

ÇELEBİ HAVA SERVİSİ A.Ş.

**January 1 - June 30, 2013 condensed interim
consolidated financial statements together
with review report**

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

(Convenience translation into English of condensed interim consolidated financial statements originally issued in Turkish. See Note 2)

**Condensed interim consolidated financial statements
for the period of January 1 - June 30, 2013**

To the Board of Director of Çelebi Hava Servisi Anonim Şirketi

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of Çelebi Hava Servisi A.Ş. ("the Company"), its subsidiaries and joint ventures (collectively referred to as "the Group") as of June 30, 2013 and related condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in shareholder's equity and condensed interim consolidated statement of cash flow and footnotes for the six month period then ended. The Company management is responsible for the preparation and presentation of those condensed interim consolidated financial statements in accordance with Turkish Accounting Standard No 34 (TAS 34 - Interim Financial Reporting) issued by Public Oversight Accounting and Auditing Standards Authority of Turkey. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with standards on auditing issued by Capital Markets Board of Turkey (CMB). A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with standards on auditing issued by CMB and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

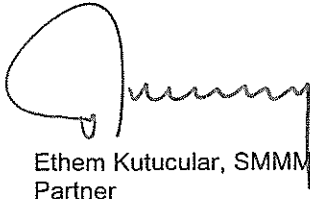
Conclusion

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

Other matter

As explained in Note 28 to the condensed interim consolidated financial statements, the Cargo building of Çelebi Hava Servisi A.Ş. (the "Company") located in Atatürk Airport Terminal C in which the Company carries out its cargo-warehouse operations was damaged due to a fire broke out on 24 May 2006. The Company granted its approval for utilization of its insurance policy amounting to USD 10.000.000 in the fund established by the Company. Consequently, no provision has been accounted for the accompanying condensed interim consolidated financial statements as of June 30, 2013.

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



Ethem Kutucular, SMMM
Partner

23 August 2013
Istanbul, Turkey

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH**

ÇELEBİ HAVA SERVİSİ A.Ş.

**Condensed interim consolidated statement of financial positions
as at June 30, 2013**

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

Table of contents	Page
Condensed interim consolidated statement of financial position	1-2
Condensed interim consolidated statements of income.....	3
Condensed interim consolidated statements of other comprehensive income.....	4
Condensed interim consolidated statements of changes in shareholder's equity	5-6
Condensed interim consolidated statements of cash flows	7
Notes to the condensed interim consolidated financial statements	8-73
NOTE 1 ORGANIZATION OF THE GROUP AND NATURE OF OPERATIONS	8-10
NOTE 2 BASIS OF PRESENTATION OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS.....	11-26
NOTE 3 SEGMENT REPORTING.....	26-32
NOTE 4 CASH AND CASH EQUIVALENTS	33
NOTE 5 FINANCIAL INVESTMENTS.....	33
NOTE 6 EQUITY ACCOUNTED INVESTEEES	34
NOTE 7 SHORT TERM AND LONG TERM FINANCIAL LIABILITIES	35-38
NOTE 8 TRADE RECEIVABLES AND PAYABLES.....	38-39
NOTE 9 OTHER RECEIVABLES AND PAYABLES	39-40
NOTE 10 PROPERTY, PLANT AND EQUIPMENT	41-42
NOTE 11 INTANGIBLE ASSETS	43-47
NOTE 12 PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES.....	47-51
NOTE 13 OTHER ASSETS AND LIABILITIES.....	52-53
NOTE 14 PREPAID EXPENSES	53
NOTE 15 DEFERRED INCOME	54
NOTE 16 LIABILITIES FOR EMPLOYEE BENEFITS	54
NOTE 17 EQUITY	55-56
NOTE 18 SALES AND COST OF SALES.....	57
NOTE 19 EXPENSES BY NATURE	57
NOTE 20 GENERAL ADMINISTRATIVE EXPENSES.....	58
NOTE 21 FINANCIAL INCOME.....	58
NOTE 22 FINANCIAL EXPENSES.....	58
NOTE 23 TAX ASSETS AND LIABILITIES.....	59-62
NOTE 24 EARNINGS PER SHARE	63
NOTE 25 TRANSACTIONS AND BALANCES WITH RELATED PARTIES.....	64-66
NOTE 26 FINANCIAL RISK MANAGEMENT	67-70
NOTE 27 FINANCIAL INSTRUMENTS	71-72
NOTE 28 DISCLOSURE OF OTHER MATTERS REQUIRED FOR THE PURPOSE OF UNDERSTANDING AND INTERPRETING THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS.....	72-73
NOTE 29 SUBSEQUENT EVENTS	73

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH**

ÇELEBİ HAVA SERVİSİ A.Ş.

**Condensed interim consolidated statement of financial positions
as at June 30, 2013**

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

	Notes	<i>Reviewed</i> June 30, 2013	<i>Restated(*) Audited</i> December 31, 2012
ASSETS			
Current assets			
Cash and cash equivalents	4	52.735.580	46.417.682
Trade receivables		74.412.607	52.447.810
-Due from third parties	8	65.076.667	43.831.020
-Due from related parties	8	9.335.940	8.616.790
Other receivables		7.928.216	8.751.236
-Other receivables from third parties	9	7.928.216	8.751.236
Inventories		8.996.571	8.301.002
Prepaid expenses	14	12.468.443	6.874.667
Assets related to current year tax		56.522	2.112.032
Other current assets	13	9.978.191	9.829.547
Total current assets		166.576.130	134.733.976
Non-current assets			
Financial investments	5	1.370.525	1.383.442
Investments accounted by equity method	6	10.565.087	10.026.878
Other long-term receivables		10.277.209	10.367.489
-Due from third parties	9	10.277.209	10.367.489
Property, plant and equipment	10	136.654.074	142.341.126
Intangible assets		125.905.018	131.152.167
- Other intangible assets	11	105.041.062	111.269.519
- Goodwill	11	20.863.956	19.882.648
Prepaid expenses	14	22.906.363	26.602.822
Deferred tax asset	23	16.459.671	15.554.815
Other non-current assets	13	5.849.533	4.389.900
Total non-current assets		329.987.480	341.818.639
Total assets		496.563.610	476.552.615

(*)Please refer to note 2.2

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

ÇELEBİ HAVA SERVİSİ A.Ş.

**Condensed interim consolidated statement of financial positions
as at June 30, 2013**

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

	<i>Notes</i>	<i>Reviewed June 30, 2013</i>	<i>Restated (*) Audited December 31, 2012</i>
LIABILITIES			
Current liabilities			
Short-term financial liabilities	7	4.780.795	5.425.393
Current portion of long term financial liabilities	7	105.095.507	99.377.156
Trade payables		34.344.668	28.843.072
-Due to third parties	8	30.561.981	25.999.630
-Due to related parties	8	3.782.687	2.843.442
Liabilities for employee benefits	16	16.459.051	12.072.307
Other payables	9	6.008.594	3.642.598
- Due to third parties		6.008.594	3.642.598
Deferred income	15	11.424.828	18.773.139
Provisions		4.266.047	3.755.212
- Provisions for employee benefits	12	-	228.922
- Other provisions	12	4.266.047	3.526.290
Current tax liabilities	23	1.155.299	-
Other current liabilities	13	2.744.335	4.282.250
Total current liabilities		186.279.124	176.171.127
Non-Current Liabilities			
Long-term financial liabilities	7	220.536.938	188.181.163
Deferred income	15	3.293.395	3.080.744
Other non-current payables	9	3.776.268	970.476
Deferred income tax liabilities	23	5.784.532	5.628.521
Provisions		8.100.501	7.750.206
-Provisions for employee benefits	12	8.100.501	7.750.206
Other non-current liabilities	13	35.754.375	30.696.222
Total non-current liabilities		277.246.009	236.307.332
Total liabilities		463.525.133	412.478.459
EQUITY			
Equity attributable to equity holders of the parent		25.611.487	55.975.098
Share Capital	17	24.300.000	24.300.000
Items that will not be reclassified to profit or loss		507	362.943
- Actuarial gain/(loss) arising from defined benefit plans		507	362.943
Items that maybe reclassified subsequently to profit or loss		714.774	1.141.212
- Foreign currency translation differences		714.774	1.141.212
Restricted reserves	17	28.274.456	26.573.456
Retained earnings		(17.183.147)	(17.386.979)
Net profit/ (loss) for the year		(10.495.103)	20.984.466
Non-controlling interest		7.426.990	8.099.058
Total equity		33.038.477	64.074.156
Total liabilities and equity		496.563.610	476.552.615

Contingent assets and liabilities

(*)Please refer to note 2.2

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

ÇELEBİ HAVA SERVİSİ A.Ş.

**Condensed interim consolidated statement of income
for the six month period ended June 30, 2013**

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

	Notes	Reviewed January 1 - June 30, 2013	April 1 - June 30, 2013	Restated (*) Reviewed January 1 - June 30, 2012	Restated (*) 1 April - June 30, 2012
CONTINUING OPERATIONS					
Revenue (net)	18	232.587.816	130.395.698	237.461.398	130.924.575
Cost of sales (-)	18	(183.232.828)	(95.502.975)	(182.080.497)	(92.180.381)
GROSS PROFIT	18	49.354.988	34.892.723	55.380.901	38.744.194
General administrative expenses (-)	20	(41.016.315)	(21.719.990)	(41.681.270)	(21.571.313)
Other operating income		4.399.744	3.052.348	2.768.180	1.528.766
Other operating expenses (-)		(3.221.558)	(2.084.942)	(3.403.499)	(2.672.077)
Income from investments accounted by Equity method	6	593.684	515.959	(556.385)	(11.134)
OPERATING PROFIT		10.110.543	14.656.098	12.507.927	16.018.436
Income from investment activities		189.412	29.269	268.049	132.110
Expense from investment activities (-)		(398.905)	(349.946)	(32)	(32)
Operating profit/(loss) before financial income/(expense)		9.901.050	14.335.421	12.775.944	16.150.514
Financial income	21	5.265.026	2.134.136	17.220.504	8.302.260
Financial expense (-)	22	(25.837.603)	(17.893.373)	(16.864.071)	(8.128.314)
INCOME BEFORE TAX		(10.671.527)	(1.423.816)	13.132.377	16.324.460
*					
Income tax expense		(1.288.861)	(107.099)	(3.780.488)	(3.986.240)
Current tax expense	23	(2.232.142)	(764.382)	(5.454.849)	(4.762.682)
Deferred tax income/(expense)	23	943.281	657.283	1.674.361	776.442
NET INCOME/ (EXPENSE)		(11.960.388)	(1.530.915)	9.351.889	12.338.220
Attributable to:					
Non-controlling interest		(1.465.285)	(793.473)	(1.829.743)	(901.952)
Equity holder of the parent		(10.495.103)	(737.442)	11.181.632	13.240.172
		(11.960.388)	(1.530.915)	9.351.889	12.338.220
Earnings per share (full TL)	24	(0,004)	(0,0003)	0,005	0,005

(*)Please refer to note 2.2

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH**

ÇELEBİ HAVA SERVİSİ A.Ş.

**Condensed interim consolidated statement of other comprehensive income
for the six month period ended June 30, 2013**

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

	Notes	Reviewed January 1 - June 30, 2013	April 1 - June 30, 2013	Restated(*) Reviewed January 1 - June 30, 2012	Restated (*) April 1 - June 30, 2012
Net profit for the period		(11.960.388)	(1.530.915)	9.351.889	12.338.220
Other comprehensive income/ (expense):					
Items that may be reclassified subsequently to profit or loss					
- Currency translation differences		(492.408)	(542.873)	(4.768.812)	(4.979.462)
Items that will not be reclassified to profit or loss					
-Actuarial gain/(loss) arising from defined benefit plans		(357.881)	372.673	133.349	233.428
Other comprehensive income/(expense)		(850.289)	(170.200)	(4.635.463)	(4.746.034)
Total comprehensive income/(expense)		(12.810.677)	(1.701.115)	4.716.426	7.592.186
Total comprehensive income attributable to:					
Non-controlling interest		(1.526.700)	(1.015.552)	(2.749.971)	(1.705.983)
Equity holders of the parent		(11.283.977)	(685.563)	7.466.397	9.298.169

(*) Please refer to note 2.2.

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

ÇELEBİ HAVA SERVİSİ A.Ş.

**Condensed interim consolidated statement of changes in shareholder's equity
for the six month period ended June 30, 2013**

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

	Items that may be reclassified subsequently to profit or loss			Items that will not be reclassified to profit or loss		Retained earnings		Equity attributable to equity holders of the parent		Non-controlling interest	Total equity
	Notes	Share capital	Restricted reserves	Cumulative translation differences	Actuarial gain/(loss) arising from defined benefit plans	Retained earnings	Net profit for the year				
Balances at January 1 2012 (Previously reported)		24.300.000	26.573.456	4.380.047	-	(23.472.276)	7.623.634	39.404.861	11.077.361	50.482.222	
Effect of Adjustments- IAS 19 (Note 2.2)		-	-	-	243.628	(137.128)	(106.500)	-	-	-	-
Balances at January 1 2012 (restated)		24.300.000	26.573.456	4.380.047	243.628	(23.609.404)	7.517.134	39.404.861	11.077.361	50.482.222	
Transfers to retained earnings		-	-	-	-	7.517.134	(7.517.134)	-	-	-	-
Transactions related to non-controlling interests		-	-	-	-	(731.250)	-	(731.250)	731.250	-	-
Other comprehensive income		-	-	-	-	-	-	-	-	-	-
-Change in foreign currency translation differences		-	-	(3.848.584)	-	-	-	(3.848.584)	(920.228)	(4.768.812)	
-Change in Actuarial gain/(loss) arising from defined benefit plans		-	-	-	133.349	-	-	133.349	-	133.349	
Total other comprehensive income		-	-	(3.848.584)	133.349	-	-	(3.715.235)	(920.228)	(4.635.463)	
Net income for the period		-	-	-	-	-	11.181.632	11.181.632	(1.829.743)	9.351.889	
Total comprehensive income/ (expense)		-	-	(3.848.584)	133.349	-	11.181.632	7.466.397	(2.749.971)	4.716.426	
Balances at June 30, 2012		24.300.000	26.573.456	531.463	376.977	(16.823.520)	11.181.632	46.140.008	9.058.640	55.198.648	

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

ÇELEBİ HAVA SERVİSİ A.Ş.

**Condensed interim consolidated statement of changes in shareholder's equity
for the six month period ended June 30, 2013**

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

	Items that may be reclassified subsequently to profit or loss				Retained earnings		Equity	
	Notes	Capital	Restricted reserves	Cumulative translation differences	Items that will not be reclassified to profit or loss	Net profit for the period	attributable to equity holders of the parent	Non-controlling interests
Balances at January 1 2013 (Previously reported)		24,300,000	26,573,456	1,141,212	-	21,103,781	55,975,098	8,099,058
Effect of Adjustments- IAS 19(Note2.2)		-	-	-	362,943	(243,628)	-	-
Balances at January 1 2013 (Restated)		24,300,000	26,573,456	1,141,212	362,943	20,984,466	55,975,098	8,099,058
Transfers to retained earnings	17	-	1,701,000	-	-	19,283,466	(20,984,466)	-
Transactions related to non-controlling interests		-	-	-	-	(854,632)	(854,632)	854,632
Dividends paid	17	-	-	-	-	(18,225,002)	(18,225,002)	-
Other comprehensive income		-	-	-	-	-	-	-
-Change in foreign currency translation differences		-	-	(426,438)	-	-	(426,438)	(65,970)
-Change in Actuarial gain/(loss) arising from defined benefit plans		-	-	-	(362,436)	-	(362,436)	4,555
Total other comprehensive income		-	-	(426,438)	(362,436)	-	(788,874)	(61,415)
Net income for the period		-	-	-	-	(10,495,103)	(10,495,103)	(1,465,285)
Total comprehensive income/(expense)		-	-	(426,438)	(362,436)	(10,495,103)	(11,283,977)	(1,526,700)
Balances at June 30, 2013		24,300,000	28,274,456	714,774	507	(17,183,147)	25,611,487	7,426,990
								33,038,477

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

ÇELEBİ HAVA SERVİSİ A.Ş.

**Condensed interim consolidated statement of cash flows
for the six month period ended June 30, 2013**

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

		Reviewed	Restated (*)
		January 1–	January 1–
		June 30,	June 30,
	Notes	2013	2012
A. Cash flows from operating activities		8.581.118	2.456.523
Profit/(loss) before taxation		(10.671.527)	13.132.377
Adjustment for reconciliation of profit/(loss) before taxation		32.084.353	31.046.705
- Adjustment for depreciation and amortisation expense	10,11	16.895.717	15.449.539
- Adjustment for provisions	12	6.270.920	5.443.397
- Adjustment for interest income and expense	21,22	8.708.223	10.421.786
- Adjustment for (profit) on sales of property, plant and equipment, net		209.493	(268.017)
Changes in working capital		(12.831.708)	(41.722.559)
- Adjustment for increase/decrease in inventories		(695.568)	(1.498.837)
- Adjustment for increase/decrease in trade receivables		(22.171.586)	(29.477.337)
- Adjustment for increase/decrease in other receivables related with operations		913.300	(9.792.290)
- Adjustment for increase/decrease in trade payables		5.651.988	(9.163.313)
- Adjustment for increase/decrease in other payables related with operations		3.470.158	8.398.195
- Adjustment for increase/decrease in working capital		-	(188.977)
Cash flows from activities		8.581.118	2.456.523
- Tax payments/returns		(56.522)	(3.780.488)
- Other cash inflow/outflow		(4.596.472)	(3.141.438)
B. Cash flows from investing activities		(5.070.180)	(20.323.007)
Cash inflows from the sale of property, plant and equipment and intangible assets	10,11	1.869.469	974.397
Cash outflows from the sale of property, plant and equipment and intangible assets	10,11	(6.648.569)	(20.432.746)
Interest received		1.215.524	1.478.859
Cash outflow from the sale of other long-term assets		(1.506.604)	(2.343.517)
C. Cash flows from financing activities		8.591.172	(29.710.482)
Cash inflows from financial liabilities		37.429.528	(19.711.898)
Dividends paid	17	(18.225.002)	-
Interest paid		(10.613.354)	(9.998.584)
Net (decrease)/ increase in cash and cash equivalents		9.614.693	21.422.464
D. Impact of foreign currency translation differences on cash and cash equivalents		(1.131.224)	9.062.424
Net increase/decrease in cash and cash equivalents		15.932.585	(24.014.004)
E. Cash and cash equivalents at beginning of period		32.519.076	68.025.683
Cash and cash equivalents at end of period	4	48.451.661	44.011.679

(*) Please refer to note 2.2.

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

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS OF THE GROUP

Çelebi Hava Servisi A.Ş. (collectively referred to as the "Company" or "Çelebi Hava") established in 1958 was the first private ground handling service company in the Turkish aviation sector. The company is continuing its operations under Çelebi Holding. The Company provides ground handling services (representation, traffic, ramp, cargo, flight operations and aircraft maintenance etc) and fuel supplies to domestic and foreign airlines and private cargo companies. The Company operates in Istanbul Ataturk, Izmir, Ankara, Adana, Antalya, Dalaman, Bodrum, Corlu, Bursa Yenisehir, Diyarbakir, Erzurum, Kayseri, Samsun, Trabzon, Van, Malatya, Kars, Mardin, Denizli, Hatay, Kahramanmaraş, Isparta, Erzincan, Çanakkale and Balıkesir Edremit airports, which are under the control of the State Airports Administration ("DHMP") and Istanbul Sabiha Gokcen airport which is under the control of the Airport Administration and Aviation Industries A.Ş. ("HEAS"). The company is 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 Umraniye / Istanbul

The Company has consolidated Çelebi IC Antalya Havalimanı Terminal Yatırım ve İşletme A.Ş. in Liquidation ("Çelebi IC Yatırım") with 49,99% of shares using equity method as of June 30, 2013. The other main shareholder of Çelebi IC Yatırım is İctas İnşaat Sanayi ve Ticaret A.Ş. with 49,99% of shares. The capital of Çelebi IC Yatırım has been decreased from TL 44.004.280 to TL 50.000 according to the general assembly resolution dated 22 July 2010.

The Company has also consolidated Çelebi Güvenlik Sistemleri ve Danışmanlık A.Ş. ("Çelebi Güvenlik") in which it holds 94,8% of shares. Çelebi Güvenlik maintains security at the Terminal and provides security services to the airline companies.

The Company has also participated in a tender offer as of 7 August 2006 called by the Budapest Airport Budapest Ferihegy Nemzetközi Repülőtér Üzemeltető Zártkörűen Működő Részvénytársaság ("Ba Zrt") company resident in Budapest, Hungary for the acquisition of the Budapest Airport Handling Kereskedelmi és Szolgáltatató Korlátolt Felelősségű Társaság ("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 August 2006 and participates in the Çelebi Tanácsadó Korlátolt Felelősségű Társaság ("Çelebi Kft") company that was founded on 22 September 2006 as founding shareholder for the realization of the abovementioned share transfer. Çelebi Kft acquired all the shares of BAGH on 26 October 2006 and the trade name of BAGH has been changed to Çelebi Ground Handling Hungary Foldi Kiszolgáltató Korlátolt Felelősségű Társaság ("CGHH"). Çelebi 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 Çelebi 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.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH**

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

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 condensed interim consolidated financial statements. As of June 30 2013, total paid in capital of CGHH is 200.000.000 HUF.

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 INR 552.000.000 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 INR 100.000 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 INR 720.000.000.

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 INR15.300.000 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 INR 1.008.176.000 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 INR 250.000.000 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 EUR 10.000 as a founding partner for the purpose of investing business in foreign countries, especially those in the European Union such as Troy Airport Services located in Poland of which the company owns %100 Shares but Celebi Europe has not started its operations yet.

The Company acquired shares of Çelebi Kargo Depolama ve Dağıtım Hizmetleri A.Ş. ("Çelebi Kargo"), owning TL 150.000 paid capital, having a nominal value of TL 144.000 from Çelebi Holding A.Ş., with cash amounted to TL 146.880 (1 TL nominal value: 1,02 TL) as of 20 August 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 EUR 7.500.000 paid capital, established in November 2009 located in Frankfurt, Germany. As of June 30, 2013.the capital of Çelebi Cargo has been increased to TL 18.000.000 was and totally paid.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH

ÇELEBİ HAVA SERVİSİ A.Ş.

Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013

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

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

As of June 30, 2013, the condensed interim consolidated financial statements of the Company include the Company, Çelebi IC Yatırım, CGHH, Çelebi Guvenlik, Celebi Nas, Celebi Delhi Cargo, Celebi GH Delhi, Çelebi Kargo and Celebi Cargo (collectively, referred to as the "Group").

These condensed interim consolidated financial statements for the period January 1 – 30 June 2013 have been approved for issue by the Board of Directors on 23 August 2013 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 condensed interim 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:

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

Investments Accounted by Equity Method:

<u>Investments Accounted by Equity Method</u>	<u>Country of incorporation</u>	<u>Geographical segment</u>	<u>Nature of business</u>
Çelebi IC Antalya Havalimanı Termianal Yatırım ve İşletme A.Ş. In Liquidation	Turkey	Turkey	Airport terminal construction and operating (inactive)
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:

<u>Affiliates</u>	<u>Country of incorporation</u>	<u>Geographical segment</u>	<u>Nature of business</u>
DASPL	India	India	Ground handling services

As of June 30, 2013 average number of personnel is 10.655 (December 31, 2012: 11.118).

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH**

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

**NOTE 2– BASIS OF PRESENTATION OF CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

2.1. Basis of presentation

2.1.1 Financial reporting standards

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

The Company has prepared its financial statements for the interim period ended June 30, 2013 in accordance with Turkish Accounting Standard, No 34 Interim Financial Reporting. With the decision taken on March 17, 2005, the CMB announced that, effective from January 1, 2005, the application of inflation accounting is no longer required for listed companies in Turkey.

The Company's financial statements have been prepared in accordance with this decision. The interim condensed 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 condensed interim 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 condensed interim 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

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 condensed interim consolidated financial statements are presented in TL, which are the functional currency of the Company and the presentation currency of the Group. The currency of subsidiaries has shown below (June 30, 2013).

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

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

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

<u>Company</u>	<u>Currency</u>
Çelebi Güvenlik	Turkish Lira (TL)
CGHH	Hungarian Forint (HUF)
Celebi Delhi Cargo	Indian Rupee (INR)
Celebi NAS	Indian Rupee (INR)
Çelebi Kargo	Turkish Lira (TL)
Celebi Cargo GmbH	Euro (EUR)
Celebi IC Antalya Havalimanı	
Terminal Yatırım ve İşletme A.Ş.	
in Liquidation	Turkish Lira (TL)

Going Concern

The Group prepared condensed interim 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 condensed interim consolidated financial statements as at June 30, 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 January 1 2013. The effects of these standards and interpretations on the Company's financial position and performance have been disclosed in the related paragraphs

The new standards, amendments and interpretations which are effective as at January 1 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;

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

New disclosures have to be provided for all the financial instruments in the statement of financial position that have been offset according to TAS 32. Such disclosures are applicable to financial instruments in the statement of financial position that have not been offset according to TAS 32 but are available for offsetting according to main applicable offsetting regulations or other financial instruments that are subject to a similar agreement. The amendment affects disclosures only and did not have any impact on the condensed interim consolidated financial statements of the Group.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH**

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

**NOTE 2 – BASIS OF PRESENTATION OF CONDENSED INTERIM 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 may be reclassified (or 'recycled') to profit or loss at a future point in time would be presented separately from items that will not be reclassified to profit or loss. 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, for determined benefit plans recognizing actuarial gain/(loss) under other comprehensive income 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, disclosed the retrospective effect of the changes for the period ended June 30, 2013. Additionally, based on the amendment in the presentation of short term employee benefits, vacation pay liability previously presented in the short term provisions has been reclassified to long term provision for employee benefits.

TAS 27 Separate Financial Statements (Amended)

As a consequential amendment to TFRS 10 and TFRS 12, the POA 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 POA 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 is in the process of assessing the impact of the new standard on the financial position and performance of the Group. The effects of this standard on the Group's financial position or performance is indicated in Note 2.2.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH**

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

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

TFRS 10 Consolidated Financial Statements

TFRS 10, replaces the parts of previously existing 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 standard has no significant impact on the financial position or performance.

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 June 30, 2013 and accounted according to equity method. Additionally, the Group restated its comparative financial statements according to this standard

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. Apart from the disclosures regarding the significant issues and transactions in the interim period, disclosures according to the new standards are not applicable to interim periods so the Group did not provide this disclosure in the interim period.

TFRS 13 Fair Value Measurement

The new Standard provides guidance on how to measure fair value underTFRS 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. Some of the disclosures about the financial instruments mentioned above, have to be provided in the condensed interim consolidated financial statements according to TAS 34.16 A (j). The Group is in the process of assessing the impact of the new standard on the financial position and performance of the Group (Note 27).

TFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

Entities will be required to apply its requirements for production phase stripping costs incurred from the start of the earliest comparative period presented. The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. The interpretation is not applicable for the Group and did not have any impact on the financial position or performance of the Group

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH**

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

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

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 POA has also amended application guidance of TFRS 11 Joint Arrangements and TFRS 12 Disclosure of Interests in Other Entities to provide transition relief. The Group has reflected the effects of the Standard on its financial position and performance to financial statements.

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 January 1 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 Interim 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 condensed interim consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the condensed interim consolidated financial statements and disclosures, after the new standards and interpretations become in effect.

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

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

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

**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 January 1 2014. The Company / the Group does not expect that these amendments will have significant impact on the financial position or performance of the Group.

TFRS 9 Financial Instruments – Classification and measurement

As amended in December 2011, the new standard is effective for annual periods beginning on or after January 1 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 new standard 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 interim 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 IFRS. The Group will make the necessary changes to its consolidated financial statements after the new standards and interpretations are issued and become effective under IFRS.

IFRS 10 Consolidated Financial Statements (Amendment)

IFRS 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 IFRS 9 Financial Instruments. The Group is in the process of assessing the impact of the new standard on the financial position or performance of the Group.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH

ÇELEBİ HAVA SERVİSİ A.Ş.

Notes to the condensed interim consolidated financial statements for the six month period ended June 30, 2013

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

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

IFRIC 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 January 1 2014, with early application permitted. Retrospective application of this interpretation is required. The interpretation is not applicable for the Group and accordingly it does not 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)

The IASB, as a consequential amendment to IFRS 13 Fair Value Measurement, modified some of the disclosure requirements in IAS 36 Impairment of Assets regarding measurement of the recoverable amount of impaired assets. The amendments require 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 January 1 2014. Earlier application is permitted for periods when the entity has already applied IFRS 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)

In June 2013, the IASB issued amendments to IAS 39 Financial Instruments: Recognition and Measurement that 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 January 1 2014. The Group does not expect that this amendment will have any impact on the financial position or performance of the Group.

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. "Illustrative financial statement 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 Illustrative Financial Statement and User Guide

The POA promulgated "illustrative financial statement and user guide" on May 20, 2013 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 IAS, excluding financial institutions established to engage in banking, insurance, private pensions or capital market. The Group made reclassifications stated in Note 2.2.1. in order to comply with the requirements of this regulation.

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

ÇELEBİ HAVA SERVİSİ A.Ş.

Notes to the condensed interim consolidated financial statements for the six month period ended June 30, 2013

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

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

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. These resolutions did not have an impact on the 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. These resolutions did not have an impact on the financial statements of the Group.

2013-4 Accounting of Cross Shareholding Investments

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

- 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 IAS 39 and IFRS 9 by the parent

These resolutions did not have an impact on the 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.

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

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

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

2.1.4 Basis of Consolidation

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH**

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

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

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

<u>Subsidiary</u>	<u>Direct and indirect shareholding by Çelebi Hava and its Subsidiaries(%)</u>	
	<u>June 30,2013</u>	<u>December 31, 2012</u>
Çelebi Güvenlik (2)	94,8	94,8
CGHH	100,0	100,0
Celebi Delhi Cargo	74,0	74,0<
Celebi GH Delhi	74,0	74,0
Celebi Spain (1)	100,0	100,0
Çelebi Kargo	99,9	99,9
Celebi Cargo GmbH	99,9	99,9

(1) As of June 30, 2013 Celebi Spain has directly and indirectly 100% voting right. However, Celebi Europe has not been consolidated in condensed interim consolidated financial statements by reason of being immaterial for the condensed interim consolidated financial statements and the company operations have not started as of December 31, 2012 (Note 5)

(2) Regarding the sale of the whole amount of the shares of Çelebi Güvenlik, which was announced by the Group through the material disclosure dated May 29, 2013, since the preconditions necessary for the closing within the frame of the regulations and legislations which Çelebi Güvenlik is contingent upon could not be fulfilled by the buyer within the time frame projected in the contract, the subject sale procedure was cancelled. As of June 30, 2013, since there is no final decision regarding the liquation or sale of Çelebi Güvenlik, it was continued to be consolidated in the condensed interim consolidated financial statements

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.

<u>Investments Accounted by Equity Method</u>	<u>Direct and indirect shareholding by Çelebi Hava (%)</u>	
	<u>June 30,2013</u>	<u>December 31,2012</u>
Tasfiye Halinde Çelebi IC Antalya		
Havalimanı Terminal Yatırım ve İşletme A.Ş (*)	%49,99	%49,99
Celebi Nas	%55,00	%55,00

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH**

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

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

(*)Company's joint ventures, Çelebi IC Antalya Airport Terminal Investment and Management A.Ş. ("Çelebi IC Investment"), by holding 49.99% of the total capital amounting TL 50.000, has been decided to initiate its liquidation process with a decision made in 2011 fiscal year General Assembly of company which took place in 2012, and the commercial register name of the company has been amended as Çelebi IC Antalya Airport Terminal Investment and Management A.Ş. in Liquidation with the attestation of Antalya Directorate of Commercial Register of Turkish Republic. Since Çelebi IC Antalya Airport Terminal Investment and Management Inc. in Liquidation, does not constitute a materiality to the condensed interim consolidated financial statements as of June 30, 2013, there has been no additional disclosure presented in financial statements regarding IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

- e) For available for sale financial assets under 20% of voting rights or over 20% of voting rights and that are excluded from the scope of consolidation on the grounds of materiality where there is no quoted market price and where a reasonable estimate of fair value cannot be determined since other methods are inappropriate and unworkable, they are carried at cost less any impairment in value.
- f) Unrealized revenue transactions with the joint ventures have been eliminated by the rate of the controlling power of the Group over the Affiliate. Dividends from the shares the Company owns have also been eliminated from the related equity and income statement accounts.

2.2. Changes in accounting policies

2.2.1 Comparative information

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

The Group presented the condensed interim consolidated statement of financial position as of June 30, 2013 comparatively with the consolidated statement of financial position as of December 31, 2012, presented the condensed interim consolidated statement of income, condensed interim consolidated comprehensive income, condensed interim consolidated statement of cash flows and condensed interim consolidated statement of changes in equity for the period ended June 30, 2013 comparatively with the consolidated financial statements for the interim period ended June 30, 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 consolidated financial statement of the Group dated December 31, 2012 and the consolidated profit or loss statement and other comprehensive income statement for the accounting period ended June 30, 2012 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 thousand shown in other current assets were classified as other receivables in the statement of financial position.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH**

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

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

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

-Assets related with current year tax amounting to TL 2.112.032 thousand shown in other current assets were classified as a separate account in the statement of financial position.

-Fixed asset advances amounting to TL 6.460.466 shown in other current assets were classified as a long-term prepaid expenses.

-Long-term prepaid expenses amounting to TL 19.689.915 thousand 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 shown in short-term borrowings in the statement of financial position are shown as a separate account.

-Accruals borrowings amounting to TL 9.893.565 shown 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 268.049 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 32 shown under other operating income was classified under income from investment activities

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 January 1 2013 and the practice was applied retrospectively.

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH**

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

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

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

	Previously reported 31.12.2012	Effect of changes in presentation according to CMB notification	Effect of IFRS 11 amendment	Effect of IAS 19 amendment	Restated 31.12.2012
ASSETS					
Current Assets					
Cash and cash equivalents	46.709.517	-	(291.835)	-	46.417.682
Trade receivables					
- Due from third parties	45.925.450	-	(2.094.430)	-	43.831.020
- Due from related parties	8.615.785	-	1.005	-	8.616.790
Other receivables					
-Due from third parties	9.003.609	209.154	(461.527)	-	8.751.236
Inventories	8.301.002	-	-	-	8.301.002
Prepaid expenses	-	6.874.667	-	-	6.874.667
Assets related to current year tax	-	2.112.032	-	-	2.112.032
Other current assets	25.769.700	(15.656.319)	(283.834)	-	9.829.547
Total current assets	144.325.063	(6.460.466)	(3.130.621)	-	134.733.976
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	-	(8.998.001)	-	476.552.615

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

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

**NOTE 2 – BASIS OF PRESENTATION OF CONDENSED INTERIM 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	(99.377.156)	(4.488.680)	-	5.425.393
Current portion of long term financial liabilities	-	99.377.156	-	-	99.377.156
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	(30.845.438)	(691.280)	-	4.282.250
Total current liabilities	182.367.533	-	(6.196.406)	-	176.171.127
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	-	(8.998.001)	-	412.478.459
EQUITY					
Equity attributable to equity holders of the parent	55.975.098	-	-	-	55.975.098
Share Capital	24.300.000	-	-	-	24.300.000
Items that will not be reclassified to profit or loss	-	-	-	-	-
- Actuarial gain/(loss) arising from defined benefit plans to gain or loss	-	-	-	362.943	362.943
Items that maybe reclassified susequently 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	-	(8.998.001)	-	476.552.615

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH**

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

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

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

	Previously reported 30.06.2012	Changes in presentation according to CMB notification	Effect of IFRS 11 amendment	Effect of IAS 19 amendment	Restated 30.06.2012
CONTINUING OPERATIONS					
Revenue (net)	243.963.874	-	(6.502.476)	-	237.461.398
Cost of sales (-)	(187.621.194)	-	5.674.046	(133.349)	(182.080.497)
GROSS PROFIT	56.342.680	-	(828.430)	(133.349)	55.380.901
General administrative expenses (-)	(42.506.196)	-	824.926	-	(41.681.270)
Other operating income	3.119.089	(268.049)	(82.860)	-	2.768.180
Other operating expenses (-)	(3.406.840)	32	3.309	-	(3.403.499)
Income from investments accounted by equity method	-	-	(556.385)	-	(556.385)
OPERATING PROFIT	13.548.733	(268.017)	(639.440)	(133.349)	12.507.927
Income from investment activities	-	268.049	-	-	268.049
Expense from investment activities	-	(32)	-	-	(32)
Operating profit/(loss) before financial income/(expense)	13.548.733	-	(639.440)	(133.349)	12.775.944
Financial income	17.420.674	-	(200.170)	-	17.220.504
Financial expense (-)	(17.703.681)	-	839.610	-	(16.864.071)
INCOME BEFORE TAX	13.265.726	-	-	(133.349)	13.132.377
Income tax expense	(3.780.488)	-	-	-	(3.780.488)
Current tax expense	(5.454.849)	-	-	-	(5.454.849)
Deferred tax income	1.674.361	-	-	-	1.674.361
NET INCOME/ (EXPENSE)	9.485.238	-	-	(133.349)	9.351.889
Attributable to:					
Non-controlling interest	(1.829.743)	-	-	-	(1.829.743)
Equity holder of the parent	11.314.981	-	-	(133.349)	11.181.632
	9.485.238	-	-	(133.349)	9.351.889

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH**

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

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

2.3. *Summary of significant accounting policies*

Condensed interim consolidated financial statements for the period ended June 30, 2013, have been prepared in compliance with IAS 34, the IFRS standard on interim financial reporting. Furthermore, condensed interim consolidated financial statements as of June 30, 2013 have been prepared applying accounting policies which are consistent with the accounting policies used for the preparation of consolidated financial statements except IFRS 11 and IAS 19 for the year ended December 31, 2012. Thus, these condensed interim consolidated financial statements must be evaluated together with the consolidated financial statements for the year ended December 31, 2012.

2.4 *Convenience translation into English of financial statements originally issued in Turkish*

The accounting principles described above differ from IFRS issued by the International Accounting Standards Board with respect to the application of inflation accounting for the period between January 1, and December 31, 2005 and presentation of the basic financial statements and the notes to them. Accordingly, these financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

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.

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

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

(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 June 30, 2013 is as follows :

January 1 – June 30, 2013

	Ground Handling Services	Reportable Segments Airport Security Services	Cargo and Warehouse Services	Consolidation Adjustments	Consolidated
Revenue - net	161.488.758	521.873	70.766.285	(189.100)	232.587.816
Cost of sales	(125.995.468)	(704.105)	(56.785.824)	252.569	(183.232.828)
Gross profit	35.493.290	(182.232)	13.980.461	63.469	49.354.988
General administrative expenses	(31.627.219)	(142.894)	(9.514.018)	267.816	(41.016.315)
Addition: Depreciation and amortization	12.711.849	10.786	4.173.082	-	16.895.717
Addition: Operating lease equalization	71.768	-	4.010.745	-	4.082.513
Addition: Effect of IFRIC 12 shares	-	-	1.253.224	-	1.253.224
Addition: Prepaid allocation cost expense	577.536	-	-	-	577.536
Effect of EBITDA to investments accounted by equity method	2.149.726	-	(2.668)	-	2.147.058
EBITDA	19.376.950	(314.340)	13.900.826	331.285	33.294.721

April 1 – June 30, 2013

	Ground Handling Services	Reportable Segments Airport Security Services	Cargo and Warehouse Services	Consolidation Adjustments	Consolidated
Revenue - net	91.785.607	262.787	38.450.648	(103.344)	130.395.698
Cost of sales	(66.447.419)	(323.933)	(28.863.285)	131.662	(95.502.975)
Gross profit	25.338.188	(61.146)	9.587.363	28.318	34.892.723
General administrative expenses	(16.795.635)	(84.031)	(4.940.930)	100.606	(21.719.990)
Addition: Depreciation and amortization	6.315.025	5.116	2.092.627	-	8.412.768
Addition: Operating lease equalization	(104.094)	-	1.943.056	-	1.838.962
Addition: Effect of IFRIC 12 shares	-	-	337.405	-	337.405
Addition: Prepaid allocation cost expense	288.768	-	-	-	288.768
Effect of EBITDA to investments accounted by equity method	1.203.044	-	26.468	-	1.229.512
EBITDA	16.245.296	(140.061)	9.045.989	128.924	25.280.148

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

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

NOTE 3- SEGMENT REPORTING (Continued)

January 1 – June 30, 2012

	Reportable Segments				Consolidation Adjustments	Consolidated
	Ground Handling Services	Airport Security Services	Cargo and Warehouse Services			
Revenue - net	173.732.739	584.204	63.340.263		(195.808)	237.461.398
Cost of sales	(127.165.903)	(955.656)	(54.110.217)		151.279	(182.080.497)
Gross profit	46.566.836	(371.452)	9.230.046		(44.529)	55.380.901
General administrative expenses	(31.259.139)	(157.176)	(10.803.788)		538.833	(41.681.270)
Addition: Depreciation and amortization	11.834.602	15.802	3.599.135		-	15.449.539
Addition: Operating lease equalization	84.648	-	3.983.817		-	4.068.465
Addition: Effect of IFRIC 12 shares	-	-	1.473.157		-	1.473.157
Addition: Prepaid allocation cost expense	577.536	-	-		-	577.536
Effect of EBITDA to investments accounted by equity method	1.354.089	-	(67.653)		112.366	1.398.802
EBITDA	29.158.572	(512.826)	7.414.714		606.670	36.667.130

April 1 – June 30, 2012

	Reportable Segments				Consolidation Adjustments	Consolidated
	Ground Handling Services	Airport Security Services	Cargo and Warehouse Services			
Revenue - net	101.336.058	297.772	29.381.598		(90.853)	130.924.575
Cost of sales	(68.184.949)	(423.480)	(23.467.348)		(104.604)	(92.180.381)
Gross profit	33.151.109	(125.708)	5.914.250		(195.457)	38.744.194
General administrative expenses	(16.360.521)	(60.227)	(5.452.144)		301.579	(21.571.313)
Addition: Depreciation and amortization	6.000.077	7.406	1.747.806		-	7.755.289
Addition: Operating lease equalization	5.075	-	1.870.962		-	1.876.037
Addition: Effect of IFRIC 12 shares	-	-	753.713		-	753.713
Addition: Prepaid allocation cost expense	288.768	-	-		-	288.768
Effect of EBITDA to investments accounted by equity method	824.843	-	(22.684)		26.765	828.924
EBITDA	23.909.351	(178.529)	4.811.903		132.887	28.675.612

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

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

(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:

	January 1 - June 30, 2013	April 1 - June 30, 2013	January 1 - June 30, 2012	April 1 - June 30, 2012
EBITDA for reported segments	33.294.721	25.280.148	36.667.130	28.675.612
Depreciation and amortization	(16.895.717)	(8.412.768)	(15.449.539)	(7.755.289)
Operating lease equalization	(4.082.513)	(1.838.962)	(4.068.465)	(1.876.037)
Effect of IFRIC 12	(1.253.224)	(337.405)	(1.473.157)	(753.713)
Other operating income	4.399.744	3.052.348	2.768.180	1.528.766
Other operating expenses (-)	(3.221.558)	(2.084.942)	(3.403.499)	(2.672.077)
Effect of allocation expense	(577.536)	(288.768)	(577.536)	(288.768)
EBITDA effect of equity accounted investees	(2.147.058)	(1.229.512)	(1.398.802)	(828.923)
Share of profit from equity accounted investees	593.684	515.959	(556.385)	(11.135)
Operating profit	10.110.543	14.656.098	12.507.927	16.018.436
Income from investment activities	189.412	29.269	268.049	132.110
Expenses from investment activities	(398.905)	(349.946)	(32)	(32)
Financial income	5.265.026	2.134.136	17.220.504	8.302.260
Financial expenses (-)	(25.837.603)	(17.893.373)	(16.864.071)	(8.128.314)
Income before tax	(10.671.527)	(1.423.816)	13.132.377	16.324.460

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 condensed interim consolidated financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

<u>Total Assets</u>	June 30, 2013	December 31, 2012
Turkey	347.882.603	337.704.643
India	148.055.624	153.401.584
Hungary	56.539.503	56.927.008
Germany	20.336.521	20.436.696
Segment Assets (*)	572.814.251	568.469.931
Unallocated assets	59.131.257	40.175.349
Less: Inter-segment elimination	(135.381.898)	(132.092.665)
Total assets as per consolidated financial statements	496.563.610	476.552.615

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

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH

ÇELEBİ HAVA SERVİSİ A.Ş.

Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013

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

NOTE 3 SEGMENT REPORTING (Continued)

<u>Total Liabilities</u>	June 30, 2013	December 31,2012
Turkey	47.873.361	38.451.372
India	75.897.531	71.514.231
Hungary	8.587.836	8.582.963
Germany	4.420.895	3.985.119
Segment liabilities (*)	136.779.623	122.533.685
Unallocated liabilities	336.197.772	298.612.233
Less: Inter-segment elimination	(9.452.262)	(8.667.459)
Total liabilities as per consolidated financial statements	463.525.133	412.478.459

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

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

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 3 - SEGMENT REPORTING (Continued)

Geographical Segments

Geographical Analysis for the interim period January 1 – June 30, 2013

	Turkey	Hungary	India	Germany	Total Combined	Intersegment Adjustment	Total
Revenue	141.739.584	35.240.282	41.630.895	13.977.055	232.587.816	-	232.587.816
Cost of sales	(108.687.057)	(20.081.633)	(39.014.101)	(15.450.037)	(183.232.828)	-	(183.232.828)
Gross profit	33.052.527	15.158.649	2.616.794	(1.472.982)	49.354.988	-	49.354.988
General administrative Expenses	(27.520.689)	(6.329.351)	(4.497.784)	(2.792.997)	(41.140.821)	124.506	(41.016.315)
Other operating income/ expense-net	1.422.322	28.125	(177.193)	-	1.273.254	(95.068)	1.178.186
Profit from investments accounted under equity method	-	-	593.684	-	593.684	-	593.684
Operating profit	6.954.160	8.857.423	(1.464.499)	(4.265.979)	10.081.105	29.438	10.110.543

Geographical Analysis for the period April 1 – June 30, 2013

	Turkey	Hungary	India	Germany	Total Combined	Intersegment Adjustment	Total
Revenue	86.160.278	16.475.300	20.669.321	7.090.799	130.395.698	-	130.395.698
Cost of sales	(58.462.467)	(10.064.665)	(19.432.781)	(7.543.062)	(95.502.975)	-	(95.502.975)
Gross profit	27.697.811	6.410.635	1.236.540	(452.263)	34.892.723	-	34.892.723
General administrative Expenses	(14.540.992)	(3.253.727)	(2.348.037)	(1.629.515)	(21.772.271)	52.281	(21.719.990)
Other operating income Expense (net)	1.267.061	(110.504)	(166.822)	-	989.735	(22.329)	967.406
Profit from investments accounted under equity method	-	-	515.959	-	515.959	-	515.959
Operating profit	14.423.880	3.046.404	(762.360)	(2.081.778)	14.626.146	29.952	14.656.098

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

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

NOTE 3 - SEGMENT REPORTING (Continued)

Geographical Analysis for the interim period January 1 – June 30, 2012

	Turkey	Hungary	India	Germany	Total Combined	Intersegment Adjustment	Total
Revenue	154,186.276	32.972.907	40.791.676	9.510.569	237.461.428	(30)	237.461.398
Cost of sales	(111.418.547)	(20.080.338)	(38.480.835)	(12.144.729)	(182.124.449)	43.952	(182.080.497)
Gross profit	42.767.729	12.892.569	2.310.841	(2.634.160)	55.336.979	43.922	55.380.901
General administrative Expenses	(27.470.588)	(5.841.096)	(6.026.086)	(2.691.616)	(42.029.386)	348.116	(41.681.270)
Other operating income/Expense - net	69.266	(175.995)	(73.236)	(2.290)	(182.255)	(453.064)	(635.319)
Profit from investments accounted under equity method	-	-	(556.385)	-	(556.385)	-	(556.385)
Operating profit	15.366.407	6.875.478	(4.344.866)	(5.328.066)	12.568.953	(61.026)	12.507.927

Geographical Analysis for the interim period April 1 – June 30, 2012

	Turkey	Hungary	India	Germany	Total Combined	Intersegment Adjustment	Total
Revenue	90.439.224	18.057.608	16.690.660	5.737.083	130.924.575	-	130.924.575
Cost of sales	(59.556.373)	(10.563.167)	(15.661.561)	(6.418.019)	(92.199.120)	18.739	(92.180.381)
Gross profit	30.882.851	7.494.441	1.029.099	(680.936)	38.725.455	18.739	38.744.194
General administrative Expenses	(14.257.512)	(3.066.067)	(2.974.149)	(1.532.202)	(21.829.930)	258.617	(21.571.313)
Other operating income/Expense - net	(688.475)	(194.003)	(40.074)	1.060	(921.492)	(221.819)	(1.143.311)
Profit from investments accounted under equity method	-	-	(11.134)	-	(11.134)	-	(11.134)
Operating profit	15.936.864	4.234.371	(1.996.258)	(2.212.078)	15.962.899	55.537	16.018.436

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

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

NOTE 4 - CASH AND CASH EQUIVALENTS

	June 30, 2013	December 31, 2012
Cash	212.062	117.031
Banks		
–time deposit	42.671.586	24.620.534
–demand deposit	9.840.651	21.637.195
Other liquid assets	11.281	42.922
	52.735.580	46.417.682

Effective interest rates on TL, EUR, USD and INR denominated time deposits at June 30, 2013 are %6,25, %1,39, %1,28'dir (December 31, 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 June 30, 2013 20-60 days for INR, EUR and USD, 1 day for TL. (December 31, 2012: INR 20-60 days, TL, EUR and USD for 1-15 days).

The analysis of cash and cash equivalents in terms of condensed interim consolidated statements of cash flows at June 30, 2013 and 2012 are as follows:

	June 30, 2013	June 30, 2012
Cash and banks	52.735.580	53.143.622
Less: Interest Accruals	(4.525)	(55.472)
Less: Restricted cash (*)	(4.279.394)	(9.076.471)
	48.451.661	44.011.679

(*) 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 (June 30, 2012: TL 9.076.471).

NOTE 5 - FINANCIAL INVESTMENTS

Available-for-sale assets:

	June 30, 2013		December 31, 2012	
	%	TL	%	TL
DASPL	%16,66	1.350.000	%16,67	1.362.917
Celebi Spain (*)	%100,0	20.525	%100,0	20.525
		1.370.525		1.383.442

(*) As at June 30, 2013, Celebi in 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 condensed interim consolidated financial statements and accounted for as available-for-sale financial assets are reflected in the financial statements.

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

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

NOTE 6- EQUITY ACCOUNTED INVESTEEES

		June 30, 2013		December 31, 2012
	%		%	
Çelebi Nas	55%	10.563.143	55%	10.022.973
Çelebi IC Yatırım	49%	1.944	49%	3.905
		10.565.087		10.026.878

The movement in the investments accounted by equity method during the periods ended June 30, 2013 and 2012 is as follows:

	June 30, 2013	June 30, 2012
As of January 1	10.026.878	8.945.665
Share on profit / loss	593.684	(556.385)
Currency translation differences	(105.974)	(1.420.712)
Additions to equity accounted investees	-	1.991.453
Actuarial gains/losses fund from retirement plans	50.499	-
Equity effect of additional share purchase	-	849.034
As of June 30	10.565.087	9.809.055

Profit /loss from investments accounted under equity method:

	January 1 - June 30, 2013	January 1 - June 30, 2012
Çelebi Nas	595.639	(557.515)
Çelebi IC Yatırım	(1.955)	1.130
	593.684	(556.385)

Summary statement of equity accounted investees:

	June 30, 2013	December 31, 2012
Total Assets	32.366.468	34.630.954
Total Liabilities	13.153.329	16.392.465
	January 1 - June 30, 2013	January 1 - June 30, 2012
Total Revenue	12.898.116	11.822.685
Profit / (Loss) for the period	1.079.425	(1.011.609)

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

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

NOTE 7-SHORT TERM AND LONG TERM FINANCIAL LIABILITIES

Short-term financial liabilities:

	June 30, 2013	
	Effective Interest Rate(%)	Original Amount
		TL
<i>Short-term borrowings:</i>		
INR borrowings	11,75%-12,82%	85.821.574
		2.780.619
<i>Other short term financial liabilities:</i>		
Derivative liabilities (*)		418.138
		418.138

(*) 31 units of forward transactions to avoid the risk associated with cash flow with maturities differing between 1day and-161days Bank purchase amount is EUR 21.250.000 and bank selling the amount is TL 53.590.288.

Short-term finance lease obligations

Short-term finance lease obligations - US Dollar	74.938	144.241
Short-term finance lease obligations -Euro	571.984	1.437.797
Total short-term finance lease obligations		1.582.038
Total short-term finance liabilities:		4.780.795

Short-term portion of long-term borrowings:

Interest expense accrual - US Dollar	-	68.799	132.425
Interest expense accrual - INR		19.047.901	617.152
Interest expense accrual - Euro	-	748.354	1.881.138
US Dollar borrowings	Euribor+3,40%	2.000.000	3.849.600
INR borrowings	11,75%-12,82%	438.482.169	14.206.822
Euro borrowings	Libor/ Euribor+ 3,40%- 6,50%	33.579.333	84.408.370
Short-term portion of total long term borrowings:			105.095.507

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH**

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

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

Long-term financial liabilities:

		June 30, 2013	
	Effective interest rate (%)	Original amount	TL
INR borrowings	11,75%-12,82%	1.754.594.907	56.848.875
Euro borrowings	Libor/ Euribor+ 3,40%- 6,50%	62.734.500	157.695.712
			214.544.587

Long-term finance lease obligations:

Long-term finance lease obligations – US Dollar	135.524	260.856
Long-term finance lease obligations - Euro	2.280.103	5.731.495
Total long-term finance lease obligations		5.992.351
Total long-term financial liabilities		220.536.938
Total financial liabilities		330.413.240

Short-term financial liabilities:

		December 31, 2012	
	Effective Interest Rate	Original amount	TL
<i>Short-term borrowings:</i>			
INR borrowings	11,75%-12,82%	85.864.843	2.808.639

Other short term financial liabilities:

Derivative liabilities (*)	124.446
	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 Dolar	74.286	132.423
Total short-term finance lease obligations		2.492.308
Total short-term finance liabilities:		5.425.393

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

ÇELEBİ HAVA SERVİSİ A.Ş.

Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013

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

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

December 31, 2012			
	Effective Interest Rate	Original Amount	TL
<i>Short-term portion of long-term borrowings:</i>			
Interest expense accrual - US Dollar	-	19.954	35.570
Interest expense accrual - Euro	-	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
Euro 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

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

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

	June 30, 2013	December 31, 2012
Less than 3 months	26.318.727	8.910.293
Between 3-12 months	83.557.575	95.892.256
Between 1-5 years	208.147.531	176.550.409
5 years and more	12.389.407	11.630.754
	330.413.240	292.983.712

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH**

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

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

The redemption schedules of long-term bank borrowings as of June 30, 2013 and December 31, 2012 are as follows:

	June 30, 2013	December 31, 2012
Between 1-2 years	60.450.557	53.694.807
Between 2-3 years	48.185.049	43.554.597
Between 3-4 years	66.434.644	40.753.153
5 years and more	39.474.337	43.055.011
	214.544.587	181.057.568

The redemption schedules of financial lease obligations as of June 30, 2013 and December 31, 2012 are as follows:

	June 30, 2013			December 31, 2012		
	Minimum lease payments	Interest	Total obligation	Minimum lease payments	Interest	Total obligation
Less than 1 year	1.974.591	(392.553)	1.582.038	2.983.498	(491.190)	2.492.308
1 to 2 years	1.902.623	(302.297)	1.600.326	2.150.466	(397.356)	1.753.110
2 to 3 years	1.778.702	(204.010)	1.574.692	3.549.920	(432.411)	3.117.509
4 years and over	2.989.369	(172.036)	2.817.333	2.357.611	(104.635)	2.252.976
	8.645.285	(1.070.896)	7.574.389	11.041.495	(1.425.592)	9.615.903

NOTE 8 - TRADE RECEIVABLES AND PAYABLES

	June 30, 2013	December 31, 2012
Short-term trade receivables		
Due from third parties	68.109.966	47.048.972
Less: Provision for doubtful receivables	(3.033.299)	(3.217.952)
Trade receivables from third parties (net)	65.076.667	43.831.020
İlişkili taraflardan ticari alacaklar (Note 25)	9.335.940	8.616.790
Total short-term trade receivables	74.412.607	52.447.810

The maturities of trade receivables are generally less than one month (December 31, 2012: less than one month) The fair value of current trade receivables as of June 30, 2013 and December 31, 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.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH

ÇELEBİ HAVA SERVİSİ A.Ş.

Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013

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

NOTE 8 - TRADE RECEIVABLES AND PAYABLES(Continued)

Movement of provision for doubtful receivables is as follows:

	June 30, 2013	June 30, 2012
Opening balance	3.217.952	2.935.554
Cumulative translation differences	22.136	(35.127)
Collections and reversal of provisions	(206.789)	(25.291)
Closing balance	3.033.299	2.875.136

	June 30, 2013	December 31, 2012
Short-term trade payables		
Due to third parties	14.418.393	16.106.062
Accrued Liabilities	16.143.588	9.893.568

Total trade payables to third parties	30.561.981	25.999.630
--	-------------------	-------------------

Due to related parties (Note 25)	3.782.687	2.843.442
----------------------------------	-----------	-----------

Total short-term trade payables	34.344.668	28.843.072
--	-------------------	-------------------

The fair value of short-term trade payables as of June 30, 2013 and December 31, 2012 equals their carrying amount as the impact of discounting is not significant.

NOTE 9 - OTHER RECEIVABLES AND PAYABLES

	June 30, 2013	December 31, 2012
Other short-term receivables		
Receivables from Tax Office	6.464.747	6.922.418
Advances given	1.132.575	1.507.727
Other short-term receivables	330.894	321.091
	7.928.216	8.751.236

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH

ÇELEBİ HAVA SERVİSİ A.Ş.

Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013

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

NOTE 9 - OTHER RECEIVABLES AND PAYABLES (Continued)

	June 30, 2013	December 31, 2012
Other long-term receivables		
Advances given (*)	10.277.209	10.367.489
	10.277.209	10.367.489

(*) As of June 30, 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 TL 6.466.717 (December 31, 2012: TL 6.724.877) and TL 3.809.105 (December 31, 2012: TL 3.642.226) as a deposit to the local authorities, companies and the amount which was shown in banks as blockage. As of June 30, 2013 there is no related amount of blockage. (December 31, 2012: TL 2.041.226)

	June 30, 2013	December 31, 2012
Other short-term payables		
Other short-term payables (*)	5.968.925	3.251.728
Advances received	39.669	390.870
	6.008.594	3.642.598

(*) As of June 30, 2013; TL 5.638.240 (December 31, 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.

	June 30, 2013	December 31, 2012
Other long-term payables		
Deposits and guarantees received	3.776.268	970.476
	3.776.268	970.476

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

ÇELEBİ HAVA SERVİSİ A.Ş.

Notes to the condensed interim consolidated financial statements

for the six month period ended June 30, 2013

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

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

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

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

(*) The land plots where the stations and cargo buildings were constructed by Çelebi Hava Servisi A.Ş. in the airports within which it operates were rented from the DHMI and other local authority. The station and cargo buildings on this land were constructed by the Group and recorded under the tangible assets of the Group as leasehold improvements. As of June 30, 2013 the net book value of these stations was TL 44.770.508. The lease contract signed by the Group and the DHMI is valid for one year and the agreement is renewed every year. The agreement is renewed automatically. The Group amortizes these station buildings over 15 years which correspond to their economic lives. If the DHMI does not renew the lease contract within this period, the Group may have to amortize the relevant leasehold improvements over a shorter period.

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

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

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

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

NOTE 10 - PROPERTY, PLANT AND EQUIPMENTDİPNOT (Continued)

Movements in property, plant and equipment for the period ended June 30, 2012 are as follows:

	Opening January 1 2012	Additions	Disposals	Transfers	Foreign currency translation differences	Closing June 30, 2012
Cost						
Plant, machinery and equipment	170.899.258	8.480.743	(994.993)	-	(2.562.216)	175.822.792
Motor vehicles	28.998.664	3.954.689	-	-	(707.957)	32.245.396
Furniture and fixtures	17.212.715	1.338.430	(281.836)	1.416.747	(67.421)	19.618.635
Leasehold improvements (*)	90.171.598	660.696	-	944.644	(132.602)	91.644.336
Construction in Progress	1.885.369	340.328	-	(1.628.671)	(98.134)	498.892
	309.167.604	14.774.886	(1.276.829)	732.720	(3.568.330)	319.830.051
Accumulated depreciation						
Plant, machinery and equipment	(105.536.891)	(5.163.566)	356.220	-	496.316	(109.847.921)
Motor vehicles	(17.177.796)	(1.139.905)	-	-	271.656	(18.046.045)
Furniture and fixtures	(13.454.825)	(773.268)	214.229	-	12.068	(14.001.796)
Leasehold improvements (**)	(42.516.126)	(2.773.924)	-	-	5.288	(45.284.762)
	(178.685.638)	(9.850.663)	570.449	-	785.328	(187.180.524)
Net book value	130.481.966					132.649.527

(*) 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, 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 June 30, 2012 the net book value of these stations was TL 44.366.167. 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 June 30, 2012 in the amount of TL 8.251.210 and TL 1.599.453 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 June 30, 2012.

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

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

NOTE 11 - INTANGIBLE ASSETS

Other Intangible Assets

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

(*) TL 33.595.519 which is difference between discounted present value of 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 5.627.458 which is difference between discounted present value of deposit paid with interest rate, 10,82%, and the deposit amounting to INR 400.000.000 paid in accordance with the concession agreement on the development, modernization, finance and 10-year operation of the cargo terminal in the airport in New Delhi, India, has been capitalized as a Build-Operate-Transfer investment and it will be amortized in 10 years until operations end in Delhi International Airport.

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

Amortization expense for the period ended June 30, 2013 in the amount of TL 2.524.870 and TL 3.107.327 are included in operating expenses and cost of sales

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

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

NOTE 11 - INTANGIBLE ASSETS (Continued)

Other Intangible Assets

Movements in intangible assets for the period ended June 30, 2012 are as follows:

	Opening January 1 2013	Additions	Disposals	Foreign currency translation differences	Closing June 30, 2013
Cost					
Rights	9.594.834	2.896.927	(3.629)	(52.910)	12.435.222
Customer relations	31.661.370	-	-	(199.380)	31.461.990
Software	6.532.512	260.229	3.629	(19.237)	6.777.133
Franchise (**)	63.235.826	-	-	(6.359.009)	56.876.817
Build-operate-transfer investments (*)	49.807.508	2.500.704	-	(5.190.963)	47.117.249
	160.832.050	5.657.860	-	(11.821.499)	154.668.411
Accumulated depreciation					
Rights	(820.949)	(410.649)	-	11.536	(1.220.062)
Franchise (**)	(5.534.069)	(1.261.218)	-	648.454	(6.146.833)
Customer relations	(23.449.180)	(2.252.981)	-	153.361	(25.548.800)
Software	(4.056.358)	(400.313)	-	8.783	(4.447.888)
Build-operate-transfer investments	(5.197.907)	(1.273.715)	-	629.186	(5.842.436)
	(39.058.463)	(5.598.876)	-	1.451.320	(43.206.019)
Net book value	121.773.587				111.462.392

(*) TL 34.850.572 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 6.424.240 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 June 30, 2012 in the amount of TL 2.410.408 and TL 3.188.468 are included in operating expenses and cost of sales.

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

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

NOTE 11 - INTANGIBLE ASSETS (Continued)

Goodwill

Positive goodwill at June 30, 2013 and December 31, 2012 is as follows:

	June 30, 2013	December 31, 2012
Goodwill due to acquisition of CGHH	19.953.233	18.971.925
Celebi Nas	910.723	910.723
	20.863.956	19.882.648

Goodwill due to acquisition of CGHH

The Company participated in the tender offer on 7 August 2006 opened by the Budapest Airport Budapest Ferihegy Nemzetközi Repülőtér Üzemeltető Zártkörűen Működő Részvénytársaság ("Ba Zrt") company resident in Budapest, Hungary for the acquisition of the Budapest Airport Handling Kereskedelmi és Szolgáltató Korlátolt Felelősségű Társaság ("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 August 2006 and is participating in the Celebi Tanácsadó Korlátolt Felelősségű Társaság ("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 Kiszolgáltató Korlátolt Felelősségű Társaság ("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 thousand Hungarian Forint (EUR 25.593.870). The acquisition has been accounted for according to the clauses of IFRS 3 "Business Combinations" and the goodwill amounting to TL 18.160.526 projected after the acquisition has been reflected in the financial statements at December 31, 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 Celebi 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 June 30, 2013 are below:

	June 30, 2013	June 30, 2012
January 1	18.971.925	18.551.365
Foreign currency translation differences	981.308	(116.822)
Goodwill	19.953.233	18.434.543

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH

ÇELEBİ HAVA SERVİSİ A.Ş.

Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013

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

NOTE 11 - INTANGIBLE ASSETS (Continued)

Goodwill Impairment Test

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

June 30, 2013

Ground handling services - Hungary

19.953.233

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 June 30, 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 condensed interim consolidated financial statements.

Goodwill Impairment Test

The Group compares the EBITDA projected at June 30, 2013 and the actual EBITDA in an 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

ÇELEBİ HAVA SERVİSİ A.Ş.

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

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

June 30, 2013

910.723

The recoverable value of the aforementioned cash generating unit, has been determined by taking the usage calculations as a basis. For the purposes of carrying out impairment tests, detailed forecasts for the next 5 years have been used which are based on approved annual budgets and strategic projections of the management representing the best estimate of future performance.

The Group management determined the budgeted gross profit margin by taking into consideration for the previous performance of the Company and the market growth expectations, The discount rate used is the before tax discount rate and includes the Company specific risk factors.

As a result of impairment tests performed under above assumptions, no impairment was detected in the goodwill amount as of June 30, 2013.

a) **Short-term provisions**

Short-term provision for employee benefits

June 30, 2013 December 31, 2012

Provision for employee termination benefits	-	228.922
---	---	---------

Other short-term provisions

June 30, 2013 December 31, 2012

Provision for unused vacation	2.896.172	2.192.571
Provision for litigation	1.243.518	1.167.781
Other	126.357	165.938
	4.266.047	3.526.290

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH**

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

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

Movements of short term provisions as of June 30, 2013 are as follows:

	Provision for unused vacation	Provision for litigation	Other provisions	Total
January 1 2013	2.192.571	1.167.781	165.938	3.526.290
Increase during the year	1.953.307	46.783	-	2.000.090
Payments during the year	(296.707)	-	-	(296.707)
Usage during the year	(999.866)	-	(45.283)	(1.045.149)
Exchange difference	46.867	28.954	5.702	81.523
June 30, 2013	2.896.172	1.243.518	126.357	4.266.047

	Provision for unused vacation	Provision for litigation	Other provision	Total
January 1 2012	1.669.724	906.470	-	2.576.194
Increase during the year	1.848.991	164.817	-	2.013.808
Payments during the year	(179.256)	(34.255)	-	(213.511)
Usage during the year	(1.086.304)	-	-	(1.086.304)
Exchange difference	(9.234)	(2.150)	-	(11.384)
June 30, 2012	2.243.921	1.034.882	-	3.278.803

b) Long-term provisions:

Long-term provision for employee benefits	June 30, 2013	December 31, 2012
Provision for employee termination benefits	8.100.501	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 June 30, 2013 consists of one month's salary limited to a maximum of TL 3.129,25 (December 31, 2012: TL 3.033,98) for each year of service.

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH**

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

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

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 June 30, 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, Accordingly the following actuarial assumptions were used in the calculation of the total liability:

	June 30, 2013	December 31, 2012
Discount rate (%)	3,86	3,86
Turnover rate to estimate the probability of retirement (%)	92,98	92,86

The principal assumption is that the liability ceiling for each year of service will increase in line with inflation. Thus the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Since the Group calculates the reserve for employment termination benefits every six months the maximum amount of TL 3.129,25 which is effective from January 1 2012 (December 31, 2012: TL 3.033,98) has been taken into consideration in the calculations. Movements in the provision for employment termination benefits are as follows:

	June 30, 2013	June 30, 2012
January 1	7.979.128	7.743.075
Paid during the year	(4.297.014)	(2.953.218)
Increase during the year	92.468	678.127
Actuarial losses/profits from retirement plan funds (*)	408.383	(133.349)
Service cost	4.034.641	2.583.063
Interest cost	143.722	168.393
Foreign currency translation differences	(260.827)	(44.310)
As of June 30,	8.100.501	8.041.781

(*) Actuarial gains/losses of equity accounted investees which are amounting to TL 50.502, have been accounted under Remeasurements of other comprehensive income. Since the equity accounted investees are not within the scope of full consolidation, actuarial gains/losses of equity accounted investees are not included to movements in the provision for employment termination benefits.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH

ÇELEBİ HAVA SERVİSİ A.Ş.

Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013

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

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

Contingent assets and liabilities of the Group

	June 30, 2013	December 31, 2012
Guarantees received:		
Guarantee letters	4.815.410	4.597.658
Guarantee check	1.754.047	1.280.212
Guarantee notes	869.234	671.245
	7.438.691	6.549.115
Guarantees given:		
Collateral	241.263.580	199.501.240
Guarantee letters	51.070.704	45.734.062
Share pledge	8.248.285	8.327.204
	300.582.569	253.562.506

The Company has contingent assets amounting to TL 1.325.876 (December 31, 2012: TL 1.308.628), due to the legal cases in favor of the Company and contingent liabilities amounting to TL 17.484.586 due to the legal cases and enforcement proceedings against the Company as of December 31, 2012 (2012: TL 15.345.945), TL 14.288.451 portion of contingent liabilities are comprised of legal cases and enforcement proceedings related with the fire in warehouse (Note 28) in which Company is a sole defendant and co-defendant with the DHMI, other warehouse management companies and insurance companies (2012: TL 12.848.434).

After analysis of DIAL reconciliation we observed that below liability is considered as contingent liability by the management and no provision has been created in the books for the same. As informed by the management, the company is in the process of discussion with Dial for below matters and confident that the matters were not required to be recorded as provision at June 30, 2013.

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

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

The details of collaterals, pledges and mortgages ("CPM") of the Company at June 30, 2013 and December 31, 2012 are as follows:

Collaterals, pledges and mortgages given by the Company	Currency	June 30, 2013		December 31, 2012	
		Amount	TL equivalent	Amount	TL equivalent
A. CPM given on behalf of the Company's legal personality			38,382,046		33,982,817
	TL	4,818,181	4,818,181	4,275,266	4,275,266
	EUR	1,914,959	4,813,632	1,914,959	4,503,408
	USD	3,423,193	6,588,961	1,910,499	3,405,656
	INR	561,999,123	18,208,772	550,984,000	18,022,687
	HUF	465,000,000	3,952,500	465,000,000	3,775,800
			244,700,523		202,079,689
B. CPM given on behalf of fully consolidated subsidiaries					
	EUR	33,400,000	83,957,580	31,700,000	74,548,890
	USD	6,592,196	12,688,658	6,592,194	11,751,245
	INR	4,569,576,700	148,054,285	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	-	17,500,000
i. Total amount of CPM given on behalf of the majority shareholder					
ii. Total amount of CPM given to on behalf of other group companies which are not in scope of B and C	TL	17,500,000	17,500,000	17,500,000	17,500,000
iii. Total amount of CPM given on behalf of third parties which are not in scope of C		-	-	-	-
		-	-	-	-
			300,582,569		253,562,506

The ratio of other collaterals, pledges and mortgages given by the Company to equity of the Company is 52,9% as of June 30, 2013 (December 31, 2012: 27,3%). The Company has no benefit from CPM given to third parties.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH

ÇELEBİ HAVA SERVİSİ A.Ş.

Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013

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

NOTE 13 - OTHER ASSETS AND LIABILITIES

	June 30, 2013	December 31, 2012
Other current assets		
Restricted cash (*)	4.275.828	4.144.684
Deferred Value-added tax ("VAT")	1.214.897	1.391.381
Value-added tax ("VAT") refund	320.888	1.403.798
Advances given to personnel	213.850	249.135
Other	3.952.728	2.640.549
	9.978.191	9.829.547

(*) The amount consist of blocked deposits, whose maturities are more than 3 months, of Celebi Delhi Cargo, Group's subsidiary located in India as of June 30, 2013. (December 31, 2012: 4.144.682)

	June 30, 2013	December 31, 2012
Other non-current assets		
Prepaid taxes and funds (*)	5.846.291	4.386.658
Other	3.242	3.242
	5.849.533	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 4.386.284 (December 31, 2012: TL 952.980) and TL 4.460.008 respectively. (December 31, 2012: TL 3.433.677).

	June 30, 2013	December 31, 2012
Other current liabilities		
Taxes and funds payable	847.141	1.312.079
Provision for operational leasing equalization	834.902	756.695
Other miscellaneous payables and liabilities	1.062.292	2.213.476
	2.744.335	4.282.250

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH

ÇELEBİ HAVA SERVİSİ A.Ş.

Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013

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

NOTE 13 - OTHER ASSETS AND LIABILITIES (Continued)

	June 30, 2013	December 31, 2012
Other non-current liabilities		
Provision for operational leasing equalization	28.886.851	25.205.391
Other	6.867.524	5.490.831
	35.754.375	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

NOTE 14 – PREPAID EXPENSES

	June 30, 2013	December 31, 2012
Short term prepaid expenses		
Prepaid expenses	11.415.268	5.836.718
Advances given	1.053.175	1.037.949
	12.468.443	6.874.667

	June 30, 2013	December 31, 2012
Long-term prepaid expenses:		
Prepaid expenses (*)	19.387.493	19.689.914
Fixed asset advances given	3.518.870	6.912.908
	22.906.363	26.602.822

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

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH

ÇELEBİ HAVA SERVİSİ A.Ş.

Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013

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

NOTE 15 – DEFERRED INCOME

	June 30, 2013	December 31, 2012
Short-term Deferred Income		
Short-term deferred revenues calculated based on TFRIC 12	9.345.741	16.631.061
Order advances received	2.079.087	2.142.078
	11.424.828	18.773.139

	June 30, 2013	December 31, 2012
Long-term Deferred Income		
Deferred revenue	406.195	406.844
Deferred insurance claim recovery (*)	2.887.200	2.673.900
	3.293.395	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 June 30, 2013 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 28).

NOTE 16 – LIABILITIES FOR EMPLOYEE BENEFITS

	June 30, 2013	December 31, 2012
Wages and salaries payable	9.314.618	7.468.988
Social security withholdings payment	6.138.654	3.277.806
Accrued bonus payable	1.005.779	1.325.513
	16.459.051	12.072.307

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

ÇELEBİ HAVA SERVİSİ A.Ş.

Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013

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

NOTE 17 - EQUITY

Share Capital

As of June 30, 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 (December 31, 2012: 2.430.000.000)

At June 30, 2013 and December 31, 2012, the shareholding structure of the Group is stated in historical amounts below:

Shareholders	June 30, 2013		December 31, 2012	
	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.

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

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

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

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

NOTE 17 – EQUITY (Continued)

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

Accordingly, if the amount of dividend distributions calculated in accordance with the net distributable profit requirements of the CMB does not exceed the statutory net distributable profit, the total amount of distributable profit shall be distributed. If it exceeds the statutory net distributable profit, the total amount of the statutory net distributable profit shall be distributed. It is stated that dividend distributions should not be made if there is a loss in either the consolidated financial statements prepared in accordance with CMB regulations or in the statutory financial statements.

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 June 30, 2013 (December 31, 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 condensed interim 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 Felelősségű Társaság ("CGHH") of which 70% is currently held by Çelebi, remaining 30% share is valued 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 2013/9, the amount of TRY 17.143.351 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.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH**

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

NOTE 18 – REVENUE AND COST OF SALES

	January 1 - June 30, 2013	April 1 - June 30, 2013	January 1 - June 30, 2012	April 1 - June 30, 2012
Ground handling services	159.989.381	96.015.834	177.400.561	103.722.026
Cargo and warehouse services income	65.437.068	32.289.954	55.146.473	28.923.685
Airport security services	521.873	262.787	584.204	297.772
Revenue in the context of IFRIC 12	6.829.348	3.529.493	7.612.985	253.699
Rental revenue not related to aviation	4.115.867	1.264.071	1.755.046	760.828
Less: Returns and discounts	(4.305.721)	(2.966.441)	(5.037.871)	(3.033.435)
Sales revenue- net	232.587.816	130.395.698	237.461.398	130.924.575
Cost of sales	(183.232.828)	(95.502.975)	(182.080.497)	(92.180.381)
Gross profit	49.354.988	34.892.723	55.380.901	38.744.194

NOTE 19 - EXPENSES BY NATURE

	January 1 - June 30, 2013	April 1 - June 30, 2013	January 1 - June 30, 2012	April 1 - June 30, 2012
Personnel expenses	(85.958.153)	(44.107.261)	(77.437.672)	(40.288.976)
Payments to authorities and terminal managements (*)	(36.228.718)	(19.590.605)	(36.393.898)	(17.169.971)
Consultancy expenses	(18.849.130)	(10.296.080)	(17.217.761)	(8.996.613)
Equipment repair, maintenance, fuel and security expenses	(19.698.259)	(10.465.671)	(20.392.698)	(10.651.362)
Depreciation and amortization expenses	(16.895.717)	(8.412.767)	(15.449.539)	(7.755.289)
Expense in the context of IFRIC 12 (***)	(8.082.573)	(3.866.898)	(9.086.142)	(2.028.295)
Outsourced services	(7.203.552)	(4.225.353)	(4.805.200)	(2.443.168)
Travel and transportation expenses	(6.181.169)	(3.313.238)	(6.590.426)	(3.128.472)
Taxes and other fees	(2.963.991)	(1.414.135)	(2.546.831)	(1.287.263)
Insurance premiums	(1.520.974)	(771.161)	(1.810.008)	(1.154.574)
Cost of goods sold (**)	(1.660.368)	(528.733)	(3.673.034)	(429.028)
Other expenses	(19.006.539)	(10.231.063)	(28.358.558)	(18.418.683)
	(224.249.143)	(117.222.965)	(223.761.767)	(113.751.694)

(*) 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.

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

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

NOTE 20 - GENERAL ADMINISTRATIVE EXPENSES

	January 1 - June 30, 2013	April 1 - June 30, 2013	January 1 - June 30, 2012	April 1 - June 30, 2012
Consultancy expenses	(18.108.044)	(9.979.753)	(16.719.355)	(8.669.713)
Payroll expenses	(12.319.551)	(6.502.397)	(13.439.502)	(7.186.586)
Depreciation and amortization	(3.849.038)	(1.885.786)	(4.009.861)	(1.992.706)
Travel and transportation expenses	(1.188.518)	(463.325)	(1.097.540)	(489.979)
Equipment repair, maintenance, fuel and security expenses	(794.270)	(351.281)	(285.351)	(117.327)
Payments to authorities and terminal managements	(799.185)	(421.677)	(878.506)	(381.527)
Insurance premiums	(314.888)	(158.921)	(291.015)	(146.458)
Taxes and other fees	(663.084)	(380.565)	(736.920)	(350.138)
Other expenses	(2.979.737)	(1.576.285)	(4.223.220)	(2.236.879)
	(41.016.315)	(21.719.990)	(41.681.270)	(21.571.313)

NOTE 21 - FINANCIAL INCOME

	January 1 - June 30, 2013	April 1 - June 30, 2013	January 1 - June 30, 2012	April 1 - June 30, 2012
Foreign exchange gains	3.295.327	966.285	15.193.109	7.217.236
Interest income	1.212.151	648.539	1.492.811	744.100
Unearned finance income	554.556	416.356	534.469	340.924
Other financial income	202.992	102.956	115	-
	5.265.026	2.134.136	17.220.504	8.302.260

NOTE 22 - FINANCIAL EXPENSES

	January 1 - June 30, 2013	April 1 - June 30, 2013	January 1 - June 30, 2012	April 1 - June 30, 2012
Foreign exchange losses	(14.650.776)	(12.932.463)	(2.867.318)	(859.624)
Interest expenses	(9.920.374)	(4.267.600)	(11.914.597)	(6.221.124)
Financial expenses incurred under scope of IFRIC 12	(483.547)	(81.955)	(1.621.449)	(784.648)
Unaccrued finance expenses	(429.343)	(429.343)	(334.251)	(210.668)
Other financial expenses	(353.563)	(182.012)	(126.456)	(52.250)
	(25.837.603)	(17.893.373)	(16.864.071)	(8.128.314)

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH**

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

NOTE 23 - TAX ASSETS AND LIABILITIES

	June 30, 2013	December 31, 2012
Current period corporate tax provision	1.155.299	-
Current year tax assets	(56.522)	(2.112.032)
Tax liability payable - net	1.098.777	(2.112.032)
	June 30, 2013	December 31, 2012
Deferred tax assets	16.459.671	15.554.815
Deferred tax liabilities	(5.784.532)	(5.628.521)
Deferred tax liability - net	10.675.139	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 condensed interim 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 withholding tax at the rate of 19,8% on the investment incentive allowance utilized within the scope of the Income Tax Law transitional article 61).

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

Corporations are required to pay advance corporation tax quarterly at the rate of 20% on their corporate income (2011: 20%). Advance tax is declared by the 14th and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. Despite the credit from annual corporation tax liability, if the company still has excess advance corporate tax, it can receive this balance in cash from the Government or as a credit for another financial debt to the Government.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods. In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 25th of the fourth month following the close of the related financial year. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH

ÇELEBİ HAVA SERVİSİ A.Ş.

Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013

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

NOTE 23 - 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 2013 (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).

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH**

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

NOTE 23 - TAX ASSETS AND LIABILITIES (Continued)

Tax expense for the periods end June 30, 2013 and June 30, 2012 is presented below:

	January 1 - June 30, 2013	April 1 - June 30, 2013	January 1 - June 30, 2012	April 1 - June 30, 2012
- Current year corporate tax (*)	(2.232.142)	(764.382)	(5.454.849)	(4.762.682)
- Deferred tax income /(expense)	943.281	657.283	1.674.361	776.442
	(1.288.861)	(107.099)	(3.780.488)	(3.986.240)

(*) The amount consist of local tax and innovation tax sourced by CGHH, as well as current period corporate tax.

Deferred Taxes

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

The analysis of cumulative temporary differences and the related deferred tax assets and liabilities in respect of items for which deferred income tax has been provided as at June 30, 2013 and December 31, 2012 using the enacted tax rates are as follows:

	<u>Cumulative temporary Differences</u>		<u>Deferred tax assets / (liabilities)</u>	
	June 30, 2013	December 31, 2012	June 30, 2013	December 31, 2012
Deferred tax assets				
Non-deductible financial losses (*)	(19.603.031)	(21.658.037)	22.799	670.264
Personnel bonus accrual	(880.666)	(863.855)	176.133	172.771
Accrued sales commissions	(3.049.616)	(1.631.326)	609.923	326.265
Provision for employment termination benefits	(7.829.925)	(7.499.227)	1.565.985	1.499.845
Provision for operational leasing				
Equilization	(27.976.530)	(24.263.883)	9.076.985	7.872.417
Provision for unused vacation	(2.043.309)	(1.534.923)	408.662	306.985
Provision for legal claims	(665.445)	(665.445)	133.089	133.089
Provision for investment consultancy expenses	(673.680)	(1.247.820)	134.736	249.564
Net difference between the tax base and carrying amount of property plant and equipment and intangible assets	(18.464.203)	(20.959.738)	5.990.711	6.800.387
Deferred income from insurance claims	(2.887.200)	(2.673.900)	577.440	534.780
Other	(4.559.053)	(1.878.888)	1.285.451	295.512
			19.981.914	18.861.878
Net off			3.522.243	3.307.063
Deferred tax assets			16.459.671	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 19.459.645 (December 31, 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 6.313.682 of deferred tax amount as of June 30, 2013.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH**

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

NOTE 23 - TAX ASSETS AND LIABILITIES (Continued)

	<u>Total temporary differences</u>		<u>Deferred tax assets(liabilities)</u>	
	June 30, 2013	December 31, 2012	June 30, 2013	December 31, 2012
Deferred tax liabilities				
Net difference between the tax base and carrying amount of property plant and equipment and intangible assets	47.328.336	45.768.586	(9.306.775)	(8.935.201)
Other	-	1.915	-	(383)
			(9.306.775)	(8.935.584)
Net off			3.522.243	3.307.063
Deferred tax liabilities			(5.784.532)	(5.628.521)
Deferred tax asset, net			10.675.139	9.926.294

Deferred tax movement table is as below:

	January 1- June 30, 2013	January 1 - June 30, 2012
January 1	9.926.294	8.969.945
Foreign currency translation difference	(194.437)	(1.331.927)
Charge for the period	943.282	1.674.361
June 30	10.675.139	9.312.379

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

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

NOTE 24 - EARNINGS PER SHARE

Earnings per share disclosed in the condensed interim 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:

	January 1 - June 30, 2013	April 1 - June 30, 2013	January 1 - June 30, 2012	April 1 - June 30, 2012
Net loss attributable to the equity holders of the parent	(10.495.103)	(737.442)	11.181.632	13.240.172
Weighted average number of shares with 1 Kr face value each	2.430.000.000	2.430.000.000	2.430.000.000	2.430.000.000
Earning per share (Kr)	(0,004)	(0,0003)	0,005	0,005

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH**

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

NOTE 25 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

i) Balances with related parties

Due from related parties	June 30, 2013	December 31, 2012
ÇHH (*)	8.980.150	8.301.471
Other	355.790	315.319
	9.335.940	8.616.790

(*) This amount consist included in the financial balance of interest amounting to Euro 3.500.000 (TL 8.289.651) which CGHH has given to ÇHH with 1 year, 1 week maturity and with 3+6m% Eurobor rates. As of June 30, 2013 gross amount is TL 8.909.821.

The maturities of due from related parties are generally shorter than a month (December 31, 2012: shorter than a month). As of June 30, 2013 and December 31, 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	June 30, 2013	December 31, 2012
ÇHH (*)	3.003.100	2.441.257
Çe-Tur	724.568	388.611
Other	55.019	13.574
	3.782.687	2.843.442

(*) As of 30.06.2013 the amount is comprised of expense reimbursements of ÇHH regarding legal, financial, human resources, purchases, information technology, etc.

As of June 30, 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

	January 1 - June 30, 2013	April 1 - June 30, 2013	January 1 - June 30, 2012	April 1 - June 30, 2012
Miscellaneous sales to related parties				
ÇHH	100.932	26.450	189.412	102.604
Çe-Tur	79.518	30.264	207.316	150.910
Celebi Ground Services Austria GMBH	87.720	19.397	52.933	5.215
Other	10.814	7.229	35.617	29.547
	278.984	83.340	485.278	288.276

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH**

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

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

	January 1 - June 30, 2013	April 1 - June 30, 2013	January 1 - June 30, 2012	April 1 - June 30, 2012
Employee and transportation expenses payable to related parties				
Çe-Tur	2.372.801	1.496.833	1.585.719	964.694

Contribution to holding expenses (*)

ÇHH	15.565.256	8.844.625	14.255.049	7.629.954
-----	------------	-----------	------------	-----------

- (*) Contribution paid to Çelebi Havacılık Holding A.Ş. for services (legal counseling, financial consultancy and human resource consultancy) provided to Çelebi Hava Servisi A.Ş. and Çelebi Güvenlik Sistemleri ve Danışmanlık A.Ş. by Çelebi Havacılık Holding A.Ş. These expenses have been consistently incurred between periods and participations in Çelebi Havacılık Holding A.Ş. in the consideration of criteria such as staff number, company turnover and asset size.

	January 1 - June 30, 2013	April 1 - June 30, 2013	January 1 - June 30, 2012	April 1 - June 30, 2012
Other purchases from related parties (*)				
ÇHH	1.765.241	855.136	2.005.934	798.277
Çe-Tur	604.516	327.967	579.094	337.555
Other	84.555	52.492	63.426	33.119
	2.454.312	1.235.595	2.648.454	1.168.951

- (*) 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.

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

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

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

Collaterals given in favor of related parties for borrowings as of June 30, 2013 and December 31, 2012 are as follow:

June 30, 2013	Euro	US Dollar	INR	HUF	TL	Total TL
ÇHH	-	-	-	-	17.500.000	17.500.000
CGHH (2)	24.200.000	-	-	-	-	60.831.540
Celebi Nas (1)	-	-	91.080.000	-	-	2.950.992
Celebi Delhi Cargo (3)	-	-	2.624.840.000	-	-	85.044.816
Celebi Delhi GH (4)	-	-	1.353.656.700	-	-	43.858.477
Celebi Cargo GmbH (5)	9.200.000	-	-	-	-	23.126.040
December 31, 2012	Euro	US Dollar	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, For 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 June 30, 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 INR 15.300.000 which is corresponding to 23,9% of the total shares of company.
- (5) For borrowing agreements which are EUR 9.200.000 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 9.200.000 as of June 30, 2013.

Key management compensation:

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

	January 1 - June 30, 2013	April 1 - June 30, 2013	January 1 - June 30, 2012	April 1 - June 30, 2012
Short-term employee benefits	4.864.923	2.328.168	6.510.836	3.431.520
Post-employment benefits	7.553	7.553	104.482	39.130
	4.872.476	2.335.721	6.615.318	3.470.650

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH

ÇELEBİ HAVA SERVİSİ A.Ş.

Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013

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

NOTE 26 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Foreign exchange risk

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.

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

As of June 30, 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 14.532 (December 31, 2012: TL 94.726).

As of June 30, 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 17.931.235 (December 31, 2012: TL 17.176.857).

As of June 30, 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 8.790.887.
(December 31, 2012: TL 8.508.079).

As of June 30, 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 95.512 (December 31, 2012: TL 55.404).

Foreign currency denominated assets and liabilities of the Group as of June 30, 2013 and December 31, 2012 are as follows:

	June 30, 2013	December 31, 2012
Assets denominated in foreign currency	148.962.077	116.308.149
Liabilities denominated in foreign currency (-)	(416.291.698)	(374.855.860)
Net balance sheet position	(267.329.621)	(258.547.711)

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH**

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

**NOTE 26 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)**

The table below summarizes TL equivalent of the Group's foreign currency denominated assets and liabilities as of June 30, 2013 and December 31, 2012:

June 30, 2013	TL Equivalent (Functional Currency)	US Dollar	Euro	Indian Rupee	Hungarian Forint	GBP/British Pound
1. Trade receivables	64.113.907	1.531.099	20.763.938	220.246.732	188.114.658	78.535
2. Monetary financial assets (Cash, Bank Accounts)	50.646.829	3.460.429	11.614.949	377.066.252	269.270.619	93.260
3. Other	19.423.177	563.289	232.678	478.932.084	261.906.001	-
4. Current assets (1+2+3)	134.183.913	5.554.817	32.611.565	1.076.245.068	719.291.278	171.795
5. Other	14.778.164	-	-	456.116.175	-	-
6. Non-current assets (5)	14.778.164	-	-	456.116.175	-	-
7. Total assets (4+6)	148.962.077	5.554.817	32.611.565	1.532.361.243	719.291.278	171.795
8. Trade payables	19.733.551	1.642.684	2.795.729	232.034.070	213.500.000	69.266
9. Financial liabilities	109.876.302	2.199.113	35.066.016	543.351.644	-	-
10. Other monetary liabilities	23.727.063	-	638.566	529.068.073	617.632.532	-
11. Current liabilities (8+9+10)	153.336.916	3.841.797	38.500.311	1.304.453.787	831.132.532	69.266
12. Financial liabilities	220.536.938	135.524	65.014.603	1.754.594.907	-	-
13. Other monetary liabilities	42.417.844	1.502.000	430.678	1.186.549.348	-	-
14. Non-current liabilities (12+13)	262.954.782	1.637.524	65.445.281	2.941.144.255	-	-
15. Total liabilities (11+14)	416.291.698	5.479.321	103.945.592	4.245.598.042	831.132.532	69.266
16. Net foreign currency asset/(liability) position (7-15)	(267.329.621)	75.496	(71.334.027)	(2.713.236.799)	(111.841.254)	102.529
17 Net monetary foreign currency asset/(liability) Position (7-15)	(267.329.621)	75.496	(71.334.027)	(2.713.236.799)	(111.841.254)	102.529

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH**

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

**NOTE 26 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)**

31 December 2012	TL Equivalent (Functional Currency)	US Dollar	Euro	Indian Rupee	Hungarian Forin	GBP/Britis h 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	12.537.446	-	299.614	319.747.937	169.198.000	-
4. Current assets (1+2+3)	95.063.818	4.528.799	19.771.916	1.052.401.465	747.206.646	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)	116.308.149	4.528.799	19.771.916	1.701.876.580	747.206.646	625
8. Trade payables	19.691.269	1.293.380	3.084.980	240.157.736	255.706.000	69.266
9. Financial liabilities	104.802.549	2.094.240	35.319.974	550.515.836	-	-
10. Other monetary liabilities	28.546.173	-	474.410	699.647.686	559.732.355	-
11. Current liabilities (8+9+10)	153.039.991	3.387.620	38.879.364	1.490.321.258	815.438.355	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)	374.855.860	5.060.190	92.812.087	4.302.940.022	815.438.355	69.266
16. Net foreign currency asset/(liability) position (7-15)	(258.547.711)	(531.391)	(73.040.171)	(2.601.063.44)	(68.231.711)	(68.641)
17. Net monetary foreign currency asset/(liability) Position (7-15)	(258.547.711)	(531.391)	(73.040.171)	(2.601.063.44)	(68.231.711)	(68.641)

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH**

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

**NOTE 26 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)**

The table below summarizes TL equivalent of export and import amounts for the years ended June 30, 2013 and December 31, 2012:

	January 1- June 30, 2013	April 1 - June 30, 2013	January 1 - June 30, 2012	April 1 - June 30, 2012
Total export amount	-	-	637.559	351.441
Total import amount	5.039.969	2.129.589	10.459.341	4.543.846

Capital risk management

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

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

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

The ratio of net debt/ (equity +net debt) at June 30, 2013 and December 31, 2012 are as follows:

	June 30, 2013	December 31, 2012
Total financial liabilities	330.413.240	292.983.712
Less: Cash and cash equivalents	(52.735.580)	(46.417.682)
Less: Current assets	(4.275.828)	(4.144.684)
Less: Long term receivables	-	(2.041.226)
Net debt	273.401.832	240.380.120
Equity	33.038.477	64.074.156
Equity + net debt	306.440.309	304.454.276
Net debt / (Equity + net debt) ratio	0,89	0,79

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH

ÇELEBİ HAVA SERVİSİ A.Ş.

Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013

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

NOTE 27 - FINANCIAL INSTRUMENTS

Fair value estimation

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

Effective January 1 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 June 30, 2013 and December 31, 2012 are as below

June 30, 2013	Level 1	Level 2	Level 3	Total
Assets				
Available for sale financial assets	-	-	1.370.525	1.370.525
Total assets	-	-	1.370.525	1.370.525

June 30, 2013	Level 1	Level 2	Level 3	Total
Liabilities				
Derivative Financial Instruments	418.138	-	-	418.138
Total liabilities	418.138	-	-	418.138

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH

ÇELEBİ HAVA SERVİSİ A.Ş.

Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013

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

NOTE 27 - FINANCIAL INSTRUMENTS (Continued)

December 31,2012	Level 1	Level 2	Level 3	Total
Assets				
Available for sale financial assets	-	-	1.383.442	1.383.442
Total assets	-	-	1.383.442	1.383.442

December 31, 2012	Level 1	Level 2	Level 3	Total
Liabilities				
Derivative Financial Instruments	124.446	-	-	124.446
Total liabilities	124.446	-	-	124.446

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

**NOTE 28 - DISCLOSURE OF OTHER MATTERS REQUIRED FOR THE PURPOSE OF
UNDERSTANDING AND INTERPRETING THE CONDENSED INTERIM
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 June 30, 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.

Because of the aforementioned fire, a judicial inquiry has been held with the inquiry file 2006/37927 E. at the Bakirkoy Office of the Directorate of Public Prosecutions, and in accordance with the results of the judicial inquiry criminal prosecution proceedings - Criminal suit number 2006/817 E. at Third Bakirkoy Third Magistrate Criminal Court - have been initiated against four DHMI security guards and an Ataturk Airport security guard for responsibility concerning the fire. The Company has been described as the aggrieved party in the indictment prepared by the Bakirkoy Office of the Public Prosecutor. The Company, with all rights related to private law reserved, has submitted a petition to be a participant in the court proceedings for the penalizing of the perpetrators, since it has been described as aggrieved party. Since the reasons and responsible of fire could not identified, the court has decided to acquittal of the DHMI personnel.

There are legal cases and enforcement proceedings under way: this comprises legal cases and enforcement proceedings amounting to TL 9.267.213 in which the Company is a co-defendant along with the DHMI, other warehouse management companies and insurance companies; and legal cases and enforcement proceedings amounting to TL 5.021.238 in which the Company is the sole defendant. Total legal cases and enforcement proceedings is TL 14.288.451 (Note 12) as of June 30, 2013.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORGINALLY ISSUED IN TURKISH**

ÇELEBİ HAVA SERVİSİ A.Ş.

**Notes to the condensed interim consolidated financial statements
for the six month period ended June 30, 2013**

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

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

In this context, the company management deems it likely that all the exposed legal claims of the Fund Companies can be eliminated through settlement in the context of the fund as a result of the ongoing negotiations. On the other hand and leaving aside the ongoing negotiations for settlement, the maximum limit which the Company may be held liable under the existing lawsuits and actions taken is approximately TL 8.011.721 despite being a remote probability bearing in mind the internationally established legal rules regarding the air transportation and so on since the same has a limited liability against the cargo owners based on the limitation of the liability regulated under the international conventions given the legal nature of the contractual liability that may be assumed due to the agreement executed with the carriers.

The Company has an insurance policy related to the goods of third parties amounting to USD 1.500.000 which has been fully collected as of June 30, 2013 and is planned to be utilized by the Company under the circumstances that the Company is held legally liable for the losses incurred during the fire.

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.

Even though the contracting Company, DHMI, and other warehouse operator ("Fund Companies") maintain their claim that they can in no way be held responsible for the fire and its consequences, they have decided that the fund in question be established by the reinsurers of the Fund Companies in order to resolve the cases in which they are and are likely to be a party. As of the announcement date of the report, 204 cases with a total value of TL 76.930.630 (USD 39.968.116) and to which the Fund Companies are a party, have been solved with conciliation; for TL 47.598.615 (USD 24.729.123) negotiations between the claimants and the fund are ongoing no conciliation has been achieved within the scope of the fund. It is foreseen that the balance amounts remaining in the fund as a result of liquidation will be sufficient for the liquidation of all claims made with all fund parties but for which reconciliation meetings have not been finalized.

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 condensed interim consolidated financial statements as of June 30, 2013.

NOTE 29 - SUBSEQUENT EVENTS

None.