees and the priority is given to our personnel. In 2013, the "Development Councils" systematic has been revised and the "Talent Management" project has been launched, whereby potential along with competencies are identified and assessments are backed by more scientific work. The project which created an opportunity for the assessment of all eligible employees carried on also in 2014.

The rate of promotion within the Company, which was 75% in 2008, increased to 83.70% in 2009, 82.76% in 2010, 91% in 2011, 77.03% in 2012 and 90.91% in 2013. This rate was recorded as 92% between January-December 2014.

Training

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

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

Personal and professional development trainings are determined for staff members proposed at the Performance Appraisal Outcomes and Development Panel conducted annually across the Company, and then incorporated in the plan. During 2014, training per person was 6.04 days (2013: 3.72).

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

Stations are provided with access to all training documents, technical training modules, exams, Company guidelines/ procedures and regulations via E-forms.

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

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

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

Compensation Management

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

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

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

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

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

Corporate Development Activities

Employee Satisfaction Applications

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

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

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

During 2012, Employee Satisfaction was conducted in face-to-face contact with the employees through the "Open Door Meetings" carried out by the Human Resources Department. In these meetings, the employees' suggestions and opinions about the Company practices were sought, and various improvement activities were carried out via the project groups set up. Improvement activities continued throughout 2014.

The firm of AON Hewitt was contracted to serve as a consultancy in the conduct of an employee satisfaction survey. It is expected that the results of this survey, which took place in late 2014, will be reported in detail by that firm before the end of March 2015.

Regulation Studies

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

Organization Studies

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

Communication

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

Furthermore, a suggestion development system was established in 2008, which targets participation of all employees so as to make more effective use of employees' opinions. The suggestion development system has successfully been used during 2014.

Employee Safety

Our Company has a management system that provides employees with a safe and healthy working environment, and carries out risk assessments that identify the threats and risks to which employees may be exposed. The system is also engaged in activities to reduce risk/threat levels through measures that are to be taken, complies with the requirements of the labor law, develops and implements programs to achieve occupational health and safety objectives, and continuously monitors occupational health and safety performance. In addition, the Company's 29 stations and the headquarters have been certified with OHSAS 18001 certification.

Social Activities

"Teamwork"-themed photography and slogan contests were conducted for employees in 2012 and prizes were given for the best entries. The themes of the 2013 and 2014 photography contests were "A Person: Portraits" and "Earth-Sky-Sea" respectively. In addition to photography contests for Company personnel, kids' art competitions for employees' children in the 7-9 and 10-12 age groups have been held every year since 2011. These contests center on themes such as "My Holiday", "My Mom's/Dad's Job At Çelebi", and "My Dream Vacation". Prizes are given for the best entries. Prize-winning submissions in both contests are displayed at station head offices and Company headquarters. An exhibition of the works was also held at İstanbul Sabiha Gökçen Airport in October-November 2014.

Last year employee-solidarity banquets were conducted for the personnel of our Antalya, Sabiha Gökçen ve Diyarbakır stations in April and for our İstanbul Atatürk Airport personnel in November. The personnel from other nearby stations were also invited to attend these events and many did.

Çelebi anniversary and seniority-plaque ceremonies were also conducted all month long in 2014 in honor of long-serving station and headquarters personnel. The ceremonies accompanying these plaques, which are handed out to recognize whole-multiples of five years' service with the Company, were also designed to be motivational events coinciding with the 56th anniversary of the Company's founding. The ceremonies also give employees a chance to show off their performing talents.

Çelebice is an in-house publication for Çelebi personnel. Every issue contains features such as "Çelebi Traveler", in which employees tell about a trip or vacation they have taken, as well as articles in which employees describe their hobbies and similar interests. The magazine plans to continue running such features in its future issues.

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

At the May 8th, 2014 annual general meeting of the Company, shareholders approved the payment of a monthly fee/ honorarium to the independent members of the Company's board and also voted not to pay any fees or other honoraria to board members who are elected to represent Class A and Class B shareholders. Payments were made to the Company's independent directors in 2014 pursuant to this resolution.

No member of the Board of Directors has any outstanding obligations towards the Company that were carried forward from 2013. No member of the Board of Directors was given a loan or paid an advance by the Company in 2014. As of December 31st, 2014, the Company was not owed anything (whether as an advance paid or otherwise) by any member of the Board of Directors.

No Company manager has any outstanding obligations towards the Company were been carried forward from 2013. No Company manager was given a loan or paid an advance by the Company in 2014. December 31st, 2014, the Company was not owed anything (whether as an advance paid or otherwise) by any of its managers.

There are no loans made by the Company to its board members or managers whose terms have been extended or otherwise improved; no sums have been lent to them as personal loans through third parties; neither have they been granted any form of surety such as guarantees etc. on their behalf.

III- RESEARCH AND DEVELOPMENT ACTIVITIES

5. OPERATIONAL EFFICIENCY

Introduced at the Company to help achieve increased efficiency and zero-error planning of operations, the "Resource Planning, Work Schedule Generation and Real-Time Control System (Inform-GroundStar) continued to be used successfully at İstanbul, Antalya, and Sabiha Gökçen stations during 2014.

Its installation completed during 2009, the E-SCF (Electronic Service Charge Form) project continued to be used during 2014.

In order to provide our customers with better service and to increase our own efficiency, a project called "Inform Intelligence" was initiated to review the service standards and to enhance the Inform-Groundstar modules at our İstanbul, Sabiha Gökçen, Antalya, Dalaman, İzmir, Bodrum, Ankara, and Trabzon airport stations. The projects at the Sabiha Gökçen, İzmir, and Bodrum stations have been completed. Work on the projects at our other stations is currently proceeding and the aim is to have it all completed before the end of 2015.

The practice of recruiting and hiring some of the ramp personnel at the Sabiha Gökçen and İstanbul stations on a part-time basis in order to improve our operational efficiency there proved to be successful and was therefore continued in 2014. The same approach has been taken in the planning of our 2015 personnel requirements.

An "Equipment Management System" project was initiated in 2014 with the aims of making more productive use of equipment and of achieving economies in costs such as fuel, scheduling, time, and maintenance by managing the equipment park more effectively. This project is slated for completion at the İstanbul Atatürk and Antalya airports before the end of 2015.

In order to improve the monitoring and to increase awareness of the monthly station efficiency reports that were introduced in 2012, a new frame was added to the EFORMS system in 2013 that makes it possible for this information to be tracked and disseminated more effectively.

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

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

6. THE RELEVANT SECTOR, 2014 ACTIVITIES AND PERFORMANCE

The World and Turkish Economy in 2014

In the World...

Oil prices...

The downward trend in oil prices brought on by oversupply and insufficient demand continued in the last quarter and even gained momentum after a decision was taken at an OPEC meeting in late November not to cut back production. As of year-end, a single barrel of Brent crude was fetching just USD 55.80. Forward oil delivery contracts are being negotiated in ways which suggest that the market believes that oil prices are going to remain well below what they were in the first half of 2014 for some time to come. There are two developments seen as having the potential to get oil prices moving back up again in the period ahead. One is that producers in the USA decide to suspend production that has been made unprofitable by such low prices. The other is an OPEC decision obliging its members to cut back production.

The 12-month average price of a barrel of oil in 2013 was around USD 97.97; in 2014, it was USD 92.99.

Inflation and growth...

The slowdown in global economic activity in the first half of the year continued in the third quarter in both the developed and the developing country groups. In the first group, about the only outlier was the United States, whose economy's positive growth performance distinguished it from the others, while the persistent weakness of economic activity in Japan and euro-area countries was one of the main contributors to the slowdown in global growth. Among the developing countries, the weak outlook in China and India together with negative growth performance in Brazil and Russia were among the factors that depressed overall global growth. Last-quarter leading indicators are such as to indicate that the contraction in global growth is going to continue for yet some time to come.

Growth rates -especially among the developing countries- were observed to be markedly below their first half-year levels. The significant role that deepening recession in Japan played in the slowdown in global growth could not be entirely offset by the strong growth that took place in the US economy in the third quarter of 2014. Among the developing countries, slower-than-expected growth in China and India, continued recession in Brazil, and the ongoing contraction in Russia's economy were the factors that led to global economic activity remaining weak.

Purchasing managers' indexes (PMI) for the last quarter of 2014 from around the world imply that global growth performance may have been even feebler than in the previous three. Although manufacturing-sector PMI data in euro area countries remained flat, the numbers reported in the United States signal a significant downturn. However the steady decline in US joblessness figures continued in the last quarter of 2014 while both consumer confidence indexes and twelve-month rises in industrial output were up briskly. Taken together however, these numbers suggest that the US economy did indeed continue to grow in the last quarter of the year. In Japan on the other hand, where twelve-month industrial output figures shrank in both October and November and consumer confidence indexes were also down in both months, the opinion is that the country's economy remained in recession during the last quarter of 2014.

In Turkey...

Exchange rates...

Positive growth and employment figures coming out of the United States, the evidence of recovery provided by leading indicators, and US Federal Reserve Bank pronouncements are nourishing expectations that the Fed may begin renormalizing its monetary policy stance sooner than expected. In this context, expectations that monetary policy would remain loose in both the euro area and Japan and the prospects of a new round of quantitative easing aimed at supporting economic growth caused the rapid rise in the USD index that began in the third quarter to continue into the fourth while also driving most developing countries' currencies down against the dollar.

In the last quarter of the year, the Turkish lira followed a course consistent with that of other developing countries' currencies. During this period the relationship between the TCMB's currency basket rate and risk premium also continued. The net rise in both benchmarks ended up being fairly modest, though it was not without considerable turbulence beforehand.

In the twelve months to end-2013, the USD/TL parity averaged 1.92; in 2014 this rose to 2.19. A similar picture is to be seen on the euro side, where the EUR/TL parity, which averaged 2.56 in 2013, rose to 2.89 by the last quarter of 2014. Although this situation would later change as the dollar gained strength and the euro weakened, the EUR/USD parity scarcely budged during these two years: having averaged 1.33 in 2013 it was 1.32 in 2014. The CBT CPI-Based Real Effective Exchange Rate Index is an index (2003=100) published by TCMB that compares the value of the Turkish lira with that of other currencies. This index, which stood at 106.70 as of December 31th, 2013, rose to 113.14 by the end of 2014.

Inflation...

Fourth-quarter 2014 12-month consumer price inflation was 8.17, 0.7 points below the previous quarter's figure. The factor most affecting Turkey's inflation dynamics is the collapse in international oil prices: the twelve-month rise in energy group prices was not just down significantly, by year-end it had dipped below zero. The beneficial impact of increasingly cheaper oil on costs also contributed to improvements in core inflation performance.

To sum up, the impact of the decline in oil prices on inflation in Turkey is unmistakably clear in the last quarter of the year. This situation has fuelled improvements in the country's inflationary expectations-for the first time in a long time-while the benign effects of cheaper oil are also suffusing into other parts of the economy, especially services. Besides the contributions that movements in international commodity prices make towards restraining domestic inflation, it is thought that the downward trend in prices will also be supported in the period ahead by the gradual waning of the cumulative effects of exchange rate movements, the return of food price inflation to previous years' averages, and TCMB's continued adherence to its tight-money policies.

Twelve-month inflation in 2013 was 7.20%. In 2014 this was up slightly and reached the 7.28% level.

Civil Aviation Industry

In the World...

According to figures published by the International Air Transport Association (IATA), 2014 witnessed year-on rises of 5.9% and 4.5% in international passenger and cargo traffic respectively. There was also a net gain of 5.6% in passenger capacity among airlines, which flew with 79.7% of their seats occupied on average.

Looking at developments on a regional basis, we see that passenger traffic in Europe during December was 5.7% higher in 2014 than what it had been during the same month the year before. In the Middle East by contrast, demand was up by 13% in December and the 11.9% net gain in capacity made the region the global civil aviation industry's star performer by both measures. The two biggest contributors to these increases are reportedly flourishing national economies and demand for business-class seats.

Looking at the overall picture in light of the foregoing numbers, it is apparent that demand for air travel remained strong in 2014. Though beset by a host of global political and economic developments -conflict in the Middle East and Russia's "hinterland", economic woes in many European and some Latin American countries, and the threat of the Ebola virus spreading beyond Africa to mention but three- which certainly must have checked some demand, the international air transport industry performed rather better in 2014 than it did in 2013.

Turning now to the air cargo industry, first-quarter figures indicate that it got off to a good start in 2014 and ended the year with an overall 4.5% rise as compared with 2013. The biggest contributors to this performance were Middle Eastern and African airlines. Europe did relatively better last year than the year before but the Americas continued to be the weakest link in this chain. While an overall recovery is in progress in the sector, market confidence is being stifled by an assortment of genuine and potential risk factors ranging from Ebola to national and international strife and is not being helped at all by retaliatory sanctions.

In Turkey...

Domestic and international commercial air traffic in Turkey increased by 10% and 5% respectively in 2014. The overall year-on rise in commercial traffic was 7.7%. At 10.4% and 5.7% respectively, the rises in passenger traffic were slightly higher. Among the reasons that may be cited for these increases, mention should be made particularly of the steadily growing demand for seats on domestic lines that got under way when that market was thrown open and of Turkish Airlines' growth strategy and the surge in transit traffic associated with it. By all measures, Turkey's civil aviation industry continues to serve one of the world's fastest-growing markets.

2014 Activities and Performance

A total of 193,042 flights were served by Çelebi Ground Handling in the Turkish market in 2014 (2013: 179,071 flights), corresponding to a 7.8% YoY increase. This was mostly due to the significant increase in the number of flights by Turkish Airlines, Atlas Jet, and Pegasus Airlines.

Our agreements with Air France-KLM, Kogalymavia, Jet Time, and Jet Time Finland ran out in 2014 while we began servicing the Korean, Swiss, Yamal, and Meraj airlines.

Celebi Ground Handling Delhi Private Limited, ÇGH's subsidiary in India, began serving customers at Delhi Indira Gandhi International Airport on June 2nd, 2010. Last year the Company serviced 6,078 aircraft, which was up slightly on the previous year's 5,427. Çelebi submitted the winning bid for the Fly Dubai ground handling services contract and began providing service under it to four flights a week as of June 1st, 2014. Çelebi also bid on the ground handling services contract for Vistara Airlines, a joint venture of TATA and Singapore Airlines. An agreement was reached under which Celebi Ground Handling Delhi will be servicing Vistara Airlines flights at Ahmedabad Sardar Vallabhbhai Patel International Airport and Goa International Airport. We completed preparations to begin Çelebi operations at Ahmedabad International Airport in the last quarter of 2014 and the servicing of Vistara flights there will begin in January 2015. In the last quarter of 2014 Etihad Airways and Jet Airways announced their joint tendering of a contract for the conduct of their ground handling services everywhere in India. We have submitted a bid for this contract to the tenders commission, the announcement of whose decision is expected in late January 2015.

Our Celebi Delhi Cargo Terminal Management India Pvt Ltd subsidiary has been providing cargo warehousing and handling services in 70,000 m^2 of space at Delhi International Indira Gandhi Airport since November 2009. The company handled 329,505 tons of cargo in 2013 and 373,320 tons in 2014. This year-on rise in tonnage is attributed both to renewed momentum in market growth and to the inauguration of domestic line cargo operations in April of last year. Despite the entry of other players into this market in 2012, Celebi Delhi Cargo Terminal Management India Pvt Ltd still manages a portfolio of 46 customers that give it an 82% share of the airport's international air cargo market. In the newly-opened domestic air cargo market it already controls a 19% market share with its sole customer, Jet Airways.

Çelebi NAS, another Indian subsidiary that began servicing flights at Chhatrapati Shivaji International Airport in Mumbai on July 1st, 2009, handled 11,551 and 12,096 aircraft in 2013 and 2014 respectively. Air Mauritius announced then cancelled its ground handling services tender after deciding to continue with its existing service provider. Çelebi submitted the winning bid on the Gulf Air ground handling services contract and began servicing two flights a week on April 1st. The company was also awarded the Fly Dubai contract and is now servicing that airline as well. Çelebi NAS bid on and won the ground handling services contract for TATA-SIA, a joint venture of TATA and Singapore Airlines. This company will begin operating seven flights a day in January 2015 and this number is to further increase during the year as delivery is taken of new aircraft. A contract was signed with FIST Air, a Sri Lanka-based airline whose flights have begun. Our company submitted the winning bid to provide ground handling services to Air Seychelles after it decided to add Mumbai to its list of destinations and it has begun servicing the airline's three flights a week. The company also operates two air cargo flights every week. In the last quarter of 2014 Etihad Airways and Jet Airways announced their joint tendering of a contract for the conduct of their ground handling services everywhere in India. We have submitted a bid for this contract to the tenders commission, the announcement of whose decision is expected in late January 2015.

Çelebi Ground Handling's first international subsidiary, Celebi Ground Handling Hungary, signed new contracts with El-AL, Air Serbia and Silkway. The company served a total of 19,570 flights between January-December 2014, down from the 20,164 flights served in 2013. The primary reason behind the decline in the number of flights served was the decrease in Ryan Air's flights compared to previous year. Ryan Air realized 4,517 flights in 2013 but this number dropped to 3,556 in 2014.

Having started cargo handling operations on January 1st, 2011 in its new warehouse located outside the airport, Celebi Ground Handling Hungary signed new contracts with Air France-KLM, Alitalia and Martin Air with respect to the handling of land haulage and air cargo in early 2012. The company provided service for a total of 56,714 tons during January-December 2014, compared to the 63,975 tons in the same period of 2013. The principal reason for the drop in air cargo tonnage is the suspension, as of end-2013, of flights by Qatar Cargo, whose air cargo operations had entailed the handling of 10,667 tons that year alone. Silkway, which has entered into a service agreement with Celebi, began flights to Budapest in March 2014. Silkway's twelve-month air cargo operations amounted to 4,820 tons.

Celebi Cargo GmbH entered operation on January 10th, 2011 to offer air cargo storage and handling services in its storage facilities at the International Frankfurt Airport's "Cargo City Süd". Having handled 88,546 tons of cargo in 2013, the company increased that figure to 231,359 tons in 2014. This 162.5% year-on rise in Celebi Cargo GmbH's business is the result primarily of our company's acquisition of the Aviapartner Cargo GmbH firm as of March 1st, 2014.

As at the 12-month period ended December 31st, 2014, our Company reached a consolidated net turnover of TL 621,449,684 TL, with an increase of 22.36% compared to previous year. (2013 12-months: TL 507,871,236).

The Company's consolidated gross profit for 2014 was up 28.92% to TL 174,900,741 (2013 12-months: TL 135,666,487). In the 2014 twelve-month period, the Company posted an operating profit of TL 94,888,582 (2013 12-month: TL 63,048,582).

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

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

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

Integrated Management Systems Components

Çelebi Ground Handling has a quality management system whose processes are fully defined, quantified, and monitored and which seeks to achieve continuous improvement. The quality management system of ÇGH is based on precisely defining all service and management processes and on ensuring that the results of those processes can be quantified, monitored, and analyzed so that they may be further developed. Çelebi Ground Handling's quality management system has been accredited by Cicert Belgelendirme Hizmetleri Ltd. Şti. with ISO 9001:2008 certification, which covers the headquarters and 29 of our stations.

Our Environmental Management System has been endorsed by ISO 14001:2004 certificate at İstanbul Atatürk, Antalya, İzmir, Bodrum, Dalaman stations and the headquarters by Turkish Standards Institution.

Our Company has a management system, which provides employees with a safe and healthy working environment, and carries out risk assessments that identify the threats and risks to which employees may be exposed. The system is engaged in activities to reduce risk/threat levels through measures that are to be taken, which complies with the requirements of the labor law, which develops and implements programs to achieve occupational health and safety (OHS) objectives, and continuously monitors OHS performance. The Çelebi Ground Handling Occupational Health and Safety Management System has been endorsed with ISO 18001:2007 certificate at the headquarters and 29 of our stations by Cicert Belgelendirme Hizmetleri Ltd. Şti.

For the purposes of increasing service quality, gaining access to important information about the sector, and keeping track of market and technological developments, our Company takes part in international seminars, meetings, and conferences held all over the world. In 2014, Çelebi Ground Handling attended seminars and other events organized by IATA International Ground Handling Council, Ground Handling International, ACI, TIACA, Aviance, and others.

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

As of 2014, Çelebi Ground Handling's Headquarters and the following stations were all ISAGO-certified: İstanbul Atatürk, Dalaman, Bodrum, İzmir, Antalya, Adana, Trabzon, Istanbul Sabiha Gökçen, Samsun, Kayseri and Ankara.

7. DEVELOPMENTS IN INVESTMENTS; INVESTMENT INCENTIVES USED

Tangible fixed asset investments realized by the group during the 12-month period that ended on December 31st, 2014 amounted to TL 54,878,181 (December 31st, 2013: TL 23,375,403). 4% of this amount consisted of investments in progress, 59% in machinery, equipment and appliances, 2% in fixtures, and 35% in other investments. There are no incentives made available to the Company in relation to its investments in 2014.

Total consolidated investment outlays of the Group in tangible and intangible assets during the twelve months to December 31st, 2014 were worth TL 23,675,972. (2012: TL 23,675,972)

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

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

The Company also controls 100% stake (HUF 1,000,000,000) in the capital of Celebi Ground Handling Hungary Földi Kiszolgáló Korlátolt Felelősségű Társaság ("CGHH") offering ground handling service at Budapest Airport. 30% share (HUF 300,000,000) in the capital of CGHH has been taken over from Çelebi Havacılık Holding A.Ş. for TL 33,712,020 as of 8 December 2011. The Company's share in CGHH rose to 100%, and CGHH has been consolidated on a line-by-line basis without separating non-controlling shares. This transaction has been accounted for as a shareholders' equity transaction under the shareholders' equity effect resulting from acquisition in the consolidated financial statements. The paid-in capital of CGHH as at December 31st, 2014 is HUF 200,000,000.

Within the frame of the procedures concerning the tender put out for the performance of ground handling services for a period of 10 years at the Mumbai Chhatrapati Shivaji International Airport in India, which has been contracted out to a consortium that also included the Company, a company by the name "Celebi Nas Airport Services India Private Limited ("Celebi Nas") has been incorporated on December 12th, 2008 to provide ground handling services at the said airport. Celebi Nas started the operations as of July 1st, 2009. Based in the Maharashtra state in Mumbai, India, Celebi Nas has a capital of INR 100,000,000, in which the Company controls 55% stake as a founding partner. The paid-in capital of Celebi Nas is INR 552,000,000 as of December 31st, 2014. Besides, INR 228,000,000 has been paid as advance capital by the shareholders in Celebi Nas.

The Company established Celebi Delhi Cargo Terminal Management India Private Limited ("Celebi Delhi Cargo") with an initial capital of INR 100,000, in which it controls a 74% share as a founding partner and which will be engaged in the brownfield development, modernization and financing of the existing cargo terminal in the airport in New Delhi, India, and in its operation for a period of 25 years. The paid-in capital of Celebi Delhi Cargo as of December 31st, 2014 is INR 1,720,000,000.

Upon winning the contract for the execution of airport ground handling services for a period of 10 years at the Delhi International Airport, a total of INR 1,081,917,000 has been paid in premium share capital to fulfill the funding need of Celebi Ground Handling Delhi Private Limited ("Celebi GH Delhi"), the Company's 74%-owned subsidiary founded on November 18th, 2009 with a paid-in capital of INR 18,150,000, through premium capital increase as per the governing legislation in India in order to fulfill the obligations arising from the Concession Agreement concluded with the tender authority and to ensure realization of planned investments.

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

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

On July 20th, 2010, the Company took over the entirety of the shares with a nominal value of TL 144,000 held by Çelebi Holding A.Ş., a Çelebi Group company, in Çelebi Cargo Warehouse and Distribution Services Inc. ("Çelebi Cargo") with a paid-in capital of TL 150,000, for a cash price of TL 146,880 (at a price of TL 1.02 for a nominal value of TL 1.00). Çelebi Cargo has been founded on November 20th, 2008 to be involved in transport, cargo shipment, cargo storage and distribution activities. Çelebi Cargo is engaged in air cargo storage and handling at the storage/warehouse facility with a covered area of 28,300 m^2 Celebi Cargo GmbH rented in Frankfurt Cargo City Süd located in Frankfurt International Airport. Residing in Frankfurt, Germany, Celebi Cargo GmbH is a wholly owned subsidiary of the Company founded in November 2009, and has a paid-in capital of EUR 10,800,000. The capital of Çelebi Cargo is TL 29,500,000 as of December 31st, 2014, which is fully paid-in.

A "share purchase agreement" was signed on February 18th, 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 28th, 2014. Negotiations are ongoing regarding the determination of the ultimate purchase price of over the financial statement dated February 28th, 2014 within the framework of the "Share purchase agreement. As of April 30th, 2014, the title of Aviapartner Cargo is changed to Celebi GmbH. Celebi GmbH was taken over by Celebi Kargo with all its assets and liabilities and merged with Celebi Cargo Germany within the framework of the related effective regulations and the legal merger transactions were completed upon the registration made as of October 30th, 2014.

9. INFORMATION ABOUT FINANCIAL STATEMENTS AND REPORTS

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

The Group issued its financial statements for the period ending December 31st, 2014 in accordance with the Turkish Accounting Standards (TAS) released by the Public Oversight Accounting and Auditing Standards Authority (KGK).

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

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

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

There are no assets that are not included in the Company's consolidated financial statements for the year ended December 31st, 2014. All matters that could be useful for those who will make use of these financial statements are contained in the financial statements and the footnotes thereto.

Impact of Warehouse Fire on the Consolidated Financial Statements

The warehouse of the Company located at Atatürk Airport ("AHL") Terminal C in which the Company carries out cargo - warehouse operations was damaged by a fire that broke out on May 24th 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 December 31st, 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 lawsuits and enforcement proceedings initiated against the Company with a total worth of TL 16,088,136, under which the Company is a joint respondent with others (General Directorate of State Airports Authority (in Turkish: DHMİ), other warehouse operators, insurers) for an amount of TL 10,568,346 and under which it is the sole respondent for an amount of TL 5,519,790.

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

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

As of the disclosure date of the report, 220 lawsuits with value of TL 97,427,201 (USD 42,014,404) to which the Fund Companies have been a side and which has an invoice value of TL 58,259,435 (USD 25,123,738) has been settled amicably and 216 of these 220 lawsuits with a value of TL 93,929,814 (USD 40,506,194) has been paid to the claimants as TL 57,995,510 (USD 25,009,923). The amount that has been agreed on of these remaining 4 lawsuits that have been settled amicably is USD 113,815 and the claim value is USD 1,508,210; and it is projected that these 4 lawsuits will result in payment in the near future.

Negotiations are currently ongoing within the scope of the Fund for a total of 17 claims for which no agreement has yet been reached by and between the fund and other claimants. The total value of these claims amounts to USD 4,621,315. A balance of USD 15 million will remain in the fund after the settlements (including the amounts payable for the finalized 4 lawsuits as mentioned above); such a balance is expected to cover the settlement of all claims against all Fund participants, for which negotiations are still in progress.

Along the same lines, the Company management believes that all of the legal claims against the Company may be settled amicably within the scope of the collected insurance policy and the balance in the fund set up. Since no negative developments occurred in relation to the Company's possible liabilities that would change the points declared in the past period, no provisions have been set aside in the consolidated financial statements dated December 31st, 2014.

The Companies Incorporated into Consolidation

The Company's consolidated financial statements for the period ending December 31st, 2014 include the results of the Company, Celebi Nas, CGHH, Çelebi Security in Liquidation, Celebi Delhi Cargo, Celebi GH Delhi, Çelebi Cargo, and Celebi Cargo GmbH, which are jointly referred to as the "Group".

10. DONATIONS

In the year ending December 31st, 2014, the Group's donations and grants to various foundations, associations, chambers, public institutions and organizations amounted to TL 295,711.

V- FINANCIAL STANDING

11. KEY FINANCIAL RATIOS

The key ratios showing our Company's financial structure, profitability, and debt-servicing were calculated on the basis of the consolidated financial statements dated December 31st, 2014 and December 31st, 2013 mentioned above.

	31 December 2014	31 December 2013
Current Ratio (Current Assets/Current Liability)	0.86	0.91
Cash Ratio (Cash Assets/Current Liabilities)	0.38	0.36
Short-Term Liabilities/Total Liabilities	44.89%	36%
External Resources/Shareholders' Equity	438.49%	1,000%

	31 December 2014	31 December 2013
Average Collection Time	32.31	34.80
Gross Profit Margin	28.14%	26.71%
Operating Profit (Loss)/Net Sales Revenues	15.27%	12.59%
Operating Profit (Loss)/Total Assets	16.55%	12.41%
EBITDA/Net Sales Revenues	23.13%	22.81%

Current Ratio and Cash Ratio: The current ratio slipped from 0.91 to 0.86. This is due to a 24.25% increase in external resources but an only 17.02% rise in current assets. The slight nudge in the cash ratio from 0.36 to 0.38 stems from a 32.57% increase in cash and cash equivalents but an only 24.25% rise in short-term external resources as compared with 31 December 31st, 2013.

Short-Term Liabilities/Total Liabilities: This ratio rose from 36% to 44.89% in the twelve months to end-2014. This is the outcome of a 24.25% rise in the short-term component of total liabilities combined with a 14.19% decline in the long-term sort.

External Resources/Shareholders' Equity: Although shareholders' equity increased by 127.26% as compared with December 31st, 2013, this ratio was down year-on owing to a 0.35% dip in external resources.

Average Collection Time: Average collection time was down from 17.40 days at end-2013 to 16.15 at end-2014. This is the result of a 13.61% rise in commercial receivables compared with a 22.36% increase in net sales revenues.

Gross Profit Margin: Although there was a 19.97% increase in the cost of sales as compared with end-2013, there was also a 22.36% rise in net sales revenues with the result that the gross profit margin rose from 26.71% to 28.14%.

Operating Profit (Loss)/Net Sales Revenues: A 22.36% rise in net sales revenues combined with a 48.42% increase in operating profit boosted the ratio of operating profit to net sales revenues from 12.59% to 15.27%.

Operating Profit (Loss)/Total Assets: A 48.42% increase in operating profit combined with an 11.25% increase in total assets boosted the ratio of operating profit to total assets from 12.41% to 16.55%.

EBITDA/Net Sales Revenues: A 22.36% rise in net sales revenues combined with a 24.03% in earnings before interest, taxes, depreciation, and amortization boosted the EBITDA/net sales revenues ratio from 22.81% to 23.13%.

12. INFORMATION ABOUT PRODUCTION AND SALES OF GOODS AND SERVICES

The number of aircraft serviced by our Company in the year ended December 31st, 2014 is stated below:

Number of Aircraft Serviced	2014	2013	2012	2014-2013 %	2013-2012 %
International Flights	86,805	82,544	84,840	5.2	-2.71
Domestic Flights	106,237	96,528	88,360	10.10	9.24
Turkey Total	**193,042**	**179,071**	**173,200**	**7.80**	**3.39**
Hungary	19,570	20,164	27,148	(2.95)	(25.73)
India	18,174	16,978	22,669	7.04	(25.10)
Grand Total	**230,786**	**216,213**	**223,017**	**6.74**	**(3.05)**

Weight of cargo handled by the Company in the 12 months to December 31st, 2014:

	31 December 2014		31 December 2013	
Group (Consolidated)	WT (IMPORT)	WT (EXPORT)	WT (IMPORT)	WT (EXPORT)
Çelebi Ground Handling Inc.	49,119	57,936	46,599	51,767
Celebi Delhi Cargo (India)	154,340	194,130	145,674	183,831
Celebi GHH (Hungary)	27,238	29,476	31,264	32,712
Celebi Cargo GmbH (Germany)	100,252	130,973	32,798	55,748
Total Ton	**330,949**	**412,516**	**256,336**	**324,057**

13. DIVIDEND POLICY AND TIMING

On April 8th, 2014 our Company's Board of Directors passed a resolution to approve the revision of the Company's Dividend Policy pursuant to the requirements of *Capital Markets Board Dividend Communique II-19.1,* which went into effect with its publication in issue 28891 of *Resmi Gazete* dated January 23rd, 2014; to publicly disclose this revision; and to submit this revised Dividend Policy for the consideration and approval of shareholders at the upcoming annual general meeting. At the annual general meeting held on May 8th, 2014, the Board of Directors resolution concerning the Dividend Policy passed on April 8th, 2014 was discussed and unanimously approved by shareholders.

Çelebi Ground Handling Inc. Dividend Policy

- Taking our Company's medium- and long-term strategies, its investment and financing policies, and its profitability and cash situation into account and in the absence of any extraordinary developments in our Company's investment and/or financing needs and/or occurrences in its industry or the economy, at least 50% of net distributable profit shall be paid out as a dividend. When determining the dividend rate, attention shall be given to medium- and long-term investments that may require short-term cash outflows, material events that affect our Company's financial structure, and significant developments in the sector and/or in the economy and/or in markets.
- Dividends whose payment has been decided upon may take the form of cash, of bonus shares, or of some mix of the two.
- Dividend and payment-timing Board of Directors resolutions shall be in compliance both with this Dividend Policy and with currently applicable laws, regulations, and administrative provisions and then publicly disclosed. Board of Directors dividend and payment-timing proposals shall be considered and decided upon by shareholders convened in a general assembly. The payment of dividends shall begin within thirty days of the date of the general meeting at which the decision to pay them is taken and in all cases within statutorily-mandated periods of time. The Board of Directors may decide to have dividends paid in installments provided that a general assembly of shareholders shall have authorized it to do so.
- Provided that a general assembly of shareholders shall have authorized it to do so, the Board of Directors may decide to have advances paid against dividends and may effect the payment of such advances subject always to the Capital Markets Law and Capital Markets Board regulations and decisions and to the Company's own articles of association.

With the decision of the Board of Directors on April 11th, 2014, our financial statements, prepared on the basis of our legal books of account dated December 31st, 2013, show a net current profit of TL 3,168,955.08 remaining after the deduction of all taxes and other legal obligations.

Since there is no prior year loss that needs to be deducted from the net profit for the period and no first legal reserves that need to be set aside pursuant to the Turkish Commercial Code (TCC), the net distributable profit that can be paid out as a dividend on the basis of our legal books of account was TL 3,168,955.08.

According to our Company's independently-audited consolidated financial statements dated December 31st, 2013 prepared in accordance with Turkish Accounting Standards & Turkish Financial Reporting Standards (TMS/TFRS) and in CMB-specified formats pursuant to the requirements of *CMB Communique II:14.1 Concerning Financial Reporting Principles In Capital Markets*, the net current profit remaining after the deduction of taxes and other statutory obligations amounts to TL 3,054,766.00.

After the deduction of TL 1,959,612.00 in prior-year losses that are shown in the Company's consolidated financial statements and whose deduction from net current profit is mandated by CMB regulations, the Company's net distributable profit amounts to TL 1,095,154.00.

Accordingly it was decided that the TL 1,959,612.00 in prior-year losses will be deducted from the TL 3,054,766.00 in net current profit shown in the Company's consolidated financial statements dated December 31st, 2013 and that the remaining TL 1,095,154.00 will be retained in the Company as an extraordinary reserve.

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

	Distribution as required by CMB legislation	As shown in the legal books of account
NET PROFIT FOR THE PERIOD	3.054.766,00	3,168,955.08
PRIOR YEAR LOSS (-)	1,959,612.00	0.00
FIRST LEGAL RESERVES (-)	0.00	0.00
NET DISTRIBUTABLE PROFIT/(LOSS) FOR THE PERIOD	1,095,154.00	3,168,955.08
DIVIDENDS	0.00	0.00
TRANSFERRED TO EXTRAORDINARY RESERVES	1,095,154.00	3,168,955.08

Shareholders were notified, in compliance with CMB regulations pertaining to profit distributions that no dividend would be paid for the period beginning on January 1st, 2013 and ending on December 31st, 2013 and this issue was approved by a majority of shareholders at the annual general meeting of the Company held on May 8th, 2014.

14. MISSION, VISION AND STRATEGIC OBJECTIVES

Mission

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

Vision

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

Strategic Objectives

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

Our Values

- **Respect for the individual:** We believe in the worth of each and every person and strive to make people feel that they are worthwhile. We accept individual differences and listen to and respect individual ideas. We give people opportunities to see the added value that they create and we support their efforts to develop themselves professionally.
- **Commitment to the rules of ethics:** Each one of us is a trustworthy, reputable, and self-respecting individual. For this reason, individually and as a company we are bound by ethical values in business and social life and we believe in the merits of fulfilling our promises in a timely manner, of producing high-quality results that are correct and reliable, and of acting in accordance with established beliefs, rules, and ways of thinking.

- **Development:** The development of our Company lies in the development of the individuals who make it up. For this reason, we believe first of all that we need to identify our own limitations and then acknowledge our responsibility for developing ourselves individually in order to overcome those limitations. "Development" is not understood exclusively in the professional dimension: we believe in the necessity of developing ourselves so as to improve our social skills as well. Telling others what we know and have seen, and sharing what we have with others makes us richer as well. We assume the duty of each other's development and guarantee our individual development through the people that we train to take our own places. Our commitment to development encourages us to constantly review how we do our work and perform our services and to strive to come up with methods that are more effective, productive, and straightforward.
- **Teamwork:** We believe in the need to complement each other in our efforts to maximize our individual successes and contributions. We strive in mutual assistance and solidarity with our shared goals, responsibilities, and sensitivities and with our rational and respectful professionalism. We are aware that the successes we achieve are the products of a team effort and with our collective "Çelebi spirit"; each of us feels the same sense of responsibility as individuals for the ensuing results.
- **Success and result focus:** As a team we strive to achieve our objectives without losing focus; make every necessary effort at every point to achieve results; maintain our discipline and determination to work until those results have been achieved. We take pleasure in working and in creating value. Each and every result and success we achieve is exciting for us.

Our Responsibilities

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

VI- RISKS AND AN ASSESSMENT BY THE GOVERNING BODY

15. BASIC RISK MANAGEMENT POLICIES

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

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

Interest Rate Risk

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

Liquidity Risk

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

Credit Risk

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

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

Exchange Rate Risk

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

Capital Risk

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

VII- OTHER MATTERS

16. CHANGES TO THE ARTICLES OF INCORPORATION AND COMPANY POLICIES

Changes to the Articles of Incorporation

There wasn't any change in the Company's Articles of Incorporation during January 01st - December 31st, 2014.

Company Policies

On April 8th, 2014 our Company's Board of Directors passed a resolution to approve the revision of the Company's Dividend Policy pursuant to the requirements of *Capital Markets Board Dividend Communique II-19.1,* which went into effect with its publication in issue 28891 of *Resmi Gazete* dated January 23rd, 2014; to publicly disclose this revision; and to submit this revised Dividend Policy for the consideration and approval of shareholders at the upcoming annual general meeting. At the annual general meeting held on May 8th, 2014, this revised Dividend Policy was unanimously approved by shareholders.

On April 11th, 2014 our Company's Board of Directors passed a resolution to approve the revision of the Company's Remuneration Policy pursuant to the requirements of *CMB Corporate Governance Communique II-17.1,* which went into effect with its publication in issue 28871 of *Resmi Gazete* dated January 3rd, 2014; to publicly disclose this revision; and to submit this revised Remuneration Policy for the information of shareholders at the upcoming annual general meeting. At the annual general meeting held on May 8th, 2014, shareholders were informed about this revised Remuneration Policy.

17. ISSUES THAT HAVE ARISEN SINCE THE FINANCIAL STATEMENT DATE

The Company doesn't have any issues that have arisen since the financial statement date.

18. PROFIT DISTRIBUTION PROPOSAL OF THE BOARD OF DIRECTORS

Our financial statements prepared on the basis of our legal books of account dated 31st, December 2014 show a net current profit in the amount of TL 54,789,352.00 remaining after the deduction of all taxes and other legal obligations.

Since there is no Prior Year Loss that needs to be deducted from the Net Profit for the Period and no first legal reserves that needs to be set aside pursuant to the Turkish Commercial Code (TCC), the net distributable profit that can be paid out as a dividend on the basis of our legal books of account is TL 54,789,352.00.

The net profit for the period, after the deduction of tax and legal liabilities, in our consolidated financial statements dated December 31st, 2014 that were prepared in accordance with the formats specified by CMB and in the Turkish Accounting Standards/Turkish Financial Reporting Standards (TAS/TFRS) pursuant to the Capital Markets Board of Turkey (CMB) Communiqué Serial: II, No: 14.1 on the "Principles of Financial Reporting in the Capital Markets", and which have been audited by independent organizations, amounted to TL 54,567,538.00.

Within the framework of CMB legislation, since there is no Prior Year Loss that needs to be deducted from the Net Profit for the Period and no first legal reserves that needs to be set aside pursuant to the Turkish Commercial Code (TCC), the net distributable profit is TL 54,567,538.00.

Accordingly the Board of Directors has resolved to submit the following matters for the consideration and approval of shareholders at the annual general meeting to be convened on April 20th, 2015:

• That TL 53,338,500.00 of the TL 54,567,538.00 shown as net current profit in the Company's consolidated financial statements dated December 31st, 2014 be distributed as indicated below and that the remaining TL 1,229,038.00 be retained in the Company as an extraordinary reserve;

ÇELEBİ HAVA SERVİSİ A.Ş. PROFIT DISTRIBUTION TABLE FOR 2014 (TL)

	Distribution as required by CMB legislation	As shown in the legal books of account
NET PROFIT FOR THE PERIOD	54,567,538.00	54,789,352.00
PRIOR YEAR LOSS (-)	0.00	0.00
FIRST LEGAL RESERVES (-)	0.00	0.00
NET DISTRIBUTABLE PROFIT FOR THE PERIOD	**54,567,538.00**	**54,789,352.00**
FIRST DIVIDEND TO SHAREHOLDERS	1,215,000.00	1,215,000.00
SECOND DIVIDEND TO SHAREHOLDERS	47,385,000.00	47,385,000.00
GENERAL LEGAL RESERVES	4,738,500.00	4,738,500.00
TRANSFERRED TO EXTRAORDINARY RESERVES	**1,229,038.00**	**1,450,852.00**

That, in compliance with CMB regulations pertaining to profit distributions and with respect to the period beginning on January 1st, 2014 and ending on December 31st, 2014:

- Shareholders who are resident corporate entities and shareholders who are non-resident corporate entities but earn dividends through a place of business or permanent representative based in Turkey will be paid a 200.00% cash dividend corresponding to TL 2.00 gross (which is equal to TL net) for each share of stock with a nominal value of TL 1.00 that they hold;
- Other shareholders will be paid a 200.00% cash dividend corresponding to TL 2.00 gross for each share of stock with a nominal value of TL 1.00 that they hold, which amount is equal to a 170.00% cash dividend corresponding to TL 1.70 net for each share of stock with a nominal value of TL 1.00 that they hold;
- April 30th, 2015 will be set as the dividend payment date.

Very truly yours,

ÇELEBİ HAVA SERVİSİ A.Ş.
BOARD OF DIRECTORS

CONTENTS

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

1. Statement of Compliance with Corporate Governance Principles

In the fiscal year ending December 31st, 2014, the Company worked as necessary to achieve full compliance and complete implementation of the Corporate Governance Principles published by CMB, and efforts continued to achieve compliance, understanding and implementation of these principles.

Pursuant to the CMB's Communiqué No: 17.1, dated January 03rd, 2014 on the Corporate Governance, in 2014, all structural revisions and principles have been fully implemented that were stipulated as compulsory in the said Communiqué, including amending the Company's articles of incorporation, setting up the Committees specified in the principles, restructuring Company organs as stipulated, developing the infrastructure needed so that announcements are made subject to the principles.

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

Part I- Investors

2. Investor Relations Unit and Coordination of the Corporate Governance Implementation

Our Company carried out the following activities within the frame of the efforts to achieve full compliance and complete implementation of the provisions of Article 11 related to the CMB Corporate Governance Communiqué Serial: II No: 17.1:

- An Investor Relations Unit is set up, which works for the exercise of shareholding rights at our Company whose shares are traded on the Borsa İstanbul (BİST). This Unit reports to the Board of Directors and maintains the communication between shareholders and the Board of Directors. During the reporting period, Deniz Bal, who functions as the Financial Affairs Director at the Company and who holds "Capital Market Activities Advanced Level License" and "Corporate Governance Rating Expertise" license served on this Unit. (Tel: +90-216-666 6767, e-mail: deniz.bal@celebiaviation.com)
- Engin Aydın, a full-time employee of the Company who holds both "Advanced Capital Market Operations" and "Corporate Governance Rating Specialist" licenses, was appointed to the position of "Investor Relations Unit Employee" during the reporting period. (Tel: +90-216-666 6767, e-mail: eaydin@celebiaviation.com)
- Deniz Bal, who holds both "Advanced Capital Market Operations" and "Corporate Governance Rating Specialist" licenses and was serving in the capacity of Investor Relations Unit Manager, was charged during the reporting period with the additional duties of fulfilling obligations arising from capital market laws and regulations, of coordinating corporate governance practices, and of reporting on such matters to the Company's general manager.

3. Shareholders' Exercise of Their Right to Obtain Information

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

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

Moreover, in 2014, 26 informational meetings were held so as to keep brokers and analysts well informed on the Company's activities and financial performance.

A request to have a special auditor appointed is not an individual right provided for under our Company's articles of incorporation. There were no requests for the appointment of a special auditor in 2014.

4. General Meetings

General meetings held during the reporting period	Date	% of shares in attendance	Meeting announcements and invitations
Ordinary General Meeting	May 8th, 2014	81.56%	Place, date, time and agenda of the Annual General Meeting were announced via: 1- Material event disclosure placed on the Public Disclosure Platform (KAP) on April 11th, 2014 2- Announcements published in the April 14th, 2014 issue of the Turkish Trade Registry Gazette no: 8549 and the Milliyet newspaper dated April 12th, 2014 3- Announcement on the Company's website 4- Letters sent to registered shareholders 5- Announcement made through the Electronic General Meeting system

The Company's annual general meeting was held on May 8th, 2014 during which the following resolutions were passed:

- The Board of Directors' annual report and the independent auditors' report are approved.
- The financial statements for calendar year 2013 are approved.
- The Company's Dividend Policy revised pursuant to CMB regulations is approved.
- The TL 1,959,612.00 in prior-year losses are to be deducted from the TL 3,054,766.00 in net current profit shown in the Company's consolidated financial statements dated December 31st, 2013 and the remaining TL 1,095,154.00 is to be retained in the Company as an extraordinary reserve.
- In compliance with CMB regulations pertaining to profit distributions, no dividend is to be paid for the period beginning on January 1st, 2013 and ending on December 31st, 2013.
- The members of the Board of Directors and the Company's statutory auditors are acquitted of their fiduciary responsibilities.
- Board of Directors members Can Çelebioğlu, İsak Antika, Canan Çelebioğlu, Mehmet Murat Çavuşoğlu, Mehmet Yağız Çekin, and Turgay Kuttaş, whose terms of office have expired, are elected to serve as board members for a period of one year (the period between two consecutive annual general meetings).
- Feyzi Onur Koca and İlter Turan are elected to serve as independent board members for a period of one year (the period between two consecutive annual general meetings).
- Independent board members are to be paid a stipulated monthly fee/honorarium but no such fees or honoraria are to be paid to board members other than the independent ones.
- The firm of Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (Ernst & Young) is appointed as the independent auditor to carry out the independent auditing of the Company's consolidated financial statements for 2014 and 2015 in compliance with the Turkish Commercial Code and with Capital Markets Board rules and regulations pertaining to the independent auditing of such statements prior to their public disclosure.
- An upper limit of TL 500,000.00 is set on charitable donations that are to be made by the Company during the period beginning on January 1st, 2014 and ending on December 31st, 2014.
- Shareholders with control over the Company's management, board members, and senior executives as well as their spouses and their relatives, whether by blood or marriage unto the second degree are authorized, pursuant to articles 395 and 396 of the Turkish Commercial Code (Statute 6102) and even if they may involve conflicts of interest, to engage in transactions of a significant nature with the Company and/or its subsidiaries, to compete against the Company, to engage in transactions with the Company on their own behalf or on behalf of others, to personally and/or on behalf of others to engage in businesses that fall within the Company's object and scope and to become partners in and engage in other dealings with companies involved in the same businesses.

Information was also provided to shareholders about changes in the Company's Remuneration Policy, about the Company's Disclosure Policy, about the guarantees, pledges, and mortgages granted and the revenues and benefits received by the Company from third parties during calendar year 2013, about related-party transactions engaged in during calendar year 2013, and about the TL 188,106.00 worth of payments made as charitable donations to various foundations, associations, professional chambers, and public agencies and organizations.

Participation in general meetings

The Ordinary General Meeting held on May 8th, 2014 was attended by shareholders responding either in person or in proxy to invitations sent out, as well as by four members of the Company's Board of Directors, senior managers, Company's Investor Relations Unit personnel, and representatives of a number of media organizations.

Entries in the shareholders' register

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

Information announced to shareholders

With regard to the agenda of the Annual General Meeting on May 8th, 2014, the Board of Directors membership candidate list, the annual report for the reporting period 2013, the Company's remuneration policy and the resolution for profit distribution for the 2013 calendar year were all made available to shareholders and other stakeholders through the Electronic General Meeting system and the Company's website on the date on which the general meeting was announced.

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

The shareholders exercised their right to ask questions at the ordinary general meeting held on May 8th, 2014, these questions were answered by the Company board members and executives that attended the meeting.

Motions made by shareholders at general meetings

During the Annual General Meeting on May 8th, 2014, a total of 7 resolutions as listed below were made by shareholders and all of the resolutions were unanimously accepted:

- Candidates for the presiding committee designated pursuant to the first item on the agenda are: Hüsnü Tanzer Gücümen (as presiding officer), Zeynep Candan Çetiner (as vote-taker), and Mustafa Tarık (as secretary).
- While the annual report of the Board of Directors was made available for shareholders to examine before the general meeting and handed out to those present at the meeting, and because the 'profit distribution' section of the annual report is also to be read during the discussion of item 7 on the agenda, the general meeting agrees that it would suffice to read the Independent Auditors' Report on the consolidated financial statements for the discussion of item 3 on the agenda.
- While the annual report of the Board of Directors was made available for shareholders to examine before the general meeting and handed out to those present at the meeting, the general meeting agrees that it would suffice to read the opinion section of the Independent Auditors' Report on the annual report of the Board of Directors for the discussion of item 4 on the agenda.
- While the balance sheet and income statement included in the annex to the annual report were made available for shareholders to examine before the general meeting and both were handed out to those present at the meeting, the general meeting agrees that a reading of the main headings of both balance sheet and income statement would suffice for the discussion of item 5 on the agenda.
- The candidates designated to serve as members of the Board of Directors until the next general meeting are hereby elected; Mrs. Canan Çelebioğlu, Mr. Mehmet Murat Çavuşoğlu, Mr. Mehmet Yağız Çekin and Mr. Turgay Kuttaş are to be elected as board members representing Group A shareholders (Çelebi Havacılık Holding AŞ) and Mr. Can Çelebioğlu and Mr. İsak Antika as board members representing Group B shareholders (Çelebi Havacılık Holding AŞ).
- Elected independent board members are to be paid remuneration, while board members elected to represent Group A and B shareholders shall not be paid any wages for this period.
- An upper limit of TL 500,000.00 is set on charitable donations that are to be made by the Company during the period beginning on January 1st, 2014 and ending on December 31st, 2014.

Action taken to facilitate participation in general meetings

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

Availability of general meeting minutes for inspection by shareholders

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

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

At the Ordinary General Meeting held on May 8th, 2014, information has been presented to shareholders about the donations and grants made during the reporting period to various foundations, associations, chambers, public institutions and organizations amounting TL 188,106.

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

5. Voting Rights and Minority Rights

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

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

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

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

6. Entitlement to Dividends

Special rights concerning participation in the Company's profits

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

Dividend payment policy

On April 8th, 2014 our Company's Board of Directors passed a resolution to approve the revision of the Company's Dividend Policy pursuant to the requirements of *Capital Markets Board Dividend Communique II-19.1,* which went into effect with its publication in issue 28891 of *Resmi Gazete* dated January 23rd, 2014; to publicly disclose this revision; and to submit this revised Dividend Policy for the consideration and approval of shareholders at the upcoming annual general meeting. At the annual general meeting held on May 8th, 2014, the Board of Directors resolution concerning the Dividend Policy passed on April 8th, 2014 was discussed and unanimously approved by shareholders.

Çelebi Ground Handling Inc. Dividend Policy

- Taking our Company's medium- and long-term strategies, its investment and financing policies, and its profitability and cash situation into account and in the absence of any extraordinary developments in our Company's investment and/or financing needs and/or occurrences in its industry or the economy, at least 50% of net distributable profit shall be paid out as a dividend. When determining the dividend rate, attention shall be given to medium- and long-term investments that may require short-term cash outflows, material events that affect our Company's financial structure, and significant developments in the sector and/or in the economy and/or in markets.
- Dividends whose payment has been decided upon may take the form of cash, of bonus shares, or of some mix of the two.
- Dividend and payment-timing Board of Directors resolutions shall be in compliance both with this Dividend Policy and with currently applicable laws, regulations, and administrative provisions and then publicly disclosed. Board of Directors dividend and payment-timing proposals shall be considered and decided upon by shareholders convened in a general assembly. The payment of dividends shall begin within thirty days of the date of the general meeting at which the decision to pay them is taken and in all cases within statutorily-mandated periods of time. The Board of Directors may decide to have dividends paid in installments provided that a general assembly of shareholders shall have authorized it to do so.
- Provided that a general assembly of shareholders shall have authorized it to do so, the Board of Directors may decide to have advances paid against dividends and may effect the payment of such advances subject always to the Capital Markets Law and Capital Markets Board regulations and decisions and to the Company's own articles of association.

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

According to the resolution passed by the Company's Board of Directors on April 11th, 2014:

In the financial statements prepared on the basis of our statutory books of account as of December 31st, 2013, the net current profit remaining after the deduction of taxes and other statutory obligations amounts to TL 3,054,766.00.

As there are no prior-year losses or first statutory reserve that must be set aside from net current profit pursuant to the requirements of the Turkish Commercial Code, the amount shown in our statutory books of account as being net distributable profit is TL 3,168,955.08.

According to our Company's independently-audited consolidated financial statements dated December 31st, 2013 prepared in accordance with Turkish Accounting Standards & Turkish Financial Reporting Standards (TMS/TFRS) and in CMB-specified formats pursuant to the requirements of *CMB Communique II:14.1 Concerning Financial Reporting Principles In Capital Markets*, the net current profit remaining after the deduction of taxes and other statutory obligations amounts to TL 3,054,766.00.

After the deduction of TL 1,959,612.00 in prior-year losses that are shown in the Company's consolidated financial statements and whose deduction from net current profit is mandated by CMB regulations, the Company's net distributable profit amounts to TL 1,095,154.00.

Accordingly it has been decided that the TL 1,959,612.00 in prior-year losses will be deducted from the TL 3,054,766.00 in net current profit shown in the Company's consolidated financial statements dated December 31st, 2013 and that the remaining TL 1,095,154.00 will be retained in the Company as an extraordinary reserve.

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

	Distribution as required by CMB legislation	As shown in the legal books of account
NET PROFIT FOR THE PERIOD	3,054,766.00	3,168,955.08
PRIOR YEAR LOSS (-)	1,959,612.00	0.00
FIRST LEGAL RESERVES (-)	0.00	0.00
NET DISTRIBUTABLE PROFIT/(LOSS) FOR THE PERIOD	**1,095,154.00**	**3,168,955.08**
DIVIDENDS	0.00	0.00
TRANSFERRED TO EXTRAORDINARY RESERVES	**1,095,154.00**	**3,168,955.08**

Shareholders were notified, in compliance with CMB regulations pertaining to profit distributions that no dividend would be paid for the period beginning on January 1st, 2013 and ending on December 31st, 2013 and this issue was approved by a majority of shareholders at the annual general meeting of the Company held on May 8th, 2014.

7. Transfer of Shares

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

Part II: Public Disclosure and Transparency

8. Disclosure Policy

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

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

During 2014, Deniz Bal was responsible for the execution of the Information Policy, who functions as the head of the Investor Relations Unit at the Company and who holds "Capital Market Activities Advanced Level License" and "Corporate Governance Rating Expertise License". In addition, Engin Aydın, a full-time employee of the Company who holds both "Advanced Capital Market Operations" and "Corporate Governance Rating Specialist" licenses, was appointed to the position of "Investor Relations Unit Employee" on December 26th, 2014.

9. Company Internet Site and its Content

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

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

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

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

10. Annual Report

The Annual Report of the Company's Board of Directors covers the information specified in the CMB Communiqué dated January 03rd, 2014, Serial: II No: 17.1 on the Corporate Governance.

Part III: Stakeholders

11. Keeping Stakeholders Informed

Based on the Company's Board of Directors decision passed on March 19th, 2009, pursuant to the provision of Article 7 of the CMB Communiqué Serial: IV No: 41 on the Principles to be Complied with by Joint Stock Companies Subject to the Capital Market Law, and within the frame of efforts carried out to ensure achievement of full compliance by the Company with the Corporate Governance Principles published by the CMB and to fully implement the same, the Company set up an Investor Relations Unit, which will handle exercising of shareholding rights at our Company that is listed on the BIST, which reports to the Board of Directors, and which will maintain communication between the Board of Directors and shareholders. In this context, Deniz Bal, who has earned the "Capital Market Activities Advanced Level License" and who presently functions as the Financial Affairs Director at the Company was appointed as the head of the Investor Relations Unit as a full-time manager responsible for the fulfillment of the Company's obligations arising from the capital market legislation, coordination of corporate governance practices and reporting thereon to the Board of Directors, and he carried out his duty during 2014.

In 2014, for the purpose of informing stakeholders, our Company's executive director and other members of management gave interviews that appeared in the press and electronic media, took part in TV programs and discussions, and made press statements. Detailed information about the Company and its investments was provided in the course of such appearances and announcements.

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

12. Stakeholder Participation in Management

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

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

13. Human Resources Policy

Our Company Human Resources policy is presented in section "4. Information on Personnel and Human Resources Policy" of our Company's annual report for 2014.

14. Rules of Ethics and Social Responsibility

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

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

The Company's code of ethics has not been shared with the public via our website.

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

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

Sectoral Responsibility Projects

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

To this end, the Company directly supports and sponsors:

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

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

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

The official opening of the Erzincan Ali Cavit Çelebioğlu Civil Aviation Academy, construction of which was completed in September 2010, took place ahead of the 2011-2012 academic year. A total of 213 students received education at the academy during the 2013-2014 academic year.

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

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

Following the initial two homes in Kars completed during 2008 under the project "I'm Home", in 2009, eight more homes were built, of which two were in Diyarbakır, two in Erzurum, three in Erzincan, and one in Mardin, thus bringing the total number to ten. The number of homes completed and turned over reached twenty six with the addition of two in Hatay, two in Kahramanmaraş, three in Malatya, and three in Osmaniye during 2010, three in Van and three in Erzurum during 2011, and seven in Van and three in Malatya in 2012. More 50 homes were planned to be completed during 2013.

The Environment and Nature

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

The Environment Management System has been awarded ISO 14001:2004 certification at headquarters offices and at İstanbul Atatürk, Antalya, İzmir, Bodrum and Dalaman stations by TSE. With this certification, we declare that we shall:

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

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

Combat against Climate Change

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

Efficiency of Natural Resources

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

Waste Management

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

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

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

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

The types of waste delivered in 2014 to licensed firms for ensuring safe disposal and their quantities are presented below:

Recycling:

Waste paper - 24,321 kg

Scrap metal - 8,786 kg

Waste plastic and glass - 1,055 kg

Recovery:

Waste accumulators - 3,684 kg

Waste toners/cartridges - 121 kg

Waste batteries - 258 kg

Energy Recovery:

Waste oil - 27,016 liters

End-of-life tires - 17,777 kg

Contaminated fabric and packaging - 6,524 kg

Furthermore, the following have been delivered to licensed firms for safe disposal:

Waste filters - 1,785 kg

Fluorescent lamps - 124 kg

Medical waste - 24 kg

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

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

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

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

In 2014, our Dalaman station received "Green Company" and the number of our "Green Company" stations increased to 4. It is planned to receive "Green Company" certifications for Ankara Esenboğa and İstanbul Atatürk Airport stations by the end of 2015.

Çelebi Ground Handling has placed the principle of carrying out its operations efficiently and in an environmentally friendly manner as a part of its mission; and it has been fulfilling the necessary requirements for many years. In 2014, the Company received the ISO 14064 verification auditing services from TSE for the purpose of developing its own programs to manage greenhouse gas (GHG) emissions. Following the verification audit, the Company's stations in İstanbul Atatürk, İzmir, Antalya, Bodrum and Dalaman were certified according to the ISO 14064 standard.

Within the framework of the Carbon Disclosure Project (CDP), during 2014 Çelebi Ground Handling became one of the 39 leading companies in Turkey to submit CDP data concerning its greenhouse gas emissions and energy use, as well as the risks and opportunities brought about by climate change. The Company aims to submit data concerning its greenhouse gas emissions and energy use to the CDP by May 2015.

There are no environment-related lawsuits filed against our Company on account of harm caused to the environment in 2014.

General Social Responsibility Projects

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

Part IV: The Board of Directors

15. Structure and Formation of the Board of Directors

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

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

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

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

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

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

Members of the Board of Directors elected by shareholders at the Ordinary General Meeting held on May 8th, 2014 and their resumes are presented below.

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

Can Çelebioğlu

Company/Title	Çelebi Hava Servisi - Chairman of the Board Çelebi Havacılık Holding - Chairman of the Board	
Education:	Boğaziçi University / Business Administration	
Experience	1982-	Çelebi Hava Servisi - Chairman of the Board
	1982-1996	Çelebi Hava Servisi - General Manager
	1995-	Çelebi Holding - Chairman of the Board
	1983-1995	Çe-Tur Çelebi Turizm Ticaret - Chairman of the Board
	2007-	Çelebi Marina ve Yat İşletmeciliği - Chairman of the Board
	1996-	Çelebi Hizmet Gıda İşletmeleri Turizm - Deputy Chairman of the Board
	1997-	Çelebi Güvenlik Sistemleri ve Danışmanlık - Deputy Chairman of the Board
	2005-	Çelebi Otelcilik ve Turizm İşletmeciliği - Deputy Chairman of the Board
	2004-	Çelebi Yatırım Danışmanlık - Chairman of the Board
	1996-	Çelebi Hizmet Restorant İşletmeleri - Chairman of the Board
Foreign Languages		English
E-mail		canc@celebiaviation.com

İsak Antika

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

Canan Çelebioğlu

Company/Position		Çelebi Hava Servisi - Deputy Chairperson of the Board Çelebi Havacılık Holding - Deputy Chairperson of the Board
Education		İstanbul University/Business Administration
Experience	2002-2003	Çelebi Hava Servisi - CEO
	1996-	Çelebi Holding - Deputy Chairperson of the Board
	1982-	Çelebi Hava Servisi - Deputy Chairperson of the Board
Foreign Language		English
E-mail		canan.celebioglu@celebiaviation.com

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

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

Turgay Kuttaş		
Company/Position		Çelebi Havacılık Holding - Executive Board Member
Education		İstanbul University/Tourism
Experience	2012-	Çelebi Hava Servisi - Member of the Board of Directors
	2010-2012	Çelebi Havacılık Holding - Member of the Auditing Board
	2007-2010	Çelebi Havacılık Holding - Advisor
	2004-2007	Pegasus - Chief Operational Officer (COO)
	1999-2004	Havaş - Member of the Board of Directors
	1997-1999	Circle International - Turkey Director
	1994-1997	Havaş - Assistant General Manager (Operations)
	1986-1994	Çelebi Holding - Member of the Board of Directors
Foreign Language		English
E-mail		turgay.kuttas@celebi.com

Feyzi Onur Koca

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

İlter Turan

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

The Members of the Board of Directors have been elected to serve a term of office of one year at the Ordinary General Meeting convened on May 8th, 2014, until the next Ordinary General Meeting.

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

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

I hereby declare that;

1. I stand for serving as an "Independent Member" on the Board of Directors of Çelebi Hava Servisi Anonim Şirketi ("the Company") within the scope of the criteria stipulated by the Corporate Governance Principles of the CMB legislation;
2. I have not held a seat on the Company's Board of Directors for more than six years in the past ten years;
3. Employment, capital or material commercial relationship, either direct or indirect, has not been established in the past five years between corporate entities with which any related party of the Company or shareholders holding, directly or indirectly, 5% or more share in the Company's capital is related with respect to management or capital, and myself, my spouse and my relations by blood or marriage up to third degree,
4. I have not worked for or served as a member on the boards of directors of any company conducting, under a contract, the Company's activities or organization in part or in whole, and particularly the firms performing the audit, rating and consultancy of the Company, in the past five years,
5. I was not a shareholder, employee or board member for any company supplying service or product of material quantity to the Company in the past five years,
6. I hold less than 1% share in the Company's capital and these are not preferential shares/I hold no share in the Company's capital,

7. I possess the professional education, knowledge and experience for due performance of the duties I will assume in connection with being an independent board member,
8. I am not a full-time employee of public institutions and establishments as at the date of nomination,
9. I am considered to be a resident of Turkey as for the purposes of Income Tax Law,
10. I am capable of making positive contributions to the Company's operations, maintaining my independence in possible conflicts of interest between the Company's shareholders, making decisions freely taking into consideration the rights of stakeholders, and I possess strong ethical standards, professional credibility and experience that are necessary to do that,
11. I will forthwith notify any event that prejudices my independence, if applicable, to the Board of Directors for public disclosure of the same,
12. I will not demand any compensation from the Company apart from Board of Directors compensation and attendance fee,
13. I will dedicate sufficient amount of time to be able to follow up the operation of the Company's affairs and to fully meet the requirements of the duties I undertake.

At the Company's Ordinary General Meeting held on May 8th, 2014, shareholders holding management control, the members of the Board of Directors, senior executives and their spouses and relatives by blood or marriage have been authorized to deal in transactions with the Company and its subsidiaries that might lead to conflict of interest, to compete with them, to carry out the business affairs that fall under the Company's scope personally or on behalf of others, and to become shareholders in companies that are engaged in similar kinds of business affairs, as well as engaging in other transactions, as per Articles 334 and 335 of the Turkish Commercial Code.

16. Operating Principles of the Board of Directors

Determining the agenda for board meetings

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

Number of board meetings during the reporting period

The Company's Board of Directors convened 59 times during 2014.

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

The secretariat of the chairman of the Board of Directors keeps Company directors informed about meeting times and agendas by means of reports sent out regularly prior to the meeting. In 2014, 29 meetings convened with the attendance of 6 board members, 15 with 7 members, and 15 with 8 members.

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

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

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

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

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

On May 8th, 2014, the Company's Board of Directors decided to appoint the following board members - who were elected in the Annual General Meeting for the 2013 reporting period - to the following positions in accordance with the related provisions of the Capital Markets Board's Communiqué on Corporate Governance Principles: Feyzi Onur Koca and İlter Turan as members of the Audit Committee, Mehmet Yağız Çekin and Feyzi Onur Koca as members of the Corporate Governance Committee, and Turgay Kuttaş and İlter Turan as members of the Early Detection of Risk Committee.

Since there are two independent members on the Company's Board of Directors, Feyzi Onur Koca serves both on the Audit Committee and the Corporate Governance Committee pursuant to the CMB Communiqué on Governance Principles, which states "All members of the Audit Committee and the heads of other committees are to be elected from among independent board members".

Likewise, İlter Turan, one of the other independent members on the Company's Board of Directors serves both on the Audit Committee and the Early Detection of Risk Committee. The Company's Audit Committee convened seven times during 2014 at which times they interviewed the Company's managers and checked whether or not our publicly disclosed financial statements accurately reflected the true standing of our operational results and whether or not the accounting principles adhered to by the Company were in compliance with CMB laws and regulations. They reached the conclusion that financial statements were correct and had been prepared in accordance with such requirements.

The Company's Corporate Governance Committee convened three times during 2014. The Committee works to determine and remedy non-conformities, if any, with the relevant articles of the CMB Communiqué on the Determination and Implementation of Corporate Governance Principles, reviews the activities of the Company's Investor Relations Unit with respect to their responsibilities arising from the legislation, and spends efforts to detect the Company's operational and financial risks, take necessary steps for identified risks, and manage risk.

The Company's Early Detection of Risk Committee convened three times in 2014 and took the necessary measures in strengthening the early detection of the causes that could threaten the existence of the Company, its development and the continuity of the business unit. The Committee also applied the necessary measures and remedies in this regard, in the management of the risk.

During 2014, there were no related party transactions or transactions of a material nature, which had been laid down for the approval of independent Board members, nor were there any such transactions that were not approved and thus laid down for the approval of the General Assembly of Shareholders.

18. Risk Management and Internal Control Mechanism

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

19. Strategic Objectives of the Company

The Company's Strategic Objectives are described under the section "Company's Mission, Vision and Strategic Objectives" in the 2014 Annual Report.

20. Financial Rights

In the Annual General Meeting convened on May 8th, 2014, the decision was taken to pay a gross monthly remuneration of TL 4,000 to each of the independent board member and to pay no remuneration to those board members who were elected to represent Group A and B Shareholders. In this context, remunerations were paid to independent board members in 2014.

The Company's Board members have no debts carried forward from 2013; no Board member was lent money (advances on salaries) in 2014. There are no receivables (advances on salaries) to be paid by the Board members as of December 31st, 2014.

The Company executives have no debts carried forward from 2013 and were not lent money (advances on salaries) in 2014. There are no receivables (advances on salaries) to be paid by the executives as of December 31st, 2014.

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

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

Necessary explanations regarding the transactions the Company carried out with related parties in the 01.01.2014-31.12.2014 fiscal year are provided under note 26 to the consolidated financial statements for the 01.01.2014-31.12.2014 fiscal year.

In all transactions the Company carried out with its controlling company or the subsidiaries of the controlling company in 2014, an appropriate counter-performance was provided in each transaction according to the conditions and state known to us at the time the transaction and/or the action was realized/taken or avoided; there were no actions taken or avoided which might potentially cause loss to the Company, and hence, there are no transactions or actions that would require equalization within this scope.

ACKNOWLEDGEMENT OF RESPONSIBILITY

ACKNOWLEDGEMENT OF RESPONSIBILITY PURSUANT TO THE CMB COMMUNIQUÉ NO: II-14.1, ARTICLE 9 BOARD OF DIRECTORS DECISION ESPOUSING THE FINANCIAL STATEMENTS AND ANNUAL REPORTS

DECISION DATE: 10.03.2015

DECISION NUMBER: 2015/35

We hereby represent that;

a. we have examined the independently audited consolidated financial statements which have been approved by our Company's Board of Directors decision dated 10.03.2015 and numbered 2015/35, and by the Audit Committee decision no. 2015-01 dated 10.03.2015, which are prepared pursuant to the CMB Communiqué No: II-14.1, article 9 on Principles of Financial Reporting in Capital Markets and drawn up in accordance with the Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS"), and the Board of Directors' Annual Report for the year ended December 31st, 2014,

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

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

Yours sincerely,

Deniz BAL	Feyzi Onur KOCA	Murat ZAHAL	İlter TURAN
Financial Affairs Director	Audit Committee Member	CEO	Audit Committee Member

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

CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - 31 DECEMBER 2014 AND INDEPENDENT AUDITOR'S REPORT

Güney Bağımsız Denetim ve SMMM A.Ş.
Maslak Mahallesi Eski Büyükdere
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Mersis No: 0-4350-3032-6000017

Independent auditors' report on the consolidated financial statements

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

We have audited the accompanying consolidated balance sheet of Çelebi Hava Servisi A.Ş. (the Company)/ and its Subsidiaries (together will be referred to as the "Group") as at 31 December 2014 and the related consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and explanatory notes.

Management's responsibility for the financial statements

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

Independent auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our audit was conducted in accordance with standards on auditing issued by the Capital Markets Board of Turkey and standards on auditing issued by POA. Those standards require that ethical requirements are complied with and that the independent audit is planned and performed to obtain reasonable assurance whether the financial statements are free from material misstatement.

Independent audit involves performing independent audit procedures to obtain independent audit evidence about the amounts and disclosures in the financial statements. The independent audit procedures selected depend on our professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error and/or fraud. In making those risk assessments, the Company's internal control system is taken into consideration. Our purpose, however, is not to express an opinion on the effectiveness of internal control system, but to design independent audit procedures that are appropriate for the circumstances in order to identify the relation between the financial statements prepared by the Group and its internal control system. Our independent audit includes also evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's management, as well as evaluating the overall presentation of the financial statements.

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

Building a better working world

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Çelebi Hava Servisi A.Ş. and its Subsidiaries as at 31 December 2014 and their financial performance and cash flows for the year then ended in accordance with the Turkish Accounting Standards.

Reports on other responsibilities arising from regulatory requirements

1) Auditors' report on Risk Management System and Committee prepared in accordance with paragraph 4 of Article 398 of Turkish Commercial Code ("TCC") 6102 is submitted to the Board of Directors of the Company on 10 March 2015.

2) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2014 and financial statements are not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.

3) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

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

Ethem Kutucular, SMMM
Partner

10 March 2015
İstanbul, Turkey
Çelebi Hava Servisi A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - 31 DECEMBER 2014 AND INDEPENDENT AUDITOR'S REPORT

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2014

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

	Notes	(Audited) 31 December 2014	(Audited) 31 December 2013
ASSETS			
Current Assets			
Cash and cash equivalents	4	79.950.529	60.306.285
Trade receivables		57.880.354	54.633.679
- Due from third parties	8	57.188.420	54.345.748
- Due from related parties	8	691.934	287.931
Other receivables		9.497.834	7.018.641
- Other receivables from third parties	9	9.497.834	7.018.641
Inventories	10	8.381.073	8.499.388
Prepaid expenses	15	10.107.013	8.650.120
Assets related to current year tax	28	-	2.524.731
Other current assets	14	13.769.195	11.828.967
Total current assets		**179.585.998**	**153.461.811**
Non-current assets			
Financial investments	5	1.546.360	1.458.860
Investments accounted by equity method	6	17.141.793	13.160.780
Other long-term receivables		23.500.013	21.851.050
- Due from third parties	9	13.625.063	11.465.300
- Due from related parties	9	9.874.950	10.385.750
Property, plant and equipment	11	166.486.309	145.532.422
Intangible assets		132.042.691	130.294.290
- Other intangible assets	12	108.836.481	106.206.043
- Goodwill	12	23.206.210	24.088.247
Prepaid expenses	15	19.159.212	21.619.445
Deferred tax asset	28	22.258.480	20.348.294
Other non-current assets	14	11.523.966	7.529.467
Total non-current assets		**393.658.824**	**361.794.608**
Total assets		**573.244.822**	**515.256.419**

The accompanying notes are an integral part of these financial statements.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2014

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

	Notes	(Audited) 31 December 2014	(Audited) 31 December 2013
LIABILITIES			
Current liabilities			
Short-term financial liabilities	7	34.908.082	4.759.407
Current portion of long term financial liabilities	7	89.293.531	84.133.917
Other financial liabilities	7	1.640.400	2.380.650
Trade payables		45.847.785	43.959.083
- Due to third parties	8	41.206.911	38.676.482
- Due to related parties	8	4.640.874	5.282.601
Liabilities for employee benefits	17	18.900.210	11.310.553
Other payables		4.521.860	7.700.859
- Due to third parties	9	4.521.860	7.700.859
Deferred income	16	3.571.895	8.192.306
Short-term provisions		4.103.530	3.039.290
- Provisions for employee benefits	13	3.245.538	2.366.362
- Other provisions	13	857.992	672.928
Current tax liabilities	28	2.258.497	-
Other current liabilities	14	4.498.684	3.166.014
Total current liabilities		**209.544.474**	**168.642.079**
Non-Current Liabilities			
Long-term financial liabilities	7	179.437.240	236.222.341
Other non-current payables	9	4.782.335	4.299.463
Deferred income tax liabilities	28	6.283.864	6.478.794
Long term provisions		9.234.288	9.256.100
- Provisions for employee benefits	13	9.234.288	9.256.100
Other non-current liabilities	14	57.509.125	43.516.344
Total non-current liabilities		**257.246.852**	**299.773.042**
Total liabilities		**466.791.326**	**468.415.121**
EQUITY			
Equity attributable to equity holders of the parent		**95.521.545**	**40.519.086**
Share Capital	18	24.300.000	24.300.000
Other comprehensive income/(expense) not to be reclassified to profit or loss		(1.243.129)	(880.179)
- Actuarial gain/(loss) arising from defined benefit plans		(1.243.129)	(880.179)
Other comprehensive income/(expense) to be reclassified to profit or loss		4.376.169	3.578.298
- Foreign currency translation differences		4.376.169	3.578.298
Restricted reserves	18	28.274.456	28.274.456
Retained earnings		(14.753.489)	(17.808.255)
Net profit/ (loss) for the year		54.567.538	3.054.766
Non-controlling interest		**10.931.951**	**6.322.212**
Total equity		**106.453.496**	**46.841.298**
Total liabilities and equity		**573.244.822**	**515.256.419**

Contingent assets and liabilities

The accompanying notes are an integral part of these financial statements.

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

CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

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

	Notes	*(Audited)* 31 December 2014	*(Audited)* 31 December 2013
CONTINUING OPERATIONS			
Revenue (net)	19	621.449.684	507.871.288
Cost of sales (-)	19	(446.548.943)	(372.204.304)
GROSS PROFIT	**19**	**174.900.741**	**135.666.984**
General administrative expenses (-)	21	(88.332.392)	(78.978.932)
Other operating income	22	10.089.218	14.565.718
Other operating expenses (-)	23	(4.728.719)	(9.652.798)
Income from investments accounted by equity method	6	2.959.639	2.330.264
OPERATING PROFIT		**94.888.487**	**63.931.236**
Income from investment activities	24	651.502	488.785
Expense from investment activities (-)	25	(7.955.555)	(1.371.436)
OPERATING PROFIT/(LOSS) BEFORE FINANCIAL INCOME/(EXPENSE)		**87.584.434**	**63.048.585**
Financial income	26	25.446.710	8.999.626
Financial expense (-)	27	(42.386.869)	(70.071.456)
INCOME BEFORE TAX		**70.644.275**	**1.976.755**
Income tax expense		**(15.648.535)**	**(2.518.802)**
Current tax expense	28	(16.346.675)	(5.186.563)
Deferred tax income/(expense)	28	698.140	2.667.761
NET INCOME/ (EXPENSE)		**54.995.740**	**(542.047)**
Attributable to:			
Non-controlling interest		428.202	(3.596.813)
Equity holder of the parent		54.567.538	3.054.766
		54.995.740	**(542.047)**
Earnings / (losses) per share (Full TL)	29	0,022	0,001

The accompanying notes are an integral part of these financial statements.

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

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

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

	Notes	*(Audited)* 31 December 2014	*(Audited)* 31 December 2013
Net profit / (loss) for the period		54.995.740	(542.047)
Other comprehensive income/ (expense):			
To be reclassified to profit or loss			
- Currency translation differences		1.249.696	2.748.237
Not to be reclassified to profit or loss			
- Actuarial gain/(loss) arising from defined benefit plans		(364.580)	(1.235.813)
Other comprehensive income/(expense)		885.116	1.512.424
Total comprehensive income/(expense)		55.880.856	970.377
Total comprehensive income attributable to:			
Non-controlling interest		878.397	(3.278.353)
Equity holders of the parent		55.002.459	4.248.730

The accompanying notes are an integral part of these financial statements.

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

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

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

				Other comprehensive income/(expense) to be reclassified to profit or loss
	Notes	Share Capital	Restricted Reserves	Cumulative Translation Differences
Balances at 1 January 2013		**24.300.000**	**26.573.456**	**1.141.212**
Increase in minority of subsidiaries		-	-	-
Transfers to retained earnings	18	-	-	-
Transactions related to non-controlling interests		-	-	-
Dividends paid	18		1.701.000	-
Equity impact of the amortized joint venture		-	-	-
Other comprehensive income				
- Change in foreign currency translation differences		-	-	2.437.086
- Change in Actuarial gain/(loss) arising from defined benefit plans		-	-	-
Total other comprehensive income		**-**	**-**	**2.437.086**
Net profit / (loss) for the period		-	-	-
Total comprehensive income/ (expense)		**-**	**-**	**2.437.086**
Balances at 31 December 2013		**24.300.000**	**28.274.456**	**3.578.298**

The accompanying notes are an integral part of these financial statements.

Other comprehensive income/(expense) not to be reclassified to profit or loss	Retained Earnings				
Actuarial gain/(loss) arising from defined benefit plans	Retained Earnings	Net profit / (loss) for the year	Equity attribute table to equity holders of the parent	Non- controlling interest	Total equity
362.943	(17.386.979)	20.984.466	55.975.098	8.099.058	64.074.156
-	-	-	-	667	667
-	20.984.466	(20.984.466)	-	-	-
-	(1.500.840)	-	(1.500.840)	1.500.840	-
-	(19.926.001)	-	(18.225.001)	-	(18.225.001)
-	21.099	-	21.099	-	21.099
-	-	-	2.437.086	311.151	2.748.237
(1.243.122)	-	-	(1.243.122)	7.309	(1.235.813)
(1.243.122)	-	-	1.193.964	318.460	1.512.424
-	-	3.054.766	3.054.766	(3.596.813)	(542.047)
(1.243.122)	-	3.054.766	4.248.730	(3.278.353)	970.377
(880.179)	(17.808.255)	3.054.766	40.519.086	6.322.212	46.841.298

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

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

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

				Other comprehensive income/(expense) to be reclassified to profit or loss
	Notes	Share Capital	Restricted Reserves	Cumulative Translation Differences
Balances at 1 January 2014		24.300.000	28.274.456	3.578.298
Increase in minority of subsidiaries		-	-	-
Transfers to retained earnings	18	-	-	-
Other comprehensive income				
- Change in foreign currency translation differences		-	-	797.871
- Change in Actuarial gain/(loss) arising from defined benefit plans		-	-	-
Total other comprehensive income		-	-	797.871
Net profit / (loss) for the period		-	-	-
Total comprehensive income/ (expense)		-	-	797.871
Balances at 31 December 2014		24.300.000	28.274.456	4.376.169

The accompanying notes are an integral part of these financial statements.

Other comprehensive income/(expense) not to be reclassified to profit or loss	Retained Earnings				
Actuarial gain/(loss) arising from defined benefit plans)	Retained Earnings	Net profit / (loss) for the year	Equity attribute table to equity holders of the parent	Non- controlling interest	Total equity
(880.179)	**(17.808.255)**	**3.054.766**	**40.519.086**	**6.322.212**	**46.841.298**
-	-	-	-	3.731.342	3.731.342
-	3.054.766	(3.054.766)	-	-	-
-	-	-	797.871	451.825	1.249.696
(362.950)	-	-	(362.950)	(1.630)	(364.580)
(362.950)	-	-	**434.921**	**450.195**	**885.116**
-	-	54.567.538	54.567.538	428.202	54.995.740
(362.950)	-	**54.567.538**	**55.002.459**	**878.397**	**55.880.856**
(1.243.129)	**(14.753.489)**	**54.567.538**	**95.521.545**	**10.931.951**	**106.453.496**

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CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2014

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

	Notes	(Audited) 31 December 2014	(Audited) 31 December 2013
A. Cash flows from operating activities		**136.910.279**	**54.092.572**
Profit/loss before tax for the period		**70.644.275**	**1.976.755**
Adjustment for reconciliation of profit/(loss) before taxation		**81.865.913**	**59.912.486**
- Adjustment for depreciation and amortisation expense	11,12	32.708.892	33.136.423
- Adjustment for provisions	13	5.217.538	5.618.574
- Adjustment for interest income and expense	26,27	20.093.270	18.337.365
- Adjustment for (profit) on sales of property, plant and equipment, net		7.304.053	882.651
- Adjustments related to the fair value losses (gains)		614.072	1.620.505
- Other adjustments for reconciliation of profit/ loss		3.910.898	295.868
- Other item's adjustments related to cash flows arising from financing or investing activities		12.017.190	21.100
Changes in working capital		**(15.599.909)**	**(7.796.669)**
- Adjustment for increase/decrease in inventories		118.315	(198.386)
- Adjustment for increase/decrease in trade receivables		6.863.441	(12.907.610)
- Adjustment for increase/decrease in other receivables related with operations		(19.445.293)	(1.275.750)
- Adjustment for increase/decrease in trade payables		1.888.702	15.116.011
- Adjustment for increase/decrease in other payables related with operations		14.858.320	7.070.165
- Adjustment for increase/decrease in joint ventures are accounted by the equity method		(3.981.013)	(3.133.902)
- Collection from doubtful receivable		23.718	212.846
- Retirement liability paid		(4.544.318)	(5.893.226)
- Vacation liability paid		-	(413.052)
- Tax payments/returns		(11.381.781)	(6.373.765)
Cash flows from operating activities		**136.910.279**	**54.092.572**
B. Cash flows from investing activities		**(72.809.063)**	**(26.870.833)**
Cash inflows from the sale of property, plant and equipment and intangible assets	11,12	937.621	2.493.571
Cash outflows from the purchase of property, plant and equipment and intangible asset	11,12	(60.054.803)	(27.863.571)
Cash outflows from the purchase of long term asset		(87.500)	(1.500.833)
Regarding the acquisition of control of subsidiaries cash outflows related to buy		(13.604.381)	-
C. Cash flows from financing activities		**(41.570.082)**	**(4.305.968)**
Cash inflows from financial liabilities		(21.476.812)	32.256.399
Dividends paid	18	-	(18.225.002)
Interest received		3.770.137	2.689.020
Interest paid		(23.863.407)	(21.026.385)
Net (decrease)/ increase in cash and cash equivalents		**2.253.722**	**5.683.879**
D. Impact of foreign currency translation differences on cash and cash equivalents		**(2.886.890)**	**(9.027.166)**
Net increase/decrease in cash and cash equivalents		**21.897.966**	**19.572.484**
E. Cash and cash equivalents at beginning of period		**51.799.723**	**32.227.239**
Cash and cash equivalents at end of period	4	**73.697.689**	**51.799.723**

The accompanying notes are an integral part of these financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS OF THE GROUP

Çelebi Hava Servisi A.Ş. (collectively referred to as the "Company" or "Çelebi Hava") established in 1958 was the first private ground handling service company in the Turkish aviation sector. The company is continuing its operations under Çelebi Holding. The Company provides ground handling services (representation, traffic, ramp, cargo, flight operations and aircraft maintenance etc) and fuel supplies to domestic and foreign airlines and private cargo companies. The Company operates in İstanbul Atatürk, İzmir, Ankara, Adana, Antalya, Dalaman, Bodrum, Çorlu, Bursa Yenişehir, Diyarbakır, Erzurum, Kayseri, Samsun, Trabzon, Van, Malatya, Kars, Mardin, Denizli, Hatay, Kahramanmaraş, Isparta, Erzincan, Çanakkale, Balıkesir Edremit, Iğdır, Kocaeli, 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 was informed of winning the tender offer and participates in the Celebi Tanacsado Korlatolt Felelossegu Tarsasag" ("Celebi Kft") company that was founded on 22 September 2006 as founding shareholder for the realization of the abovementioned share transfer. Celebi Kft acquired all the shares of BAGH on 26 October 2006 and the trade name of BAGH has been changed to Celebi Ground Handling Hungary Foldi Kiszolgalo Korlatolt Felelossegu Tarsasag ("CGHH").

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

As of 31 December 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 1.120.000.000 Indian Rupee.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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

The equity needed to meet financial requirement of the investments planned and the fulfillment of the requirements arising from the Concession Agreement signed by Celebi Ground Handling Delhi Private Limited ("Celebi GH Delhi"), established in 18 November 2009, with a paid-in capital amounting to 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 1.081.917.000 Indian Rupee and the Company has a 74% stake in Celebi GH Delhi.

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

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

The Company acquired shares of Çelebi Kargo Depolama ve 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 December 31, 2014 the capital of Çelebi Kargo is TL 29.500.000 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. Celebi GmbH was taken over by Celebi Kargo with all its assets and liabilities and merged with Celebi Cargo Germany within the framework of the related effective regulations and the legal merger transactions were completed upon the registration made as of October 30, 2014.

As of 31 December 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 and Celebi Cargo (collectively, referred to as the "Group").

These consolidated financial statements for the period 1 January - 31 December 2014 have been approved for issue by the Board of Directors on 10 March 2015 and signed by Murat Zahal (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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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

Subsidiaries:

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

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

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 handling services

As of 31 December 2014 average number of personnel is 10.508 (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").

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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

Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates The consolidated financial statements are presented in TL, which are the functional currency of the Company and the presentation currency of the Group. As of 31 December 2014, the currency of subsidiaries has shown below.

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

Going Concern

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

2.1.2 Amendments in International Financial Reporting Standards (IFRS)

New and amended standards and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at 31 December 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.

i) 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 consolidated financial statements of the Group.

TFRS 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 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 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.

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 consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

TFRS 9 Financial Instruments - Classification and measurement

As amended in December 2012, 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.

TAS 19 Defined Benefit Plans: Employee Contributions (Amendment)

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

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

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

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

The amendments to TAS 16 and TAS 38, have prohibited the use of revenue-based depreciation for property, plant and equipment and significantly limiting the use of revenue-based amortisation for intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

Annual Improvements to TAS/TFRSs

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

Annual Improvements - 2010-2012 Cycle

TFRS 2 Share-based Payment:

Definitions relating to vesting conditions have changed and performance condition and service condition are defined in order to clarify various issues. The amendment is effective prospectively.

TFRS 3 Business Combinations

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

TFRS 8 Operating Segments

The changes are as follows: i) Operating segments may be combined/aggregated if they are consistent with the core principle of the standard. ii) The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments are effective retrospectively.

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

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

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

TAS 24 Related Party Disclosures

The amendment clarifies that a management entity - an entity that provides key management personnel services - is a related party subject to the related party disclosures. The amendment is effective retrospectively.

Annual Improvements - 2011-2013 Cycle

TFRS 3 Business Combinations

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

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

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

TAS 40 Investment Property

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

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

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

Annual Improvements - 2010-2012 Cycle

IFRS 13 Fair Value Measurement

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

IFRS 15 Revenue from Contracts with Customers

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

IFRS 9 Financial Instruments - Final standard (2014)

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

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

In August 2014, IASB issued an amendment to IAS 27 to restore the option to use the equity method to account for investments in subsidiaries and associates in an entity's separate financial statements. Therefore, an entity must account for these investments either:

- At cost
- In accordance with IFRS 9 (or IAS 39),

Or

- Using the equity method.

Annual Improvements to IFRSs - 2012-2014 Cycle

In September 2014, IASB issued their annual cycle of improvements to IFRSs, Annual Improvements to IFRSs 2012-2014 Cycle. The document sets out five amendments to four standards, excluding those standards that are consequentially amended, and the related Basis for Conclusions. The standards affected and the subjects of the amendments are:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - changes in methods of disposal
- IFRS 7 Financial Instruments: Disclosures - servicing contracts; applicability of the amendments to IFRS 7 to condensed interim financial statements
- IAS 19 Employee Benefits - regional market issue regarding discount rate
- IAS 34 Interim Financial Reporting - disclosure of information 'elsewhere in the interim financial report'

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

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

In September 2014, IASB issued amendments to IFRS 10 and IAS 28, to address the acknowledged inconsistency between the requirements in IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture, to clarify that an investor recognises a full gain or loss on the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture. The gain or loss resulting from the re-measurement at fair value of an investment retained in a former subsidiary should be recognised only to the extent of unrelated investors' interests in that former subsidiary. An entity shall apply those amendments prospectively to transactions occurring in annual periods beginning on or after 1 January 2016. Earlier application is permitted. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

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

ALTERNATİVE 1: In December 2014, IASB issued amendments to IFRS 10, IFRS 12 and IAS 28, to address the issues that have arisen in applying the investment entities exception under IFRS 10 Consolidated Financial Statements. The amendments are applicable for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendment is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

IAS 1: Disclosure Initiative (Amendments to IAS 1)

In December 2014, IASB issued amendments to IAS 1. Those amendments include narrow-focus improvements in the following five areas: Materiality, Disaggregation and subtotals, Notes structure, Disclosure of accounting policies, Presentation of items of other comprehensive income (OCI) arising from equity accounted investments. The amendments are applicable for annual periods beginning on or after 1 January 2016. Earlier application is permitted. These amendments are not expected have significant impact on the notes to the consolidated financial statements of the Group.

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.

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2.1.4 Basis of Consolidation

a) The consolidated financial statements include the accounts of the parent company. Çelebi Hava, its Subsidiaries and its Joint ventures (collectively referred to as the "Group") on the basis set out in sections (b), to (f) below. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and have been prepared in accordance with CMB Financial Reporting Standards applying uniform accounting policies and presentation. The results of Subsidiaries and Joint ventures are included or excluded from their effective dates of acquisition or disposal respectively.

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

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

	Direct and indirect shareholding by Çelebi Hava and its Subsidiaries (%)	
Subsidiary	31 December 2014	31 December 2013
Çelebi Güvenlik In Liquidation (2)	94,8	94,8
CGHH	100,0	100,0
Celebi Delhi Cargo	74,0	74,0
Celebi GH Delhi	74,0	74,0
Celebi Spain (1)	100,0	100,0
Çelebi Kargo	99,9	99,9
Celebi Cargo	99,9	99,9

(1) As of 31 December 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 December, 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.

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.

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d) Joint ventures are accounted by the equity method.

	Direct and indirect shareholding by Çelebi Hava (%)	
Investments Accounted by Equity Method	31 December 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) 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

The loans amounting to TL 10.385.750 presented under trade receivables from related parties in current assets in the condensed consolidated statement of financial position for the period ended December 31, 2013, given to CHH by CGHH was have been classified to other long-term receivables from related parties.

2.3. Summary of Significant Accounting Policies

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

2.3.1 Cash and Cash Equivalents

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

2.3.2 Revenue

Revenues are the invoiced values of trading goods sold and services given. Revenues are recognized on an accrual basis at the time the Group sells a product to the customer, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group at the fair value of considerations received or receivable. Rent income is recorded on an accrual basis, while interest income is recorded on an effective interest yield method basis. Dividend income is recorded as income as of the collection right transfer date.

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

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

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

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

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2.3.3 Property, plant and equipment

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

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

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

Depreciation is provided for assets when they are ready for use. Depreciation continues to be provided on assets when they become idle.
Gains or losses on disposals of property, plant and equipment are determined by comparing the carrying amount at financial statements and collected amount and included in the other income or expense accounts, as appropriate.

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

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

2.3.4 Intangible Assets

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

a) Goodwill

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

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

b) Commercial Business Licenses (Rights)

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

c) Contractual customer relationships

Contractual customer relationships acquired in a business combination are recognized at fair value at the acquisition date. The contractual customer relations have a finite useful life (5-7 years) and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected life of the customer relationship. Where there is any indication that a contractual customer relationships may be impaired, the carrying value of asset is tested for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

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d) Computer software

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

e) Service Concession Arrangements & Build Operate - Transfer Investment

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

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

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

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

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

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

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

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

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

Celebi Delhi Cargo

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

Celebi Nas

Operating rights agreement regarding ground services of airport in Mumbai, India for 11 years had been signed on 14 November 2008. INR 210.000.000 had been paid as deposit. As of 31 December 2013 INR 52.500.000 of the deposit amount had been returned back.

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Furthermore, signed a Celebi Nas Letter of Award ("LOA") with Mumbai International Airport Private Limited ("MIAL"), the operator of the airport it which 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 airport and the first installment amounting to INR 75 million (approximately USD 1,25 million) of the total deposit amounting to INR 150 million (approximately USD 2,5 million) was paid to MIAL. The Privilege Agreement has not been signed yet, and negotiations with MIAL are currently ongoing.

Celebi GH Delhi

Ground services agreement for 10 years regarding airport in Delhi city of India has been signed on

2 June 2010. INR 400.000.000 deposit has been paid.

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

2.3.5 Inventories

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

2.3.6 Impairment of Assets

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

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

2.3.7 Financial Liabilities and Borrowing Costs

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

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

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2.3.8 Financial Instruments

Trade receivables

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

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

Financial assets

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

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

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

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

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

2.3.9 Trade Payables

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

2.3.10 Business Combinations and Goodwill

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

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

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

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

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

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

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

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

2.3.11 Foreign Currency Transactions

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

2.3.12 Earnings Per Share

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

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

2.3.13 Subsequent Events

The Group adjusts the amounts recognized in the consolidated financial statements to reflect the adjusting events after the balance sheet date. If non-adjusting events after the balance sheet date have material influences on the economic decisions of users of the financial statements, they are disclosed in the notes to the consolidated financial statements (Note 34).

2.3.14 Provisions, Contingent Liabilities and Contingent Assets

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

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

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

2.3.15 Leases

Financial leases

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

Operational leases

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

2.3.16 Related Parties

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

2.3.17 Segment Reporting

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

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2.3.18 Taxes on Income

Current and deferred income tax

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

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

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

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

2.3.19 Employee Benefits

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

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

2.3.20 Statement of Cash Flows

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

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

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

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

2.3.21 Dividends

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

2.3.22 Paid-in Capital

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

2.3.23 Offsetting

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

2.3.24 Derivative financial instruments and hedging activities

The Group uses foreign currency forward contracts to decrease its foreign exchange position and as of December 31, 2014 and 2013, it carries these instruments at their market value in its consolidated financial statements. The Group uses its year-end market rates and interest rates to calculate the market value of the foreign exchange forward contracts. In accordance with TAS 39 (Financial instruments: Recognition and Measurement), they are defined as held for trading and classified in the account of current liabilities (financial liabilities) in the consolidated financial statements and the changes in their fair value are reflected on the income statement.

As a result of the valuation performed regarding the forward contracts, the Group recorded the expense accrual in the account of other financial liabilities in its financial statements dated 31 December 2014.

2.4 Critical Accounting Estimates and Assumptions

The preparation of financial statements necessitates the use of estimates and assumptions that affect asset and liability amounts reported as of the balance sheet date, explanations of contingent liabilities and assets; and income and expense amounts reported for the accounting period. Although these estimates and assumptions are based on all management information related to the events and transactions, actual results may differ from them. The estimates and assumptions that may have a material adjustment to the carrying amounts of assets and liabilities for the next reporting period are outlined below:

(a) Goodwill impairment tests

As explained in Note 2.3.6 the Group performs impairment tests on goodwill annually at 31 December or more frequently if events or changes in circumstances indicate that it might be impaired. The recoverable amount of the cash generating unit has been determined based on the fair value less costs to sell calculations. These calculations include certained estimations and assumptions. As a result of the impairment tests performed with the use of the above assumptions, no impairment was detected in the goodwill amount as of 31December 2014 (Note 12).

(b) Impairment of intangible assets

According to the accounting policy stated in Note 2.3.4. the intangible non-current assets are shown with their net value after the deduction of the accumulated depreciation, if any, and the value subtracted from the acquisition costs. As a result of the valuation studies performed at the purchase of 100% of CGHH shares, "Customer Relations" has been considered as an identifiable asset by the Group and shown under the intangible non-current assets. While the terms of the agreements signed by CGHH with its clients are either unlimited or for two to three years, it is seen that the clients continue the agreements for more than two to three years considering the average terms in the sector. The redemption and amortization are determined as seven years according to these estimates; all the important clients of CGHH have continued to work with CGHH since the year it started operations in Budapest and no important level of decrease is expected in the existing market share of CGHH. Thanks to the positive developments in the operations of CGHH, no indicator has been noted relating to whether or not there is a decrease in the registered net book value of the intangible non-current assets which are defined as "Customer Relations" and whose useful life is determined as seven years (Note 12).

(c) Provisions

As explained in Note 2.3.14, provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when reliable estimate can be made of the amount of the obligation. In this context, the Group has evaluated the law suits and court cases opened against it at 31 December 2014 and for the ones where the Group estimates more than 50% probability of losing them necessary provisions are accounted for in the consolidated financial statements (Note 13).

(d) Taxes on income

As explained in Note 2.3.18, a provision is recognized for the current year tax liability based on the period results of the Group at the balance sheet date. Tax legislations in the Group's subsidiaries' and joint ventures' operating countries are subject to different manners of interpretation and subject to be altered frequently. Accordingly, the interpretation of tax implications regarding the operations of subsidiaries and joint ventures in foreign countries by the tax authorities may differ from the interpretation of the management. Consequently, the Group may encounter additional taxes, penalties and interests.

As of 31 December 2014, the Group has evaluated the possibility of any tax exposure that may arise in foreign subsidiaries and joint ventures and has not identified any necessity to recognize a provision.

(e) Unused carry-forward tax losses

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

Same as above, the Celebi GH Delhi has not booked deferred tax amounted to TL 24.645.938 to its financial statements as of 31 December 2014 which is arisen from the carry forward losses amounted to TL 7.996.375 due to the probability of inability to utilize carry-forward tax losses.

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

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

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

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

i) TL 12.634.604 (31 December 2013: TL 5.490.831) has been provided regarding the estimated future renovation obligations in the consolidated financial statements as at 31 December 2014. The aforementioned provision was amortized by using average rate of 8,04% (31 December 2013: 8,04%).

ii) Concession rights presented under intangible assets has been determined by including profit margin determined by using the similar construction services on top of the estimated costs of the development and modernization of cargo terminal in accordance with the aforementioned concession agreement. Aforementioned intangible assets has been carried at amortized costs, Profit margin and discount rate is 2% (31 December 2013:2%) and 7,25% (31 December 2013: 7,25%) as at 31 December 2014.

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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.

The segment information provided to the board of directors as of 31 December 2014 is as follows :

1 January - 31 December 2014

	Reportable Segments				
	Ground Handling Services	Cargo And Warehouse Services	Airport Security Services	Consolidation Adjustments	Consolidated
Revenue - net	416.877.577	205.148.051	-	(575.944)	621.449.684
Cost of sales	(284.879.479)	(161.641.708)	(27.756)	-	(446.548.943)
Gross profit	**131.998.098**	**43.506.343**	**(27.756)**	**(575.944)**	**174.900.741**
General administrative expenses	(70.817.880)	(17.803.397)	(19.834)	308.719	(88.332.392)
Addition: Depreciation and amortization	19.985.347	10.901.522	17.532	-	30.904.401
Addition: Operating lease equalization	(147.535)	8.016.527	-	-	7.868.992
Addition: Effect of IFRIC 12 shares	-	2.787.287	-	-	2.787.287
Addition: Prepaid allocation cost expense	1.155.072	-	-	-	1.155.072
Addition: Retirement pay liability and unused vacation provisions	6.150.351	1.608.816	-	-	7.759.167
Effect of EBITDA to investments accounted by equity method	6.412.149	257.993	-	-	6.670.142
EBITDA	**94.735.602**	**49.275.091**	**(30.058)**	**(267.225)**	**143.713.410**

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The segment information provided to the board of directors as of 31 December 2013 is as follows :

1 January - 31 December 2013

	Reportable Segments				
	Ground Handling Services	Cargo And Warehouse Services	Airport Security Services	Consolidation Adjustments	Consolidated
Revenue - net	367.900.271	139.583.849	930.922	(543.754)	507.871.288
Cost of sales	(258.030.412)	(113.024.716)	(1.588.349)	439.173	(372.204.304)
Gross profit	**109.869.859**	**26.559.133**	**(657.427)**	**(104.581)**	**135.666.984**
General administrative expenses	(60.507.267)	(18.867.574)	(244.840)	640.749	(78.978.932)
Addition: Depreciation and amortization	24.578.338	8.536.884	21.201	-	33.136.423
Addition: Operating lease equalization	125.673	7.805.335	-	-	7.931.008
Addition: Effect of IFRIC 12 shares	-	2.304.769	-	-	2.304.769
Addition: Prepaid allocation cost expense	1.155.072		-		1.155.072
Addition: Retirement pay liability and unused vacation provisions	9.004.219	405.905	-	-	9.410.124
Effect of EBITDA to investments accounted by equity method	5.211.619	33.282	-	-	5.244.901
EBITDA	**89.437.513**	**26.777.734**	**(881.066)**	**536.168**	**115.870.349**

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

	1 January- 31 December 2014	1 January - 31 December 2013
EBITDA for Reported segments	143.713.410	115.870.349
Depreciation and amortization	(30.904.401)	(33.136.423)
Operating lease equalization	(7.868.992)	(7.931.008)
Effect of IFRIC 12	(2.787.287)	(2.304.769)
Retirement pay liability and unused vacation provisions	(7.759.167)	(9.410.124)
Other operating income	10.089.218	14.565.718
Other operating expenses (-)	(4.728.719)	(9.652.798)
Addition: Prepaid allocation cost expense	(1.155.072)	(1.155.072)
EBITDA effect of equity Accounted investees	(6.670.142)	(5.244.901)
Share of profit from equity accounted inventees	2.959.639	2.330.264
Operating profit	**94.888.487**	**63.931.236**
Income from investment activities	651.502	488.785
Expenses from investment activities (-)	(7.955.555)	(1.371.436)
Financial income	25.446.710	8.999.626
Financial expenses (-)	(42.386.869)	(70.071.456)
Income before tax	**70.644.275**	**1.976.755**

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

Total Assets:	31 December 2014	31 December 2013
Turkey	382.671.374	342.990.373
India	171.575.597	157.161.385
Hungary	59.314.488	63.349.971
Germany	40.839.951	21.677.151
Segment assets (*)	654.401.410	585.178.880
Unallocated assets	79.023.305	70.690.153
Less: Inter-segment elimination	(160.179.892)	(140.612.614)
Total assets as per consolidated financial statements	573.244.823	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.

Total liabilities:	31 December 2014	31 December 2013
Total Assets:		
Turkey	48.778.216	42.750.310
India	92.667.785	88.146.827
Hungary	8.717.309	8.293.472
Germany	14.722.619	5.447.635
Segment assets (*)	164.885.929	144.638.244
Unallocated assets	311.563.117	333.975.109
Less: Inter-segment elimination	(9.657.719)	(10.198.232)
Total assets as per consolidated financial statements	466.791.327	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.

Geographical Segments

Geographical Analysis for the period 1 January - 31 December 2014

Total	Turkey	Hungary	India	Germany	Total Combined	Intersegment Adjustment	Total
Revenue	374.769.707	77.190.862	91.185.545	78.496.429	621.642.543	(192.859)	621.449.684
Cost of sales	(246.641.443)	(47.336.291)	(77.940.995)	(74.630.214)	(446.548.943)	-	(446.548.943)
Gross profit	128.128.264	29.854.571	13.244.550	3.866.215	175.093.600	(192.859)	174.900.741
General administrative expenses	(60.842.365)	(10.154.536)	(9.520.411)	(7.842.004)	(88.359.316)	26.924	(88.332.392)
Other operating income / expense (net)	(742.434)	766.897	5.421.904	-	5.446.367	(85.868)	5.360.499
Profit from investments accounted under equity method	-	-	2.959.639	-	2.959.639	-	2.959.639
Operating profit / (loss)	66.543.465	20.466.932	12.105.682	(3.975.789)	95.140.290	(251.803)	94.888.487

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

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

NOTE 4 - CASH AND CASH EQUIVALENTS

	31 December 2014	31 December 2013
Cash	145.144	187.617
Banks		
- Time deposit	56.764.825	50.341.859
- Demand deposit	22.699.126	9.773.946
Other liquid assets	341.434	2.863
	79.950.529	**60.306.285**

Effective interest rates on TL, EUR, USD and INR denominated time deposits at 31 December 2014 are 9,27%, 2,39%, 1,93%, 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 31 December 2014 20-60 days,1-14 days and 1-3 days for INR, EUR and USD respectively, 1-35 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 3" December 2014 and 31 December 2013 are as follows:

	31 December 2014	31 December 2013
Cash and banks	79.950.529	60.306.285
Less: Interest Accruals	(74.333)	(14.967)
Less: Restricted cash (*)	(6.178.507)	(8.491.595)
	73.697.689	**51.799.723**

(*) The mentioned amount represents the collections from the clients kept in mandatory restricted accounts according to the concession agreements signed for the operation of the terminals in New Delhi Airport in India (31 December 2013: 8.491.595 TL).

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NOTE 5 - FINANCIAL INVESTMENTS

Available-for-sale assets:

	31 December 2014		31 December 2013	
	%	TL	%	TL
DASPL	16,66%	1.525.835	16,67%	1.438.335
Celebi Spain (*)	100,0%	20.525	100,0%	20.525
	1.546.360		1.458.860	

(*) As at 31 December 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.

NOTE 6 - EQUITY ACCOUNTED INVESTEES

	31 December 2014		31 December 2013	
	%	TL	%	TL
Çelebi Nas	55%	17.141.793	55%	13.160.780
		17.141.793		13.160.780

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

	31 December 2014	31 December 2013
As of 1 January	13.160.780	10.026.878
Share on profit / loss	2.959.639	2.330.264
Currency translation differences	864.194	699.923
Actuarial gains/losses fund from retirement plans	157.180	103.715
As of 31 December	17.141.793	13.160.780

Profit /loss from investments accounted under equity method:

	1 January- 31 December 2014	1 January- 31 December 2013
Çelebi Nas	2.959.639	2.330.264
	2.959.639	2.330.264

Summary statement of equity accounted investees:

	31 December 2014	31 December 2013
Total Assets	36.612.513	34.384.187
Total Liabilities	5.445.615	10.455.495

	1 January- 31 December 2014	1 January- 31 December 2013
Total Revenue	33.704.153	27.197.455
Profit / (Loss) for the period	5.381.162	4.236.844

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NOTE 7 - SHORT TERM AND LONG TERM FINANCIAL LIABILITIES

Short term borrowings:

	31 December 2014		
	Effective Interest Rate (%)	Original Amount	TL
Short-term financial liabilities:			
TL Borrowings	10,50% - 13,50%	30.000.000	30.000.000
INR Borrowings	12,00% - 12,82%	84.786.647	3.104.887
Total short term credits			**33.104.887**
Short-term finance lease obligations			
Short-term finance lease obligations - EUR		573.537	1.617.776
Short-term finance lease obligations - USD		79.960	185.419
Total short-term finance lease obligations			**1.803.195**
Short term liabilities			**34.908.082**
Short-term portion of long-term borrowings:			
Derivative financial instruments (*)		581.558	**1.640.400**

(*) 26 September 2014 is date of forward transactions for cash flow hedges, value date is 7 January 2015,bank purchase amount is EUR 12.000.000, bank selling amount is TL 35.588.400.

Short-term portion of long-term borrowings:

Interest expense accrual - INR	19.004.560	695.947
Interest expense accrual - EUR	446.457	1.259.321
Interest expense accrual - TL	1.821.513	1.821.513
INR borrowings	574.234.162	21.028.455
TL borrowings	15.000.000	15.000.000
EUR borrowings	17.544.686	49.488.295
Short-term portion of total long term borrowings:		**89.293.531**
Total short term liabilities:		**125.842.013**

Long-term financial liabilities:	31 December 2014		
	Effective Interest Rate (%)	Original Amount	TL
INR borrowings	12,00% - 12,82%	1.214.966.357	44.492.068
EUR borrowings	2,20% - Libor/ Euribor +5,50%	46.410.148	130.909.104
TL borrowings	10,50% - 13,50%	-	-
			175.401.172
Long-term finance lease obligations:			
Long-term finance lease obligations - USD		24.848	57.620
Long-term finance lease obligations - EUR		1.410.447	3.978.448
Total long-term finance lease obligations			**4.036.068**
Total long-term financial liabilities			**179.437.240**
Total financial liabilities			**305.279.253**

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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
Total short term liabilities			4.759.407
Other short term financial liabilities:			
Derivative liabilities (*)		810.710	2.380.650

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

	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

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

	31 December 2014	31 December 2013
Less than 3 months	13.190.195	14.168.862
Between 3-12 months	112.651.818	77.105.112
Between 1-5 years	179.437.240	230.454.960
5 years and more	-	5.767.381
	305.279.253	327.496.315

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

	31 December 2014	31 December 2013
Between 1-2 years	82.104.380	70.492.852
Between 2-3 years	43.458.843	94.306.790
Between 3-4 years	32.517.249	43.391.295
4 years and more	17.320.700	21.994.860
	175.401.172	230.185.797

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

	31 December 2014			31 December 2013		
	Minimum lease Payments	Interest	Total obligation	Minimum lease payments	Interest	Total obligation
Less than 1 year	2.072.879	(269.684)	1.803.195	2.316.726	(415.113)	1.901.613
Between 1-2 years	1.914.635	(224.909)	1.689.726	2.129.453	(295.120)	1.834.333
Between 2-3 years	1.743.924	(80.328)	1.663.596	1.982.556	(184.460)	1.798.096
Between 3-4 years	686.726	(3.980)	682.746	1.810.594	(83.160)	1.727.434
4 years and more	-	-	-	680.752	(4.071)	676.681
	6.418.164	(578.901)	5.839.263	8.920.081	(981.924)	7.938.157

NOTE 8 - TRADE RECEIVABLES AND PAYABLES

	31 December 2014	31 December 2013
Short-term trade receivables		
Due from third parties	60.330.934	57.473.999
Less: Provision for doubtful receivables	(3.142.514)	(3.128.251)
Trade receivables from third parties (net)	57.188.420	54.345.748
Due from related parties (Note 30)	691.934	287.931
Total short-term trade receivables	57.880.354	54.633.679

The maturities of trade receivables are generally less than 45 days (31 December 2013: less than one month). The fair value of current trade receivables as of 31 December 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:

	31 December 2014	31 December 2013
Opening balance	3.128.251	3.217.952
Cumulative translation differences	51.606	30.573
Foreign currency translation differences	(13.625)	92.572
Collections and reversal of provisions	(23.718)	(212.846)
Closing balance	3.142.514	3.128.251

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Credit risks exposed by the Group for each financial instrument type as of 31 December 2014 and 2013 are shown below:

	Trade receivables		Other receivables		
31 December 2014	Related Party	Other	Related Party	Other	Bank deposits (*)
The maximum of credit risk exposed at the reporting date	**10.566.884**	**57.188.420**	**-**	**23.122.897**	**79.805.385**
- Credit risk covered by guarantees	-	*2.863.275*	-	-	-
Net carrying value of financial assets either are not due or not impaired	10.517.581	34.366.535	-	23.122.897	79.805.385
Net carrying value of financial assets which are overdue but not impaired	49.303	22.821.885	-	-	-
- Amount of risk covered by guarantees	-	*1.531.078*	-	-	-
Net carrying value of impaired assets					
- Overdue (gross carrying value)	-	*3.142.514*	-	-	-
- Impairment amount (-)	-	(3.142.514)	-	-	-
- Amount of risk covered by guarantees	-	-	-	-	-

(*) Including restricted cash.

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

(*) Including restricted cash.

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

	31 December 2014	31 December 2013
Less than 1 month	11.266.946	7.586.554
Between 1-3 months	6.383.174	6.208.396
Between 3-12 months	4.926.061	6.357.855
Between 1-5 years	295.007	457.773
	22.871.188	**20.610.578**

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

	Trade receivables	
31 December 2014	Related party	Other
Overdue 1-30 days	49.303	11.217.643
Overdue 1-3 months	-	6.383.174
Overdue 3-12 months	-	4.926.061
Overdue 1-5 years	-	295.007
Amount of risk covered by guarantees	-	1.531.078

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

Short-term trade payables

	31 December 2014	31 December 2013
Trade payables to third parties	38.054.108	25.263.887
Accrued liabilities	3.152.803	13.412.595
Total trade payables to third parties	41.206.911	38.676.482
Due to third parties (Note 30)	4.640.874	5.282.601
Total trade payables	45.847.785	43.959.083

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

NOTE 9 - OTHER RECEIVABLES AND PAYABLES

	31 December 2014	31 December 2013
Other short-term receivables		
Receivables from Tax Office	6.560.868	6.738.823
Deposits and guarantees given	283.528	254.343
Other short-term receivables (*)	2.653.438	25.475
	9.497.834	7.018.641

(*) As of December 31, 2014, TL 2.238.572 of other various receivables consists of the amount of receivables held in the related blocked bank account with regard to the acquisition of the shares of Celebi by the Group's subsidiary GmbH Cargo.

	31 December 2014	31 December 2013
Other long-term receivables from third parties		
Deposits and guarantees given (*)	13.625.063	11.465.300
	13.625.063	11.465.300

(*) As of 31 December 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 8.481.462 (31 December 2013: TL 6.683.594) ve TL 5.060.111 (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 31 December 2014, Group has no blockage balance.

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	31 December 2014	31 December 2013
Other long-term receivables from related parties		
ÇHH (Note 30)	9.874.950	10.385.750
	9.874.950	**10.385.750**

	31 December 2014	31 December 2013
Other short-term receivables		
Other short-term payables (*)	4.478.856	2.499.581
Deposits received	43.004	40.538
Liquidated damage fee (**)		5.160.740
	4.521.860	**7.700.859**

(*) As of 31 December 2014; TL 3.966.746 of other short-term payables (31 December 2013: TL 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.

	31 December 2014	31 December 2013
Other long-term payables		
Deposits and guarantees received	4.782.335	4.299.463
	4.782.335	**4.299.463**

NOTE 10 - INVENTORIES

	31 December 2014	31 December 2013
Trade goods	1.052.140	1.461.261
Other inventories	7.328.933	7.038.127
	8.381.073	**8.499.388**

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

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NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment for the period ended 31 December 2014 are as follows:

	Opening 1 January 2014	Additions due to purchase of subsidiaries (**)	Additions	Disposals (***)	Foreign Currency Translation Differences	Closing 31 December 2014
Cost						
Plant, machinery and equipment	202.313.681	1.486.839	31.070.395	(980.746)	(208.594)	233.681.575
Motor vehicles	36.925.913	-	194.973	(465.508)	(2.286.675)	34.368.703
Furniture and fixtures	21.469.906	-	866.347	(212.205)	(267.289)	21.856.759
Leasehold improvements (*)	99.959.534	2.076.789	17.131.555	(14.676.051)	(111.482)	104.380.345
Construction in Progress	8.669.072	-	2.051.283	-	-	10.720.355
	369.338.106	3.563.628	51.314.553	(16.334.510)	(2.874.040)	405.007.737
Accumulated depreciation						
Plant, machinery and equipment	(127.065.935)	(874.267)	(12.240.701)	620.356	141.641	(139.418.906)
Motor vehicles	(25.337.100)	-	(2.364.989)	390.228	1.573.445	(25.738.416)
Furniture and fixtures	(16.342.488)	-	(1.864.998)	209.544	168.024	(17.829.918)
Leasehold improvements (*)	(55.060.161)	(930.224)	(6.454.182)	6.875.990	34.389	(55.534.188)
	(223.805.684)	(1.804.491)	(22.924.870)	8.096.118	1.917.499	(238.521.428)
Net book value	145.532.422					166.486.309

(*) The land plots where the stations and cargo buildings were constructed by Çelebi Hava Servisi A,Ş in the airports within which it operates were rented from the DHMI and other local authority, The station and cargo buildings on this land were constructed by the Group and recorded under the tangible assets of the Group as leasehold improvements. As of 31 December 2014 the net book value of these stations was TL 45.102.539. The lease contract signed by the Group and the DHMI is valid for one year and the agreement is renewed every year. The agreement is renewed automatically. The Group amortizes these station buildings over 15 years which correspond to their economic lives. If the DHMI does not renew the lease contract within this period, the Group may have to amortize the relevant leasehold improvements over a shorter period.

Depreciation expense for the period ended 31 December 2014 in the amount of TL 20.753.304 and TL 2.171.566 are respectively included in cost of sales and operating expenses.

There are net book value TL 6.648.830 worth of financial leasing assets in plant, machinery and equipment as of 31 December 2014.

(**) For the detail of purchase of Celebi GmbH please refer to Note 12.

(***) Due to the apron widening works conducted by DHMİ as a solution to the increasing passenger traffic at Atatürk Airport, the Company evacuated its service buildings to hand them over to DHMİ in accordance with the provisions of the lease and moved into the new service buildings constructed in the area allotted by DHMİ on July 1, 2014. The net book value of the investments regarding the service buildings evacuated/handed over to DHMİ recognized in special expenses item as of the handing-over date is TL 7.872.903 which has been classified in expense from investment activities.

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

	Opening 1 January 2013	Additions	Disposals	Transfers	Foreign currency Translation Differences	Closing 31 December 2013
Cost						
Plant, machinery and equipment	188.801.585	10.521.524	(1.742.441)	4.674	4.728.339	202.313.681
Motor vehicles	33.617.328	262.652	(2.278.015)	-	5.323.948	36.925.913
Furniture and fixtures	20.608.807	643.415	(527.277)	-	744.961	21.469.906
Leasehold improvements (*)	97.683.472	3.278.742	(2.334.394)	748.786	582.928	99.959.534
Construction in Progress	739.297	8.669.070	-	(753.460)	14.165	8.669.072
	341.450.489	23.375.403	(6.882.127)	-	11.394.341	369.338.106
Accumulated depreciation						
Plant, machinery and equipment	(115.539.733)	(11.356.922)	1.652.972	-	(1.822.252)	(127.065.935)
Motor vehicles	(19.976.849)	(2.456.416)	624.133	-	(3.527.968)	(25.337.100)
Furniture and fixtures	(14.818.571)	(1.725.652)	515.581	-	(313.846)	(16.342.488)
Leasehold improvements (*)	(48.774.210)	(6.915.261)	714.080	-	(84.770)	(55.060.161)
	(199.109.363)	(22.454.251)	3.506.766	-	(5.748.836)	(223.805.684)
Net book value	142.341.126					145.532.422

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

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

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

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NOTE 12 - INTANGIBLE ASSETS

Other Intangible Assets

Movements in intangible assets for the period ended 31 December 2014 are as follows:

	Opening 1 January 2014	Additions	Disposals	Foreign Currency Translation Differences	Closing 31 December 2014
Cost					
Rights	11.690.098	23.007	(550.748)	-	11.162.357
Customer relations	39.556.774	3.944.255	-	(3.828.075)	39.672.954
Software	8.973.270	1.209.360	(24.465)	(251.393)	9.906.772
Concession rights (**)	64.721.241	-	-	3.937.271	68.658.512
Build-operate-transfer investments (*)	50.653.610	-	-	2.967.546	53.621.156
	175.594.993	5.176.622	(575.213)	2.825.349	183.021.751
Accumulated depreciation					
Rights	(2.004.071)	(665.541)	550.375	(657)	(2.119.894)
Customer relations	(39.556.764)	(657.375)	-	3.828.074	(36.386.065)
Software	(6.618.656)	(1.180.645)	21.556	172.752	(7.604.993)
Concession rights (**)	(11.053.640)	(2.793.188)	-	(732.433)	(14.579.261)
Build-operate-transfer investments (*)	(10.155.819)	(2.682.782)	-	(656.456)	(13.495.057)
	(69.388.950)	(7.979.531)	571.931	2.611.280	(74.185.270)
Net book value	106.206.043				108.836.481

(*) TL 35.309.834 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 5.851.374 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 31 December 2014 in the amount of TL 674.519 and TL 7.305.012 are included in operating expenses and cost of sales.

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Other Intangible Assets

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

	Opening 1 January 2013	Additions	Disposals	Foreign Currency Translation Differences	Closing 31 December 2013
Cost					
Rights	12.453.583	11.852	(1.743)	(773.594)	11.690.098
Customer relations	32.379.129	-	-	7.177.645	39.556.774
Software	7.358.230	270.717	(17.551)	1.361.874	8.973.270
Concession rights (**)	61.327.682	-	-	3.393.559	64.721.241
Build-operate-transfer investments (*)	47.997.671	-	-	2.655.939	50.653.610
	161.516.295	282.569	(19.294)	13.815.423	175.594.993
Accumulated depreciation					
Rights	(1.648.776)	(668.146)	882	311.969	(2.004.071)
Customer relations	(28.606.362)	(3.958.613)	-	(6.991.789)	(39.556.764)
Software	(4.890.610)	(1.079.229)	17.551	(666.368)	(6.618.656)
Concession rights (**)	(7.925.520)	(2.538.256)	-	(589.864)	(11.053.640)
Build-operate-transfer investments (*)	(7.175.509)	(2.437.928)	-	(542.382)	(10.155.819)
	(50.246.777)	(10.682.172)	18.433	(8.478.434)	(69.388.950)
Net book value	111.269.518				106.206.043

(*) TL 34.957.485 which is difference between discounted present value of deposit paid with interest rate,11,46%, and the deposit amounting to INR 1.200.000.000, additionally INR 78.148.352. paid in accordance with the concession agreement on the development, modernization, finance and 25-year operation of the cargo terminal in the airport in New Delhi, India, has been capitalized as a Build-Operate-Transfer investment and it will be amortized in 25 years until operations end in Delhi International Airport. In addition, TL5.540.305 which is difference between discounted present value of deposit paid with interest rate,10,82%, and the deposit amounting to INR 400.000.000 paid in accordance with the concession agreement on the development, modernization, finance and 10-year operation of the cargo terminal in the airport in New Delhi, India, has been capitalized as a Build-Operate-Transfer investment and it will be amortized in 10 years until operations end in Delhi International Airport.

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

Amortization expense for the period ended 31Dcember 2013 in the amount of TL 4.622.795 and TL 6.059.378 are included in operating expenses and cost of sales.

Goodwill

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

	31 December 2014	31 December 2013
Goodwill due to acquisition of CGHH	20.934.547	23.177.524
Celebi Nas due to acquisition of Celebi Nas addition share	910.723	910.723
Goodwill due to acquisition of Celebi GmbH	1.360.940	-
	23.206.210	24.088.247

Goodwill due to acquisition of CGHH

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.

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

The whole amount of goodwill is related to the acquisition of BAGH Company by Celebi Kft at 26 October 2006. Due to this acquisition, all assets and liabilities of Celebi Kft have been taken over by CGHH. The Group management considers the significant market position of CGHH in Hungary and the energy existed through merger with Çelebi Hava as main reasons to create goodwill. Accordingly, the Group management allocated the mentioned goodwill amount over CGHH, by assuming CGHH is solo cash generating unit. Goodwill details relating to the acquisition of CGHH at 31 December 2014 are below:

	31 December 2014	31 December 2013
1 January	23.177.524	18.971.925
Foreign Currency Translation Differences	(2.242.977)	4.205.599
Goodwill	**20.934.547**	**23.177.524**

Goodwill Impairment Test

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

	31 December 2014
Ground handling services - Hungary	20.934.547

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	9,7%

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

As a result of impairment tests performed under above assumptions, no impairment was detected in the goodwill amount as of 31 December 2014.

Goodwill from purchasing 4% shares of Celebi Nas

The Company has purchased 4% shares of Celebi Nas with ratio of 51% 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.)

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

	31 December 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 31 December 2014.

Goodwill from purchasing 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 4.459.283 (13.604.381 TL) to Celebi Cargo GmbH. The closing procedures regarding this agreement were concluded on February 28, 2014. As of December 31, 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 362.003 (TL 1.021.102) has been included in the calculation of goodwill. As of April 30, 3014, the official title of Aviapartner Cargo was changed as Celebi GmbH and all assets and liabilities of Celebi GmbH was taken over by Celebi Cargo and the legal merger was completed as of October 30, 2014.

The goodwill arising from the subject purchase has been recognized in the financial statements dated December 31, 2014 provisionally within the scope of TFRS 3.

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

Purchasing amount	13.604.380
Less: Identifiable asset, liabilities and fair values of contingent liabilities	(13.038.290)
Adjustment for purchase price	1.021.102
Foreign currency translation differences	(226.252)
Goodwill	1.360.940

NOTE 13 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

a) Short term provisions

Other short-term provisions

	31 December 2014	31 December 2013
Provision for unused vacation	857.992	665.445
Other	-	7.483
	857.992	672.928

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Movements of short term provisions as of 31 December 2014 are as follows:

	Provision for litigation	Other provisions	Total
1 January 2014	665.445	7.483	672.928
Increase during the year	192.547	-	192.547
Payments during the year	-	(7.483)	(7.483)
31 December 2014	857.992	-	857.992

	Provision for litigation	Other provisions	Total
1 January 2013	1.167.781	165.938	1.333.719
Increase during the year	-	6.431	6.431
Payments during the year	-	-	-
Usage during the year	(527.085)	(174.104)	(701.189)
Exchange difference	24.749	9.218	33.967
31 December 2013	665.445	7.483	672.928

Short-term provision for employee benefits

	31 December 2014	31 December 2013
Provision for employee termination benefits	56.202	-
Provision for unused vacation	3.189.336	2.366.362
	3.245.538	2.366.362

b) Long -term provisions:

Long-term provision for employee benefits

	31 December 2014	31 December 2013
Provision for employee termination benefits	9.234.288	9.256.100

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

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

Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement. The amount payable at 31 December 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.

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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 31 December 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. 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:

	31 December 2014	31 December 2013
As of 1 January	**11.622.462**	**10.171.698**
Paid during the year	(4.544.318)	(6.306.278)
Increase during the year	4.492.978	3.384.064
Actuarial gain/loss	614.072	1.620.505
Service Cost	2.125.351	4.637.249
Interest Cost	736.710	1.031.798
Foreign currency translation differences	28.160	(146.222)
Used during the period	(2.595.589)	(2.770.352)
End of the period	**12.479.826**	**11.622.462**

Contingent assets and liabilities of the Group

	31 December 2014	31 December 2013
Guarantees received:		
Guarantee letters	8.622.680	7.367.247
Guarantee check	1.315.110	1.847.072
Guarantee notes	793.267	887.672
	10.731.057	10.101.991
Guarantees given:		
Collateral	267.590.094	247.913.850
Guarantee letters	59.651.356	52.999.542
Share pledge	12.599.398	8.801.189
	339.840.848	309.714.581

The Company has contingent assets amounting to TL 1.455.536 (31 December 2013: TL 1.392.881), due to the legal cases in favor of the Company and contingent liabilities amounting to TL 20.239.696 due to the legal cases and enforcement proceedings against the Company as of 31 December 2014 (2013: TL 19.374.452), TL 16.088.136 portion of contingent liabilities are comprised of legal cases and enforcement proceedings related with the fire in warehouse (Note 33) in which Company is a sole defendant and co-defendant with the DHMI, other warehouse management companies and insurance companies (2013: TL15.821.307).

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

		31 December 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			46.219.833		39.996.969
	TL	6.765.106	6.765.106	5.096.477	5.096.477
	USD	2.210.500	5.125.929	2.053.918	6.031.332
	EUR	2.969.279	8.375.445	1.810.500	3.864.150
	HUF	571.011.496	20.910.441	561.999.117	19.400.210
	INR	562.825.000	5.042.912	565.000.000	5.604.800
B. CPM given on behalf of fully consolidated subsidiaries			293.621.015		269.717.612
	EUR	38.846.667	109.574.794	33.700.000	98.960.050
	USD	5.792.196	13.431.523	6.092.196	13.002.574
	INR	4.659.057.850	170.614.698	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					
			339.840.848		309.714.581

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

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NOTE 14 - OTHER ASSETS AND LIABILITIES

	31 December 2014	31 December 2013
Other current assets		
Restricted cash (*)	5.766.185	5.629.522
Deferred Value-added tax ("VAT")	2.712.512	1.483.776
Insurance expense need to be compensated	4.434.582	4.180.278
Advances given to personnel	452.783	311.444
Other	403.133	223.947
	13.769.195	11.828.967

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

	31 December 2014	31 December 2013
Other non-current assets		
Prepaid taxes and funds (*)	11.520.724	7.526.225
Other	3.242	3.242
	11.523.966	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 1.883.821 (31 December 2013: TL 1.005.713) ve TL 9.636.903 (31 December 2013: TL 6.520.512).

	31 December 2014	31 December 2013
Other current liabilities		
Taxes and funds payable	1.880.870	1.233.204
Rent equalization reserves	855.783	968.464
Other miscellaneous payables and liabilities	1.762.031	964.346
	4.498.684	3.166.014

	31 December 2014	31 December 2013
Other non-current liabilities		
Provision for operational leasing equalization (*)	44.874.521	34.880.012
Other	12.634.604	8.636.332
	57.509.125	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.

NOTE 15 - PREPAID EXPENSES

	31 December 2014	31 December 2013
Short-term prepaid expenses		
Prepaid expenses (*)	7.298.816	6.366.303
Advances given	2.808.197	2.283.817
	10.107.013	8.650.120

	31 December 2014	31 December 2013
Long-term prepaid expenses		
Prepaid expenses (*)	17.315.719	18.912.672
Capital advances given	1.843.493	2.706.773
	19.159.212	21.619.445

(*) TL 17.326.080 (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.

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NOTE 16 - DEFERRED INCOME

	31 December 2014	31 December 2013
Short-term Deferred Income		
Short term deferred revenues calculated based on IFRYK12	1.053.674	5.922.443
Order advances received	2.518.221	2.269.863
	3.571.895	8.192.306

NOTE 17 - LIABILITIES FOR EMPLOYEE BENEFITS

	31 December 2014	31 December 2013
Wages and salaries payable	9.197.040	6.273.012
Social security withholdings payment	3.885.525	3.707.536
Premium and bonus payable accruals	5.817.645	1.330.005
	18.900.210	11.310.553

NOTE 18 - EQUITY

Share Capital

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

	31 December 2014		31 December 2013	
Shareholders	Amount	Share %	Amount	Share%
Çelebi Havacılık Holding A.Ş. (ÇHH)	19.042.115	78,36	18.797.553	77,36
Other	5.257.885	21,64	5.502.447	22,64
	24.300.000	100,00	24.300.000	100,00

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 communique numbered II-14,1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communique") published in Official Gazette dated June 13, 2013 numbered 28676, TAS, the "Paid-in capital", "Restricted reserves" and "Share premiums" should be stated at their amounts in the legal records. The differences arising in the valuations during the application of the communiqué (such as differences arising from inflation adjustment):

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

The amount of restricted reserves is TL 28.274.456 as of 31 December 2014 (31 December 2013: TL 28.274.456).

Listed companies distribute dividend in accordance with the Communique No. II-19.1 issued by the CMB which is effective from February 1, 2014. Companies distribute dividends in accordance with their dividend payment policies settled and dividend payment decision taken in general assembly and also in conformity with relevant legislations. The communique does not constitute a minimum dividend rate. Companies distribute dividend in accordance with the method defined in their dividend policy or articles of incorporation. In addition, dividend can be distributed by fixed or variable installments and advance dividend can be paid in accordance with profit on interim financial statement of the Company.

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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.

Furthermore, in the event that the account item "Equity Effect on Acquisition" exists in the equity in the consolidated financial statements, this account item is not considered as a discount or addition item in the calculation of the net distributable profit for the period.

NOTE 19 - REVENUE AND COST OF SALES

	1 January - 31 December 2014	1 January- 31 December 2013
Ground handling services	423.575.946	375.808.500
Cargo and warehouse services income	195.502.481	123.257.803
Airport security services	-	930.922
Revenue in the context of IFRIC 12	4.798.315	11.223.438
Rental revenue not related to aviation	9.446.946	9.354.644
Less: Returns and discounts	(11.874.004)	(12.704.019)
Sales revenue- net	**621.449.684**	**507.871.288**
Cost of sales	**(446.548.943)**	**(372.204.304)**
Gross profit	**174.900.741**	**135.666.984**

NOTE 20 - EXPENSES BY NATURE

	1 January - 31 December 2014	1 January - 31 December 2013
Personnel expenses	(215.526.510)	(167.788.545)
Payments to authorities and terminal managements (*)	(95.515.061)	(82.223.901)
Equipment repair, maintenance, fuel and security expenses	(45.029.868)	(37.854.105)
Consultancy expenses	(42.976.666)	(38.061.626)
Depreciation and amortization expenses	(30.904.401)	(33.136.423)
Outsourced services	(17.929.067)	(15.580.863)
Travel and transportation expenses	(14.169.097)	(12.572.293)
Expense in the context of IFRIC (**)	(7.585.602)	(13.528.208)
Taxes and other fees	(5.808.941)	(5.265.782)
Insurance premiums	(4.228.990)	(3.787.192)
Other expenses	(55.207.132)	(41.384.298)
	(534.881.335)	**(451.183.236)**

(*) 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 mentioned expenses are comprised of construction costs calculated under scope of IFRIC 12 and provisions for other liabilities within the frame of concession agreement.

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NOTE 21 - GENERAL ADMINISTRATIVE EXPENSES

	1 January -31 December 2014	1 January - 31 December 2013
Consultancy expenses	(41.567.809)	(36.553.790)
Personnel expenses	(28.455.961)	(22.156.264)
Depreciation and amortization	(2.846.085)	(6.889.538)
Travel and transportation expenses	(2.474.798)	(2.174.606)
Equipment repair, maintenance, fuel and security expenses	(2.225.240)	(2.103.017)
Payments to authorities and terminal managements	(1.691.670)	(1.721.638)
Taxes and other fees	(1.635.752)	(1.441.690)
Insurance premiums	(666.396)	(656.102)
Other expenses	(6.768.681)	(5.282.287)
	(88.332.392)	(78.978.932)

NOTE 22 - OTHER OPERATING INCOME

	1 January-31 December 2014	1 January-31 December 2013
Income from returning corporate tax	4.150.907	-
Foreign exchange gains	3.258.725	7.708.851
Cancelation of provisions	1.603.815	3.998.379
Income from insurance claims	85.534	536.522
Other incomes	990.237	2.321.966
	10.089.218	14.565.718

NOTE 23 - OTHER OPERATING EXPENSE

	1 January-31 December 2014	1 January-31 December 2013
Foreign exchange losses	(2.406.658)	(2.002.127)
Donation expenses	(295.711)	(188.106)
Expenses and compensation for damage (*)	(176.517)	(5.426.052)
Other expenses	(1.849.833)	(2.036.513)
	(4.728.719)	(9.652.798)

(*) TL 4.870.411 is related to the damage compensation payment reconciled pursuant to the privilege agreement signed between Celebi Delhi and DIAL. (Refer to Note 9)

NOTE 24 - INCOME FROM INVESTMENT ACTIVITIES

	1 January-31 December 2014	1 January-31 December 2013
Income from the sale of fixed assets	651.502	488.785
	651.502	488.785

NOTE 25 - EXPENSE FROM INVESTMENT ACTIVITIES

	1 January-31 December 2014	1 January-31 December 2013
Loss from the sale of fixed assets	(7.955.555)	(1.371.436)
	(7.955.555)	(1.371.436)

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NOTE 26 - FINANCIAL INCOME

	1 January - 31 December 2014	1 January - 31 December 2013
Foreign exchange gains	19.482.490	4.979.213
Interest income	3.770.137	2.689.020
Other financial income	2.194.083	1.331.393
	25.446.710	**8.999.626**

NOTE 27 - FINANCIAL EXPENSES

	1 January - 31 December 2014	1 January - 31 December 2013
Foreign exchange losses	(15.356.686)	(46.266.880)
Interest expenses	(23.863.407)	(21.026.385)
Financial expenses incurred under scope of IFRIC 12	(571.000)	(1.092.353)
Other financial expenses	(2.595.776)	(1.685.838)
	(42.386.869)	**(70.071.456)**

NOTE 28 - TAX ASSETS AND LIABILITIES

	1 January - 31 December 2014	1 January - 31 December 2013
Current period corporate tax provision	16.165.009	5.794.379
Less: prepaid corporate tax expense	(13.906.512)	(8.319.110)
Current tax liability - net	**2.258.497**	**(2.524.731)**

	1 January-31 December 2014	1 January - 31 December 2013
Deferred tax assets	22.258.480	20.348.294
Deferred tax liabilities	(6.283.864)	(6.478.794)
Deferred tax assets / (liability) - net	**15.974.616**	**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:

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 center 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 center at the rate of at least 15% (the corporate income tax rate applicable in Turkey for those companies whose principal activity is financial assurance or insurance).

Real estate, investment equity, preferential rights, usufruct shares, founding shares, sales exemption

75% portion of corporations' profits from the sale of participation shares, founding shares, pre-emptive rights and property, which have been in their assets for at least for two years, is exempt from corporate tax provided that these profits are added to share capital and are not withdrawn within five years, Income from the sale is generated until the end of the second calendar year following the year in which sale was realized.

The corporate tax rate is changed to since 2012 financial year. The corporation tax rate has been changed as 19% up to fiscal profit HUF 500.000.000 and 10% for fiscal profit over HUF 500.000.000 with the regulation in Hungary in the fiscal year 2014.

In India, the corporate tax rate is 33,99% in Mumbai, 32,45% in Delhi 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).

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Tax expense for the periods end 31 December 2014 and 2013 is presented below:

	1 January-31 December 2014	1 January-31 December 2013
- Current year corporate tax	(16.346.675)	(5.186.563)
- Deferred tax income /(expense)	698.140	2.667.761
	(15.648.535)	(2.518.802)

Reconciliation of tax expenses stated in consolidated statements of income of the periods ended at 31 December 2014 and 2013 is as follows:

	2014	2013
Profit before tax	70.644.275	1.976.755
Expected tax expense according to parent company (20%)	(14.128.855)	(395.351)
Differences in tax rates of subsidiaries	(4.046.933)	(4.550.039)
Expected tax expense of the Group	(18.175.788)	(4.945.390)
Tax effect of non deductible expenses	(23.036)	(928.088)
Utilization of previous years losses	-	824.538
Non deductible expenses	(251.389)	(852.046)
Discount stems from donations and aids	4.430.942	4.839.500
Tax payables even if loss declared on statutory records (*)	(1.270.926)	(1.350.004)
Other	(358.338)	(107.312)
Current period tax expense of the Group	(15.648.535)	(2.518.802)

(*) Consists of innovation and other local taxes calculated over the period profit which companies are obliged to pay in accordance with the tax system in Hungary.

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%, 33,99% for Turkey, Hungary, India New Delhi and Mumbai respectively.

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The analysis of cumulative temporary differences and the related deferred tax assets and liabilities in respect of items for which deferred income tax has been provided as at 31 December 2014 and 31 December 2013 using the enacted tax rates are as follows:

	Cumulative temporary Differences		Deferred tax assets / (liabilities)	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Deferred tax assets				
Non-deductible financial losses (*)	-	-	-	-
Personnel bonus accrual	(3.832.045)	(891.675)	766.409	178.335
Accrued sales commissions	(2.155.760)	(2.848.425)	431.152	569.685
Provision for employment termination benefits	(7.906.189)	(8.956.121)	1.581.238	1.791.224
Provision for operational leasing Equalization	(44.126.737)	(33.877.136)	14.316.920	10.991.437
Provision for unused vacation	(2.239.061)	(1.722.199)	447.812	344.440
Provision for legal claims	(857.992)	(665.445)	171.598	133.089
Net difference between the tax base and carrying amount of property plant and equipment and intangible assets	(17.502.738)	(23.109.125)	5.678.763	7.497.756
Other	(8.954.692)	(8.427.462)	2.587.574	2.335.231
			25.981.466	**23.841.197**
Net off			(3.722.986)	(3.492.903)
Deferred tax assets			**22.258.480**	**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 24.645.938 (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 7.996.375 of deferred tax amount as of December 31, 2014.

	Cumulative temporary Differences		Deferred tax assets / (liabilities)	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Deferred tax liabilities				
Net difference between the tax base and carrying amount of property plant and equipment and intangible assets	50.623.692	50.542.998	(10.006.850)	(9.963.894)
Other	-	39.020	-	(7.803)
			(10.006.850)	**(9.971.697)**
Net off			3.722.986	3.492.903
Deferred tax liabilities			**(6.283.864)**	**(6.478.794)**
Deferred tax asset, net			**15.974.616**	**13.869.500**

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

Deferred tax movement table is as below:

	2014	2013
1 January	13.869.500	9.926.294
Foreign currency translation difference	1.499.287	994.469
Charge for the period	698.140	2.667.761
Actuarial gain / (loss) arising from defined benefit plans	(92.311)	280.976
31 December	15.974.616	13.869.500

NOTE 29 - EARNINGS PER SHARE

Earnings per share disclosed in the consolidated statements of income are determined by dividing the net income by the weighted average number of shares that have been outstanding during the year.

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

Basic earnings per share are determined by dividing net income attributable to shareholders by the weighted average number of issued ordinary shares as below:

	1 January - 31 December 2014	1 January - 31 December 2013
Net profit / (loss) attributable to the equity holders of the parent	54.567.538	3.054.766
Weighted average number of shares with 1 Full TL face value each	2.430.000.000	2.430.000.000
Earnings / (losses) per share (Full TL)	0,022	0,001

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NOTE 30 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Amounts due from and due to related parties during the periods and a summary of major transactions with related parties during the period are as follows:

i) Balances with related parties

Short term receivables from related parties	31 December 2014	31 December 2013
ÇHH (*)	74.192	-
Other	617.742	287.931
	691.934	287.931

Long term receivables from related parties	31 December 2014	31 December 2013
ÇHH (*)	9.874.950	10.385.750
	9.874.950	10.385.750

(*) 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 2,20+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 31 December 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	31 December 2014	31 December 2013
ÇHH (*)	4.104.202	4.540.479
Çe-Tur	517.711	712.968
Other	18.961	29.154
	4.640.874	5.282.601

(*) As of December 31, 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 - 31 December 2014	1 January - 31 December 2013
Miscellaneous sales to related parties		
ÇHH	187.310	171.259
Çe-Tur	143.103	127.935
Celebi Ground Services Austria	697.617	425.875
Other	54.479	33.609
	1.082.509	758.678

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	1 January - 31 December2014	1 January - 31 December 2013
Employee and transportation expenses payable to related parties		
Çe-Tur	5.652.535	6.061.724
Contribution to holding expenses (*)		
ÇHH	34.882.306	31.388.711

(*) 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 - 31 December 2014	1 January - 31 December 2013
Other purchases from related parties (*)		
ÇHH	3.280.617	3.838.027
Çe-Tur	1.184.271	1.050.589
Other	1.237.668	335.491
	5.702.556	5.224.107

(*) Other purchases include vehicle rent, organizational cost and other expenses. Purchases ÇHH that are classified under other purchases from related parties are comprised of expenses directly related to the Company that are business development projects and tenders executed and followed up ÇHH.

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

31 December 2014	EUR	USD	INR	Total TL
CGHH [2]	24.200.000	-	-	68.260.940
Celebi Nas [1]	-	-	91.080.000	3.335.350
Celebi Delhi Cargo [3]	-	-	2.713.640.000	99.373.497
Celebi Delhi GH [4]	-	-	1.354.337.850	49.595.852
Celebi Cargo GmbH [5]	14.646.667			41.313.854

31 December 2013	EUR	USD	INR	Total TL
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 its outstanding borrowings amounting to EUR 20.000.000 in cash and EUR 2.000.000 non cash, Fort he mentioned loan, the Group gave a guarantee amounting to EUR 24.200.000, The repayments to the loan balance is EUR 11.000.000 as of 31 December 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 1.120.000.000 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 13.266.667 amounted, between Celebi Cargo GmbH and some banks in Germany, Celebi Cargo GmbH has given guarantees and deposits EUR 14.646.667 amounted. The repayments to the loan balance is EUR 13.266.667 as of 31 December 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 - 31 December 2014	1 January- 31 December 2013
Short-term employee benefits	8.949.045	9.141.280
Post-employment benefits	163.618	7.554
	9.112.663	9.148.834

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NOTE 31 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial risk management

The Group focused to manage miscellaneous financial risks including foreign currency exchange rates and interest rates because of activities of the Group. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects.

Risk management is carried out under policies approved by the Boards of Directors.

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed using natural hedges that arise from offsetting interest rate sensitive assets and liabilities.

Interest rate positions of the Group at 31 December 2014 and 2013 are as follows:

	31 December 2014	31 December 2013
Fixed interest rate financial instruments		
Financial Asset	*56.764.825*	*50.341.859*
- Cash and Cash Equivalents	*176.700.305*	*161.524.366*
Financial Liabilities		
Floating interest rate financial instruments		
Financial liabilities	128.578.948	165.971.949

If other variables are kept constant, interest expense due to financial liabilities would have been either TL 477.268 higher or lower if the interest rates were 2% more or less at 31 December 2014. (31 December 2013: TL 189.412).

Expected re-pricing and maturity dates have not been presented with an additional statement due to agreement maturity dates of financial assets and liabilities excluding borrowings received are in line with the expected re-pricing and maturity dates.

Maturity analysis of the bank borrowing based on re-pricing dates as of 31 December 2014 and 2013 are presented at Note 7.

Credit risk

Credit risk consists of cash and cash equivalents, bank deposits and receivables from customers exposed to credit risk, Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. These risks are monitored by credit ratings and by limiting the aggregate risk from any individual counterparty (except related parties). (Note 8)

Liquidity risk

Cash flow generated through amount and term of borrowing back payments is managed by considering the amount of unreserved cash flow from its operations. Hence, on one hand it is possible to pay debts with the cash generated from operating activities when necessary and on the other hand sufficient and reliable sources of high quality loans are accessible. The Group has long-term financial liabilities amounted TL 179.437.240 as of 31 December 2014 (31 December 2013: TL 236.222.341) (Note 7).

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The table below demonstrates the Group's liquidity risk arising from financial liabilities:

31 December 2014	Carrying value	Total contractual cash outflow	Less than 3 months	3-12 months	1-5 years	Over 5 years
Non derivative financial liabilities						
Financial liabilities	303.638.853	348.128.949	13.022.530	122.539.765	212.566.654	-
Trade payables						
- Related party	4.640.874	4.640.874	4.640.874	-	-	-
- Other	41.206.911	41.206.911	41.206.911	-	-	-
Other liabilities	9.304.195	9.304.195	-	4.521.860	4.782.335	-

31 December 2013	Carrying value	Total contractual cash outflow	Less than 3 months	3-12 months	1-5 years	Over 5 years
Non derivative financial liabilities						
Financial liabilities	325.115.665	377.035.962	18.272.080	82.713.642	264.961.170	11.089.070
Trades payables						
- Related party	5.282.601	5.282.601	5.282.601	-	-	-
- Other	38.676.482	38.676.482	38.676.482	-	-	-
Other liabilities	12.000.322	12.000.322	-	7.700.859	4.299.463	-

Currency risk

The Group is exposed to foreign exchange rate risk through operations done using multiple currencies. The main principle in the management of this foreign currency risk is maintaining foreign exchange position in a way to be affected least by the fluctuations in foreign exchange rates, in other words, maintaining foreign exchange position close to zero.

For this reason, the proportion of the positions of these currencies among each other or against Turkish Lira to shareholders' equity is aimed to be controlled under certain limits. Derivative financial instruments are also used, when necessary. In this context, the Group's primary method is utilizing forward foreign currency transactions. The Group is exposed to foreign exchange rate risk mainly for Euro, USD, HUF and INR.

As of 31 December 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 1.330.808 (31 December 2013: TL 1.762.458).

As of 31 December 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 11.166.983 (31 December 2013: TL 20.104.521).

As of 31 December 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 5.446.329 (31 December 2013: TL 10.009.522).

As of 31 December 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 785.367 (31 December 2013: TL 1.328.779).

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

	31 December 2014	31 December 2013
Assets denominated in foreign currency	228.921.715	167.159.103
Liabilities denominated in foreign currency (-)	(374.328.286)	(437.221.404)
Net balance sheet position	(145.406.571)	(270.062.301)

The table below summarizes TL equivalent of the Group's foreign currency denominated assets and liabilities as of 31 December 2014 and 31 December 2013:

31 December 2014	TL Equivalent (Functional Currency)	USD	Euro	Indian Rupee	Hungarian Forin	GBP/ British Pound
1. Trade receivables	58.064.878	2.334.773	12.238.682	203.515.580	1.191.560.436	-
2. Monetary financial assets (Cash, Bank Accounts)	74.513.157	3.694.801	14.025.226	658.429.451	224.519.531	72.564
3. Other	29.814.721	660.501	1.746.161	465.613.897	703.896.000	-
4. Current Assets (1+2+3)	162.392.756	6.690.075	28.010.069	1.327.558.928	2.119.975.967	72.564
5. Other	66.528.959	-	6.143.594	1.340.278.372	13.251.000	-
6. Non-current assets (5)	66.528.959	-	6.143.594	1.340.278.372	13.251.000	-
7. Total assets (4+6)	228.921.715	6.690.075	34.153.663	2.667.837.300	2.133.226.967	72.564
8. Trade payables	29.666.459	846.147	5.230.161	271.022.772	311.712.851	65.018
9. Financial liabilities	79.020.500	79.960	19.146.237	678.025.369	-	-
10. Other monetary liabilities	23.133.500	-	1.210.922	328.505.717	858.032.888	-
11. Current liabilities (8+9+10)	131.820.459	926.107	25.587.320	1.277.553.858	1.169.745.739	65.018
12. Financial liabilities	179.437.240	24.848	47.820.595	1.214.966.357	-	-
13. Other monetary liabilities	63.070.587	159	335.153	1.675.197.312	86.956.000	-
14. Non-current liabilities (12+13)	242.507.827	25.007	48.155.748	2.890.163.669	86.956.000	-
15. Total liabilities (11+14)	374.328.286	951.114	73.743.068	4.167.717.527	1.256.701.739	65.018
16. Net foreign currency asset/ (liability) position (7-15)	(145.406.571)	5.738.961	(39.589.405)	(1.499.880.227)	876.525.228	7.546
17. Net monetary foreign currency asset/(liability) Position (7-15)	(145.406.571)	5.738.961	(39.589.405)	(1.499.880.227)	876.525.228	7.546

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31 December 2013	TL Equivalent (Functional Currency)	USD	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 (Cash, Bank Accounts)	55.600.837	6.468.069	8.603.008	353.461.084	396.952.000	112.224
3. Other	20.490.543	167.990	1.079.052	390.727.523	350.348.000	-
4. Current Assets (1+2+3)	**129.493.617**	**13.082.657**	**16.014.354**	**997.978.478**	**1.985.975.000**	**112.224**
5. Other	37.665.486	-	6.359.730	550.119.873	-	-
6. Non-current assets (5)	**37.665.486**	**-**	**6.359.730**	**550.119.873**	**-**	**-**
7. Total assets (4+6)	**167.159.103**	**13.082.657**	**22.374.084**	**1.548.098.351**	**1.985.975.000**	**112.224**
8. Trade payables	47.026.988	4.587.094	4.289.928	634.462.341	252.967.000	65.019
9. Financial liabilities	91.273.974	79.393	24.393.317	564.123.638	-	-
10. Other monetary liabilities	14.872.296	57.727	356.195	283.878.086	393.513.496	-
11. Current liabilities (8+9+10)	**153.173.258**	**4.724.214**	**29.039.440**	**1.482.464.065**	**646.480.496**	**65.019**
12. Financial liabilities	236.222.341	98.662	61.388.818	1.614.817.564	-	-
13. Other monetary liabilities	47.825.805	2.000	410.055	1.350.446.421	-	-
14. Non-current liabilities (12+13)	**284.048.146**	**100.662**	**61.798.873**	**2.965.263.985**	**-**	**-**
15. Total liabilities (11+14)	**437.221.404**	**4.824.876**	**90.838.313**	**4.447.728.050**	**646.480.496**	**65.019**
16. Net foreign currency asset/ (liability) position (7-15)	**(270.062.301)**	**8.257.781**	**(68.464.229)**	**(2.899.629.699)**	**1.339.494.504**	**47.205**
17. Net monetary foreign currency asset/(liability) Position (7-15)	**(270.062.301)**	**8.257.781**	**(68.464.229)**	**(2.899.629.699)**	**1.339.494.504**	**47.205**

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The table below summarizes TL equivalent of export and import amounts for the years ended 31 December 2014 and 2013:

	1 January - 31 December 2014	1 January - 31 December 2013
Total export amount	160.431	-
Total import amount	15.859.742	9.848.239

Capital risk management

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

The shareholders' of the Company, in order to maintain or modify capital structure, can change the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and sell assets to decrease financing needs consistent with the regulations of the CMB.

Consistent with others in the industry, the Group monitors capital on the basis of the debt / equity ratio, This ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities less cash and cash equivalents and deferred tax liability, Total capital is calculated as equity, as shown in the consolidated balance sheet, plus net debt.

The ratio of net debt/ (equity +net debt) at 31 December 2014 and 2013 is as follows:

	31 December 2014	31 December 2013
Total financial liabilities	305.279.253	327.496.315
Less: Cash and cash equivalents	(79.950.529)	(60.306.285)
Less: Current assets	(5.766.185)	(5.629.522)
Net debt	219.562.539	261.560.508
Equity	106.196.429	46.841.298
Equity + net debt	325.758.968	308.401.806
Net debt / (Equity + net debt) ratio	0,67	0,85

NOTE 32 - FINANCIAL INSTRUMENTS

Fair value estimation

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

Effective 1 January 2009, the group adopted the amendment to IFRS 7 for financial instruments that are measured in the balance sheet at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy.

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

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

31 December 2014	Level 1	Level 2	Level 3	Total
Assets	-	-	1.546.360	1.546.360
Available for sale financial assets	-	-	-	-
Total assets	-	-	1.546.360	1.546.360

31 December 2014	Level 1	Level 2	Level 3	Total
Liabilities (*)	-	1.640.400	-	1.640.400
Derivative Financial Instruments	-	-	-	-
Total liabilities	-	1.640.400	-	1.640.400

(*) The transaction date of cash flow hedge forwards is September 26, 2014 and the effective date is January 7, 2015, with the bank purchase amount is EUR 12.000.000 and bank sale amount is EUR 35.588.400.

31 December 2013	Level 1	Level 2	Level 3	Total
Assets				
Available for sale financial assets	-	-	1.458.860	1.458.860
Total assets	-	-	1.458.860	1.458.860

31 December 2013	Level 1	Level 2	Level 3	Total
Liabilities				
Derivative Financial Instruments	-	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.

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NOTE 33 - DISCLOSURE OF OTHER MATTERS REQUIRED FOR THE PURPOSE OF UNDERSTANDING AND INTERPRETING THE CONSOLIDATED FINANCIAL STATEMENTS

The cargo building of the Company located at Ataturk Airport ("AHL") Terminal C in which the Company carries out cargo - warehouse operations was damaged by a fire that broke out on 24 May 2006.

As a result of the fire, goods belonging to third parties were also damaged in addition to the damage to property, plant and equipment and leasehold improvements of the Company. As of 31 December 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 10.568.346 (Note 14) 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 5.519.790 in which the Company is the sole defendant. Total legal cases and enforcement proceedings is TL 16.088.136.

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 31 December 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 approval of these financial statements, 220 lawsuits with value of TL 97.427.201 (USD 42.014.404) to which the Fund Companies have been a side and which has an invoice value of TL 58.259.435 (USD 25.123.738) has been settled amicably and 216 of these 220 lawsuits with a value of TL 93.929.814 (USD 40.506.194) has been paid to the claimants as TL 57.995.510 (USD 25.009.923). The amount that has been agreed on of these remaining 4 lawsuits that have been settled amicably is USD 113.815 and the claim value is USD 1.508.210; and it is projected that these 4 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 4.621.315 and it is projected that the remaining balance of USD 15 million after the payment of the agreed amounts pertaining to the 4 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.

NOTE 34 - SUBSEQUENT EVENTS

None.

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