ÇELEBİ HAVA SERVİSİ A.Ş.

Consolidated financial statements for the period January 1 – 31 December 2013 and independent auditor's report

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

EY
Building a better working world

Güney Bağımsız Denetim ve SMMM AŞ
Büyükdere Cad.
Beytem Plaza No:20
34381 - Şişli
İstanbul - Turkey

Tel: +90 212 315 30 00
Fax: +90 212 230 82 91
ey.com

Convenience translation of the independent auditor's report originally issued in Turkish

Independent auditor's report on the financial statements for the period between January 1 - December 31, 2013

To the Board of Directors of Çelebi Hava Servisi Anonim Şirketi

1. We have audited the accompanying consolidated financial statements of Çelebi Hava Servisi A.Ş. and its subsidiaries and joint ventures (together will be referred as the "Group"), which comprise the consolidated statement of financial position as at December 31, 2013 and the related consolidated statement of income, consolidated statement of other comprehensive income, consolidated statement of changes in shareholders' 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 consolidated financial statements

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

Independent Auditor's Responsibility

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

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

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

Opinion

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

Building a better working world

Convenience translation of the independent auditor's report originally issued in Turkish

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

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

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

Additional paragraph for convenience translation into English:

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

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

Ethem Kutucular, SMMM
Engagement Partner

10 March 2014
İstanbul, Türkiye

ÇELEBİ HAVA SERVİSİ A.Ş.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEARS ENDED 31 DECEMBER 2013
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

Table of contents **Page**

Consolidated statement of financial position		**1-2**
Consolidated statements of income		**3**
Consolidated statements of other comprehensive income		**4**
Consolidated statements of changes in shareholders' equity		**5-6**
Consolidated statements of cash flows		**7**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS		**8-95**
NOTE 1	ORGANIZATION OF THE GROUP AND NATURE OF OPERATIONS	8-10
NOTE 2	BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS	11-40
NOTE 3	SEGMENT REPORTING	41-45
NOTE 4	CASH AND CASH EQUIVALENTS	46
NOTE 5	FINANCIAL INVESTMENTS	46
NOTE 6	EQUITY ACCOUNTED INVESTEES	47
NOTE 7	SHORT TERM AND LONG TERM FINANCIAL LIABILITIES	48-51
NOTE 8	TRADE RECEIVABLES AND PAYABLES	52-55
NOTE 9	OTHER RECEIVABLES AND PAYABLES	56-57
NOTE 10	INVENTORIES	57
NOTE 11	PROPERTY, PLANT AND EQUIPMENT	58-59
NOTE 12	INTANGIBLE ASSETS	60-64
NOTE 13	PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES	64-68
NOTE 14	OTHER ASSETS AND LIABILITIES	69-70
NOTE 15	PREPAID EXPENSES	70
NOTE 16	DEFERRED INCOME	71
NOTE 17	LIABILITIES FOR EMPLOYEE BENEFITS	71
NOTE 18	EQUITY	72-73
NOTE 19	SALES AND COST OF SALES	74
NOTE 20	EXPENSES BY NATURE	74
NOTE 21	GENERAL ADMINISTRATIVE EXPENSES	75
NOTE 22	OTHER OPERATING INCOME	75
NOTE 23	OTHER OPERATING EXPENSE	75
NOTE 24	INCOME FROM INVESTMENT ACTIVITIES	76
NOTE 25	INCOME FROM INVESTMENT ACTIVITIES	76
NOTE 26	FINANCIAL INCOME	76
NOTE 27	FINANCIAL EXPENSES	76
NOTE 28	TAX ASSETS AND LIABILITIES	77-81
NOTE 29	EARNINGS PER SHARE	82
NOTE 30	TRANSACTIONS AND BALANCES WITH RELATED PARTIES	82-85
NOTE 31	FINANCIAL RISK MANAGEMENT	85-91
NOTE 32	FINANCIAL INSTRUMENTS	92-93
NOTE 33	DISCLOSURE OF OTHER MATTERS REQUIRED FOR THE PURPOSE OF UNDERSTANDING AND INTERPRETING THE CONSOLIDATED FINANCIALSTATEMENTS	93-94
NOTE 34	SUBSEQUENT EVENTS	94-95

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

ÇELEBİ HAVA SERVİSİ A.Ş.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	*(Audited)* 31 December 2013	*Restated(*)* *(Audited)* 31 December 2012
ASSETS			
Current Assets			
Cash and cash equivalents	4	60.306.285	46.417.682
Trade receivables		65.019.429	52.447.810
- Due from third parties	8	54.345.748	43.831.020
- Due from related parties	8	10.673.681	8.616.790
Other receivables		7.018.641	8.751.236
- Other receivables from third parties	9	7.018.641	8.751.236
Inventories	10	8.499.388	8.301.002
Prepaid expenses	15	8.650.120	6.874.667
Assets related to current year tax	28	2.524.731	1.945345
Other current assets	14	11.828.967	9.850.076
Total current assets		**163.847.561**	**134.587.818**
Non-current assets			
Financial investments	5	1.458.860	1.383.442
Investments accounted by equity method	6	13.160.780	10.026.878
Other long-term receivables		11.465.300	10.367.489
- Due from third parties	9	11.465.300	10.367.489
Property, plant and equipment	11	145.532.422	142.341.126
Intangible assets		130.294.290	131.152.167
- Other intangible assets	12	106.206.043	111.269.519
- Goodwill	12	24.088.247	19.882.648
Prepaid expenses	15	21.619.445	26.602.822
Deferred tax asset	28	20.348.294	15.554.815
Other non-current assets	14	7.529.467	4.389.900
Total non-current assets		**351.408.858**	**341.818.639**
Total assets		**515.256.419**	**476.406.457**

(*)Please refer to note 2.2

ÇELEBİ HAVA SERVİSİ A.Ş.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEARS ENDED 31 DECEMBER 2013

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

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

Contingent assets and liabilities

(*)Please refer to note 2.2

ÇELEBİ HAVA SERVİSİ A.Ş.
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

(*)Please refer to note 2.2

ÇELEBİ HAVA SERVİSİ A.Ş.
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2013

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

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

(*) Please refer to note 2.2

ÇELEBİ HAVA SERVİSİ A.Ş.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

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

				Other comprehensive income/(expense) to be reclassified to profit or loss	Other comprehensive income/(expense) not to be reclassified to profit or loss	Retained earnings				
	Notes	Share Capital	Restricted Reserves	Cumulative Translation Differences	Actuarial gain/(loss) arising from defined benefit plans)	Retained Earnings	Net profit / (loss) for the year	Equity attribute table to equity holders of the parent	Non-controlling interest	Total equity
Balances at 1 January 2012 (Previously reported)		24.300.000	26.573.456	4.380.047	-	(23.472.275)	7.623.634	39.404.862	11.077.361	50.482.223
Effect of Adjustments- IAS 19 (Note 2.2)		-	-	-	243.628	(106.500)	(137.128)	-	-	-
Balances at 1 January 2012 (restated)		24.300.000	26.573.456	4.380.047	243.628	(23.578.775)	7.486.506	39.404.862	11.077.361	50.482.223
Transfers to retained earnings		-	-	-	-	7.486.506	(7.486.506)	-	-	-
Transactions related to non-controlling interests Increase in minority of subsidaries		-	-	-	-	(1.294.710)	-	(1.294.710)	1.294.710	-
Other comprehensive income										
- Change in foreign currency translation differences		-	-	(3.238.835)	-	-	-	(3.238.835)	(783.513)	(4.022.348)
- Change n Actuarial gain/(loss) arising from defined benefit plans		-	-	-	119.315	-	-	119.315	-	119.315
Total other comprehensive income				(3.238.835)	119.315	-		(3.119.520)	(783.513)	(3.903.033)
Net profit / (loss) for the period		-	-				20.984.466	20.984.466	(3.489.500)	17.494.966
Total comprehensive income/ (expense)		-	-	(3.238.835)	119.315	-	20.984.466	17.864.946	(4.273.013)	13.591.933
Balances at 31 December 2012		24.300.000	26.573.456	1.141.212	362.943	(17.386.979)	20.984.466	55.975.098	8.099.058	64.074.156

ÇELEBİ HAVA SERVİSİ A.Ş.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

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

				Other comprehensive income/(expense) to be reclassified to profit or loss	Other comprehensive income/(expense) not to be reclassified to profit or loss	Retained earnings				
	Notes	Share Capital	Restricted Reserves	Cumulative Translation Differences	Actuarial gain/(loss) arising from defined benefit plans)	Retained Earnings)	Net profit / (loss) for the year	Equity attribute table to equity holders of the parent	Non-controlling interest	Total equity
Balances at 1 January 2013 (Previously reported)		24.300.000	26.573.456	1.141.212	-	(17.143.351)	21.103.781	55.975.098	8.099.058	64.074.156
Effect of Adjustments- IAS 19(Note2.2)		-	-	-	362.943	(243.628)	(119.315)	-	-	-
Balances at 1 January 2013 (Restated)		24.300.000	26.573.456	1.141.212	362.943	(17.386.979)	20.984.466	55.975.098	8.099.058	64.074.156
Transfers to retained earnings	17	-	-	-	-	20.984.466	(20.984.466)	-	-	-
Transactions related to non-controlling interests		-	-	-	-	(1.500.840)	-	(1.500.840)	1.500.840	-
Dividends paid	17		1.701.000	-	-	(19.926.001)	-	(18.225.001)	-	(18.225.001)
Equity impact of the amortized joint venture		-	-	-	-	21.099	-	21.099	-	21.099
Increase in minority of subsidaries		-	-	-	-	-	-	-	667	667
Other comprehensive income										
- Change in foreign currency translation differences		-	-	2.437.086	-	-	-	2.437.086	311.151	2.748.237
Change in Actuarial gain/(loss) arising from defined benefit plans		-	-	-	(1.243.122)	-	-	(1.243.122)	7.309	(1.235.813)
Total other comprehensive income		-	-	2.437.086	(1.243.122)	-	-	1.193.964	318.460	1.512.424
Net profit / (loss) for the period		-	-	-	-	-	3.054.766	3.054.766	(3.596.813)	(542.047)
Total comprehensive income/(expense)		-	-	2.437.086	(1.243.122)	-	3.054.766	4.248.730	(3.278.353)	970.377
Balances at 31 December 2013		24.300.000	28.274.456	3.578.298	(880.179)	(17.808.255)	3.054.766	40.519.086	6.322.212	46.841.298

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

ÇELEBİ HAVA SERVİSİ A.Ş.
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2013

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

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

(*) Please refer to note 2.2

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS OF THE GROUP

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

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

The address of the Company is as follows:

Anel İş Merkezi Saray Mahallesi Site Yolu Sokak No:5 Kat:9
34768 Ümraniye / İstanbul

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

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

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

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

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

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

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

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

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

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

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

The Company acquired shares of Çelebi Kargo Depolama ve 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 8.500.000 Euro paid capital,

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

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

established in November 2009 located in Frankfurt, Germany. As of 31 December 2013 the capital of Çelebi Cargo has been increased to TL 20.000.000 was and totally paid.

As of 31 December 2013, the condensed interim consolidated financial statements of the Company include the Company, Celebi Nas, CGHH, Çelebi 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 2013 have been approved for issue by the Board of Directors on 10 March 2014 and signed by Koray Özbay (General Manager) and Deniz Bal (Financial Affairs Director) on behalf of Board of Directors The shareholders of the Company have the power to amend the consolidated financial statements after the issue in the General Assembly meeting of the Company.

Subsidiaries:

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

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

Affiliates:

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

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

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

NOTE 2– BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1. Basis of presentation

2.1.1 Financial reporting standards

The Group's consolidated financial statements and disclosures have been prepared in accordance with the communiqué numbered II-14,1 "Communiqué on the Principles of Financial Reporting In Capital Markets" (the Communiqué) announced by the Capital Markets Board ("CMB") (hereinafter will be referred to as "the CMB Reporting Standards") on 13 June 2013 which is published on Official Gazette numbered 28676. In accordance with article 5th of the CMB Reporting Standards, companies should apply Turkish Accounting Standards/Turkish Financial Reporting Standards and interpretations regarding these standards as adopted by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA").

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

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

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

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates The consolidated financial statements are presented in TL, which are the functional currency of the Company and the presentation currency of the Group. As of 31 December 2013, the currency of subsidiaries has shown below.

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

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

Going Concern

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

2.1.2 Amendments in International Financial Reporting Standards (IFRS)

New and amended standards and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at 31 December 2013 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1 January 2013. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

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

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

The amendment requires the disclosure of the rights of the entity relating to the offsetting of the financial instruments and some information about the related regulations (eg, collateral agreements). New disclosures would provide users of financial statements with information that is useful in;

i) evaluating the effect or potential effect of netting arrangements on an entity's financial position and,
ii) analyzing and comparing financial statements prepared in accordance with TFRSs and other generally accepted accounting standards.

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

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

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

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

TAS 19 Employee Benefits (Amended)

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

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

TAS 27 Separate Financial Statements (Amended)

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

TAS 28 Investments in Associates and Joint Ventures (Amended)

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

TFRS 10 Consolidated Financial Statements

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

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

TFRS 11 Joint Arrangements

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

TFRS 12 Disclosure of Interests in Other Entities

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

TFRS 13 Fair Value Measurement

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

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

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

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

Improvements to TFRSs

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

TAS 1 Financial Statement Presentation:
Clarifies the difference between voluntary additional comparative information and the minimum required comparative information.

TAS 16 Property, Plant and Equipment:
Clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.

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

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

Standards issued but not yet effective and not early adopted

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

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

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

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

TFRS 9 Financial Instruments – Classification and measurement

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

TFRIC Interpretation 21 Levies

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

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

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

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

Amendments to TAS 39 Financial Instruments: Recognition and Measurement, provides a narrow exception to the requirement for the discontinuation of hedge accounting in circumstances when a hedging instrument is required to be novated to a central counterparty as a result of laws or regulations. The amendments are to be applied retrospectively for annual periods beginning on or after 1 January 2014. The Group does not expect that this amendment will have any impact on the financial position or performance of the Group.

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

IFRS 10 Consolidated Financial Statements (Amendment)

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

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

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

IFRS 9 Finansal Araçlar – Riskten Korunma Muhasebesi ve UFRS 9, UFRS 7 ve UMS 39'daki değişiklikler – UFRS 9 (2013)

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

Improvements to IFRSs

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

Annual Improvements to IFRSs – 2010–2012 Cycle

IFRS 2 Share-based Payment:

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

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

IFRS 3 Business Combinations:

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

IFRS 8 Operating Segments

The changes are as follows:

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

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

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

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

The amendment to IAS 16.35(a) and IAS 38.80(a) clarifies that revaluation can be performed, as follows:
i) Adjust the gross carrying amount of the asset to market value or ii) determine the market value of the carrying amount and adjust the gross carrying amount proportionately so that the resulting carrying amount equals the market value. The amendment is effective retrospectively.

IAS 24 Related Party Disclosures

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

Annual Improvements to IFRSs – 2011–2013 Cycle

IFRS 3 Business Combinations

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

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

IFRS 13 Fair Value Measurement

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

IAS 40 Investment Property

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

Resolutions promulgated by the Public Oversight Authority

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

2013-1 Financial Statement Examples and User Guide

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

2013-2 Accounting of Combinations under Common Control

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

2013-3 Accounting of Redeemed Share Certificates

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

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

2013-4 Accounting of Cross Shareholding Investments

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

i) the subsidiary holding the equity based financial instruments of the parent,
ii) the associates or joint ventures holding the equity based financial instruments of the parent,
iii) the parent's equity based financial instruments are held by an entity, which is accounted as an investment within the scope of TAS 38 and TFRS 9 by the parent.

This resolution did not have any impact on the consolidated financial statements of the Group.

2.1.3 Financial statements of joint ventures operating in foreign countries

Financial statements of joint ventures operating in foreign countries are prepared according to the legislation of the country in which they operate, and adjusted to the CMB Financial Reporting Standards to reflect the proper presentation and content. Foreign joint ventures' assets and liabilities are translated into TL with the foreign exchange rate at the statement of financial position date. Exchange differences arising from the retranslation of the opening net assets of foreign undertakings and differences between the average and statement of financial position date rates are included in the "currency translation differences" under the shareholders' equity.

2.1.4 Basis of Consolidation

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

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

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

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

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

	Direct and indirect shareholding by Çelebi Hava and its Subsidiaries(%)	
Subsidiary	**31 December2013**	**31 December 2012**
Çelebi Güvenlik In Liquadation (2)	94,8	94,8
CGHH	100,0	100,0
Celebi Delhi Cargo	74,0	74,0
Celebi GH Delhi	74,0	74,0
Celebi Spain (1)	100,0	100,0
Çelebi Kargo	99,7	99,7
Celebi Cargo GmbH	99,7	99,7

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

(2) Pursuant to the resolution taken in the Ordinary General Assembly meeting, of Çelebi Güvenlik 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 31, 2013, since Çelebi Güvenlik Sistemleri ve Danışmanlık A.Ş.in Liquidation did not constitute any materiality on the consolidated financial statements of the Group, no additional presentation was made in the financial statements within the scope of TFRS 5 Assets Held for Sale and Discontinued Operations.

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

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

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

d) Joint ventures are accounted by the equity method.

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

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

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.

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

2.2. Changes in accounting policies

2.2.1 Comparative information

In order to allow for the determination of the financial situation and performance trends, the Group'sconsolidated financial statements have been presented comparatively with the previous year.

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

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

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

- Receivables from third parties amounting to TL 209.154 shown in other current assets were classified as other receivables in the statement of financial position.

- Short-term prepaid expenses amounting to TL 6.874.667 shown in other current assets were classified as a separate account in the statement of financial position.

- Assets related to current tax amounting to TL 2.091.503 presented under other current assets and tax liability regarding the profit for the period amounting to TL 146.158 presented under other current liabilities have been offsetted in the statement of financial position and presented as assets related to the current tax amounting to TL 1.945.345.

- Fixed asset advances amounting to TL 26.602.822 shown in other current assets were classified as a long-term prepaid expenses.

- Long-term prepaid expenses amounting to TL 19.689.915 shown in other non-current assets were classified as a separate account in the statement of financial position.

- Fixed asset advances amounting to TL 452.411 shown in property, plant and equipment were classified as a long-term prepaid expenses

- Short-term portion of long-term borrowings amounting to TL 99.377.156 in short-term borrowings in the statement of financial position are shown as a separate account.

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

- Accruals borrowings amounting to TL 9.893.565 in other short-term borrowings in the statement of financial position are shown as a trade payables account.

- Deferred revenues amounting to TL 16.631.062, shown under other short term liabilities, calculated in accordance with TFRIC 12 and advances taken for placed orders amounting to TL 2.142.077 are shown as a different account under deferred short term income in the statement of financial position.

- Wages and salaries payable amounting to TL 7.468.988, employee taxes payable amounting to TL 3.277.806 and accrued bonus payable amounting to TL1.325.513 shown under other liabilities are classified under liabilities for employee benefits as a separate account.

- Deferred insurance claim recovery amounting to TL 2.673.900 and short term deferred revenue amounting to TL 406.844 shown in other long-term financial liabilities in the statement of financial position as a separately.

- Income from the sale of fixed assets amounting to TL 618.579 shown under other operating income shown under income from investment activities as a separate account.

- Income from the sale of fixed assets amounting to TL 61.332 shown under other operating income was classified under income from investment activities.

- Projection costs amounting to TL 12.131.175 presented as gross in the revenue and sale costs have been offsetted.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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. Net sales represent the invoiced value of trading goods sold and services given less sales returns, discount and commissions. In cases where the revenue income forecasts has been conducted reliably, the ending reporting period of the process associated with the level of completion are saved taking into consideration of financial tables. Rent income is recorded on an accrual basis, while interest income is recorded on an effective interest yield method basis. Dividend income is recorded as income as of the collection right transfer date.

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

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

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

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

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

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

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

2.3.3 Property, plant and equipment

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

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

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

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

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

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

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

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

2.3.4 Intangible Assets

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

a) Goodwill

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

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

b) Commercial Business Licenses (Rights)

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

c) Contractual customer relationships

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

d) Computer software

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

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

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

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.

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

Celebi Nas

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

Celebi GH Delhi

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

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

2.3.5 Inventories

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

2.3.6 Impairment of Assets

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

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

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

2.3.7 Financial Liabilities and Borrowing Costs

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

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

2.3.8 Financial Instruments

Trade receivables

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

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

Financial assets

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

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

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

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

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.

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

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".

2.3.10 Business Combinations and Goodwill (Continued)

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

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

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

2.3.11 Foreign Currency Transactions

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

2.3.12 Earnings Per Share

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

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

2.3.13 Subsequent Events

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

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

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).

2.3.14 Provisions, Contingent Liabilities and Contingent Assets (Continued)

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).

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

2.3.17 Segment Reporting

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

2.3.18 Taxes on Income

Current and deferred income tax

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

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

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

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

2.3.19 Employee Benefits

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

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

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

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.

2.2.24 Derivative financial instruments and hedging activities

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

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

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

2.4 Critical Accounting Estimates and Assumptions

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

(a) Goodwill impairment tests

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

(b) Impairment of intangible assets

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

(c) Provisions

As explained in Note 2.2.14, 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 2012 and for the ones where the Group estimates more than 50% probability of losing them necessary provisions are accounted for in the consolidated financial statements (Note 13).

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

(d) Taxes on income

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

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

(e) Unused carry-forward tax losses

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

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

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

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

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

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

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

i) TL 8.636.332 (31 December 2012: TL 5.490.831) has been provided regarding the estimated future renovation obligations in the consolidated financial statements as at 31 December 2013. The aforementioned provision was amortized by using average rate of 8,04% (31 December 2012: 8,04%).
ii) Concession rights presented under intangible assets has been determined by including profit margin determined by using the similar construction services on top of the estimated costs of the development and modernization of cargo terminal in accordance with the aforementioned concession agreement. Aforementioned intangible assets has been carried at amortized costs, Profit margin and discount rate is 2% (31 December 2012:2%) and 7,25% (31 December 2012: 7,25%) as at 31 December 2012.

NOTE 3 - SEGMENT REPORTING

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

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

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

NOTE 3 - SEGMENT REPORTING (Continued)

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

31 December 2013

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

31 December 2012

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

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

NOTE 3- SEGMENT REPORTING (Continued)

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

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

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

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

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

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

NOTE 3 SEGMENT REPORTING (Continued)

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

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

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

NOTE 3 - SEGMENT REPORTING (Continued)

Geographical Segments

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

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

Geographical Analysis for the period 1 January- 31 December 2012

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

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

NOTE 4 - CASH AND CASH EQUIVALENTS

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

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

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

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

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

NOTE 5 - FINANCIAL INVESTMENTS

Available-for-sale assets:

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

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

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

NOTE 6- EQUITY ACCOUNTED INVESTEES

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

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

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

Profit /loss from investments accounted under equity method:

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

Summary statement of equity accounted investees:

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

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

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

NOTE 7-SHORT TERM AND LONG TERM FINANCIAL LIABILITIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTE 8 - TRADE RECEIVABLES AND PAYABLES

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

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

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

Movement of provision for doubtful receivables is as follows:

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

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

NOTE 8 - TRADE RECEIVABLES AND PAYABLES (Continued)

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

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

(*) Including restricted cash.

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

NOTE 8 - TRADE RECEIVABLES AND PAYABLES (Continued)

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

(*) Including restricted cash

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

NOTE 8 - TRADE RECEIVABLES AND PAYABLES (Continued)

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

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

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

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

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

Short-term trade payables

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

The fair value of short-term trade payables as of 31 December 2013 and 2012 equals their carrying amount as the impact of discounting is not significant.

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

NOTE 9 - OTHER RECEIVABLES AND PAYABLES

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

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

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

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

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

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

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

NOTE 9 - OTHER RECEIVABLES AND PAYABLES (Continued)

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

DİPNOT 10 - INVENTORIES

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

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

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

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

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

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT (Continued)

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

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

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

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

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

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

NOTE 12 - INTANGIBLE ASSETS

Other Intangible Assets

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

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

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

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

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

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

NOTE 12 - INTANGIBLE ASSETS (Continued)

Other Intangible Assets

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

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

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

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

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

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

NOTE 12 - INTANGIBLE ASSETS (Continued)

Goodwill

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

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

Goodwill due to acquisition of CGHH

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

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

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

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

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

NOTE 12 - INTANGIBLE ASSETS (Continued)

Goodwill Impairment Test

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

	31 December 2013
Ground handling services - Hungary	**23.177.524**

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

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

Discount rate	**%12,2**

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

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

Goodwill from purchasing 4% shares of Celebi Nas

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

Goodwill Impairment Test

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

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

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

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

NOTE 12 - INTANGIBLE ASSETS (Continued)

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

	31 December 2013
Ground handling services – India	910.723

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

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

Discount rate	**%15**

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

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

NOTE 13 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

a) Short-term provisions

Short-term provision for employee benefits

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

Other short-term provisions

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

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

NOTE 13 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

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

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

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

b) Long-term provisions:

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

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

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

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

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

DİPNOT 13 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

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

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

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

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

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

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

NOTE 13 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Contingent assets and liabilities of the Group

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

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

ÇELEBİ HAVA SERVİSİ A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 13 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

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

		31 December 2013		31 December 2012	
Collaterals, pledges and mortgages given by the Company	**Currency**	**Amount**	**TL equivalent**	**Amount**	**TL equivalent**
A. CPM given on behalf of the Company's legal personality			**39.996.969**		**33.982.817**
	TL	5.096.477	5.096.477	4.275.266	4.275.266
	EUR	2.053.918	6.031.332	1.914.959	4.503.408
	USD	1.810.500	3.864.150	1.910.499	3.405.656
	INR	561.999.117	19.400.210	550.984.000	18.022.687
	HUF	565.000.000	5.604.800	465.000.000	3.775.800
B. CPM given on behalf of fully consolidated subsidiaries			**269.717.612**		**202.079.689**
	EUR	33.700.000	98.960.050	31.700.000	74.548.890
	USD	6.092.196	13.002.574	6.592.194	11.751.245
	INR	4.569.959.100	157.754.988	3.539.576.700	115.779.554
C. CPM given for continuation of its economic activities on behalf of third parties					
D. Total amount of other CPM		-	-	-	**17.500.000**
i. Total amount of CPM given on behalf of the majority shareholder	TL	-	-	17.500.000	17.500.000
ii. Total amount of CPM given to on behalf of other group companies which are not in scope of B and C			-	-	-
iii. Total amount of CPM given on behalf of third parties which are not in scope of C			-	-	-
			309.714.581		**253.562.506**

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

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

NOTE 14 - OTHER ASSETS AND LIABILITIES

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

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

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

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

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

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

NOTE 14 - OTHER ASSETS AND LIABILITIES (Continued)

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

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

(**) Please refer to Note 2.3.f

NOTE 15 – PREPAID EXPENSES

Kısa Vadeli Peşin Ödenmiş Giderler	31 December 2013	31 December 2012
Prepaid expenses (*)	6.366.303	5.836.718
Advances given	2.283.817	1.037.949
	8.650.120	**6.874.667**

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

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

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

NOTE 16 – DEFERRED INCOME

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

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

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

NOTE 17 – LIABILITIES FOR EMPLOYEE BENEFITS

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

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

NOTE 18 - EQUITY

Share Capital

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

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

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

Restricted Reserves

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code ("TCC"), The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in capital. Under the TCC, the legal reserves can be used only to offset losses and are not available for any other usage unless they exceed 50% of paid-in capital.

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

- If the difference is arising from the valuation of "Paid-in Capital" and not yet been transferred to capital should be classified under the "Inflation Adjustment to Share Capital";

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

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

NOTE 18 – EQUITY (Continued)

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

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

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

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

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

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

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

NOTE 19 – REVENUE AND COST OF SALES

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

NOTE 20 - EXPENSES BY NATURE

	31 December 2013	31 December 2012
Personnel expenses	(167.788.545)	(171.508.568)
Payments to authorities and terminal managements (*)	(82.223.901)	(79.787.850)
Equipment repair, maintenance, fuel and security expenses	(38.088.713)	(34.682.771)
Consultancy expenses	(38.061.626)	(34.779.281)
Depreciation and amortization expenses	(33.136.425)	(32.817.208)
Outsourced services	(15.580.863)	(16.296.409)
Expense in the context of IFRIC 12 (***)	(13.528.208)	(34.162.910)
Travel and transportation expenses	(12.572.293)	(13.047.637)
Taxes and other fees	(5.265.782)	(5.605.084)
Insurance premiums	(3.787.192)	(3.518.280)
Cost of good sold(**)	(3.176.906)	(2.664.481)
Other expenses	(37.972.782)	(36.711.700)
	(451.183.236)	**(465.582.179)**

(*) Various expenses paid to authorities are comprised of royalty, rental facilities and check-in desks within the airport area, work licenses, and similar expenses.

(**) Those expenses are comprised of spare parts and de-icing.

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

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

NOTE 21 - GENERAL ADMINISTRATIVE EXPENSES

	31 December 2013	31 December 2012
Consultancy expenses	(36.553.790)	(33.575.966)
Personnel expenses	(22.156.264)	(22.771.665)
Depreciation and amortization	(6.889.538)	(8.062.604)
Travel and transportation expenses	(2.174.606)	(2.656.591)
Equipment repair, maintenance, fuel and security expenses	(2.337.625)	(2.170.316)
Payments to authorities and terminal managements	(1.721.638)	(1.653.939)
Insurance premiums	(656.102)	(679.981)
Taxes and other fees	(1.441.690)	(1.562.667)
Other expenses	(5.047.679)	(5.061.169)
	(78.978.932)	**(78.194.898)**

NOTE 22 – OTHER OPERATING INCOME

	31December 2013	31 December 2012
Foreign exchange gains	7.708.851	2.251.544
Cancelation of provisions	3.998.379	228.250
Income from insurance claims	536.522	163.968
Other incomes	2.321.966	929.674
	14.565.718	**3.573.436**

NOTE 23 - OTHER OPERATING EXPENSE

	31 December 2013	31 December 2012
Expenses and compensation for damage (*)	(5.426.052)	(799.987)
Foreign exchange losses	(2.002.127)	(2.371.752)
Donation expenses	(188.106)	(896.635)
Provision for doubtful receivables	(58.969)	(442.584)
Provision expenses	-	(582.352)
Other expenses	(1.977.544)	(2.306.778)
	(9.652.798)	**(7.400.088)**

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

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

DİPNOT 24 – INCOME FROM INVESTMENT ACTIVITIES

	31 December 2013	31 December 2012
Income from the sale of fixed assets	488.785	618.579
	488.785	**618.579**

DİPNOT 25 - EXPENSE FROM INVESTMENT ACTIVITIES

	31 December 2013	31 December 2012
Loss from the sale of fixed assets	(1.371.436)	(61.332)
	(1.371.436)	**(61.332)**

NOTE 26 - FINANCIAL INCOME

	31 December 2013	31 December 2012
Foreign exchange gains	4.979.213	12.739.671
Interest income	2.689.020	3.122.777
Unearned finance income	918.338	632.344
Other financial income	413.055	114
	8.999.626	**16.494.906**

NOTE 27 - FINANCIAL EXPENSES

	31 December 2013	31 December 2012
Foreign exchange losses	(44.010.676)	(4.298.275)
Interest expenses	(21.026.385)	(23.952.055)
Valuation of forward transactions expense	(2.256.204)	(124.446)
Financial expenses incurred under scope of IFRIC 12	(1.092.353)	(4.014.420)
Unaccrued finance expenses	(805.118)	(585.564)
Other financial expenses	(880.720)	(238.633)
	(70.071.456)	**(33.213.393)**

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

NOTE 28 - TAX ASSETS AND LIABILITIES

	31 December 2013	31 December 2012
Current period corporate tax provision	5.794.379	10.179.856
Less: prapaid corporate tax expense	(8.319.110)	(12.125.201)
Tax liability payable - net	**(2.524.731)**	**(1.945.345)**

	31 December 2013	31 December 2012
Deferred tax assets	20.348.294	15.554.815
Deferred tax liabilities	(6.478.794)	(5.628.521)
Deferred tax liability - net	**13.869.500**	**9.926.294**

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, tax liabilities, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

In Turkey, the corporation tax rate for the fiscal year 2013 is 20% (2012: 20%), Corporation tax rate is applicable on the total income of companies after adjusting for certain disallowable expenses, income tax exemptions (participation exemption, investment allowance exemption, etc) and income tax deductions (like research and development expenses), No further tax is payable unless the profit is distributed.

Except for the dividends paid to non-resident corporations, which have a representative office in Turkey, or resident corporations, dividends are not subject to withholding tax. Dividends paid to other organizations or individuals are subject to withholding tax at the rate of 15%. Transfer of profit to capital is not accepted as a dividend distribution.

Corporations are required to pay advance corporation tax quarterly at the rate of 20% on their corporate income (2012: 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.

NOTE 28 - TAX ASSETS AND LIABILITIES (Continued)

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 centre in Turkey (except for corporations whose principal activity is financial leasing or investment of marketable securities) up until the date the income is generated and transferred to Turkey and until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax subject to those subsidiaries being subject to corporate income tax, or alike in their country of legal or business centre at the rate of at least 15% (the corporate income tax rate applicable in Turkey for those companies whose principal activity is financial assurance or insurance).

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

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

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

In India, the corporate tax rate is 32,45% for fiscal year 2012 (2012: 32,45%). Corporation tax rate is applicable on the total income of companies after adjusting for certain disallowable expenses, income tax exemptions (participation exemption, investment allowance exemption, etc) and income tax deductions (like research and development expenses).

In India, the corporate tax rate is 31,925% for fiscal year 2012 (2012: 31,925%). Corporation tax rate is applicable on the total income of companies after adjusting for certain disallowable expenses, income tax exemptions (participation exemption, investment allowance exemption, etc) and income tax deductions (like research and development expenses).

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

NOTE 28 - TAX ASSETS AND LIABILITIES (Continued)

Tax expense for the periods end 31 December 2013 and 2012 is presented below :

	31 December 2013	31 December 2012
- Current year corporate tax	(5.186.563)	(10.152.177)
- Deferred tax income /(expense)	2.667.761	2.042.824
	(2.518.802)	**(8.109.353)**

Reconciliation of tax expenses stated in consolidated statements of income of the periods ended at 31 December 2013 and 2012 is as follows:

	2013	2012
Profit before tax	**1.976.755**	**25.604.319**
Expected tax expense according to parent company (20%)	(395.351)	(5.120.864)
Differences in tax rates of subsidiaries	(1.363.847)	(2.641.193)
Expected tax expense of the Group	**(1.759.198)**	**(7.762.057)**
Tax effect of non deductible expenses	(928.088)	(832.174)
Utilization of previous years losses	824.538	1.425.689
Non deductible expenses	(852.046)	(498.375)
Discount stems from donations and aids	32.897	179.207
Tax payables even if loss declared on statutory records (*)	-	(184.144)
Other	163.095	(437.499)
Current period tax expense of the Group	**(2.518.802)**	**(8.109.353)**

(*) According to Hungary's tax system the amount comprises of tax amount and is paid even if the companies declared loss.

Deferred Taxes

The Group considers the differences arising from different valuation of the financial statements prepared in accordance with CMB regulations in the calculation of deferred tax assets and liabilities. The differences mainly arise due to the different accounting of income and expenses in line with Tax Laws and CMB Accounting Standards in different periods. In accordance with the method of liabilities based on subsequent differences, the rates for deferred revenue asset and liabilities are 20%, 19% or 10%, 32,45% for Turkey, Hungary, India New Delhi and Mumbai respectively.

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

NOTE 28 - TAX ASSETS AND LIABILITIES (Continued)

The analysis of cumulative temporary differences and the related deferred tax assets and liabilities in respect of items for which deferred income tax has been provided as at 31 December 2013 and 31 December 2012 using the enacted tax rates are as follows:

	Cumulative temporary Differences		Deferred tax assets / (liabilities)	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Deferred tax assets				
Non-deductible financial losses (*)	-	(4.622.514)	-	670.264
Personnel bonus accrual	(891.675)	(863.855)	178.335	172.771
Accrued sales commissions	(2.848.425)	(1.631.326)	569.685	326.265
Provision for employment termination benefits	(8.956.121)	(7.499.227)	1.791.224	1.499.845
Provision for operational leasing Equilization	(33.877.136)	(24.263.883)	10.991.437	7.872.417
Provision for unused vacation	(1.722.199)	(1.534.923)	344.440	306.985
Provision for legal claims	(665.445)	(665.445)	133.089	133.089
Provision for investment consultancy expenses	-	(1.247.820)	-	249.564
Net difference between the tax base and carrying amount of property plant and equipment and intangible assets	(23.109.125)	(20.959.738)	7.497.756	6.800.387
Deferred income from insurance claims	-	(2.673.900)	-	534.780
Other	(8.427.462)	(1.878.888)	2.335.231	295.511
			23.841.197	**18.861.878**
Net off			3.492.903	3.307.063
Deferred tax assets			**20.348.294**	**15.554.815**

(*)Tax asset of unused tax losses can be gained in future periods and recognized in case there is a probability of sufficient profit. Celebi GH Delhi's, which has TL 22.093.485 (31 December 2012: TL 17.035.523) of total financial losses due to the possibility of not being able to benefit from a part or all foreseeable terms and has not been reflected TL 7.168.231 of deferred tax amount as of December 31, 2013.

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

NOTE 28 - TAX ASSETS AND LIABILITIES (Continued)

	Cumulative temporary Differences		Deferred tax assets / (liabilities)	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Deferred tax liabilities				
Net difference between the tax base and carrying amount of property plant and equipment and intangible assets	50.542.998	45.768.586	(9.963.894)	(8.935.201)
Other	-	1.915	(7.803)	(383)
			(9.971.697)	**(8.935.584)**
Net off			3.492.903	3.307.063
Deferred tax liabilities			**(6.478.794)**	**(5.628.521)**
Deferred tax asset, net			**13.869.500**	**9.926.294**

Deferred tax movement table is as below:

	31 December 2013	31 December 2012
1 January	**9.926.294**	**8.969.945**
Foreign currency translation difference	994.469	(1.086.475)
Charge for the period	2.667.761	2.042.824
Actuarial gain / (loss) arising from defined benefit plans	280.976	-
31 December	**13.869.500**	**9.926.294**

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

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:

	31December 2013	31 December 2012
Net profit / (loss) attributable to the equity holders of the parent	**3.054.766**	**20.984.466**
Weighted average number of shares with 1 Full TL face value each	2.430.000.000	2.430.000.000
Earnings / (losses) per share (Full TL)	**0,001**	**0,009**

NOTE 30 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

i) Balances with related parties

Due from related parties	**31 December 2013**	**31 December 2012**
ÇHH (*)	10.385.750	8.301.471
Other	287.931	315.319
	10.673.681	**8.616.790**

(*) This amount consist included in the financial balance of interest amounting to Euro 3.500.000 which CGHH has given to ÇHH with 1 year, 1 week maturity and with 3+6m% Euribor rates.

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

NOTE 30 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

The maturities of due from related parties are generally shorter than a month (31 December 2012: shorter than a month). As of 31 December 2013 and 31 December 2012, the net book value and the fair value of short term due from related parties are taken equal, since the discounting transaction does not have a material effect.

Due to related parties	**31 December 2013**	**31 December 2012**
ÇHH (*)	4.540.479	2.441.257
Çe-Tur	712.968	388.611
Other	29.154	13.574
	5.282.601	**2.843.442**

(*) As of December 31, 2013, the related amount consists of legal, financial, human resources, management, corporate communication, procurement, business development services provided to the Group by ÇHH along with business development projects run by ÇHH on behalf and on account of the Group and expense projections.

ii) Transactions with related parties

Miscellaneous sales to related parties	**31 December 2013**	**31 December 2012**
Celebi Ground Services Austria GMBH	425.875	164.745
ÇHH	171.259	417.170
Çe-Tur	127.935	362.631
Other	33.609	52.397
	758.678	**996.943**

	31 December 2013	**31 December 2012**
Employee and transportation expenses payable to related parties		
Çe-Tur	6.061.724	4.013.810
Contribution to holding expenses (*)		
ÇHH	31.388.711	28.105.598

(*) Contribution paid to Çelebi Havacilik Holding A.Ş. for services (legal counseling, financial consultancy and human resource consultancy) provided to Çelebi Hava Servisi A.Ş. and Çelebi 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.

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

NOTE 30 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

	31 December 2013	31 December 2012
Other purchases from related parties (*)		
ÇHH	3.838.027	4.235.383
Çe-Tur	1.050.589	1.269.374
Other	335.491	181.035
	5.224.107	**5.685.792**

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

Collaterals given in favor of related parties for borrowings as of 31 December 2013 and 31 December 2012 are as follow:

31 December 2013	EUR	USD	INR	HUF	TL	Total TL
ÇHH	-	-	-	-	-	-
CGHH (2)	24.200.000	-	-	-	-	71.063.300
Celebi Nas (1)	-	-	91.080.000	-	-	3.144.082
Celebi Delhi Cargo (3)	-	-	2.624.840.000	-	-	90.609.477
Celebi Delhi GH (4)	-	-	1.354.039.100	-	-	46.741.430
Celebi Cargo GmbH (5)	9.500.000	-	-	-	-	27.896.750

31 December 2012	EUR	USD	INR	HUF	TL	Total TL
ÇHH	-	-	-	-	17.500.000	17.500.000
CGHH (2)	24.200.000	-	-	-	-	56.911.140
Celebi Nas (1)	-	-	91.080.000	-	-	2.979.227
Celebi Delhi Cargo (3)	-	-	2.094.840.000	-	-	68.522.216
Celebi Delhi GH (4)	-	-	1.353.656.700	-	-	44.278.110
Celebi Cargo GmbH (5)	7.500.000	-	-	-	-	17.637.750

(1) 15,3% shares of the Company in Celebi Nas, Joint-Venture of the Company, have been pledged in favor of the relevant bank for the financial obligations stipulated by the agreements, signed by the Celebi Nas and a bank, resident in India, comprise INR 387.400.000 as cash credit and INR 50.000.000 as non-cash credit for the long-term project finance and INR100.000.000 as cash working capital credit.

(2) CCGH signed an agreement for project re-financing of it's outstanding borrowings amounting to EUR 20.000.000 in cash and EUR 2.000.000 non cash, Fort he mentioned loan, the Group gave a guarantee amounting to EUR 24.200.000, The repayments to the loan balance is EUR 15.500.000 as of 31 December 2013.

(3) Celebi Delhi Cargo signed an agreement for bridge loan amounting to INR 2.465.000.000 and the Company gave a guarantee for full amount of borrowings to related banks. The Company gave corporate guarantee for amounting INR 720.000.000 of the loan to 30% the financial obligations stipulated in the agreements with relevant banks and all of the 74% shares of the Company in Celebi Delhi Cargo have been pledged in favor of these banks.

(4) The company has given guarantees for liabilities arised from the borrowing agreement signed for financing of long term projects with resident banks in India, which is amounted to INR 750.000.000 as cash, and amounted to INR 600.000.000 as non-cash, the company will pledge the shares amounting to all of the 74% shares of the company in Celebi Delhi Cargo which is corresponding to 23,9% of the total shares of company.

(5) For borrowing agreements which are EUR 9.500.000 amounted, between Celebi Cargo GmbH and some banks in Germany, Celebi Cargo GmbH has given guarantees and deposits as same amount as the borrowing amount, The repayments to the loan balance is EUR 9.500.000 as of 31 December 2013.

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

NOTE 30 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Key management compensation:

The Group has determined key management personnel as members of board of directors, general manager and vice general managers, Compensation amounts have been classified as follow:

	31 December 2013	31 December 2012
Short-term employee benefits	9.141.280	11.597.795
Post-employment benefits	7.554	118.072
	9.148.834	**11.715.867**

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 2013 and 2012 are as follows:

	31 December 2013	31 December 2012
Fixed interest rate financial instruments		
Financial Asset		
- Cash and Cash Equivalents	*50.341.859*	*24.620.534*
Financial Liabilities	161.524.366	76.391.724
Floating interest rate financial instruments		
Financial liabilities	165.971.949	216.591.988

NOTE 31 - FINANCIAL RISK MANAGEMENT

If other variables are kept constant, interest expense due to financial liabilities would have been either TL 189.412 higher or lower if the interest rates were 2% more or less at 31 December 2013. (31 December 2012: TL 268.071).

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

Maturity analysis of the bank borrowing based on re-pricing dates as of 31 December 2013 and 2012 are presented at Note 7.

Credit risk

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

Likidite riski

Cash flow generated through amount and term of borrowing back payments is managed by considering the amount of unreserved cash flow from its operations. Hence, on one hand it is possible to pay debts with the cash generated from operating activities when necessary and on the other hand sufficient and reliable sources of high quality loans are accessible. The Group has long-term financial liabilities amounted TL 236.222.341 as of 31 December 2013 (31 December 2012: TL 188.181.163) (Note 7).

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

NOTE 31 - FINANCIAL RISK MANAGEMENT (Continued)

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

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

31 December 2012	Carrying value	Total contractual cash outflow	Less than 3 months	3-12 months	1-5 years	Over 5 years
Non derivative financial liabilities						
Financial liabilities	292.859.266	347.331.157	9.940.834	114.111.050	208.280.233	14.999.040
Trade payables						
- Related party	2.843.442	2.843.442	2.843.442	-	-	-
- Other	25.999.630	25.999.630	25.999.630	-	-	-
Other liabilities	4.613.074	4.613.074	-	3.642.598	970.476	-

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

NOTE 31 - FINANCIAL RISK MANAGEMENT (Continued)

Currency risk

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

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

As of 31 December 2013, other things being constant, if the TL was to appreciate/depreciate by 10% against the USD, foreign exchange gains/losses resulting from trade receivables and payables, cash and cash equivalents and advances received and given would increase/decrease net income by TL 1.762.458 (31 December 2012: TL 116.114).

As of 31 December 2013, other things being constant, if the TL was to appreciate/depreciate by 10% against the Euro, foreign exchange gains/losses resulting from trade receivables and payables, cash and cash equivalents and advances received and given would increase/decrease net income by TL 20.104.521 (31 December 2012: TL 21.448.189).

As of 31 December 2013, other things being constant, if the TL was to appreciate/depreciate by 10% against the INR, foreign exchange gains/losses resulting from trade receivables and payables, cash and cash equivalents and advances received and given would increase/decrease net income by TL 10.009.522 (31 December 2012: TL 8.933.279).

As of 31 December 2013, other things being constant, if the TL was to appreciate/depreciate by 10% against the HUF, foreign exchange gains/losses resulting from trade receivables and payables, cash and cash equivalents and advances received and given would increase/decrease net income by TL 1.328.779 (31 December 2012: TL 274.310).

Foreign currency denominated assets and liabilities of the Group as of 31 December 2013 and 2012 are as follows:

	31 December 2013	**31 December 2012**
Assets denominated in foreign currency	167.159.103	119.425.813
Liabilities denominated in foreign currency (-)	(437.221.404)	(374.764.193)
Net balance sheet position	**(270.062.301)**	**(255.338.380)**

ÇELEBİ HAVA SERVİSİ A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 31 – FINANCIAL RISK MANAGEMENT (Continued)

The table below summarizes TL equivalent of the Group's foreign currency denominated assets and liabilities as of 31 December 2013 and 31 December 2012:

31 December 2013	TL Equivalent (Functional Currency)	US Dollar	Euro	Indian Rupee	Hungarian Forin	GBP/British Pound
1. Trade receivables	53.402.237	6.446.598	6.332.294	253.789.871	1.238.675.000	-
2. Monetary financial assets (Kasa Cash, Bank Accounts)	55.600.837	6.468.069	8.603.008	353.461.084	396.952.000	112.224
3. Other	20.490.543	167.990	1.079.052	390.727.523	350.348.000	-
4. Current Assets(1+2+3)	**129.493.617**	**13.082.657**	**16.014.354**	**997.978.478**	**1.985.975.000**	**112.224**
5. Other	37.665.486	-	6.359.730	550.119.873	-	-
6. Non-current assets (5)	**37.665.486**	**-**	**6.359.730**	**550.119.873**	**-**	**-**
7. Total assets (4+6)	**167.159.103**	**13.082.657**	**22.374.084**	**1.548.098.351**	**1.985.975.000**	**112.224**
8. Trade payables	47.026.988	4.587.094	4.289.928	634.462.341	252.967.000	65.019
9. . Financial liabilities	91.273.974	79.393	24.393.317	564.123.638	-	-
10. Other monetary liabilities	14.872.296	57.727	356.195	283.878.086	393.513.496	-
11. Current liabilities (8+9+10)	**153.173.258**	**4.724.214**	**29.039.440**	**1.482.464.065**	**646.480.496**	**65.019**
12. . Financial liabilities	236.222.341	98.662	61.388.818	1.614.817.564	-	-
13. Other monetary liabilities	47.825.805	2.000	410.055	1.350.446.421	-	-
14. Non-current liabilities (12+13)	**284.048.146**	**100.662**	**61.798.873**	**2.965.263.985**	**-**	**-**
15. Total liabilities (11+14)	**437.221.404**	**4.824.876**	**90.838.313**	**4.447.728.050**	**646.480.496**	**65.019**
16. Net foreign currency asset/(liability) position (7-15)	**(270.062.301)**	**8.257.781**	**(68.464.229)**	**(2.899.629.699)**	**1.339.494.504**	**47.205**
17. Net monetary foreign currency asset/(liability) Position (7-15)	**(270.062.301)**	**8.257.781**	**(68.464.229)**	**(2.899.629.699)**	**1.339.494.504**	**47.205**

ÇELEBİ HAVA SERVİSİ A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 31 – FINANCIAL RISK MANAGEMENT (Continued)

31 December 2012	TL Equivalent (Functional Currency)	US Dollar	Euro	Indian Rupee	Hungarian Forin	GBP/British Pound
1. Trade receivables	43.938.847	902.869	13.912.294	252.710.885	165.724.015	-
2. Monetary financial assets (Kasa Cash, Bank Accounts)	38.587.525	3.625.930	5.560.008	479.942.643	412.284.631	625
3. Other	15.655.110	-	299.614	332.902.778	500.154.763	-
. Current Assets(1+2+3)	**98.181.482**	**4.528.799**	**19.771.916**	**1.065.556.306**	**1.078.163.409**	**625**
5. Other	21.244.331	-	-	649.475.115		
6. Non-current assets (5)	**21.244.331**	**-**	**-**	**649.475.115**	**-**	**-**
7. Total assets (4+6)	**119.425.813**	**4.528.799**	**19.771.916**	**1.715.031.420**	**1.078.163.409**	**625**
8. Trade payables	19.766.281	1.306.026	3.084.786	240.105.061	262.436.049	69.266
9. . Financial liabilities	104.802.549	2.094.241	35.319.974	550.515.836	-	-
10. Other monetary liabilities	28.379.493	-	474.410	699.647.686	539.205.326	-
11. Current liabilities (8+9+10)	**152.948.323**	**3.400.267**	**38.879.170**	**1.490.268.583**	**801.641.375**	**69.266**
12. . Financial liabilities	188.181.163	172.570	53.762.484	1.878.334.026	-	-
13. Other monetary liabilities	33.634.706	1.500.000	170.239	934.284.738	-	-
14. Non-current liabilities (12+13)	**221.815.869**	**1.672.570**	**53.932.723**	**2.812.618.764**	**-**	**-**
15. Total liabilities (11+14)	**374.764.192**	**5.072.837**	**92.811.893**	**4.302.887.347**	**801.641.375**	**69.266**
16. Net foreign currency asset/(liability) position (7-15)	**(255.338.379)**	**(544.038)**	**(73.039.977)**	**(2.587.855.927)**	**276.522.034**	**(68.641)**
17. Net monetary foreign currency asset/(liability) Position (7-15)	**(255.338.379)**	**(544.038)**	**(73.039.977)**	**(2.587.855.927)**	**276.522.034**	**(68.641)**

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

NOTE 31 – FINANCIAL RISK MANAGEMENT (Continued)

The table below summarizes TL equivalent of export and import amounts for the years ended 31 December 2013 and 2012:

	31 December 2013	31 December 2012
Total export amount	-	893.472
Total import amount	9.848.239	14.069.365

Capital risk management

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

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

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

The ratio of net debt/ (equity +net debt) at 31 December 2013 and 2012 is as follows:

	31 December 2013	31 December 2012
Total financial liabilities	327.496.315	292.983.712
Less: Cash and cash equivalents	(60.306.285)	(46.417.682)
Less: Current assets	(5.111.722)	(4.144.684)
Less: Long term receivables	-	(2.041.226)
Net debt	262.078.308	240.380.120
Equity	46.841.298	64.074.156
Equity + net debt	308.919.606	304.454.276
Net debt / (Equity + net debt) ratio	0,85	0,79

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

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).

The Group's assets and liabilities quantified as fair values at 30 December 2013 and 31 December 2012 are as below:

31 December 2013	Level 1	Level 2	Level 3	Total
Assets				
Available for sale financial assets (Note 5)	-	-	1.458.860	**1.458.860**
Total assets	-	-	1.458.860	**1.458.860**

31 December 2013	Level 1	Level 2	Level 3	Total
Liabilities				
Derivative Financial Instruments (Note 7)	-	2.380.650	-	**2.380.650**
Total liabilities	-	2.380.650	-	**2.380.650**

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

NOTE 32 - FINANCIAL INSTRUMENTS (Continued)

31 December 2012	Level 1	Level 2	Level 3	Total
Assets				
Available for sale financial assets (Note 5)	-	-	1.383.442	**1.383.442**
Total assets	-	-	1.383.442	**1.383.442**

31 December 2012	Seviye 1	Seviye 2	Seviye 3	Toplam
Liabilities				
Derivative Financial Instruments (Not 7)	-	124.446	-	124.446
Total liabilities	-	**124.446**	-	**124.446**

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

NOTE 33 - DISCLOSURE OF OTHER MATTERS REQUIRED FOR THE PURPOSE OF UNDERSTANDING AND INTERPRETING THE CONSOLIDATED FINANCIAL STATEMENTS

The cargo building of the Company located at Ataturk Airport ("AHL") Terminal C in which the Company carries out cargo - warehouse operations was damaged by a fire that broke out on 24 May 2006.

As a result of the fire, goods belonging to third parties were also damaged in addition to the damage to property, plant and equipment and leasehold improvements of the Company. As of 31 December 2013 some of the owners of the goods have applied to the Company and its insurance company for compensation of their losses by filing lawsuits against the Company and via enforcement proceedings.

The Company has litigations and execution proceedings amounting to a total of TL 15.821.307 for lawsuits filed against the company regarding the fire; TL 9.963.220 for which the Company is a side as a defendant jointly along with other defendants ((DHMİ, Other Warehouse Operators, Insurance Companies) and TL 5.858.087 for which it is a side as an individual defendant.

The Company has an insurance policy regarding these commodities amounting to USD 1.500.000 which has been recorded as revenue and the whole amount of which has been collected.

For the purpose of compensating legal claims related to the fire that broke out on 24 May 2006, the company management has decided to use another insurance policy amounting to USD 10.000.000 in a special fund created in conjunction with the DHMI and other warehouse management company in accordance with the Sharing Agreement signed with same parties. The Sharing Agreement mentioned was established in order to deal with the consequences of legal cases and enforcement proceedings in which the Company is a co-defendant along with the DHMI and other warehouse management company.

NOTE 33 - DISCLOSURE OF OTHER MATTERS REQUIRED FOR THE PURPOSE OF UNDERSTANDING AND INTERPRETING THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of the date of issuance of the Report, 217 lawsuits with value of TL 89.261.267 (USD 41.822.268) to which the Fund Companies have been a side and which has an invoice value of TL 53.297.959 (USD 24.972.103) has been settled amicably and 209 of these 217 lawsuits with a value of TL 85.935.062 (USD 40.263.816) has been paid to the claimants as TL 52.990.760 (USD 24.828.169). The amount that has been agreed on of these remaining 8 lawsuits that have been settled amicably is USD 143.934 and the claim value is USD 1.558.452; and it is projected that these 8 lawsuits will result in payment in the near future.

Discussions on the 16 claims between the other claimants and the fund, which have not yet been reconciled are ongoing. The invoice value of these claims are USD 4.344.017 and it is projected that the remaining balance of USD 15 million after the payment of the agreed amounts pertaining to the 8 lawsuits mentioned above will be sufficient to liquidate all of the claims which have been directed at all sides of the fund, but the reconciliation discussions of which have not yet been concluded.

In view of the foregoing, the Company believes that all legal claims faced may be settled as part of the insurance policy collected and the fund formed. Since there are no further development which adversely affects the matters disclosed in past, the Company has not booked any provision in consolidated financial statements as of 31 December 2013.

NOTE 34 - SUBSEQUENT EVENTS

a- The indicative USD and Euro exchange rates determined by the Central Bank of the Republic of Turkey (CBRT) on March 7, 2014 at 15:30 are 2,1873 and 3,0381 respectively. As of December 31, 2013, the USD and Euro exchange rates are 2,1343 and 2,9365.

b- The Board of Directors of the Company has decided that the equity amounting to INR 7400.000.000 needed for the financing of the operations of Çelebi GH Delhi and the realization of planned investments, shall be provided through a capital increase within the goveming legislation in India; that the Company shall participate in this capital amounting to INR 400.000.000 increased by cash by paying INR 296.000.000 (approximately USD 4,8 million), which corresponds to the 74% shareholding that, in this regard, all necessary procedures shall be performed by the Company shall be performed in accordance with the goveming legislation in India. The payments to be made for participation in the capital increase are projected to be completed by April 5, 2014.

c- Within the frame of the Company's strategic plan towards growing in the air cargo industry overseas, a "share purchase and sale agreement" was signed on February 18, 2014 between Celebi Cargo GmBH, a subsidiary of Çelebi Kargo Depolama ve Dağıtım Hizmetleri A.Ş. registered in 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 the whole of the shares of Aviapartner Cargo GmbH, 100% of the capital of which is owned by Aviapartner GmBH for a price of EUR 4,6 million to Celebi Cargo GmBH.

The closing procedures set out in the "share purchase and sale agreement" regarding the acquisition of the whole of the shares of Aviapartner Cargo GmbH were completed on February 28, 2014 and the share transfer was completed.

NOTE 34 - SUBSEQUENT EVENTS (Continued)

d- Since the Board of Directors of the Company decided on February 20, 2014 to increase Çelebi Kargo's paid-in capital of TL 20.000.000 to TL 30.000.000, it was decided that the Company shall participate in the cash capital increase of TL 10.000.000 by using its preferential rights corresponding to its shares in the Company's equity at the rate of 99,97% and that this amount shall be paid in accordance with the provisions of the Main Agreement of the Company being participated in and the resolutions of the Board of Directors. The amount corresponding to the part amounting to TL 7.500.000 of the payments to be made was effectuated on February 20, 2014 and the payment of the remaining part is projected to be completed within 3 years from the date of registry.

The equity to be provided to Çelebi Kargo through capital increase is projected to be used in the operating capital needs of Celebi Cargo, 100% of the shares of which is owned by Çelebi Kargo and in the financing of the acquisition of the shares of Aviapartner Cargo GmbH by Celebi Cargo which was mentioned in the material disclosure dated February 19, 2014.

e- With the resolution taken on February 25, 2014, the Board of Directors of Çelebi Havacılık Holding A.Ş. decided that the shares of subsidiary Çelebi Hava Servisi A.Ş. traded at Borsa Istanbul shall be acquired depending on the market conditions, in favorable periods, by December 31, 2014, and that the acquired shares shall not be sold except for purchase requests from international corporate investors and shall be kept in the assets of the company for a minimum of 2 years.