Çelebi Hava Servisi A.Ş.

Consolidated financial statements for the period January 1 – December 31, 2015 and independent auditor's report

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

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CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH

Independent auditors' report on the consolidated financial statements

To the Shareholders of Çelebi Hava Servisi A.Ş.;

We have audited the accompanying consolidated balance sheet of Çelebi Hava Servisi A.Ş. ("the Company") and its subsidiaries (together "the Group") as at 31 December 2015 and the related consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and explanatory notes.

Group Management's responsibility for the financial statements

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

Independent Auditor's responsibility

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

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

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

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2015 and their financial performance and cash flows for the year then ended in accordance with the Turkish Accounting Standards.

Reports on other responsibilities arising from regulatory requirements

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

2) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January – 31 December 2015 and financial statements are not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.

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

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

Ethem Kutucular, SMMM
Partner

10 March 2016
Istanbul, Turkey

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ÇELEBİ HAVA SERVİSİ A.Ş.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2015

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

	Notes	*Audited* 31 December 2015	*Audited* 31 December 2014
ASSETS			
Current Assets			
Cash and cash equivalents	4	138.444.891	79.950.529
Trade receivables		75.114.004	57.880.354
-- Due from third parties	8	73.894.342	57.188.420
- Due from related parties	8	1.219.662	691.934
Other receivables		18.394.870	9.497.834
- Other receivables from third parties	9	7.260.323	9.497.834
-Other receivables from related parties	9	11.134.547	-
Inventories	10	9.844.188	8.381.073
Prepaid expenses	15	12.740.151	10.107.013
Other current assets	14	4.435.567	13.769.195
Total current assets		**258.973.671**	**179.585.998**
Non-current assets			
Financial investments	5	1.848.860	1.546.360
Investments accounted by equity method	6	26.204.104	17.141.793
Other long-term receivables		18.923.786	23.500.013
- Due from third parties	9	18.923.786	13.625.063
- Due from related parties	9	-	9.874.950
Property, plant and equipment	11	155.669.255	166.486.309
Intangible assets		150.866.395	132.042.691
- Other intangible assets	12	124.684.253	108.836.481
- Goodwill	12	26.182.142	23.206.210
Prepaid expenses	15	19.434.304	19.159.212
Deferred tax asset	28	31.983.592	22.258.480
Other non-current assets	14	14.646.588	11.523.966
Total non-current assets		**419.576.884**	**393.658.824**
Total assets		**678.550.555**	**573.244.822**

ÇELEBİ HAVA SERVİSİ A.Ş.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2015

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

	Notes	*Audited* 31 December 2015	*Audited* 31 December 2014
LIABILITIES			
Current liabilities			
Short-term financial liabilities	7	40.435.153	34.908.082
Current portion of long term financial liabilities	7	124.091.036	89.293.531
Other financial liabilities	7	-	1.640.400
Trade payables		55.042.896	45.847.785
- Due to third parties	8	49.519.592	41.206.911
- Due to related parties	8	5.523.304	4.640.874
Liabilities for employee benefits	17	22.234.755	18.900.210
Other payables		5.333.880	4.521.860
- Due to third parties	9	5.333.880	4.521.860
Deferred income	16	3.041.038	3.571.895
Short-term provisions		7.246.798	4.103.530
- Provisions for employee benefits	13	5.759.871	3.245.538
- Other provisions	13	1.486.927	857.992
Current tax liabilities	28	1.970.941	2.258.497
Other current liabilities	14	4.528.514	4.498.684
Total current liabilities		**263.925.011**	**209.544.474**
Non-Current Liabilities			
Long-term financial liabilities	7	157.976.034	179.437.240
Long term provisions		17.437.933	9.234.288
- Provisions for employee benefits	13	17.437.933	9.234.288
Deferred income tax liabilities	28	5.943.110	6.283.864
Other non-current payables	9	7.462.171	4.782.335
Other non-current liabilities	14	81.521.037	57.509.125
Total non-current liabilities		**270.340.285**	**257.246.852**
Total liabilities		**534.265.296**	**466.791.326**
EQUITY			
Equity attributable to equity holders of the parent		**132.939.742**	**95.521.545**
Share Capital	18	24.300.000	24.300.000
Other comprehensive income/(expense) not to be reclassified to profit or loss		(8.493.178)	(1.243.129)
- Actuarial gain/(loss) arising from defined benefit plans		(8.493.178)	(1.243.129)
Other comprehensive income/(expense) to be reclassified to profit or loss		14.586.228	4.376.169
- Foreign currency translation differences		14.586.228	4.376.169
Restricted reserves	18	33.012.956	28.274.456
Retained earnings		(13.524.451)	(14.753.489)
Net profit/ (loss) for the year		83.058.187	54.567.538
Non-controlling interest		**11.345.517**	**10.931.951**
Total equity		**144.285.259**	**106.453.496**
Total liabilities and equity		**678.550.555**	**573.244.822**

ÇELEBİ HAVA SERVİSİ A.Ş.
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

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

	Notes	*Audited* 31 December 2015	*Audited* 31 December 2014
CONTINUING OPERATIONS			
Revenue (net)	19	732.278.323	621.449.684
Cost of sales (-)	19	(516.628.549)	(446.548.943)
GROSS PROFIT	**19**	**215.649.774**	**174.900.741**
General administrative expenses (-)	21	(97.290.939)	(88.332.392)
Other operating income	22	14.860.102	10.089.218
Other operating expenses (-)	23	(11.946.077)	(4.921.266)
Income from investments accounted by equity method	6	5.315.128	2.959.639
OPERATING PROFIT		**126.587.988**	**94.695.940**
Income from investment activities	24	6.337.247	651.502
Expense from investment activities (-)	25	(422.117)	(7.763.008)
OPERATING PROFIT/(LOSS) BEFORE FINANCIAL INCOME/(EXPENSE)		**132.503.118**	**87.584.434**
Financial income	26	29.135.023	25.446.710
Financial expense (-)	27	(59.800.928)	(42.386.869)
INCOME BEFORE TAX		**101.837.213**	**70.644.275**
Income tax expense		**(20.435.300)**	**(15.648.535)**
Current tax expense	28	(24.165.608)	(16.346.675)
Deferred tax income/(expense)	28	3.730.308	698.140
NET INCOME/ (EXPENSE)		**81.401.913**	**54.995.740**
Attributable to:			
Non-controlling interest		(1.656.274)	428.202
Equity holder of the parent		83.058.187	54.567.538
		81.401.913	**54.995.740**
Earnings / (losses) per share (Full TL)	29	0,034	0,022

ÇELEBİ HAVA SERVİSİ A.Ş.
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

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

	Notes	*Audited* 31 December 2015	*Audited* 31 December 2014
Net profit / (loss) for the period		**81.401.913**	**54.995.740**
Other comprehensive income/ (expense):			
To be reclassified to profit or loss			
- Currency translation differences		12.279.899	1.249.696
Not to be reclassified to profit or loss			
- Actuarial gain/(loss) arising from defined benefit plans		(7.250.049)	(364.580)
Other comprehensive income/(expense)		**5.029.850**	**885.116**
Total comprehensive income/(expense)		**86.431.763**	**55.880.856**
Total comprehensive income attributable to:			
Non-controlling interest		413.566	878.397
Equity holders of the parent		86.018.197	55.002.459

ÇELEBİ HAVA SERVİSİ A.Ş.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

				Other comprehensive income/(expense) to be reclassified to profit or loss	Other comprehensive income/(expense) not to be reclassified to profit or loss	Retained Earnings				
	Notes	Share Capital	Restricted Reserves	Cumulative Translation Differences	Actuarial gain/(loss) arising from defined benefit plans)	Retained Earnings	Net profit / (loss) for the year	Equity attribute table to equity holders of the parent	Non-controlling interest	Total equity
Balances at 1 January 2014		24.300.000	28.274.456	3.578.298	(880.179)	(17.808.255)	3.054.766	40.519.086	6.322.212	46.841.298
Increase in minority of subsidiaries		-	-	-	-	-	-	-	3.731.342	3.731.342
Transfers to retained earnings	19	-	-	-	-	3.054.766	(3.054.766)	-	-	-
Other comprehensive income										
- Change in foreign currency translation differences		-	-	797.871	-	-	-	797.871	451.825	1.249.696
- Change in Actuarial gain/(loss) arising from defined benefit plans		-	-	-	(362.950)	-	-	(362.950)	(1.630)	(364.580)
Total other comprehensive income		-	-	797.871	(362.950)	-	-	434.921	450.195	885.116
Net profit / (loss) for the period		-	-	-	-	-	54.567.538	54.567.538	428.202	54.995.740
Total comprehensive income/(expense)		-	-	797.871	(362.950)	-	54.567.538	55.002.459	878.397	55.880.856
Balances at 31 December 2014		24.300.000	28.274.456	4.376.169	(1.243.129)	(14.753.489)	54.567.538	95.521.545	10.931.951	106.453.496

ÇELEBİ HAVA SERVİSİ A.Ş.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

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

				Other comprehensive income/(expense) to be reclassified to profit or loss	Other comprehensive income/(expense) not to be reclassified to profit or loss	Retained earnings				
	Notes	Share capital	Restricted reserves	Cumulative translation differences	Actuarial gain/(loss) arising from defined benefit plans)	Retained earnings	Net profit / (loss) for the year	Equity attribute table to equity holders of the parent	Non-controlling interest	Total equity
Balances at 1 January 2015		24.300.000	28.274.456	4.376.169	(1.243.129)	(14.753.489)	54.567.538	95.521.545	10.931.951	106.453.496
Transfers to retained earnings		-	-	-	-	54.567.538	(54.567.538)	-	-	-
Divided payment		-	4.738.500	-	-	(53.338.500)	-	(48.600.000)	-	(48.600.000)
Other comprehensive income						-	-			
- Change in foreign currency translation differences		-	-	10.210.059	-	-	-	10.210.059	2.069.840	12.279.899
- Change in Actuarial gain/(loss) arising from defined benefit plans		-	-	-	(7.250.049)	-	-	(7.250.049)	-	(7.250.049)
Total other comprehensive income		-	-	10.210.059	(7.250.049)	-	-	2.960.010	2.069.840	5.029.850
Net profit / (loss) for the period		-	-	-	-	-	83.058.187	83.058.187	(1.656.274)	81.401.913
Total comprehensive income/(expense)		-	-	10.210.059	(7.250.049)	-	83.058.187	86.018.197	413.566	86.431.763
Balances at 31 December 2015		24.300.000	33.012.956	14.586.228	(8.493.178)	(13.524.451)	83.058.187	132.939.742	11.345.517	144.285.259

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

ÇELEBİ HAVA SERVİSİ A.Ş.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

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

		(Audited) 1 January- 31 December 2015	(Audited) 1 January- 31 December 2014
A. Cash flows from operating activities		140.517.350	137.581.926
Profit/loss before tax for the period		101.837.213	70.644.275
Adjustment for reconciliation of profit/(loss) before taxation		49.248.825	78.556.547
- Adjustment for depreciation and amortisation expense	10,11	34.796.680	32.708.892
- Adjustment for provisions	22	5.613.730	5.217.538
- Adjustment for interest income and expense	21,22	17.998.833	20.093.270
- Adjustment for (profit) on sales of property, plant and equipment, net		(5.915.130)	7.111.506
- Adjustments related to the fair value losses (gains)		9.267.578	614.072
- Other adjustments for reconciliation of profit/ loss		(7.197.738)	3.753.718
- Other item's adjustments related to cash flows arising from financing or investing activities		-	12.017.190
-Revenue from particible		(5.315.128)	(2.959.639)
Changes in working capital		(10.568.688)	(11.618.896)
- Adjustment for increase/decrease in inventories		(1.463.115)	118.315
- Adjustment for increase/decrease in trade receivables		(18.284.982)	6.863.441
- Adjustment for increase/decrease in other receivables related with operations		241.565	(19.445.293)
- Adjustment for increase/decrease in trade payables		9.195.111	1.888.702
- Adjustment for increase/decrease in other payables related with operations		29.038.264	14.858.320
Retirement liability paid		(4.911.773)	(4.544.318)
Collection from doubtfull receivable		-	23.718
Tax payments/returns		(24.383.758)	(11.381.781)
Cash flows from operating activities		140.517.350	137.581.926
B. Cash flows from investing activities		(9.899.379)	(72.616.516)
Cash inflows from the sale of property, plant and equipment and intangible assets	10, 11	28.336.692	1.130.168
Cash outflows from the purchase of property, plant and equipment and intangible asset	10, 11	(38.236.071)	(60.054.803)
Cash outflows from the purchase of long term asset		-	(87.500)
Regarding the acquisition of control of subsidiaries cash outflows related to buy		-	(13.604.381)
C. Cash flows from financing activities		(47.735.463)	(41.570.082)
Cash inflows from financial liabilities		18.863.370	(21.476.812)
Dividends paid	17	(48.600.000)	-
Interest received		4.203.352	3.770.137
Interest paid		(22.202.185)	(23.863.407)
Net (decrease)/ increase in cash and cash equivalents		(4.332.288)	2.253.722
D. Impact of foreign currency translation differences		(24.388.146)	(3.751.084)
Net increase/decrease in cash and cash equivalents		54.162.074	21.897.966
E. Cash and cash equivalents at beginning of period		73.697.489	51.799.723
Cash and cash equivalents at end of period	4	127.859.563	73.697.689

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS OF THE GROUP

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

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

The address of the Company is as follows:

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

Subsidiaries and Equity Investments Valued With Facts About:

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

The Company was informed of winning the tender offer and participates in the Celebi Tanacsado Korlatolt Felelossegu Tarsasag" ("Celebi Kft") company that was founded on 22 September 2006 as founding shareholder for the realization of the abovementioned share transfer. Celebi Kft acquired all the shares of BAGH on 26 October 2006 and the trade name of BAGH has been changed to Celebi Ground Handling Hungary Földi Kiszolgáló Korlátolt Felelősségű Társaság ("CGHH").

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

As of 31 December 2015, total paid in capital of CGHH is 200.000.000 Hungarian forint.

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

Within the framework of the tender relating to provide ground handling services for 10 years period in Mumbai Chhatrapati Shivaji International Airport in India which resulted in favor of the consortium in which the Company takes part, a joint venture company has been established on 12 December 2008 with a capital of 100.000.000 Indian Rupee and the title of "Celebi Nas Airport Services India Private Limited ("Celebi Nas") resident in Maharashtra, Mumbai India to provide ground handling services. The Company, as co-founder, has a 55% stake in Celebi Nas and the capital of the company is amounting to 552.000.000 Indian Rupee. Also 228.000.000 Indian Rupee has been paid as capital advance which has been registered by Celebi Nas' partners yet. On April 08, 2015, Celebi Nas has signed a "concession agreement" with Mumbai International Airport Private Limited ("MIAL"), the operator of the CSIA International Airport in which Celebi Nas operates. The content of the agreement covers the rendering of services regarding air conditioners and generators mounted on passenger boarding bridges in the passenger terminal of the mentioned airport. Celebi Nas has been granted the concession rights until May 2036 within the scope of the concession agreement.

The Company participated as a co-founders in the company with capital of 100.000 Indian Rupee under the title Celebi Delhi Cargo Terminal Management India Private Limited ("Celebi Delhi Cargo") to carry out activities relating to the development, modernization and 25-year operation of the existing cargo terminal in the airport ("Brownfield") in New Delhi in India on 6 May 2009, and its capital share in Celebi Delhi Cargo is 74%. The paid capital of the Celebi Delhi Cargo is amounting to 1.120.000.000 Indian Rupee.

The equity needed to meet financial requirement of the investments planned and the fulfillment of the requirements arising from the Concession Agreement signed by Celebi Ground Handling Delhi Private Limited ("Celebi GH Delhi"), established in 18 November 2009, with a paid-in capital amounting to 18.150.000 Indian Rupee and in which the Company participated at 74%, with the tender authority upon winning the tender opened for the conduct of airport ground handling services in Delhi International Airport for 10 years, was met through a premium capital increase according to the legal legislation in India by paying 1.081.917.000 Indian Rupee and the Company has a 74% stake in Celebi GH Delhi.

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

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

Çelebi Kargo Depolama ve Dağıtım Hizmetleri A.Ş. ("Çelebi Kargo") was established on November 20, 2008 in order to carry out transportation, load transfer, cargo storage and distribution activities. Celebi Cargo GmbH (Celebi Cargo), a subsidiary of Çelebi Kargo having a prepaid capital at an amount of €11.500.000 and which is a resident in Germany established in November 2009, rented store/warehouse facilities located at International Frankfurt Airport Cargo (Frankfurt Cargo Süd) and carrying out activities in air cargo storage and handling. The capital of Çelebi Kargo is TL 29.500.000 as of December 31, 2015 and all its capital is paid.

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

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

A "share purchase agreement" was signed on February 18, 2014 between Celebi Cargo GmbH, a subsidiary of Çelebi Kargo Depolama ve Dağıtım Hizmetleri A.Ş. registered in Frankurt, Germany, 100% of the capital of which is owned by Çelebi Kargo Depolama ve Dağıtım Hizmetleri A.Ş., in which the Company participates and Aviapartner GmbH, also registered in Frankurt, Germany, for the transfer of all of the shares of Aviapartner Cargo GmbH ("Aviapartner Cargo") operating in Frankfurt and Hahn International Airports in Germany. Celebi Cargo GmBH. An ultimate closing protocol has been signed as of 6 March 2015. As of 30 April 2014, the title of Aviapartner Cargo is changed to Celebi GmbH. Celebi GmbH was taken over by Celebi Kargo with all its assets and liabilities and merged with Celebi Cargo Germany within the framework of the related effective regulations and the legal merger transactions were completed upon the registration made as of October 30, 2014.

As of 31 December 2015, the condensed interim consolidated financial statements of the Company include the Company, Celebi Nas, CGHH, Çelebi Guvenlik In Liquidation, Celebi Delhi Cargo, Celebi GH Delhi, Çelebi Kargo and Celebi Cargo (collectively, referred to as the "Group").

These consolidated financial statements for the period 1 January – 31 December 2015 have been approved for issue by the Board of Directors on 10 March 2016 and signed by Atilla Korkmazoğlu (Deputy General Manager) and Deniz Bal (Financial Affairs Director) on behalf of Board of Directors.

Subsidiaries:

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

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

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

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

Investments Accounted by Equity Method:

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

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

Affiliates:

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

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

As of 31 December 2015 average number of personnel is 11.648'dir (31 December 2014: 10.508).

2.1. Basis of presentation

2.1.1 Financial reporting standards

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

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

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

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

Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates The consolidated financial statements are presented in TL, which are the functional currency of the Company and the presentation currency of the Group. As of 31 December 2015, the currency of subsidiaries has shown below.

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

Going Concern

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

2.1.2 Amendments in International Financial Reporting Standards (IFRS)

The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at December 31, 2015 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, 2015. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as at January 1, 2015 are as follows:

TAS 19 Defined Benefit Plans: Employee Contributions (Amendment)

TAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. The amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. The amendment did not have a significant impact on the consolidated financial statements of the the Group.

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

Annual Improvements to TAS/TFRSs

In September 2014, POA issued the below amendments to the standards in relation to "Annual Improvements - 2010–2012 Cycle" and "Annual Improvements - 2011–2013 Cycle.

Annual Improvements - 2010–2012 Cycle

TFRS 2 Share-based Payment:

Definitions relating to performance and service conditions which are vesting conditions are clarified. The amendment is effective prospectively.

TFRS 3 Business Combinations

The amendment clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IAS 39 (or IFRS 9, as applicable). The amendment is effective for business combinations prospectively.

TFRS 8 Operating Segments

The changes are as follows: i) An entity must disclose the judgements made by management in applying the aggregation criteria in IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'. ii) The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments are effective retrospectively.

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

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

TAS 24 Related Party Disclosures

The amendment clarifies that a management entity – an entity that provides key management personnel services – is a related party subject to the related party disclosures. . In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment is effective retrospectively.

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

Annual Improvements – 2011–2013 Cycle

TFRS 3 Business Combinations

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

TFRS 13 Fair Value Measurement

The portfolio exception in TFRS 13 can be applied to financial assets, financial liabilities and other contracts within the scope of IAS 39 (or IFRS 9, as applicable). The amendment is effective prospectively.

TAS 40 Investment Property

The amendment clarifies the interrelationship of TFRS 3 and TAS 40 in determining whether the transaction is the purchase of an asset or business combination. The amendment is effective prospectively.

The amendments did not have a significant impact on the consolidated financial statements of the the Group.

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

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

TFRS 9 Financial Instruments – Classification and measurement

As amended in December 2012 and February 2015, the new standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. Phase 1 of this new TFRS introduces new requirements for classifying and measuring financial instruments. The amendments made to TFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option (FVO) liabilities and requires that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is adopted by POA.

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

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

TFRS 11 is amended to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. This amendment requires the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in TFRS 3 Business Combinations, to apply all of the principles on business combinations accounting in TFRS 3 and other TFRSs except for those principles that conflict with the guidance in this TFRS. In addition, the acquirer shall disclose the information required by TFRS 3 and other TFRSs for business combinations. These amendments are to be applied prospectively for annual periods beginning on or after January 1, 2016. Earlier application is permitted. The amendments will not have an impact on the financial position or performance of the Group.

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

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

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

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

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

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

In April 2015, Public Oversight Accounting and Auditing Standards Authority (POA) of Turkey issued an amendment to TAS 27 to restore the option to use the equity method to account for investments in subsidiaries and associates in an entity's separate financial statements. Therefore, an entity must account for these investments either:

• At cost
• In accordance with IFRS 9,
Or
• Using the equity method defined in TAS 28

The entity must apply the same accounting for each category of investments. The amendment is effective for annual periods beginning on or after January 1, 2016. The amendments must be applied retrospectively. Early application is permitted and must be disclosed. The amendments will not have an impact on the financial position or performance of the Group.

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

In February 2015, amendments issued to TFRS 10 and TAS 28, to address the acknowledged inconsistency between the requirements in TFRS 10 and TAS 28 in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture, to clarify that an investor recognises a full gain or loss on the sale or contribution of assets that constitute a business, as defined in TFRS 3, between an investor and its associate or joint venture. The gain or loss resulting from the re-measurement at fair value of an investment retained in a former subsidiary should be recognised only to the extent of unrelated investors' interests in that former subsidiary. An entity shall apply those amendments prospectively to transactions occurring in annual periods beginning on or after January 1, 2016. Earlier application is permitted. The amendments will not have an impact on the financial position or performance of the Group.

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

In February 2015, amendments issued to TFRS 10, TFRS 12 and TAS 28, to address the issues that have arisen in applying the investment entities exception under TFRS 10 Consolidated Financial Statements. The amendments are applicable for annual periods beginning on or after January 1, 2016. Earlier application is permitted. The amendment is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

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

TAS 1: Disclosure Initiative (Amendments to TAS 1)

In February 2015, amendments issued to TAS 1. Those amendments include narrow-focus improvements in the following five areas: Materiality, Disaggregation and subtotals, Notes structure, Disclosure of accounting policies, Presentation of items of other comprehensive income (OCI) arising from equity accounted investments. The amendments are applicable for annual periods beginning on or after
January 1, 2016. Earlier application is permitted. These amendments are not expected have significant impact on the notes to the consolidated financial statements of the Group.

Annual Improvements to TFRSs - 2012-2014 Cycle

In February 2015, POA issued, Annual Improvements to TFRSs 2012-2014 Cycle. The document sets out five amendments to four standards, excluding those standards that are consequentially amended, and the related Basis for Conclusions. The standards affected and the subjects of the amendments are:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations – clarifies that changes in methods of disposal (through sale or distribution to owners) would not be considered a new plan of disposal, rather it is a continuation of the original plan
- IFRS 7 Financial Instruments: Disclosures – clarifies that i) the assessment of servicing contracts that includes a fee for the continuing involvement of financial assets in accordance with IFRS 7; ii) the offsetting disclosure requirements do not apply to condensed interim financial statements,
- unless such disclosures provide a significant update to the information reported in the most recent annual report
- IAS 19 Employee Benefits – clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located
- IAS 34 Interim Financial Reporting –clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report

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

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

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

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

Annual Improvements – 2010–2012 Cycle

IFRS 13 Fair Value Measurement

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

IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers. The new five-step model in the standard provides the recognition and measurement requirements of revenue. The standard applies to revenue from contracts with customers and provides a model for the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., the sale of property, plant and equipment or intangibles). IFRS 15 original effective date was January 1, 2017. However, in September 2015, IASB decided to defer the effective date to reporting periods beginning on or after January 1, 2018, with early adoption permitted. Entities will transition to the new standard following either a full retrospective approach or a modified retrospective approach. The modified retrospective approach would allow the standard to be applied beginning with the current period, with no restatement of the comparative periods, but additional disclosures are required. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

IFRS 9 Financial Instruments - Final standard (2014)

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

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

IFRS 16 Leases

In January 2016, the IASB has published a new standard, IFRS 16 'Leases'. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 supersedes IAS 17 'Leases' and related interpretations and is effective for periods beginning on or after January 1, 2019, with earlier adoption permitted if IFRS 15 'Revenue from Contracts with Customers' has also been applied. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses (Amendments)

In January 2016, the IASB issued amendments to IAS 12 Income Taxes. The amendments clarify how to account for deferred tax assets related to debt instruments measured at fair value. The amendments clarify the requirements on recognition of deferred tax assets for unrealised losses, to address diversity in practice. These amendments are to be retrospectively applied for annual periods beginning on or after January 1, 2017 with earlier application permitted. However, on initial application of the amendment, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. If *the Group* applies this relief, it shall disclose that fact. The amendment are not applicable for the Group and will not have an impact on the financial position or performance of the Group.

IAS 7 Statement of Cash Flows (Amendments)

In January 2016, the IASB issued amendments to IAS 7 'Statement of Cash Flows'. The amendments are intended to clarify IAS 7 to improve information provided to users of financial statements about an entity's financing activities. The improvements to disclosures require companies to provide information about changes in their financing liabilities. These amendments are to be applied for annual periods beginning on or after January 1, 2017 with earlier application permitted. When the Company/Group first applies those amendments, it is not required to provide comparative information for preceding periods. The amendment are not applicable for the Group and will not have an impact on the financial position or performance of the Group.

2.1.3 Financial statements of joint ventures operating in foreign countries

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

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

2.1.4 Basis of Consolidation

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

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

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

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

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

	Direct and indirect shareholding by Çelebi Hava and its Subsidiaries(%)	
Subsidiary	**31 December 2015**	**31 Decmber2014**
Çelebi Güvenlik In Liquadation (2)	94,8	94,8
CGHH	100,0	100,0
Celebi Delhi Cargo	74,0	74,0
Celebi GH Delhi	74,0	74,0
Celebi Spain (1)	100,0	100,0
Çelebi Kargo	99,9	99,9
Celebi Cargo	99,9	99,9

(1) As of 31 December 2015 Celebi Spain has directly and indirectly 100% voting right. However, Celebi Spain has not been consolidated in consolidated financial statements by reason of being immaterial for the consolidated financial statements and the company operations have not started. (Note 5).

(2) Pursuant to the resolution taken in the Ordinary General Assembly meeting, of Çelebi Güvenlik with a capital of TL 1.906.736, participated by the Company at the rate of 94,8%, the liquidation process started as of December 31, 2013 and the title of the Company was changed into Çelebi Güvenlik Sistemleri ve Danışmanlık A.Ş.in Liquidation. As of December, 2015, since Çelebi Güvenlik Sistemleri ve Danışmanlık A.Ş.in Liquidation did not constitute any materiality on the consolidated financial statements of the Group, no additional presentation was made in the financial statements within the scope of IFRS 5 Assets Held for Sale and Discontinued Operations.

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

d) Joint ventures are accounted by the equity method.

	Direct and indirect shareholding by Çelebi Hava (%)	
Investments Accounted by Equity Method	**31 December 2015**	**31 December 2014**
Celebi Nas	%55,00	%55,00

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

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

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.

2.2. Changes in accounting policies

2.2.1 Comparative information

The loans amounting to TL 192.547 presented under trade receivables from related parties in current assets in the condensed consolidated statement of financial position for the period ended December 31, 2014, given to CHH by CGHH was have been classified to other long-term receivables from related parties.

2.3 *Summary of Significant Accounting Policies*

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

2.3.1 Cash and Cash Equivalents

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

2.3.2 Revenue

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

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

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

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

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

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

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

2.3.3 Property, plant and equipment

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

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

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

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

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

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

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

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

2.3.4 Intangible Assets

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

a) Goodwill

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

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

b) Commercial Business Licenses (Rights)

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

c) Contractual customer relationships

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

d) Computer software

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

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

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

e) Service Concession Arrangements & Build Operate – Transfer Investment

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

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

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

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

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

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

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

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

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

Celebi Delhi Cargo

An Agreement regarding improvement, modernization, financing and 25 years finite operating rights of the airport located in Delhi city of India has been signed on 24 August 2009. INR 1.200.000.000 (52.656.000 TL) deposit had been paid. Additional deposit, amounting to INR 78.148.352 (3.429.150 TL) is also paid in the period of 2012.

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

Celebi Nas

Operating rights agreement regarding ground services of airport in Mumbai, India for 11 years had been signed on 14 November 2008. INR 210.000.000 (9.214.800 TL) had been paid as deposit. As of 31 December 2015 INR 62.500.000 (2.742.500 TL) of the deposit amount had been returned back.

On April 08, 2015, Celebi Nas has signed a "concession agreement" with Mumbai International Airport Private Limited ("MIAL"), the operator of the CSIA International Airport in which Celebi Nas operates. The content of the agreement covers the rendering of services regarding air conditioners and generators mounted on passenger boarding bridges in the passenger terminal of the mentioned airport. Celebi Nas has been granted the concession rights until May 2036 within the scope of the concession agreement. INR 77.500.000 (3.400.700 TL) deposit has been paid.

Celebi GH Delhi

Ground services agreement for 10 years regarding airport in Delhi city of India has been signed on 2 June 2010. INR 400.000.000 (17.552.000 TL) deposit has been paid.

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

2.3.5 Inventories

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

2.3.6 Impairment of Assets

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

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

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

2.3.7 Financial Liabilities and Borrowing Costs

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

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

2.3.8 Financial Instruments

Trade receivables

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

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

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

Financial assets

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

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

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

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

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

2.3.9 Trade Payables

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

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

2.3.10 Business Combinations and Goodwill

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

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

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

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

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

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

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

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

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

2.3.11 Foreign Currency Transactions

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

2.3.12 Earnings Per Share

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

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

2.3.13 Subsequent Events

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

2.3.14 Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

2.3.15 Leases

Financial leases

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

Operational leases

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

2.3.16 Related Parties

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

2.3.17 Segment Reporting

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

2.3.18 Taxes on Income

Current and deferred income tax

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

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

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

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

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

2.3.19 Employee Benefits

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

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

2.3.20 Statement of Cash Flows

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

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

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

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

2.3.21 Dividends

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

2.3.22 Paid-in Capital

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

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

2.3.23 Offsetting

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

2.3.24 Derivative financial instruments and hedging activities

The Group uses foreign currency forward contracts to decrease its foreign exchange position and as of December 31, 2015 and 2014, it carries these instruments at their market value in its consolidated financial statements. The Group uses its year-end market rates and interest rates to calculate the market value of the foreign exchange forward contracts. In accordance with TAS 39 (Financial instruments: Recognition and Measurement), they are defined as held for trading and classified in the account of current liabilities (financial liabilities) in the consolidated financial statements and the changes in their fair value are reflected on the income statement.

2.4 Critical Accounting Estimates and Assumptions

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

(a) Goodwill impairment tests

As explained in Note 2.3.6 the Group performs impairment tests on goodwill annually at 31 December or more frequently if events or changes in circumstances indicate that it might be impaired. The recoverable amount of the cash generating unit has been determined based on the fair value less costs to sell calculations. These calculations include certained estimations and assumptions. As a result of the impairment tests performed with the use of the above assumptions, no impairment was detected in the goodwill amount as of 31December 2015(Note 12).

(b) Impairment of intangible assets

According to the accounting policy stated in Note 2.3.4. the intangible non-current assets are shown with their net value after the deduction of the accumulated depreciation, if any, and the value subtracted from the acquisition costs. As a result of the valuation studies performed at the purchase of 100% of CGHH shares, "Customer Relations" has been considered as an identifiable asset by the Group and shown under the intangible non-current assets. While the terms of the agreements signed by CGHH with its clients are either unlimited or for two to three years, it is seen that the clients continue the agreements for more than two to three years considering the average terms in the sector.

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

The redemption and amortization are determined as seven years according to these estimates; all the important clients of CGHH have continued to work with CGHH since the year it started operations in Budapest and no important level of decrease is expected in the existing market share of CGHH. Thanks to the positive developments in the operations of CGHH, no indicator has been noted relating to whether or not there is a decrease in the registered net book value of the intangible non-current assets which are defined as "Customer Relations" and whose useful life is determined as seven years (Note 12).

(c) Provisions

As explained in Note 2.3.14, provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when reliable estimate can be made of the amount of the obligation. In this context, the Group has evaluated the law suits and court cases opened against it at 31 December 2015 and for the ones where the Group estimates more than 50% probability of losing them necessary provisions are accounted for in the consolidated financial statements (Note 13).

(d) Taxes on income

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

As of 31 December 2015, the Group has evaluated the possibility of any tax exposure that may arise in foreign subsidiaries and joint ventures and has not identified any necessity to recognize a provision.

(e) Unused carry-forward tax losses

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

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

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

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

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

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

i) TL 18.987.963 (31 December 2014: TL 12.634.604) has been provided regarding the estimated future renovation obligations in the consolidated financial statements as at 31 December 2015. The aforementioned provision was amortized by using average rate of 8,04% (31 December 2014: 8,04%).

ii) Concession rights presented under intangible assets has been determined by including profit margin determined by using the similar construction services on top of the estimated costs of the development and modernization of cargo terminal in accordance with the aforementioned concession agreement. Aforementioned intangible assets has been carried at amortized costs, Profit margin and discount rate is 2% (31 December 2014:2%) and 7,25% (31 December 2014: 7,25%) as at 31 December 2015.

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. EBITDA (earnings before interest taxes depreciation and amortization) calculation table is submitted below as a supporting annotation which is not deemed compulsory by TFRS and it is not an accompanying part of financial statements according to TFRS.

(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 31 December 2015 is as follows:

1 January – 31 December 2014

	Ground Handling Services	Cargo And Warehouse Services	Consolidation Adjustments	Consolidated
Revenue – net	517.546.429	214.971.074	(239.180)	732.278.323
Cost of sales	(338.136.260)	(178.546.194)	53.905	(516.628.549)
Gross profit	**179.410.169**	**36.424.880**	**(185.275)**	**215.649.774**
General administrative expenses	(77.515.894)	(20.168.003)	392.958	(97.290.939)
Addition: Depreciation and amortization	23.181.779	11.614.901	-	34.796.680
Addition: Operating lease equalization	(2.701)	8.750.937	-	8.748.236
Addition: Effect of IFRIC 12 shares	-	3.555.463	-	3.555.463
Addition: Prepaid allocation cost expense	1.155.072	-	-	1.155.072
Addition:Retirement pay liability and unused vacation provisions	3.879.361	2.360.057	-	6.239.418
Effect of EBITDA to investments accounted by equity method	10.971.796	223.539	-	11.195.335
EBITDA	**141.079.582**	**42.761.774**	**207.683**	**184.049.039**

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

	Groun Handling Services	Cargo And Warehouse Services	Consolidation Adjustments	Consolidated
Revenue – net	416.877.577	205.148.051	(575.944)	621.449.684
Cost of sales	(284.907.235)	(161.641.708)	-	(446.548.943)
Gross profit	**131.970.342**	**43.506.343**	**(575.944)**	**174.900.741**
General administrative expenses	(70.837.714)	(17.803.397)	308.719	(88.332.392)
Addition: Depreciation and amortization	20.002.879	10.901.522	-	30.904.401
Addition: Operating lease equalization	(147.535)	8.016.527	-	7.868.992
Addition: Effect of IFRIC 12 shares	-	2.787.287	-	2.787.287
Addition: Prepaid allocation cost expense	1.155.072	-	-	1.155.072
Addition:Retirement pay liability and unused vacation provisions	6.150.351	1.608.816	-	7.759.167
Effect of EBITDA to investments accounted by equity method	6.412.149	257.993	-	6.670.142
EBITDA	**94.705.544**	**49.275.091**	**(267.225)**	**143.713.410**

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

NOTE 3 - SEGMENT REPORTING (Continued)

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

	1 January-31 December 2015	1 January-31 December 2014
EBITDA for reported segments	184.049.039	143.713.410
Depreciation and amortization	(34.796.680)	(30.904.401)
Operating lease equalization	(8.748.236)	(7.868.992)
Effect of IFRIC 12	(3.555.463)	(2.787.287)
Other operating income	14.860.102	10.089.218
Other operating expenses (-)	(11.946.077)	(4.921.266)
Addition: Prepaid allocation cost expense	(1.155.072)	(1.155.072)
Retirement pay liability and unused vacation provisions	(6.239.418)	(7.759.167)
EBITDA effect of equity Accounted investees	(11.195.335)	(6.670.142)
Share of profit from equity accounted inventees	5.315.128	2.959.639
Operating profit	**126.587.988**	**94.695.940**
Income from investment activities	6.337.247	651.502
Expenses from investment activities (-)	(422.117)	(7.763.008)
Financial income	29.135.023	25.446.710
Financial expenses (-)	(59.800.928)	(42.386.869)
Income before tax	**101.837.213**	**70.644.275**

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

Total Assets:	31 December 2015	31 December 2014
Turkey	377.662.693	382.671.374
India	213.107.603	171.575.597
Hungary	66.626.038	59.314.488
Germany	42.261.792	40.839.951
Segment assets (*)	**699.658.126**	**654.401.410**
Unallocated assets	142.457.176	79.023.305
Less: Inter-segment elimination	(163.564.747)	(160.179.893)
Total assets as per consolidated financial statements	**678.550.555**	**573.244.822**

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

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

NOTE 3 - SEGMENT REPORTING (Continued)

Total liabilities	**31 Aralık 2015**	**31 Aralık 2014**
Turkey	64.109.564	48.778.216
India	128.065.173	92.667.785
Hungary	8.151.385	8.717.309
Germany	18.536.415	14.722.619
Segment liabilities (*)	**218.862.537**	**164.885.929**
Unallocated liabilities	328.445.333	311.563.117
Less: Inter-segment elimination	(13.042.574)	(9.657.720)
Total liabilities as per consolidated financial statements	**534.265.296**	**466.791.326**

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

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

NOTE 3 - SEGMENT REPORTING (Continued)

Geographical Segments

Geographical Analysis for the period 1 January - 31 December 2015

	Turkey	Hungary	India	Germany	Total Combined	Intersegment Adjustment	Total
Revenue	467.126.909	76.339.952	105.958.415	82.920.269	732.345.545	(67.222)	732.278.323
Cost of sales	(290.548.816)	(50.451.747)	(97.013.862)	(78.668.029)	(516.682.454)	53.905	(516.628.549)
Gross profit	176.578.093	25.888.205	8.944.553	4.252.240	215.663.091	(13.317)	215.649.774
General administrative expenses	(66.143.375)	(10.113.419)	(11.281.452)	(9.972.165)	(97.510.411)	219.472	(97.290.939)
Other operating income / expense (net)	3.169.776	(8.183)	522.898	(469.915)	3.214.576	(300.551)	2.914.025
Profit from investments accounted under equity method	-	-	5.315.128	-	5.315.128	-	5.315.128
Operating profit / (loss)	**113.604.494**	**15.766.603**	**3.501.127**	**(6.189.840)**	**126.682.384**	**(94.396)**	**126.587.988**

Geographical Analysis for the interim period 1 January - 31 December 2014

	Turkey	Hungary	India	Germany	Total Combined	Intersegment Adjustment	Total
Revenue	374.769.707	77.190.862	91.185.545	78.496.429	621.642.543	(192.859)	621.449.684
Cost of sales	(246.641.443)	(47.336.291)	(77.940.995)	(74.630.214)	(446.548.943)	-	(446.548.943)
Gross profit	128.128.264	29.854.571	13.244.550	3.866.215	175.093.600	(192.859)	174.900.741
General administrative expenses	(60.842.365)	(10.154.536)	(9.520.411)	(7.842.004)	(88.359.316)	26.924	(88.332.392)
Other operating income / expense (net)	(934.981)	766.897	5.421.904	-	5.253.820	(85.868)	5.167.952
Profit from investments accounted under equity method	-	-	2.959.639	-	2.959.639	-	2.959.639
Operating profit / (loss)	**66.350.918**	**20.466.932**	**12.105.682**	**(3.975.789)**	**94.947.743**	**(251.803)**	**94.695.940**

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

NOTE 4 - CASH AND CASH EQUIVALENTS

	31 December 2015	31 December 2014
Cash	225.838	145.144
Banks	138.219.053	79.463.951
- Time deposit	110.473.584	56.764.825
- Demand deposit	27.745.469	22.699.126
Other liquid assets	-	341.434
	138.444.891	**79.950.529**

Effective interest rates on TL, EUR, USD and INR denominated time deposits at 31 December 2015 are %10,84, %1,48, %2,45, %7,14. (31 December 2014: TL 9,27%, EUR 2,39%, USD 1,93%, INR 5,00%). The maturity days on TL, EUR, USD and INR denominated time deposits as of 31 December 2015 20-60 days,1-14 days and 1-30 days for INR, EUR and USD respectively, 1-35 day for TL. (31 December 2014: INR 20-60 days, TL, EUR 1-14 days and USD for 1-15 days).

The analysis of cash and cash equivalents in terms of consolidated statements of cash flows at 3" December 2015 and 31 December 2014 are as follows:

	31 December 2015	31 December 2014
Cash and banks	138.444.891	79.950.529
Less: Interest Accruals	(65.241)	(74.333)
Less: Restricted cash (*)	(10.520.087)	(6.178.507)
	127.859.563	**73.697.689**

(*) 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.

NOTE 5 - FINANCIAL INVESTMENTS

Available-for-sale assets:

	31 December 2015		31 December 2014	
	%	TL	%	TL
DASPL	%16,66	1.828.335	%16,66	1.525.835
Celebi Spain (*)	%100,0	20.525	%100,0	20.525
		1.848.860		**1.546.360**

(*) As at 31 December 2015, Celebi Spain is not material for the Group's financial statements at cost due to the failure and the company's operations have not started yet after deduction of depreciation not been consolidated in the consolidated financial statements and accounted for as available-for-sale financial assets are reflected in the financial statements.

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

NOTE 6 - EQUITY ACCOUNTED INVESTEES

	%	31 December 2015	%	31 December 2014
Çelebi Nas	%55,0	26.204.104	%55,0	17.141.793
	%55,0	**26.204.104**	**%55,0**	**17.141.793**

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

	31 December 2015	31 December 2015
As of 1 January	**17.141.793**	**13.160.780**
Share on profit / loss	5.315.128	2.959.639
Currency translation differences	3.585.228	864.194
Actuarial gains/losses fund from retirement plans	161.955	157.180
As of 31 December	**26.204.104**	**17.141.793**

Profit /loss from investments accounted under equity method:

	1 January-31 December 2015	1 January-31 December 2014
Çelebi Nas	5.315.128	2.959.639
	5.315.128	**2.959.639**

Summary statement of equity accounted investees:

	31 December 2015	31 December 2014
Total Assets	86.928.078	36.612.513
Total Liabilities	39.284.251	5.445.615

	1 January-31 December 2015	1 January-31 December 2014
Total Revenue	55.109.336	33.704.153
Profit / (Loss) for the period	9.663.869	5.381.162

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

NOTE 7 – SHORT TERM AND LONG TERM FINANCIAL LIABILITIES

Short term borrowings:

	31 December 2015		
	Effective Interest rate (%)	Original Amount	TL
Short-term financial liabilities			
INR Borrowings	9,75% - 10,50%	134.900.000	5.919.412
EURO Borrowings	2,20% - Euribor+5,50%	10.238.279	32.533.156
Total short term credits			**38.452.568**
Short-term finance lease obligations			
Short-term finance lease obligations - USD		21.924	63.746
Short-term finance lease obligations - EUR		603.864	1.918.839
Total short-term finance lease obligations			**1.982.585**
Short-term portion of long-term borrowings			
Interest expense accrual – INR		10.140.383	444.960
Interest expense accrual – EUR		299.508	951.718
Interest expense accrual – TL		470.690	470.690
INR borrowings	9,75% - 10,50%	562.418.911	24.678.942
EUR borrowings	2,20% - Euribor+5,50%	22.830.037	72.544.726
TL borrowings	11,35%	25.000.000	25.000.000
Short-term portion of total long term borrowings:			**124.091.036**
Total short term liabilities:			**164.526.189**

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

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

Long-term financial liabilities

	31 December 2015		
	Effective Interest Rate (%)	**Original Amount**	**TL**
INR borrowings	10,75% - 11,35%	997.609.184	43.775.091
EUR borrowings	2,50% - Euribor+5,15%	35.130.111	111.629.440
			155.404.531

Long-term finance lease obligations

Long-term finance lease obligations – USD	2.926	8.508
Long-term finance lease obligations – EUR	806.582	2.562.995
Total long-term finance lease obligations		**2.571.503**
Total long-term financial liabilities		**157.976.034**
Total financial liabilities		**322.502.223**

Short-term financial liabilities

	31 December 2014		
Short term borrowings	**Effective Interest Rate (%)**	**Orijinal tutar**	**TL**
TL borrowings	10,50% - 13,50%	30.000.000	30.000.000
INR borrowings	12,00% - 12,82%	84.786.647	3.104.887
Total short term credits			**33.104.887**

Short-term finance lease obligations

Short-term finance lease obligations - EUR	573.537	1.617.776
Short-term finance lease obligations - USD	79.960	185.419
Total short-term finance lease obligations		**1.803.195**

Other short term financial liabilities:

Derivative liabilities (*)	581.558	**1.640.400**

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

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

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

	31 December 2014		
	Effective Interest Rate (%)	**Original Amount**	**TL**
Short-term portion of long-term borrowings			
Interest expense accrual - EUR		446.457	1.259.321
Interest expense accrual - INR		19.004.560	695.947
Interest expense accrual - TL		1.821.513	1.821.513
EUR borrowings	2,20% - Libor/Euribor +5,50%	17.544.686	49.488.295
INR borrowings	12,00% - 12,82%	574.234.162	21.028.455
TL borrowings	10,50% - 13,50%	15.000.000	15.000.000
Short-term portion of total long term borrowings:			**89.293.531**
Total short term liabilities:			**125.842.013**

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

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

	31 December 2015	**31 December 2014**
Less than 3 months	25.655.914	13.190.195
Between 3-12 months	138.870.275	112.651.818
Between 1-5 years	157.976.034	179.437.240
	322.502.223	**305.279.253**

(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 31 December 2015 and 31 December 2014 are as follows:

	31 December 2015	31 December 2014
Between 1-2 years	68.585.560	82.104.380
Between 2-3 years	63.245.697	43.458.843
Between 3-4 years	21.825.594	32.517.249
4 years and more	1.747.680	17.320.700
	155.404.531	**175.401.172**

The redemption schedules of financial lease obligations as of 31 December 2015 and 31 December 2014 are as follows:

	31 December 2015			31 December 2014		
	Minimum lease Payments	Interest	Total obligation	Minimum lease Payments	Interest	Total obligation
Less than 1 year	2.184.069	(201.484)	1.982.585	2.072.879	(269.684)	1.803.195
Between 1-2 years	1.965.181	(90.546)	1.874.635	1.914.635	(224.909)	1.689.726
Between 2-3 years	701.360	(4.492)	696.868	1.743.924	(80.328)	1.663.596
Between 3-4 years	-	-	-	686.726	(3.980)	682.746
	4.850.610	**(296.522)**	**4.554.088**	**6.418.164**	**(578.901)**	**5.839.263**

NOTE 8 - TRADE RECEIVABLES AND PAYABLES

	31 December 2015	31 December 2014
Short-term trade receivables		
Due from third parties	76.828.591	60.330.934
Less: Provision for doubtful receivables	(2.934.249)	(3.142.514)
Trade receivables from third parties (net)	**73.894.342**	**57.188.420**
Due from related parties (Note 30)	1.219.662	691.934
Total short-term trade receivables	**75.114.004**	**57.880.354**

The maturities of trade receivables are generally less than 45 days (31 December 2014: less than 45 days). The fair value of current trade receivables as of 31 December 2015 and 31 December 2014 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.

(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:

	31 December 2015	31 December 2014
Opening balance	3.142.514	3.128.251
Cumulative translation differences	61.326	51.606
Foreign currency translation differences	103.614	(13.625)
Collections and reversal of provisions	-	(23.718)
Delete of non-collectable receivables	(373.205)	-
Closing balance	**2.934.249**	**3.142.514**

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

NOTE 8 - TRADE RECEIVABLES AND PAYABLES (Continued)

Credit risks exposed by the Group for each financial instrument type as of 31 December 2015 and 2014 are shown below:

	Trade receivables		Other receivables		
31 December 2015	**Related Party**	**Other**	**Related Party**	**Other**	**Bank deposits (*)**
The maximum of credit risk exposed at the reporting date	**1.219.662**	**73.894.342**	**11.134.547**	**26.184.109**	**138.219.053**
-Credit risk covered by guarantees	-	*4.153.427*	-	-	-
Net carrying value of financial assets either are not due or not impaired	1.219.662	44.603.413	11.134.547	26.184.109	138.219.053
Net carrying value of financial assets which are overdue but not impaired	-	29.290.929	-	-	-
- Amount of risk covered by guarantees	-	*2.116.057*	-	-	-
Net carrying value of impaired assets					
- Overdue (gross carrying value)	-	*2.934.249*	-	-	-
- Impairment amount (-)	-	*(2.934.249)*	-	-	-
- Amount of risk covered by guarantees	-	-	-	-	-

(*) Including restricted cash.

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

NOTE 8 - TRADE RECEIVABLES AND PAYABLES (Continued)

	Trade receivables		Other receivables		
31 December 2014	**Related Party**	**Other**	**Related Party**	**Other**	**Bank deposits (*)**
The maximum of credit risk exposed at the reporting date	**691.934**	**57.188.420**	**9.874.950**	**23.122.897**	**79.463.951**
- Credit risk covered by guarantees	-	*2.863.275*	-	-	-
Net carrying value of financial assets either are not due or not impaired	642.631	34.366.535	**9.874.950**	23.122.897	79.463.951
Net carrying value of financial assets which are overdue but not impaired	49.303	22.821.885	-	-	-
- Amount of risk covered by guarantees	-	*1.531.078*	-	-	-
Net carrying value of impaired assets					
- Overdue (gross carrying value)	-	*3.142.514*	-	-	-
- Impairment amount (-)	-	*(3.142.514)*	-	-	-
- Amount of risk covered by guarantees	-	-	-	-	-

(*) Including restricted cash.

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

NOTE 8 - TRADE RECEIVABLES AND PAYABLES (Continued)

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

	31 December 2015	31 December 2014
Less than 1 month	17.113.353	11.266.946
Between 1-3 months	8.883.125	6.383.174
Between 3-12 months	2.286.152	4.926.061
Between 1-5 years	1.008.299	295.007
	29.290.929	**22.871.188**

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

	Trade receivables	
31 December 2015	**Related party**	**Other**
Overdue 1-30 days	-	17.113.353
Overdue 1-3 months	-	8.883.125
Overdue 3-12 months	-	2.286.152
Overdue 1-5 years	-	1.008.299
Amount of risk covered by guarantees	-	**2.116.057**

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

Short-term trade payables

	31 December 2015	31 December 2014
Trade payables to third parties	38.556.970	38.054.108
Accrued liabilities	10.962.622	3.152.803
Total trade payables to third parties	**49.519.592**	**41.206.911**
Due to third parties (Note 30)	**5.523.304**	**4.640.874**
Total trade payables	**55.042.896**	**45.847.785**

The fair value of short-term trade payables as of 31 December 2015 and 2014 equals their carrying amount as the impact of discounting is not significant.

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

NOTE 9 - OTHER RECEIVABLES AND PAYABLES

	31 December 2015	31 December 2014
Other short-term receivables		
Receivables from Tax Office	6.308.072	6.560.868
Deposits and guarantees given	893.685	283.528
Other short-term receivables (*)	58.566	2.653.438
Total trade payables to third parties	**7.260.323**	**9.497.834**
Other short-term receivables from related part (Note 30)	11.134.547	-
Total short-term other receivables	**18.394.870**	**9.497.834**

	31 December 2015	31 December 2014
Other long-term receivables from third parties		
Deposits and guarentees given (*)	18.923.786	13.625.063
	18.923.786	**13.625.063**

(*) As of 31 December 2015, 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 11.455.820 (31 December 2014: TL 8.481.462) ve TL 7.255.393 (31 December 2014: TL 5.060.111) as a deposit to the local authorities, companies and the amount which was shown in banks as blockage. As of 31 December 2015, Group has no blockage balance.

	31 December 2015	31 December 2014
Other long-term receivables from related parties		
ÇHH (Note 30)	-	9.874.950
	-	**9.874.950**

	31 December 2015	31 December 2014
Other short-term payables		
Other short-term payables (*)	5.216.776	4.478.856
Deposits received	117.104	43.004
	5.333.880	**4.521.860**

(*) As of 31 December 2015; TL 4.821.251 of other short-term payables (31 December 2014: TL 3.966.746) Celebi Delhi Cargo, a subsidiary of the Company in India, the other partner Delhi International Airport Private Limited (DIAL) debts arising from the concession contract.

	31 December 2015	31 December 2014
Other long-term payables		
Deposits and guarantees received	7.462.171	4.782.335
	7.462.171	**4.782.335**

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

NOTE 10 – INVENTORIES

	31 December 2015	31 December 2014
Trade goods	1.236.339	1.052.140
Other inventories (*)	8.607.849	7.328.933
	9.844.188	**8.381.073**

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

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

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment for the period ended 31 December 2015 are as follows:

	Opening 1 January 2015	Additions	Disposals(***)	Transfers(**)	Foreign Currency Translation Differences	Closing 31 December 2015
Cost						
Plant, machinery and equipment	233.681.575	22.120.320	(1.115.306)	(22.439.644)	6.412.010	238.658.955
Motor vehicles	34.368.703	374.307	(770.449)	2.721.845	4.472.868	41.167.274
Furniture and fixtures	21.856.759	1.664.839	(67.339)	294.661	545.825	24.294.745
Leasehold improvements (*)	104.380.345	2.425.453	(806.136)	9.995.426	867.671	116.862.759
Construction in Progress	10.720.355	4.942.891	-	(14.486.926)	52.690	1.229.010
	405.007.737	**31.527.810**	**(2.759.230)**	**(23.914.638)**	**12.351.064**	**422.212.743**
Accumulated depreciation						
Plant, machinery and equipment	(139.418.906)	(14.156.846)	1.092.235	1.058.432	(3.553.725)	(154.978.810)
Motor vehicles	(25.738.416)	(2.015.207)	770.449	-	(3.304.252)	(30.287.426)
Furniture and fixtures	(17.829.918)	(1.834.110)	62.415	-	(314.153)	(19.915.766)
Leasehold improvements (*)	(55.534.188)	(6.787.778)	412.459	816.945	(268.924)	(61.361.486)
	(238.521.428)	**(24.793.941)**	**2.337.558**	**1.875.377**	**(7.441.054)**	**(266.543.488)**
Net book value	**166.486.309**					**155.669.255**

(*) The land plots where the stations and cargo buildings were constructed by Çelebi Hava Servisi A,Ş in the airports within which it operates were rented from the DHMI and other local authority, The station and cargo buildings on this land were constructed by the Group and recorded under the tangible assets of the Group as leasehold improvements. As of 31 December 2015 the net book value of these stations was TL 50.964.363. 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.

(**) Equipments of the Group in Saudi Arabia have been sold as of July 2015 and reclassified to assets held for sale as of July 2015. Cost of equipments sold is amounted to TL 21.999.890 and sales amount of the equipments sold is TL 27.747.272.

Depreciation expense for the period ended 31 December 2015 in the amount of TL 22.884.500 and TL 1.909.441 are respectively included in cost of sales and operating expenses.

There are net book value TL 6.414.236 worth of financial leasing assets in plant, machinery and equipment as of 31 December 2015.

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

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT (Continued)

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

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

(*) The land plots where the stations and cargo buildings were constructed by Çelebi Hava Servisi A,Ş in the airports within which it operates were rented from the DHMI and other local authority, The station and cargo buildings on this land were constructed by the Group and recorded under the tangible assets of the Group as leasehold improvements. As of 31 December 2015 the net book value of these stations was TL 45.596.708 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.

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

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

Depreciation expense for the period ended 31 December 2015 in the amount of TL 20.753.304 and TL 2.171.566 are respectively included in cost of sales and operating expenses.

There are net book value TL 6.648.830 worth of financial leasing assets in plant, machinery and equipment as of 31 December 2015.

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

NOTE 12 - INTANGIBLE ASSETS

Other Intangible Assets

Movements in intangible assets for the period ended 31 December 2015 are as follows:

	Opening 1 January 2015	Additions	Disposals	Transfers	Foreign Currency Translation Differences	Closing 31 December 2015
Cost						
Rights	11.162.357	-	-	-	-	11.162.357
Customer relations	39.672.954	-	-	-	4.784.748	44.457.702
Software	9.906.772	1.054.072	-	39.371	442.370	11.442.585
Concession rights (**)	68.658.512	2.010.141	-	-	13.682.366	84.351.019
Build-operate-transfer investments (*)	53.621.156	3.644.048	-	-	11.265.840	68.531.044
	183.021.751	**6.708.261**	-	**39.371**	**30.175.324**	**219.944.707**
Accumulated depreciation						
Rights	(2.119.894)	(1.219.672)	-	-	2.120	(3.337.446)
Customer relations	(36.386.065)	(819.843)	-	-	(4.785.081)	(41.990.989)
Software	(7.604.993)	(1.128.294)	-	-	(355.088)	(9.088.375)
Concession rights(**)	(14.579.261)	(3.538.683)	-	-	(3.015.413)	(21.133.357)
Build-operate-transfer investments (*)	(13.495.057)	(3.296.247)	-	-	(2.918.983)	(19.710.287)
	(74.185.270)	**(10.002.739)**	-	-	**(11.072.445)**	**(95.260.454)**
Net defter değeri	**108.836.481**					**124.684.253**

(*) TL 43.827.795 which is difference between discounted present value of deposits paid with interest rate, 11,46%, and the deposit amounting to INR 1.374.428.822, 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 4.727.186 which is difference between discounted present value of deposit paid with interest rate,10,82%, and the deposit amounting to INR 400.000.000 paid in accordance with the concession agreement on the development, modernization, finance and 10-year operation of the cargo terminal in the airport in New Delhi, India, has been capitalized as a Build-Operate-Transfer investment and it will be amortized in 10 years until operations end in Delhi International Airport.

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

Amortization expense for the period ended 31 December 2015 in the amount of TL 751.046 and TL , 9.251.693 are included in operating expenses and cost of sales.

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

NOTE 12 – INTANGIBLE ASSETS (Continued)

Other Intangible Assets

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

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

(*) TL 36.192.751 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 6.001.405 which is difference between discounted present value of deposit paid with interest rate, 10,82%, and the deposit amounting to INR 400.000.000 paid in accordance with the concession agreement on the development, modernization, finance and 10-year operation of the cargo terminal in the airport in New Delhi, India, has been capitalized as a Build-Operate-Transfer investment and it will be amortized in 10 years until operations end in Delhi International Airport.

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

Amortization expense for the period ended 31 December 2014 in the amount of TL 674.519 and TL 7.305.012 are included in operating expenses and cost of sales.

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

NOTE 12 - INTANGIBLE ASSETS (Continued)

Goodwill

Positive goodwill at 31 December 2015 and 31 December 2014 is as follows

	31 December 2015	31 December 2014
Goodwill due to acquisition of CGHH	23.738.281	20.934.547
Celebi Nas due to acquisition of Celebi Nas addition share	910.723	910.723
Goodwill due to acquisition of Celebi GmbH	1.533.138	1.360.940
	26.182.142	**23.206.210**

Goodwill due to acquisition of CGHH

Positive goodwill at 31 December 2015 and 31 December 2014 is as follows:

	31 December 2015	31 December 2014
1 January	20.934.547	23.177.524
Foreign Currency Translation Differences	2.803.734	(2.242.977)
Goodwill	**23.738.281**	**20.934.547**

Goodwill Impairment Test

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

	31 December 2015
Ground handling services - Hungary	23.738.281

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

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

Discount rate	**9,90%**

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.

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

NOTE 12 - INTANGIBLE ASSETS (Continued)

As a result of impairment tests performed under above assumptions, no impairment was detected in the goodwill amount as of 31 December 2015.

Goodwill from purchasing 4% shares of Celebi Nas

The Company has purchased %4 shares of Celebi Nas with ratio of %51 on 26 January 2012 by paying USD 1.000.000 (TL 1.820.300) from Sovika Aviation Private Limited which has already owned %8 shares of Celebi Nas before, The purchase was recognized in accordance with IFRS 3 "Business Combinations" terms, The goodwill which has been calculated after the purchase as TL 910.723 has also been reflected in consolidated financial statements.

Goodwill Impairment Test

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

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

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

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

	31 December 2015
Ground handling services – India	910.723

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

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

As a result of impairment tests performed under above assumptions, no impairment was detected in the goodwill amount as of 31 December 2015.

Goodwill from purchasing of Celebi GmbH

A "share purchase agreement" was signed on February 18, 2014 between Celebi Cargo GmBH, a subsidiary of Çelebi Kargo Depolama ve Dağıtım Hizmetleri A.Ş. registered in Frankurt, Germany, 100% of the capital of which is owned by Çelebi Kargo Depolama ve Dağıtım Hizmetleri A.Ş., in which the Company participates at the rate of 99,97%, and Aviapartner GmBH, also registered in

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

NOTE 12 - INTANGIBLE ASSETS (Continued)

Frankurt, Germany, for the transfer of all of the shares of Aviapartner Cargo GmbH (Aviapartner Cargo) operating in Frankfurt and Hahn International Airports in Germany in cargo storage and handling, 100% of the capital of which is owned by Aviapartner GmBH for EUR 4.459.283 (13.604.381 TL) to Celebi Cargo GmBH. The closing procedures regarding this agreement were concluded on February 28, 2014. As of December 31, 2014, negotiations are ongoing regarding the ultimate determination of the purchase price over the financial statements dated February 28, 2014 within the framework of the "Share purchase agreement. An ultimate agreement on the purchase price has not been reached by the group's management within the frame of this agreement and the purchase readjustment amounting to EUR 362.003 (TL 1.021.102) has been included in the calculation of goodwill. As of April 30, 3014, the official title of Aviapartner Cargo was changed as Celebi GmbH and all assets and liabilities of Celebi GmbH was taken over by Celebi Cargo and the legal merger was completed as of October 30, 2014.

The acquisition has been accounted according to IFRS 3 "Business Combinations" and the goodwill amount of TL 1.360.940 has been included in consolidated financial statements as of 31 December 2015.

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

	31 December 2015
1 January	1.360.940
Foreign currency translation differences	172.198
Goodwill	**1.533.138**

Goodwill impairment test

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

	31 December 2015
Warehouse and cargo services – Germany	1.533.138

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.

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

Discount Rate	**8,60%**

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

As a result of impairment tests performed under above assumptions, no impairment was detected in the goodwill amount as of 31 December 2015.

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

NOTE 13 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

a) Short term provisions

Other short-term provisions

	31 December 2015	31 December 2014
Provision for litigation and obligation	1.486.927	857.992
	1.486.927	**857.992**

	Provision for litigation	Other Provisions	Total
1 January 2015	**857.992**	**-**	**857.992**
Increase during the year	906.927	-	906.927
Payments during the year	(13.260)	-	(13.260)
Cancelled	(264.732)		(264.732)
31 December 2015	**1.486.927**	**-**	**1.486.927**

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

Short-term provision for employee benefits

	31 December 2015	31 December 2014
Provision for employee termination benefits	1.828.866	56.202
Provision for unused vacation	3.931.005	3.189.336
	5.759.871	**3.245.538**

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

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

b) Long-term provisions

Long-term provision for employee benefits

	31 December 2015	31 December 2014
Provision for employee termination benefits	17.437.933	9.234.288

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

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

Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement. The amount payable at 31 December 2015 consists of one month's salary limited to a maximum of TL 3.828,37 TL (31 December 2014: TL 3.438,22) for each year of service.

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

According to regulations in India, the Company is required to pay termination benefits to each employee in its subsidiaries and joint ventures who has completed five year of service, who is called up for military service, who achieves the retirement age, who early retires, or who dies. Total employee termination benefit liability is calculated by 15 days per year of service for the current period ended at 31 December 2015 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.

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

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

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 4.092,53 which is effective from 1 January 2016 (31 December 2014: TL 3.541,37) has been taken into consideration in the calculations. Movements in the provision for employment termination benefits are as follows:

	31 December 2015	31 December 2014
As of 1 January	**12.479.826**	**11.622.462**
Paid during the year	(4.911.773)	(4.544.318)
Increase during the year	4.825.348	4.492.978
Actuarial gain/loss	9.267.578	614.072
Service Cost	4.172.295	2.125.351
Interest Cost	772.594	736.710
Foreign currency translation differences	436.564	28.160
Used during the period	(3.844.628)	(2.595.589)
End of the period	**23.197.804**	**12.479.826**

Contingent assets and liabilities of the Group

	31 December 2015	31 December 2014
Guarantees received:		
Guarantee letters	6.982.270	8.622.680
Guarantee check	3.352.571	1.315.110
Guarantee notes	912.759	793.267
	11.247.600	10.731.057
Guarantees given:		
Collateral	327.205.391	267.590.094
Guarantee letters	110.822.778	59.651.356
Share pledge	15.097.257	12.599.398
	453.125.426	339.840.848

The Company has contingent assets amounting to TL 1.478.896 (31 December 2014: TL 1.455.536), due to the legal cases in favor of the Company and contingent liabilities amounting to TL 22.336.056 due to the legal cases and enforcement proceedings against the Company as of 31 December 2015 (2014: TL 20.384.635), TL 17.385.168 portion of contingent liabilities are comprised of legal cases and enforcement proceedings related with the fire in warehouse (Note 33) in which Company is a sole defendant and co-defendant with the DHMI, other warehouse management companies and insurance companies(2014:TL16.088.136).

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

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

The details of collaterals, pledges and mortgages ("CPM") of the Company at 31 December 2015 and 31 December 2014 are as follows:

		31 December 2015		31 December 2014	
Collaterals, pledges and mortgages given by the Company	**Currency**	**Amount**	**TL equivalent**	**Amount**	**TL equivalent**
A.CPM given on behalf of the Company's legal personality			55.891.829		46.219.833
	TL	6.984.425	6.984.425	6.765.106	6.765.106
	EUR	3.339.975	10.613.104	2.969.279	8.375.445
	USD	2.210.500	6.427.250	2.210.500	5.125.929
	INR	598.287.785	26.252.868	562.825.000	5.042.912
	HUF	552.576.969	5.614.182	571.011.496	20.910.441
B. CPM given on behalf of fully consolidated subsidiaries			397.233.597		293.621.015
	EUR	27.696.667	88.008.928	38.846.667	109.574.794
	USD	18.892.196	54.930.949	5.792.196	13.431.523
	INR	5.795.207.850	254.293.720	4.659.057.850	170.614.698
C. CPM given for continuation of its economic activities on behalf of third parties		-	-	-	-
D Total amount of other CPM		-	-	-	-
i. Total amount of CPM given on behalf of the majority shareholder		-	-	-	-
ii.Total amount of CPM given to on behalf of other group companies which are not in scope of B and C		-	-	-	-
iii.Total amount of CPM given on behalf of third Parties which are not in scope of C		-	-	-	-
			453.125.426		339.840.848

The Company has no benefit from CPM given to third parties.

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

NOTE 14 - OTHER ASSETS AND LIABILITIES

	31 December 2015	31 December 2014
Other current assets		
Deferred Value-added tax ("VAT")	2.885.888	2.712.512
Restricted cash (*)	1.154.044	5.766.185
Advances given to personnel	377.260	452.783
Insurance expense need to be compensated	-	4.434.582
Other	18.375	403.133
	4.435.567	**13.769.195**

	31 December 2015	31 December 2014
Other non-current assets		
Prepaid taxes and funds (*)	14.643.346	11.520.724
Other	3.242	3.242
	14.646.588	**11.523.966**

(*) The amount consist of prepaid taxes and funds, which can be offset in more than 1 year period, of Celebi GH Deli and Celebi Delhi Cargo amounting to TL 3.174.910 (31 December 2014: TL 1.883.821) ve TL 11.468.436 (31 December 2014: TL : 9.636.903).

	31 December 2015	31 December 2014
Other current liabilities		
Taxes and funds payable	1.821.000	1.880.870
Rent equilization reserves	1.399.131	855.783
Other miscellaneous payables and liabilities	1.308.383	1.762.031
	4.528.514	**4.498.684**

	31 December 2015	31 December 2014
Other non-current liabilities		
Provision for operational leasing equalization (*)	62.533.074	44.874.521
Maintenance obligation liability	18.987.963	12.634.604
	81.521.037	**57.509.125**

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

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

NOTE 15 – PREPAID EXPENSES

	31 December 2015	31 December 2014
Short-term prepaid expenses		
Prepaid expenses (*)	8.466.970	7.298.816
Advances given	4.273.181	2.808.197
	12.740.151	**10.107.013**

	31 December 2015	31 December 2014
Long-term prepaid expenses		
Prepaid expenses (*)	16.587.126	17.315.719
Capital advances given	1.864.767	1.843.493
Advances given for fixed assets	982.411	-
	19.434.304	**19.159.212**

(*) TL 17.326.080 (31 December 2014:TL 18.481.152) of total prepaid expenses consist of long-term prepaid rent expenses in an airport in which Celebi Hava operates.

NOTE 16 – DEFERRED INCOME

	31 December 2015	31 December 2014
Short-term Deferred Income		
Short term deferred revenues calculated based on IFRYK12	-	1.053.674
Order advances received	3.041.038	2.518.221
	3.041.038	**3.571.895**

NOTE 17 – LIABILITIES FOR EMPLOYEE BENEFITS

	31 December 2015	31 December 2014
Wages and salaries payable	9.926.745	9.197.040
Social security withholdings payment	4.997.840	3.885.525
Premium and bonus payable accruals	7.310.170	5.817.645
	22.234.755	**18.900.210**

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

NOTE 18 - EQUITY

Share Capital

As of 31 December 2014, the authorized share capital of the Group is TL 24.300.000 comprising of TL 2.430.000.000 registered shares with a face value each of 1 Kr (31 December 2014: 2.430.000.000).

At 31 December 2015 and 31 December 2014, the shareholding structure of the Group is stated in historical amounts below:

	31 December 2015		31 December 2014	
Shareholders	**Amount**	**Share %**	**Amount**	**Share %**
Çelebi Havacılık Holding A.Ş. (ÇHH)	19.042.115	78,36	19.042.115	78,36
Other	5.257.885	21,64	5.257.885	21,64
	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 communique numbered II-14,1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communique") published in Official Gazette dated June 13, 2013 numbered 28676, TAS, the "Paid-in capital" , "Restricted reserves" and "Share premiums" should be stated at their amounts in the legal records. The differences arising in the valuations during the application of the communiqué (such as differences arising from inflation adjustment):

- "If the difference is arising from the valuation of "Paid-in Capital" and not yet been transferred to capital should be classified under the "Inflation Adjustment to Share Capital";
- If the difference is arising from valuation of "Restricted Reserves" and "Share Premium" and the amount has not been subject to dividend distribution or capital increase, it shall be classified under "Retained Earnings",

Other equity items shall be carried at the amounts calculated based on TMS. Capital adjustment differences have no other use other than being transferred to share capital.

The amount of restricted reserves is TL 33.012.956 as of 31 December 2015 (31 December 2014: TL 28.274.456).

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

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

NOTE 18 - EQUITY (Continued)

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

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

NOTE 19 – REVENUE AND COST OF SALES

	1 January - 31 December 2015	1 January - 31 December 2014
Ground handling services	523.706.583	423.575.946
Cargo and warehouse services income	205.786.495	195.502.481
Revenue in the context of IFRIC 12	1.219.696	4.798.315
Rental revenue not related to aviation	12.399.336	9.446.946
Less: Returns and discounts	(10.833.787)	(11.874.004)
Sales revenue- net	**732.278.323**	**621.449.684**
Cost of sales	**(516.628.549)**	**(446.548.943)**
Gross profit	**215.649.774**	**174.900.741**

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

NOTE 20 - EXPENSES BY NATURE

	1 January - 31 December 2015	1 January - 31 December 2014
Personnel expenses	(293.800.515)	(252.088.718)
Payments to authorities and terminal managements (**)	(121.179.307)	(104.045.581)
Equipment repair, maintenance, fuel and security expenses	(55.977.608)	(44.192.566)
Consultancy expenses (*****)	(48.429.673)	(42.027.946)
Depreciation and amortization expenses	(34.796.680)	(30.904.401)
Travel and transportation expenses	(4.253.111)	(4.103.773)
Expense in the context of IFRIC (***)	(4.775.159)	(7.585.602)
Taxes and other fees	(550.851)	(520.027)
Insurance premiums	(4.048.361)	(4.882.347)
Cost of sales(****)	(4.117.017)	(1.879.030)
Other expenses	(41.991.206)	(42.651.344)
	(613.919.488)	**(534.881.335)**

(*) Breakdown of expenses according to their natures as of December 31, 2014 are rearranged with respect to classifications made in 2015 period
(**) Various expenses paid to authorities are comprised of royalty, rental facilities and check-in desks within the airport area, work licenses, and similar expenses.
(***) Those mentioned expenses are comprised of construction costs calculated under scope of IFRIC 12 and provisions for other liabilities within the frame of concession agreement.
(****) Those mentioned expenses are comprised of de-icing and spare part cost.
(*****) TL41.299.292 of aforementioned expenses consists of holding company expenses.

NOTE 21 - GENERAL ADMINISTRATIVE EXPENSES

	1 January - 31 December 2015	1 January - 31 December 2014(*)
Consultancy expenses	(47.973.398)	(41.745.524)
Personnel expenses	(31.219.140)	(30.708.067)
Payments to authorities and terminal managements	(4.119.812)	(4.005.787)
Equipment repair, maintenance, fuel and security expenses	(3.610.280)	(2.229.186)
Travel and transportation expenses	(2.848.542)	(2.254.860)
Depreciation and amortization	(2.660.487)	(2.846.085)
Insurance premiums	(607.378)	(692.916)
Taxes and other fees	(319.724)	(378.434)
Other expenses	(3.932.178)	(3.471.533)
	(97.290.939)	**(88.332.392)**

(*) Breakdown of administrative expenses as of December 31, 2014 are rearranged with respect to classifications made in 2015 period.

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

NOTE 22 – OTHER OPERATING INCOME

	1 January - 31 December 2015	1 January - 31 December 2014
Income from returning corporate tax	-	4.150.907
Foreign exchange gains	10.645.333	3.258.725
Cancelation of provisions	2.952.379	1.603.815
Income from insurance claims	181.587	85.534
Other incomes	1.080.803	990.237
	14.860.102	**10.089.218**

NOTE 23 - OTHER OPERATING EXPENSE

	1 January - 31 December 2015	1 January - 31 December 2014
Foreign exchange losses	(6.263.935)	(2.406.658)
Provision expenses	(893.667)	(192.547)
Donation expenses	(309.475)	(295.711)
Expenses and compensation for damage (*)	(389.178)	(176.517)
Other expenses	(4.089.822)	(1.849.833)
	(11.946.077)	**(4.921.266)**

NOTE 24 – INCOME FROM INVESTMENT ACTIVITIES

	1 January - 31 December 2015	1 January - 31 December 2014
Income from the sale of fixed assets	6.337.247	651.502
	6.337.247	**651.502**

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

NOTE 25 - EXPENSE FROM INVESTMENT ACTIVITIES

	1 January - 31 December 2015	1 January - 31 December 2014
Loss from the sale of fixed assets	(422.117)	(7.763.008)
	(422.117)	**(7.763.008)**

NOTE 26 - FINANCIAL INCOME

	1 January - 31 December 2015	1 January - 31 December 2014
Foreign exchange gains	22.460.542	19.482.490
Interest income	4.203.352	3.770.137
Other financial income	2.471.129	2.194.083
	29.135.023	**25.446.710**

NOTE 27 - FINANCIAL EXPENSES

	1 January - 31 December 2015	1 January - 31 December 2014
Foreign exchange losses	(32.968.488)	(15.356.686)
Interest expenses	(22.202.185)	(23.863.407)
Financial expenses incurred under scope of IFRIC 12	(792.799)	(571.000)
Other financial expenses	(3.837.456)	(2.595.776)
	(59.800.928)	**(42.386.869)**

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

NOTE 28 - TAX ASSETS AND LIABILITIES

	1 January - 31 December 2015	1 January - 31 December 2014
Current period corporate tax provision	24.383.758	16.165.009
Less: prepaid corporate tax expense	(22.412.817)	(13.906.512)
Current tax liability - net	**1.970.941**	**2.258.497**
Deferred tax assets	31.983.592	22.258.480
Deferred tax liabilities	(5.943.110)	(6.283.864)
Deferred tax assets / (liability) - net	**26.040.482**	**15.974.616**

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

In Turkey, the corporation tax rate is 20% (31 December 2014: %20). Corporation tax rate is applicable on the total income of companies after adjusting for certain disallowable expenses, income tax exemptions and income tax deductions.

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

In India, the corporate tax rate is 33,99% in Mumbai (2014: %33,99), 32,45% in Delhi for fiscal year 2015 (2014: 32,45%). Corporation tax rate is applicable on the total income of companies after adjusting for certain disallowable expenses, income tax exemptions (participation exemption, investment allowance exemption, etc.) and income tax deductions (like research and development expenses).

In Germany, the corporate tax rate is 31,925% for fiscal year 2015 (2014: 31,925%). Corporation tax rate is applicable on the total income of companies after adjusting for certain disallowable expenses, income tax exemptions (participation exemption, investment allowance exemption, etc.) and income tax deductions (like research and development expenses).

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

NOTE 28 - TAX ASSETS AND LIABILITIES (Continued)

Tax expense for the periods end 31 December 2015 and 2014 is presented below:

	31 December 2015	31 December 2014
- Current year corporate tax	(24.165.608)	(16.346.675)
- Deferred tax income /(expense)	3.730.308	698.140
Current year tax expense – net	**(20.435.300)**	**(15.648.535)**

Reconciliation of tax expenses stated in consolidated statements of income of the periods ended at 31 December 2015 and 2014 is as follows:

	2015	2014
Profit before tax	**101.837.213**	**70.644.275**
Expected tax expense according to parent company (20%)	(20.367.443)	(14.128.855)
Differences in tax rates of subsidiaries	(1.813.796)	(4.046.933)
Expected tax expense of the Group	**(22.181.239)**	**(18.175.788)**
Non deductible expenses	(215.666)	(251.389)
Discount stems from donations and aids	3.175.770	4.430.942
Tax payables even if loss declared on statutory records (*)	(1.257.775)	(1.270.926)
Other	43.610	(381.374)
Current period tax expense of the Group	**(20.435.300)**	**(15.648.535)**

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

Deferred Taxes

The Group considers the differences arising from different valuation of the financial statements prepared in accordance with CMB regulations in the calculation of deferred tax assets and liabilities. The differences mainly arise due to the different accounting of income and expenses in line with Tax Laws and CMB Accounting Standards in different periods. In accordance with the method of liabilities based on subsequent differences, the rates for deferred revenue asset and liabilities are 20%, 19% or 10%, 29,65% ,32,45% 33,99% for Turkey, Hungary, India New Delhi and Mumbai respectively.

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

NOTE 28 - TAX ASSETS AND LIABILITIES (Continued)

The analysis of cumulative temporary differences and the related deferred tax assets and liabilities in respect of items for which deferred income tax has been provided as at 31 December 2015 and 31 December 2014 using the enacted tax rates are as follows:

	Cumulative temporary Differences		Deferred tax assets / (liabilities)	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Deferred tax assets				
Non-deductible financial losses (*)	-	-	-	-
Personnel bonus accrual	(4.389.128)	(3.832.045)	877.826	766.409
Accrued sales commissions	(3.426.064)	(2.155.760)	685.213	431.152
Provision for employment termination benefits	(15.232.387)	(7.906.189)	3.046.477	1.581.238
Provision for operational leasing Equilization	(61.933.496)	(44.126.737)	21.433.943	14.316.920
Provision for unused vacation	(2.563.795)	(2.239.061)	512.759	447.812
Provision for legal claims	(1.486.927)	(857.992)	297.385	171.598
Net difference between the tax base and carrying amount of property plant and equipment and intangible assets	(20.574.749)	(17.502.738)	7.120.509	5.678.763
Other	(8.347.983)	(8.954.692)	3.383.048	2.587.574
	(117.954.529)	(87.575.214)	37.357.160	25.981.466
Net off			(5.373.568)	(3.722.986)
Deferred tax assets			**31.983.592**	**22.258.480**

(*) Tax receivable consisting of accumulated financial losses is reflected to records provided that it is mostly possible that a sufficient financial profit shall be obtained in future periods. Deferred tax receivable at an amount of TL10.532.510 and TL18.162.321 as of December 31, 2015 is not reflected to statements since Celebi GH Delhi and Celebi Cargo have the possibility not to benefit from a part or whole of their financial losses at an amount of TL32.462.659 (December 31, 2014: TL24.645.938) and TL61.255.720 (December 31, 2014: TL 48.330.009) respectively in a foreseeable period.

	Cumulative temporary differences		Deferred tax assets / (liabilities)	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Deferred tax liabilities				
Net difference between the tax base and carrying amount of property plant and equipment and intangible assets	57.428.876	50.623.692	(11.316.679)	(10.006.850)
	57.428.876	50.623.692	(11.316.679)	(10.006.850)
Nett off			5.373.569	3.722.986
Deferred tax liabilities			**(5.943.110)**	**(6.283.864)**
Deferred tax asset, net			**26.040.482**	**15.974.616**

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

NOTE 28 - TAX ASSETS AND LIABILITIES (Continued)

Deferred tax movement table is as below:

	2015	2014
1 January	**15.974.616**	**13.869.500**
Foreign currency translation difference	4.479.984	1.499.287
Charge for the period	3.730.308	698.140
Actuarial gain / (loss) arising from defined benefit plans	1.855.574	(92.311)
31 December	**26.040.482**	**15.974.616**

NOTE 29 - EARNINGS PER SHARE

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

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

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

	1 January - 31 December 2015	1 January - 31 December 2014
Net profit / (loss) attributable to the equity holders of the parent	**83.058.187**	**54.567.538**
Weighted average number of shares with 1 Full TL face value each	2.430.000.000	2.430.000.000
Earnings / (losses) per share (Full TL)	**0,034**	**0,022**

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

NOTE 30 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

i) Balances with related parties

Short term receivables from related parties

	31 December 2015	31 December 2014
ÇHH	82.774	74.192
Celebi Spain	412.903	357.873
Celebi Ground Services Austria	432.646	180.628
Other	291.339	79.241
	1.219.662	691.934

Short term receivables from related parties

	31 December 2015	31 December 2014
ÇHH (*)	11.134.547	-
	11.134.547	-

Long term receivables from related parties

	31 December 2015	31 December 2014
ÇHH (*)	-	9.874.950
	-	9.874.950

(*) This amount consist included in the financial balance of interest amounting to Euro 3.500.000 which CGHH has given to ÇHH with 3 year, 1 week maturity and with 2,20% - Euribor 6months rates. Repayment of such loan will be made on 19 September 2016.

Due to related parties

	31 December 2015	31 December 2014
ÇHH (*)	4.809.810	4.104.202
Çe-Tur	556.103	517.711
Other	157.391	18.961
	5.523.304	4.640.874

(*) As of December 31, 2015, 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.

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

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

ii) Transactions with related parties

	1 January - 31 December 2015	1 January - 31 December 2014
Miscellaneous sales to related parties		
ÇHH	342.641	187.310
Çe-Tur	81.916	143.103
Celebi Ground Services Austria	2.611.848	697.617
Other	342.133	54.479
	3.378.538	1.082.509

	1 January - 31 December 2015	1 January - 31 December 2014
Employee and transportation expenses payable to related parties		
Çe-Tur	6.103.631	5.652.535
Contribution to holding expenses (*)		
ÇHH	41.299.292	34.882.306

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

	1 January - 31 December 2015	1 January - 31 December 2014
Other purchases from related parties (*)		
ÇHH	3.173.140	3.280.617
Çe-Tur	1.139.063	1.184.271
Other	2.037	1.237.668
	4.314.240	5.702.556

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

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

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

ii) Transactions with related parties

Collaterals given in favor of related parties for borrowings as of 31 December 2015 and 31 December 2014 are as follow:

31 December 2015	Euro	INR	Toplam TL
CGHH (2)	11.550.000	-	36.701.280
Celebi Nas (1)	-	91.080.000	3.996.590
Celebi Delhi Cargo (3)	-	2.713.540.000	119.070.135
Celebi Delhi GH (4)	-	1.470.587.850	64.529.395
Celebi Cargo GmbH (5)	16.146.667	-	51.307.648

31 December 2014	Euro	INR	Toplam TL
CGHH (2)	24.200.000	-	68.260.940
Celebi Nas (1)	-	91.080.000	3.335.350
Celebi Delhi Cargo (3)	-	2.713.640.000	99.373.497
Celebi Delhi GH (4)	-	1.354.337.850	49.595.852
Celebi Cargo GmbH (5)	14.646.667	-	41.313.854

(1) 16.5% of shares corresponding to 30% part of shares of total shares owned by the Company is pledged on behalf of the Bank related to long-term project financing consisting of cash at an amount of INR387.400.000 and cash operational capital loan package consisting of non-cash loans at an amount of INR50.000.000 which was concluded between Celebi Nas and two India resident banks.

(2) CGHH has concluded a contract for project financing loan at an amount of EUR11.550.000 in cash in scope of refinancing of its current loans and guarantee is given to related banks by the Company at an amount of EUR11.500.000 for the aforementioned loan. The balance of the loan is EUR10.450.000 as of December 31, 2015 with the repayments of the loan in question.

(3) Guarantee at an equivalent amount to the loan amount is given to aforementioned banks for the financial liabilities sourcing from agreements concluded with related banks regarding long term cash project loan at an amount of INR 2.465.000.000 concluded between Celebi Delhi Cargo and two India resident banks and 40.5% portion of the shares having a nominal value of INR 828.800.000 at a ratio of 74% of the total shares owned by the Company are pledged on behalf of the bank.

(4) Guarantee and a letter of guarantee at an amount of INR 866.250.000 is given to aforementioned banks in lieu for cash and non-cash loan amounts for the financial liabilities sourcing from contracts concluded related to long-term project financing package consisting of cash and non-cash loans at an amount of INR 600.000.000 and INR 560.984.000 respectively signed between Celebi Delhi GH and banks resident in India. Additionally, a portion corresponding to 23,9% of participation stocks of the Company in Celebi Delhi GH at a ratio of 74% are pledged on behalf of related banks. Cash loan risk amount in related banks is INR 451.247.196 as of December 31, 2015.

(5) Guarantee at an equivalent amount to the cash loan amount is given to aforementioned bank for the financial liabilities sourcing from cash loan agreement at an amount of EUR 16.146.667 concluded between Celebi Delhi Cargo and banks which are residents of Germany. The balance of the aforementioned loan is EUR13.081.315 with respect to repayments made as of December 31, 2015.

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

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

Key management compensation:

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

	1 January - 31 December 2015	1 January- 31 December 2014
Short-term employee benefits	8.302.766	8.949.045
Post-employment benefits	205.424	163.618
	8.508.190	**9.112.663**

NOTE 31 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial risk management

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

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

Interest rate risk

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

Interest rate positions of the Group at 31 December 2015 and 2014 are as follows:

	31 December 2015	31 December 2014
Fixed interest rate financial instruments		
Financial Asset		
- Cash and Cash Equivalents	*110.473.584*	*56.764.825*
Financial Liabilities	202.383.557	176.700.305
Floating interest rate financial instruments		
Financial liabilities	120.118.666	128.578.948

If other variables are kept constant, interest expense due to financial liabilities would have been either TL 444.044 higher or lower if the interest rates were 2% more or less at 31 December 2015. (31 December 2014: TL 477.268).

NOTE 31 - FINANCIAL RISK MANAGEMENT (Continued)

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

Maturity analysis of the bank borrowing based on re-pricing dates as of 31 December 2015 and 2014 are presented at Note 7.

Credit risk

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

Liquidity risk

Cash flow generated through amount and term of borrowing back payments is managed by considering the amount of unreserved cash flow from its operations. Hence, on one hand it is possible to pay debts with the cash generated from operating activities when necessary and on the other hand sufficient and reliable sources of high quality loans are accessible. The Group has long-term financial liabilities amounted TL 157.976.034 as of 31 December 2015 (31 December 2014: TL 179.437.240) (Note 7).

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

NOTE 31 - FINANCIAL RISK MANAGEMENT (Continued)

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

31.12.2015	Carrying value	Total contractual cash outflow	Less than 3 months	3-12 months	1-5 years	Over 5 years
Non derivative financial liabilities						
Financial liabilities	322.502.223	347.864.719	20.925.606	144.041.670	182.897.443	-
Trade payables						
-Related party	5.523.304	5.523.304	5.523.304	-	-	-
-Other	49.519.592	49.519.592	49.519.592	-	-	-
Other liabilities	12.796.051	12.796.051	-	5.333.880	7.462.171	-

31.12.2014	Carrying value	Total contractual cash outflow	Less than 3 months	3-12 months	1-5 years	Over 5 years
Non derivative financial liabilities						
Financial liabilities	303.638.853	348.128.949	13.022.530	122.539.765	212.566.654	-
Trade payables						
-Related party	4.640.874	4.640.874	4.640.874	-	-	-
-Other	41.206.911	41.206.911	41.206.911	-	-	-
Other liabilities	9.304.195	9.304.195	-	4.521.860	4.782.335	-

NOTE 31 - FINANCIAL RISK MANAGEMENT (Continued)

Currency risk

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

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

As of 31 December 2015, 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 351.246 (31 December 2014: TL : 1.330.808).

As of 31 December 2015, 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 (19.467.587) (31 December 2014: TL (11.832.987)).

As of 31 December 2015, 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 (2.483.071) (31 December 2014: TL (2.347.469)).

As of 31 December 2015, 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 (82.778) (31 December 2014: TL (155.024)

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

NOTE 31 - FINANCIAL RISK MANAGEMENT (Continued)

Foreign currency denominated assets and liabilities of the Group as of 31 December 2015 and 2014 are as follows:

	31 December 2015	31 December 2014
Assets denominated in foreign currency	140.437.931	178.299.124
Liabilities denominated in foreign currency (-)	(357.589.950)	(308.318.707)
Net balance sheet position	**(217.152.019)**	**(130.019.583)**

The table below summarizes TL equivalent of the Group's foreign currency denominated assets and liabilities as of 31 December 2015 and 31 December 2014:

31 December 2015	TL Equivalent (Functional Currency)	USD	Euro	Indian Rupee	Hungarian Froing	GBP/British Pound
1. Trade receivables	58.640.126	1.719.648	11.947.932	321.950.805	156.524.146	(10.035)
2. Monetary financial assets (Cash, Bank Accounts)	40.855.320	116.761	3.235.209	660.388.311	123.436.811	853
3. Other	7.457.618	-	543.443	68.462.101	268.371.752	-
4. Current Assets(1+2+3)	**106.953.064**	**1.836.409**	**15.726.584**	**1.050.801.217**	**548.332.709**	**(9.182)**
5. Other	33.484.867	-	206.734	748.130.112	-	-
6. Non-current assets (5)	**33.484.867**	**-**	**206.734**	**748.130.112**	**-**	**-**
7. Total assets (4+6)	**140.437.931**	**1.836.409**	**15.933.318**	**1.798.931.329**	**548.332.709**	**(9.182)**
8. Trade payables	37.534.017	603.531	6.672.390	259.147.093	286.908.712	67.579
9.. Financial liabilities	139.055.499	21.924	33.971.688	707.459.298	-	-
10. Other monetary liabilities	16.103.577	-	617.610	242.871.832	342.897.933	-
11. Current liabilities (8+9+10)	**192.693.093**	**625.455**	**41.261.688**	**1.209.478.223**	**629.806.645**	**67.579**
12.. Financial liabilities	157.976.034	2.926	35.936.693	997.609.180	-	-
13. Other monetary liabilities	6.920.823	-	-	157.721.582	-	-
14. Non-current liabilities (12+13)	**164.896.857**	**2.926**	**35.936.693**	**1.155.330.762**	**-**	**-**
15. Total liabilities (11+14)	**357.589.950**	**628.381**	**77.198.381**	**2.364.808.985**	**629.806.645**	**67.579**
16 Net foreign currency asset/(liability) position (7-15)	**(217.152.019)**	**1.208.028**	**(61.265.063)**	**(565.877.656)**	**(81.473.936)**	**(76.761)**
17. Net monetary foreign currency asset/(liability) Position (7-15)	**(217.152.019)**	**1.208.028**	**(61.265.063)**	**(565.877.656)**	**(81.473.936)**	**(76.761)**

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

NOTE 31 - FINANCIAL RISK MANAGEMENT (Continued)

31 December 2014	TL Equivalent (Functional Currency)	USD	Euro	Indian Rupee	Hungarian Foreign	GBP/British Pound
1. Trade receivables	58.064.878	2.334.773	15.738.682	203.515.580	89.724.498	-
2. Monetary financial assets (Cash, Bank Accounts)	74.513.157	3.694.801	14.025.226	658.429.451	224.519.531	72.564
3. Other	20.609.822	660.501	1.746.161	311.888.856	304.846.000	-
4. Current Assets(1+2+3)	**153.187.857**	**6.690.075**	**31.510.069**	**1.173.833.887**	**619.090.029**	**72.564**
5. Other	25.111.267	-	17.361	684.388.230	(4)	-
6. Non-current assets (5)	**25.111.267**	**-**	**17.361**	**684.388.230**	**(4)**	**-**
7. Total assets (4+6)	**178.299.124**	**6.690.075**	**31.527.430**	**1.858.222.117**	**619.090.025**	**72.564**
8. Trade payables	29.666.459	846.147	5.230.161	271.022.772	311.712.851	65.018
9. Financial liabilities	79.020.500	79.960	19.146.237	678.025.369	-	-
10. Other monetary liabilities	15.412.173	-	1.210.922	210.054.297	480.394.942	-
11. Current liabilities (8+9+10)	**124.099.132**	**926.107**	**25.587.320**	**1.159.102.438**	**792.107.793**	**65.018**
12. Financial liabilities	179.437.240	24.848	47.820.595	1.214.966.357	-	-
13. Other monetary liabilities	4.782.336	159	70.047	125.187.973	-	-
14. Non-current liabilities (12+13)	**184.219.576**	**25.007**	**47.890.642**	**1.340.154.330**	**-**	**-**
15. Total liabilities (11+14)	**308.318.708**	**951.114**	**73.477.962**	**2.499.256.768**	**792.107.793**	**65.018**
16. Net foreign currency asset/(liability) position (7-15)	**(130.019.584)**	**5.738.961**	**(41.950.532)**	**(641.034.651)**	**(173.017.768)**	**7.546**
17. Net monetary foreign currency asset/(liability) Position (7-15)	**(130.019.584)**	**5.738.961**	**(41.950.532)**	**(641.034.651)**	**(173.017.768)**	**7.546**

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

NOTE 31 - FINANCIAL RISK MANAGEMENT (Continued)

The table below summarizes TL equivalent of export and import amounts for the years ended 31 December 2015 and 2014:

	1 January - 31 December 2015	1 January - 31 December 2014
Total export amount	28.890.216	160.431
Total import amount	18.213.730	15.859.742

Capital risk management

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

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

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

The ratio of netdebt/ (equity+net debt at 31 December 2015 and 2014 is as follows:

	31 December 2015	31 December 2014
Total financial liabilities	322.502.223	305.279.253
Less: Cash and cash equivalents	(138.444.891)	(79.950.529)
Less: Current assets	(1.154.044)	(5.766.185)
Net debt	182.903.288	219.562.539
Equity	144.285.259	106.453.496
Equity + net debt	327.188.547	326.016.035
Net debt / (Equity + net debt) ratio	0,56	0,67

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

NOTE 32 - FINANCIAL INSTRUMENTS

Fair value estimation

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

Effective 1 January 2009, the group adopted the amendment to IFRS 7 for financial instruments that are measured in the balance sheet at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy.

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The Group's assets and liabilities quantified as fair values at 31 December 2015 and 31 December 2014 are as below:

31 December 2015	Level 1	Level 2	Level 3	Total
Assets	-	-	1.848.860	1.848.860
Available for sale financial assets (Note 5)	-	-	1.848.860	1.848.860

31 December 2015	Level 1	Level 2	Level 3	Total
Liabilities	-	-	-	-
Other financial liability	-	-	-	-

31 December 2014	Level 1	Level 2	Level 3	Total
Assets	-	-	1.546.360	1.546.360
Available for sale financial assets	-	-	1.546.360	1.546.360

31 December 2014	Level 1	Level 2	Level 3	Total
Liabilities(*)	-	1.640.400	-	1.640.400
Derivative Financial Instruments	-	1.640.400	-	1.640.400

(*) The transaction date of cash flow hedge forwards is September 26, 2014 and the effective date is January 7, 2015 with the bank purchase amount is EUR 12.000.000 and bank sale amount is EUR 35.588.400.

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

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

As a result of the fire, goods belonging to third parties were also damaged in addition to the damage to property, plant and equipment and leasehold improvements of the Company. As of 31 December 2015 some of the owners of the goods have applied to the Company and its insurance company for compensation of their losses by filing lawsuits against the Company and via enforcement proceedings.

There are legal cases and enforcement proceedings under way: this comprises legal cases and enforcement proceedings amounting to TL 9.870.660 (Note 13) 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 7.514.508 in which the Company is the sole defendant. Total legal cases and enforcement proceedings is TL 17.385.168.

The Company has an insurance policy regarding these commodities amounting to USD 1.500.000 which has been recorded as revenue and the whole amount of which has been collected as of 30 September 2013. For the purpose of compensating legal claims related to the fire that broke out on 24 May 2006, the company management has decided to use another insurance policy amounting to USD 10.000.000 in a special fund created in conjunction with the DHMI and other warehouse management company in accordance with the Sharing Agreement signed with same parties. The Sharing Agreement mentioned was established in order to deal with the consequences of legal cases and enforcement proceedings in which the Company is a co-defendant along with the DHMI and other warehouse management company.

As of 10 March 2016, approval of these financial statements, 224 lawsuits with value of TL 122.299.253 (USD 42.061.925) to which the Fund Companies have been a side and which has an invoice value of TL 73.270.283 (USD 25.199.575) has been settled amicably and 214 of these 224 lawsuits with a value of TL 122.299.253 (USD 42.061.925) has been paid to the claimants as TL 73.270.283 (USD 25.199.575).

Negotiations regarding 14 requests, which cannot reach an agreement yet, between the fund and other claimants are still going on. The invoice value of the aforementioned requests is USD4.711.294 and remaining part available in fund currently amounting to USD14.700.000 is managed against all the fund parties but it is anticipated that the aforementioned amount shall be sufficient for the settlement of all requests whose negotiations are still going on.

In view of the foregoing, the Company believes that all legal claims faced may be settled as part of the insurance policy collected and the fund formed. Since there are no further development which adversely affects the matters disclosed in past, the Company has not booked any provision in consolidated financial statements dated 31 December 2015.

NOTE 34 – SUBSEQUENT EVENTS

a) The Company is decided to make amendments regarding article 6 of Articles of Incorporation titled "Capital and Share Premium Lot" in order for remaining in registered capital system, to perform all the transaction required for the realization of aforementioned amendment, to submit aforementioned articles of incorporation amendment to the approval of Company's shareholders in the first general assembly following the acquisition of required permissions from the related institutions with respect to resolution of Company's Board of Directors taken on February 22, 2016.

   The Company has moved to registered capital system with the resolution of Capital Markets Board of Turkey dated 21.03.2000 and numbered 30/435 and current Registered Capital of the Company is TL100.000.000 (one hundred million). The issued capital of the Company is TL24.300.000 and upper limit of registered capital has not been reached. An application to Capital Markets Board of Turkey has been made regarding the acquisition of required permission to remain in registered capital system since the 5 year period related to current registered capital upper limit validity, including 2012, in which the permission related to aforementioned upper limit is registered, is expiring and in order to keep the company in registered capital system even the upper limit of registered capital is reached in 2016, in the framework of provisions of Communique on Registered Capital System (II-18.1) of Capital Markets Board of Turkey.

b) The Company has participated in license tender, initiated by Oman Airport Management Company S.A.O.C. ("OAMC"), to perform airport ground services for 10 (ten) years of Muscat International Airport located in Maskat city of Oman as a consortium with Nawa International LLC ("Nawa"), which is a local company resident in Oman, and the tender bid is submitted to contracting authority on March 10, 2016. The participation rate of the Company in the aforementioned consortium is 70%. It is anticipated that contracting authority shall complete its evaluation regarding tender bids until April 30, 2016.