

ÇELEBİ HAVA SERVİSİ A.Ş.

**Condensed interim consolidated financial
statements for the period ended March 31, 2013**

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

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

ÇELEBİ HAVA SERVİSİ A.Ş.

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**CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2013 AND DECEMBER 31, 2012**

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

		(Unaudited)	(Audited)
	Notes	31 March 2013	31 December 2012
			Restated (*)
ASSETS			
Current Assets			
Cash and cash equivalents	4	42.707.485	46.417.680
Trade receivables	8	50.887.948	43.831.020
Due from related parties	24	8.739.537	8.616.788
Other receivables	9	4.568.705	8.542.082
Inventories		8.555.839	8.301.002
Other current assets	15	25.540.597	25.485.864
Total Current Assets		141.000.111	141.194.436
Non-Current Assets			
Financial investments	5	1.410.109	1.383.442
Equity accounted investees	6	10.301.702	10.026.877
Other non-current receivables	9	12.690.312	10.367.489
Property, plant and equipment	10	138.122.598	142.793.567
Intangible assets	11	110.097.925	111.269.518
Goodwill	12	18.737.791	19.882.648
Deferred tax assets	22	16.267.489	15.554.815
Other non-current assets	15	26.085.187	24.079.813
Total non-current assets		333.713.113	335.358.169
Total assets		474.713.224	476.552.605

(*) See Note 2.3

The accompanying notes form an integral part of these consolidated financial statements.

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**CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2013 AND DECEMBER 31, 2012**

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

	Notes	(Unaudited) 31 March 2013	(Audited) Restated (*) 31 December 2012
LIABILITIES			
Current Liabilities			
Financial liabilities	7	110.896.784	104.802.549
Trade payables		20.191.073	16.106.061
Due to related parties	24	3.825.819	2.843.442
Other payables	9	6.803.521	3.642.598
Provisions	13	11.143.816	13.419.855
Provision for employee benefits	14	438.757	228.922
Current tax liabilities	22	-	-
Other current liabilities	15	32.522.671	35.127.691
Total current liabilities		185.822.441	176.171.118
Non-Current Liabilities			
Financial liabilities	7	183.355.688	188.181.163
Other non-current payables	9	959.278	970.476
Deferred tax liabilities	22	5.762.290	5.628.521
Provision for employee benefits	14	8.345.775	7.750.205
Other non-current liabilities	15	37.503.160	33.776.966
Total non-current liabilities		235.926.191	236.307.331
Total liabilities		421.748.632	412.478.449
EQUITY			
Equity attributable to equity holders of the parent		44.522.042	55.975.098
Capital	16	24.300.000	24.300.000
Restricted reserves	16	26.573.456	26.573.456
Foreign currency translation differences		1.031.007	1.141.212
Retained earnings		3.105.796	(17.143.351)
Net profit/ (loss) for the period		(10.488.217)	21.103.781
Non-controlling interest		8.442.550	8.099.058
Total equity		52.964.592	64.074.156
Total liabilities and equity		474.713.224	476.552.605

Contingent assets and liabilities 13

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**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIODS ENDED MARCH 31, 2013 AND 2012**

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

		(Unaudited)	(Unaudited)
	Notes	31 March 2013	31 March 2012
			Restated (*)
CONTINUING OPERATIONS			
Revenue - net	17	102.192.118	106.536.823
Cost of sales (-)	17	(88.460.407)	(90.000.195)
GROSS PROFIT	17	13.731.711	16.536.628
General administrative expenses (-)	19	(19.296.325)	(20.109.957)
Other operating income		2.233.147	1.375.353
Other operating expense (-)		(1.911.185)	(731.422)
Operating Profit (-)		(5.242.652)	(2.929.398)
Financial income	20	3.130.890	8.918.244
Financial expense (-)	21	(7.944.230)	(8.735.757)
Share of profit / (loss) of equity accounted investees	6	77.725	(545.251)
INCOME BEFORE TAX		(9.978.267)	(3.292.162)
Income tax expense		(1.181.762)	205.752
Current tax expense	22	(1.467.760)	(692.167)
Deferred tax income	22	285.998	897.919
NET INCOME/(LOSS)		(11.160.029)	(3.086.410)
Attributable to:			
Non-controlling interest		(671.812)	(927.791)
Equity holder of the parent		(10.488.217)	(2.158.619)
		(11.160.029)	(3.086.410)
Earnings per share (full TRY)	23	(0,004)	(0,001)

(*) See Note 2.3

The accompanying notes form an integral part of these consolidated financial statements.

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ÇELEBİ HAVA SERVİSİ A.Ş.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED MARCH 31, 2013 AND 2012

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

	(Unaudited)	(Unaudited)
	31 March 2013	31 March 2012
	(Unaudited)	Restated (*)
Net profit for the period	(11.160.029)	(3.086.410)
Other comprehensive income:		
Currency translation differences	50.465	210.652
Other comprehensive income	50.465	210.652
Total comprehensive income/(loss)	(11.109.564)	(2.875.758)
Total comprehensive income attributable to:		
Non-controlling interest	(511.142)	(1.043.987)
Equity holders of the parent	(10.598.422)	(1.831.771)
	(11.109.564)	(2.875.758)

(*) See Note 2.3

The accompanying notes form an integral part of these consolidated financial statements.

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FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

ÇELEBİ HAVA SERVİSİ A.Ş.

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED MARCH 31, 2013 AND 2012**

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

	Notes	Capital	Restricted reserves	Cumulative translation differences	Additional Contribution to equity related to share purchase	Retained Earnings	Net profit for the year	Equity attributable to the parent	Non-controlling interest	Total equity
Balances at 1 January 2012		24.300.000	26.573.456	4.380.047	(34.297.074)	10.824.798	7.623.634	39.404.861	11.077.361	50.482.222
Transfers to retained earnings		-	-	-	34.297.074	(26.673.440)	(7.623.634)	-	-	-
Transfers to reserves	16	-	-	-	-	(731.250)	-	(731.250)	731.250	-
Changes in the rate of the joint venture shares		-	-	-	-	(241.447)	-	(241.447)	-	(241.447)
Transactions with minority		-	-	-	-	(701.621)	-	(701.621)	-	(701.621)
Total comprehensive income	16	-	-	326.848	-	-	(2.158.619)	(1.831.771)	(1.043.987)	(2.875.758)
Balances at 31 March 2012		24.300.000	26.573.456	4.706.895	-	(17.522.960)	(2.158.619)	35.898.772	10.764.624	46.663.396
Balances at 01 January 2013		24.300.000	26.573.456	1.141.212	-	(17.143.351)	21.103.781	55.975.098	8.099.058	64.074.156
Transfers to retained earnings		-	-	-	-	21.103.781	(21.103.781)	-	-	-
Transactions with minority		-	-	-	-	(854.634)	-	(854.634)	854.634	-
Total comprehensive income	16	-	-	(110.205)	-	-	(10.488.217)	(10.598.422)	(511.142)	(11.109.564)
Balances at 31 March 2013		24.300.000	26.573.456	1.031.007	-	3.105.796	(10.488.217)	44.522.042	8.442.550	52.964.592

The accompanying notes form an integral part of these consolidated financial statements.

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**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE PERIOD ENDED MARCH 31, 2013 AND 2012**

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

	Notes	(Unaudited) 31 March 2013	(Unaudited) Restated (*) 31 March 2012
Cash flow provided from operating activities			
Income before tax		(9.978.267)	(3.292.162)
Adjustments to reconcile income before tax to net cash provided by operating activities:			
Depreciation and amortization	10, 11	8.482.949	7.694.250
Provision for employment termination benefits	14	3.560.660	2.191.117
Provision for unused vacation	13	652.713	652.593
Provision for sales commissions	13	1.831.091	2.736.993
Provision for cargo subcontractor commission	13	525.509	828.591
Expense accrual for DHMI	13	4.372.212	1.899.237
Provision for litigation	13	-	-
Provision for electricity	13	1.532.334	1.097.851
Other provisions	13	5.920.546	3.145.690
Provision for doubtful receivables	8	-	-
Interest income	20	(563.612)	(748.711)
Interest expense	21	5.652.774	5.693.473
Gains / (Losses) from sales of property plant and equipment,		(57.880)	(135.907)
Unrecognized foreign exchange differences (income) / expense		-	-
Net Profit / (Loss) belonging to minority		(671.812)	(927.791)
Cash flow provided before changes in assets and liabilities		21.259.217	20.835.224
Other non-current receivables		(2.322.823)	(371.812)
Trade receivables		(7.056.928)	(7.298.561)
Due from related parties		(122.749)	1.116.376
Inventories		(254.837)	(1.212.808)
Income taxes paid	22	(1.467.760)	(692.167)
Other receivables		3.973.377	(8.132.147)
Other current assets		(54.733)	23.639.102
Other non-current assets		(2.005.374)	(3.957.161)
Trade payables		4.137.038	(131.357)
Due to related parties		982.377	(13.472.287)
Other payables		3.160.923	914.862
Other current liabilities		(2.605.020)	(38.559.051)
Other non-current liabilities		3.726.194	37.954.499
Other non-current debt provisions		(364.091)	(978.067)
Collection of doubtful receivables	8	-	(34.636)
Employment termination benefits paid	14	(2.597.347)	(1.258.490)
Vacation benefits paid	13	(106.998)	(50.036)
DHMI Expense accrual paid	13	(3.854.876)	(1.259.474)
Sales commission's provisions paid	13	(1.631.326)	(1.830.775)
Litigation provisions paid	13	-	(34.255)
Investment consultancy expenses paid	13	(634.795)	-
Cargo subcontractor commission provision paid	13	(1.676.069)	(796.534)
Other compensations paid	13	(8.842.289)	(5.765.180)
Net cash (used in) / generated from operating activities		1.641.111	(1.374.734)
Investing activities			
Purchases of property, plant and equipment	10	(2.761.027)	(6.698.173)
Purchases of intangible assets	11	(29.297)	(3.148.312)
Interest received		568.301	778.141
Purchases of financial assets / goodwill, net		843.365	(3.165.011)
Proceeds from sale of property, plant and equipment		1.261.707	740.460
Net cash generated from investing activities		(116.951)	(11.492.895)
Financing activities			
Change in borrowings		508.182	(28.196.761)
Change in short-term finance lease obligations, net		(40.237)	85.092
Change in long-term finance lease obligations		(1.216.389)	(299.173)
Interest paid		(3.511.124)	(2.584.567)
Net cash (used in) / generated from financing activities		(4.259.568)	(30.995.409)
Cumulative translation adjustment		(1.261.935)	2.834.724
Decrease / (Increase) in restricted cash and cash equivalents		11.975	16.458.858
Net (decrease)/ increase in cash and cash equivalents		(3.985.368)	(24.569.456)
Cash and cash equivalents at the beginning of the period		32.519.076	68.025.683
Cash and cash equivalents at the end of the period	4	28.533.708	43.456.227

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2013

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS OF THE GROUP

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

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

The address of the Company is as follows:

Anel Is Merkezi Saray Mahallesi Site Yolu Sokak No: 5 Kat: 9
34768 Umraniye / Istanbul

The Company has consolidated Çelebi IC Antalya Havalimanı Terminal Yatırım ve İşletme A.Ş. in Liquidation ("Çelebi IC Yatırım") with 49,99% of shares using the joint-venture consolidation method as of 31 March 2013. The other main shareholder of Çelebi IC Yatırım is Ictas Insaat Sanayi ve Ticaret A.Ş. with 49,99% of shares. The capital of Çelebi IC Yatırım has been decreased from TRY 44.004.280 to TRY 50.000 according to the general assembly resolution dated 22 July 2010.

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

The Company has also participated in a tender offer as of 7 August 2006 called by the Budapest Airport Budapest Ferihegy Nemzetkozi Repuloter Uzemelteto Zartkoruen Mukodo Reszvenytarsasag ("Ba Zrt") company resident in Budapest, Hungary for the acquisition of the Budapest Airport Handling Kereskedelmi es Szolgaltato Korlatolt Feleossegu Tarsasag ("BAGH") company that provides ground handling services at Budapest Airport and in which ("Ba Zrt") has a 100% share. The Company was informed of winning the tender offer on 14 August 2006 and participates in the Celebi Tanacsado Korlatolt Felelossegu Tarsasag ("Celebi Kft") company that was founded on 22 September 2006 as founding shareholder for the realization of the abovementioned share transfer. Celebi Kft acquired all the shares of BAGH on 26 October 2006 and the trade name of BAGH has been changed to Celebi Ground Handling Hungary Foldi Kiszolgalo Korlatolt Felelossegu Tarsasag ("CGHH"). Celebi Kft has been taken over by CGHH with all assets and liabilities and merger transactions have been completed at 31 October 2007 after the completion of the registration, related changes in Articles of Association and General Assembly decisions carried out within the legal framework effective in Hungary. Since Celebi Kft owned 100% of CGHH shares before the merger, the Company's share has remained 70% in CGHH share capital.

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ÇELEBİ HAVA SERVİSİ A.Ş.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2013

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

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

As of 2011, shares representing 30% of CGHH were purchased from Çelebi Havacılık Holding A.Ş. for TRY 33.712.020. As a result shareholding percentage of the Company has increased to 100% and CGHH was fully consolidated to the financial statements and this transaction was accounted for as an equity transaction disclosed as "Additional contribution to shareholders equity related to share purchase" on the consolidated financial statements. As of March 31 2013, total paid in capital of CGHH is 200.000.000 HUF.

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

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

The equity needed to meet financial requirement of the investments planned and the fulfillment of the requirements arising from the Concession Agreement signed by Celebi Ground Handling Delhi Private Limited ("Celebi GH Delhi"), established in 18 November 2009, with a paid-in capital amounting to INR14.200.000 and in which the Company participated at 74%, with the tender authority upon winning the tender opened for the conduct of airport ground handling services in Delhi International Airport for 10 years, was met through a premium capital increase according to the legal legislation in India by paying INR 1.008.176.000 and the Company has a 74% stake in Celebi GH Delhi.

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

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

The Company acquired shares of Çelebi Kargo Depolama ve Dağıtım Hizmetleri A,Ş ("Çelebi Kargo"), owning TRY 150.000 paid capital, having a nominal value of TRY 144.000 from Çelebi Holding A,Ş, with cash amounted to TRY 146.880 (TRY 1 nominal value: TRY 1,02) as of 20 August 2010, Çelebi Kargo was established as of 20 November 2008 to provide cargo storage and handling services in storage and warehouse facilities on rented area in Frankfurt Cargo City Süd by Celebi Cargo GmbH as of which is subsidiary of Çelebi Kargo with 100% shares, amounting EUR 7.500.000 paid capital, established in November 2009 located in Frankfurt, Germany.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2013

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

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

As of 31 March 2013, the capital of Çelebi Cargo has been increased to TRY 18.000.000 out of which all of capital was paid.

As of 31 March 2013, the condensed interim consolidated financial statements of the Company include the Company, Çelebi IC Yatırım, CGHH, Çelebi Guvenlik, Celebi Nas, Celebi Delhi Cargo, Celebi GH Delhi, Çelebi Kargo and Celebi Cargo (collectively, referred to as the “Group”).

These condensed interim consolidated financial statements for the period 1 January – 31 March 2013 have been approved for issue by the Board of Directors on 03 April 2013 and signed by Koray Özbay (General Manager) and Ayfer Atlı (Financial Affairs Director) on behalf of Board of Directors. The shareholders of the Company have the power to amend the consolidated financial statements after the issue in the General Assembly meeting of the Company.

Subsidiaries:

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

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

Equity accounted investees:

<u>Equity accounted investees</u>	<u>Country of incorporation</u>	<u>Geographical segment</u>	<u>Nature of business</u>
Çelebi IC Antalya Havalimanı Terminal Yatırım ve İşletme A.Ş. In Liquidation	Turkey	Turkey	Airport terminal construction and operating (inactive)
Celebi Nas	India	India	Ground handling services

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2013

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

Affiliates:

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

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

2.1. Basis of the Presentation

2.1.1 Financial Reporting Standards

The consolidated financial statements of the Group have been prepared in accordance with the accounting and reporting principles published by the CMB, namely "CMB Financial Reporting Standards". CMB regulated the principles and procedures of preparation, presentation and announcement of financial statements prepared by the entities with Communiqué No. XI-29, "Principles of Financial Reporting in Capital Markets" ("the Communiqué"). According to the Communiqué, entities shall prepare their financial statements in accordance with International Financial Reporting Standards ("IAS/IFRS") endorsed by the European Union ("EU"). Until the differences of the IAS/IFRS as endorsed by the European Union from the ones issued by the International Accounting Standards Board ("IASB") are announced by Public Oversight of the Accounting and Auditing Standards Board (formerly Turkish Accounting Standards Board), IAS/IFRS shall be applied. According to the Communiqué, entities shall prepare their financial statements with the International Financial Reporting Standards ("IAS / IFRS") endorsed by the Audit Company. However, the IAS / IFRS issued by the International Accounting Standards Board ("IASB") will be used until the Accounting and Auditing Standards of the Public Oversight Board (formerly the Accounting Standards Board of Turkey) declared IAS/IFRS in Turkey.

As the differences of the IAS/IFRS endorsed by the European Union from the ones issued by the IASB have not been announced by TASB as of the date of preparation of these interim consolidated financial statements, the consolidated financial statements have been prepared within the framework of Communiqué XI, No: 29 and related promulgations to this Communiqué as issued by the CMB in accordance with the accounting and reporting principles accepted by the CMB ("CMB Financial Reporting Standards") which are based on IAS/IFRS.

The Company and its Turkish subsidiaries maintain their books of account and prepare their statutory financial statements ("Statutory Financial Statements") in TRY in accordance with the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance and accounting principles issued by the CMB for listed companies. The foreign Subsidiaries and Joint Ventures maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. These consolidated financial statements are based on the statutory records, which are maintained under historical cost conversion except for the valuation of certain financial assets and liabilities, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the CMB Financial Reporting Standards. The consolidated financial statements are prepared on the historical cost basis.

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Adjustments of the Financial Statements during High Inflation Periods

With a resolution passed on 17 March 2005, CMB has announced that inflation accounting will not apply for those companies operating in Turkey and that have drawn up the financial statements in accordance with CMB Accounting Standards as of 1 January 2005. Therefore, effective as of 1 January 2005, the standard number 29 "Financial Reporting in the Economies with High Inflation" (IAS 29) published by IASB have not been implemented.

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 TRY, which are the functional currency of the Company and the presentation currency of the Group. As of 31 March 2013, the currency of subsidiaries has shown below.

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

Going Concern

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

Translation of Financial Statements of Foreign Subsidiaries and Joint Ventures Operating in Foreign Countries

Financial statements of Subsidiaries and 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 Subsidiaries' and Joint Ventures' assets and liabilities are translated into TRY from the foreign exchange rate at the balance sheet date, income and expenses are translated into TRY at the average foreign exchange rate. Exchange differences arising from the retranslation of the opening net assets of foreign undertakings and differences between the average and balance sheet date rates are included in the cumulative translation differences under the equity.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1.2 Amendments in International Financial Reporting Standards (IFRS)

New and amended standards and interpretations for financial statement at 31 March 2013:

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

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

IAS 12 Income Taxes: “Recovery of Underlying Assets (Amendment)”

IAS 12 has been updated to include i) a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale and ii) a requirement that deferred tax on non-depreciable assets, measured using the revaluation model in IAS 16, should always be measured on a sale basis. These amendments will be applied retrospectively. Adoption of this amendment did not have any impact on the financial position or performance of the Group.

IFRS 7 Financial instruments: Disclosures’ on transfers of assets (Amendment)

The purpose of this amendment is to allow users of financial statements to improve their understanding of transfer transactions of financial assets (e.g. securitizations), including understanding the possible effects of any risks that may remain with the entity which transferred the assets. The amendment also requires additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. Comparative disclosures are not required. The amendment affects disclosures only and did not have any impact on the financial position or performance of the Group.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

IAS 1 Presentation of Financial Statements (Amendment) – Presentation of Items of Other Comprehensive Income

The amendments are effective for annual periods beginning on or after 1 July 2012, but earlier application is permitted. The amendments to IAS 1 change only the grouping of items presented in other comprehensive income. Items that could be reclassified (or ‘recycled’) to profit or loss at a future point in time would be presented separately from items which will never be reclassified. The amendments will be applied retrospectively. The amendment affects presentation only and will have no impact on the financial position or performance of the Group.

IAS 19 “Employee Benefits (Amendment)”

Amended standard is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. With very few exceptions retrospective application is required. Numerous changes or clarifications are made under the amended standard. Among these numerous amendments, the most important changes are removing the corridor mechanism and making the distinction between short-term and other long-term employee benefits based on expected timing of settlement rather than employee entitlement. The Group is in the process of assessing the impact of the amended standard on the financial position or performance of the Group. This amendment will not have any impact on the financial position or performance of the Group.

IAS 27 “Separate Financial Statements (Amendment)”

As a consequential amendment to IFRS 10 and IFRS 12, the IASB also amended IAS 27, which is now limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. Transitional requirement of this amendment is similar to IFRS 10. This amendment will not have any impact on the financial position or performance of the Group.

IAS 28 “Investments in Associates and Joint Ventures (Amendment)”

As a consequential amendment to IFRS 11 and IFRS 12, the IASB also amended IAS 28, which has been renamed IAS 28 Investments in Associates and Joint Ventures, to describe the application of the equity method to investments in joint ventures in addition to associates. This amendment has impact which is indicated in Note 5 on the financial position or performance of the Group.

IAS 32 “Financial Instruments: Presentation - Offsetting Financial Assets and Financial liabilities (Amendment)”

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

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

IFRS 7 “Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendment)”

New disclosures would provide users of financial statements with information that is useful in (a) evaluating the effect or potential effect of netting arrangements on an entity’s financial position and (b) analyzing and comparing financial statements prepared in accordance with IFRSs and other generally accepted accounting standards. The amendments are to be retrospectively applied for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The amendment affects disclosures only and will have no impact on the financial position or performance of the Group.

IFRS 9 “Financial Instruments – Classification and Measurement”

As amended in December 2011, the new standard is effective for annual periods beginning on or after 1 January 2015. Phase 1 of this new IFRS introduces new requirements for classifying and measuring financial instruments. The amendments made to IFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option (FVO) liabilities and requires that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income. Early adoption is permitted. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on the financial position or performance of the Group.

IFRS 10 “Consolidated Financial Statements”

The standard is effective for annual periods beginning on or after 1 January 2013 and is applied on a modified retrospective basis. This new Standard may be adopted early, but IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities should be also adopted early.

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

IFRS 11 “Joint Arrangements”

The standard is effective for annual periods beginning on or after 1 January 2013 and is applied on a modified retrospective basis. This new Standard may be adopted early, but IFRS 10 Consolidated Financial Statements and IFRS 12 Disclosure of Interests in Other Entities should be also adopted early.

The standard describes the accounting for joint ventures and joint operations with joint control. Among other changes introduced, under the new standard, proportionate consolidation is not permitted for joint ventures. Joint ventures will be consolidated with equity method.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

IFRS 13 "Fair Value Measurement"

The new Standard provides guidance on how to measure fair value under IFRS but does not change when an entity is required to use fair value. It is a single source of guidance under IFRS for all fair value measurements. The new standard also brings new disclosure requirements for fair value measurements. IFRS 13 is effective for annual periods beginning on or after 1 January 2013 and will be adopted prospectively. Early application is permitted. The new disclosures are only required for periods beginning after IFRS 13 is adopted - that is, comparative disclosures for prior periods are not required. Standard has no impact on the Group's consolidated financial statements.

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

The guidance is effective for annual periods beginning on or after 1 January 2013. The amendments change the transition guidance to provide further relief from full retrospective application. The date of initial application is defined as the beginning of the annual reporting period in which IFRS 10 is applied for the first time. The assessment of whether control exists is made at the date of initial application rather than at the beginning of the comparative period. If the control assessment is different between IFRS 10 and IAS 27/SIC-12, retrospective adjustments should be determined. However, if the control assessment is the same, no retrospective application is required. If more than one comparative period is presented, additional relief is given to require only one period to be restated. For the same reasons IASB has also amended IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities to provide transition relief. The Group is in the process of assessing the impact of the new standard on the financial position or performance of the Group.

Improvements to IFRSs

The IASB has issued the Annual Improvements to IFRSs – 2009 – 2011 Cycle, which contains amendments to its standards. The annual improvements project provides a mechanism for making necessary, but non-urgent, amendments to IFRS. The effective date for the amendments is for annual periods beginning on or after 1 January 2013. Earlier application is permitted in all cases, provided that fact is disclosed. This project has not yet been endorsed by the EU. The Group does not expect that the project will have a significant impact on the financial position or performance of the Group.

IAS 1 Financial Statement Presentation:

Clarifies the difference between voluntary additional comparative information and the minimum required comparative information.

IAS 16 Property, Plant and Equipment:

Clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.

IAS 32 Financial Instruments - Presentation:

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

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

IAS 34 Interim Financial Reporting:

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

Standards issued but not yet effective and not early adopted

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

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

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

IFRS 9 Financial Instruments – Classification and measurement

As amended in December 2011, the new standard is effective for annual periods beginning on or after 1 January 2015. Phase 1 of this new IFRS introduces new requirements for classifying and measuring financial instruments. The amendments made to IFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option (FVO) liabilities and requires that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income. Early adoption is permitted. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the amendment on financial position or performance of the Group.

IFRS 10 “Consolidated Financial Statements (Amendment)”

IFRS 10 is amended to provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss in accordance with IFRS 9 Financial Instruments. The Group does not expect that these amendments will have significant impact on the financial position or performance of the Group.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1.3 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.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

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

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

- (1) As of 31 March 2013 Celebi Spain has directly and indirectly 100% voting right. However, Celebi Europe has not been consolidated in consolidated financial statements by reason of being immaterial for the consolidated financial statements and the company operations have not started as of 31 March 2013 (Note 6).
- 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 for the equity method.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

<u>Joint Ventures</u>	<u>Direct and indirect shareholding by Celebi Hava (%)</u>	
	<u>31 March 2013</u>	<u>31 December 2012</u>
Çelebi IC Antalya Havalimani Terminal Yatirim ve Isletme A.Ş in Liquidation (*)	%49,99	%49,99
Celebi Nas (**)	%55,00	%51,00

(*) Company's joint ventures, Çelebi IC Antalya Airport Terminal Investment and Management A.Ş. ("Çelebi IC Investment"), by holding 49.99% of the total capital amounting TRY 50.000, has been decided to initiate its liquidation process with a decision made in 2011 fiscal year General Assembly of company which took place in 2012, and the commercial register name of the company has been amended as Çelebi IC Antalya Airport Terminal Investment and Management A.Ş. in Liquidation with the attestation of Antalya Directorate of Commercial Register of Turkish Republic. Since Çelebi IC Antalya Airport Terminal Investment and Management Inc. in Liquidation, does not constitute a materiality to the consolidated financial statements as of 31 March 2013, there has been no additional disclosure presented in financial statements regarding IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

(**) The % 4 share of Celebi Nas has been purchased by Sovika Aviation Private Limited which has already owned %8 shares of Celebi Nas on 26 January 2012.

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

2.2. Summary of Significant Accounting Policies

The condensed interim consolidated financial statements of the Group for the period ended March 31, 2013 have been prepared in accordance with IAS 34 "Interim Financial Reporting". The accounting policies used in the preparation of these condensed interim consolidated financial statements are consistent with those used in the preparation of annual consolidated financial statements for the year ended December 31, 2012. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2012.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Comparatives and restatement of prior periods' financial statements

Group prepared restatements at prior periods' financial statements related to "Joint Arrangements" (IFRS 11) standard , effective from 1 January 2013. This standart has an impact on the financial position or performance of the Group at interim consolidated financial statements and prior periods, and its effects are detailly explained below.

The Effects of IFRS 11

This standard has been effective from January 1, 2013. It describes the accounting for joint ventures and joint operations with joint control. Among other changes introduced, under the new standard, proportionate consolidation is not permitted for joint ventures and IFRS 31 "Interest in Joint Ventures", and accepted application of the equity method to investments in joint ventures.

As of 31 December 2012, the Group's subsidiaries are accounted for by the proportionate consolidation method . The Group's jointly controlled entity which are Çelebi NAS and IC Yatırım. With the enactment of the appropriate Standard,the consolidated financial statements of the prior period, Çelebi NAS ve Çelebi IC Yatırım have been restated the reason for using the equity method accounting.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

As of 31 March 2013, revised 31 December 2012 and 31 March 2012 comparative financial statements, reconciliation of previously reported financial statements as follows :

31 December 2012	Previously Reported	Effect of Joint Ventures	Investment Valued with Equity Method	Elimination	Restated
Current Asset	144.325.063	(3.135.665)	-	5.038	141.194.436
Non-current Asset	341.225.553	(15.894.260)	10.026.876	-	335.358.169
TOTAL ASSET	485.550.616	(19.029.925)	10.026.876	5.038	476.552.605
Current Liabilities	182.367.533	(6.201.453)	-	5.038	176.171.118
Non-current Liabilities	239.108.927	(2.801.596)	-	-	236.307.331
Equity	64.074.156	(10.026.876)	10.026.876	-	64.074.156
TOTAL LIABILITIES and EQUITY	485.550.616	(19.029.925)	10.026.876	5.038	476.552.605

31 March 2012	Previously Reported	Effect of Joint Ventures	Investment Valued with Equity Method	Elimination	Restated
Sales Revenue	109.849.791	(3.312.968)	-	-	106.536.823
Cost of Sales (-)	(93.068.766)	3.092.561	-	(23.990)	(90.000.195)
Gross Sales	16.781.025	(220.407)	-	(23.990)	16.536.628
General and Administrative Expenses	(20.506.686)	458.340	-	(61.611)	(20.109.957)
Other operational Income	1.362.570	(28.878)	-	41.661	1.375.353
Other operational expense (-)	(731.422)	-	-	-	(731.422)
Operating Profit / Loss	(3.094.513)	209.055	-	(43.940)	(2.929.398)
Financial Income	8.961.951	(95.587)	-	51.880	8.918.244
Financial Expense (-)	(9.159.599)	431.783	-	(7.941)	(8.735.757)
Income / (loss) from Investments valued with equity method	-	-	(545.251)	-	(545.251)
Income Before Tax / Loss	(3.292.161)	545.251	(545.251)	(1)	(3.292.162)
Income tax expense	205.752	-	-	-	205.752
Current tax expense (-)	(692.167)	-	-	-	(692.167)
Deferred tax income	897.919	-	-	-	897.919
Net Income / (Loss)	(3.086.410)	545.251	(545.251)	(1)	(3.086.410)

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NOTE 3 - SEGMENT REPORTING

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

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

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NOTE 3 - SEGMENT REPORTING (Continued)

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

1 January - 31 March 2013

	Reportable Segments				Consolidation Adjustments	Consolidated
	Ground Handling Services	Airport Security Services	Airport Terminal Construction and Management	Cargo and Warehouse Services		
Revenue - net	69.703.151	259.086	-	32.315.637	(85.756)	102.192.118
Cost of sales	(60.278.603)	(380.172)	-	(27.922.539)	120.907	(88.460.407)
Gross profit	9.424.548	(121.086)	-	4.393.098	35.151	13.731.711
General administrative expenses	(14.831.584)	(58.863)	-	(4.573.088)	167.210	(19.296.325)
Addition: Depreciation and amortization	6.396.824	5.670	-	2.080.455	-	8.482.949
Addition: Operating lease Equalization	175.862	-	-	2.067.689	-	2.243.551
Addition: Effect of IFRIC 12 shares	-	-	-	915.819	-	915.819
Addition: Prepaid allocation cost	288.768	-	-	-	-	288.768
EBITDA effect of equity accounted investees	947.671	-	(989)	(29.136)	-	917.546
EBITDA	2.402.089	(174.279)	(989)	4.854.837	202.361	7.284.019

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NOTE 3 - SEGMENT REPORTING (Continued)

1 January – 31 March 2012

	Reportable Segments				Consolidation Adjustments	Consolidated
	Ground Handling Services	Airport Security Services	Airport Terminal Construction and Management	Cargo and Warehouse Services		
Revenue - net	72.396.681	286.432	-	33.958.665	(104.955)	106.536.823
Cost of sales	(58.980.954)	(532.176)	-	(30.642.869)	155.804	(90.000.195)
Gross profit	13.415.727	(245.744)	-	3.315.796	50.849	16.536.628
General administrative expenses	(14.898.618)	(96.949)	-	(5.351.644)	237.254	(20.109.957)
Addition: Depreciation and amortization	5.834.525	8.396	-	1.851.329	-	7.694.250
Addition: Operating lease Equalization	79.573	-	-	2.112.855	-	2.192.428
Addition: Effect of IFRIC 12 shares	-	-	-	719.444	-	719.444
Addition: Prepaid allocation cost	288.768	-	-	-	-	288.768
EBITDA effect of equity accounted investees	530.315	-	(1.069)	(44.970)	85.601	569.877
EBITDA	5.250.290	(334.297)	(1.069)	2.602.810	373.704	7.891.438

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NOTE 3 - SEGMENT REPORTING (Continued)

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

	31 March 2013	31 March 2012
EBITDA for reported segments	7.284.019	7.891.438
Depreciation and amortization	(8.482.949)	(7.694.250)
Operating lease equalization	(2.243.551)	(2.192.428)
Effect of IFRIC 12	(915.819)	(719.444)
Effect of allocation expense	(288.768)	(288.768)
Other operating income	2.233.147	1.375.353
Other operating expenses (-)	(1.911.185)	(731.422)
EBITDA Effect of equity accounted investees	(917.546)	(569.877)
Operating profit	(5.242.652)	(2.929.398)
Financial income	3.130.890	8.918.244
Financial expense (-)	(7.944.230)	(8.735.757)
Shares of profit/(loss) of Equity accounted investees	77.725	(545.251)
Income/(Loss) before tax	(9.978.267)	(3.292.162)

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.

<u>Total Assets</u>	31 March 2013	31 December 2012
Turkey	331.450.548	337.704.642
India	159.364.142	153.401.583
Hungary	55.573.339	56.927.008
Germany	21.596.156	20.436.696
Segment Assets (*)	567.984.185	568.469.929
Unallocated assets	42.610.737	40.175.349
Less: Inter-segment elimination	(135.881.698)	(132.092.673)
Total assets as per consolidated financial statements	474.713.224	476.552.605

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

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NOTE 3 - SEGMENT REPORTING (Continued)

<u>Total Liabilities</u>	31 March 2013	31 December 2012
Turkey	43.822.134	38.451.372
India	74.013.849	71.514.231
Hungary	6.897.947	8.582.963
Germany	5.792.552	3.985.119
Segment liabilities (*)	130.526.482	122.533.685
Unallocated liabilities	300.014.762	298.612.233
Less: Inter-segment elimination	(8.792.612)	(8.667.469)
Total liabilities as per consolidated financial statements	421.748.632	412.478.449

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

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NOTE 3 - SEGMENT REPORTING (Continued)

Geographical Segments

Geographical Analysis for the period 1 January - 31 March 2013

	Turkey	Hungary	India	Germany	Total Combined	Intersegment Adjustment	Total
Revenue	55.579.305	18.764.982	20.961.574	6.886.257	102.192.118	-	102.192.118
Cost of sales	(50.955.144)	(10.016.968)	(19.581.320)	(7.906.975)	(88.460.407)	-	(88.460.407)
Gross profit	4.624.161	8.748.014	1.380.254	(1.020.718)	13.731.711	-	13.731.711
General administrative Expenses	(12.979.697)	(3.075.624)	(2.149.747)	(1.163.482)	(19.368.550)	72.225	(19.296.325)
Other operating income/ expense – net	164.867	148.742	81.092	-	394.701	(72.739)	321.962
Operating profit	(8.190.669)	5.821.132	(688.401)	(2.184.200)	(5.242.138)	(514)	(5.242.652)

Geographical Analysis for the period 1 January – 31 Mart 2012

	Turkey	Hungary	India	Germany	Total Combined	Intersegment Adjustment	Total
Revenue	63.747.052	14.915.299	24.101.016	3.773.486	106.536.853	(30)	106.536.823
Cost of sales	(51.962.253)	(9.517.171)	(22.819.274)	(5.726.710)	(90.025.408)	25.213	(90.000.195)
Gross profit	11.784.799	5.398.128	1.281.742	(1.953.224)	16.511.445	25.183	16.536.628
General administrative expenses	(13.213.076)	(2.775.029)	(3.051.937)	(1.159.414)	(20.199.456)	89.499	(20.109.957)
Other operating income/ expense - net	784.288	18.008	76.230	(3.350)	875.176	(231.245)	643.931
Operating profit	(643.989)	2.641.107	(1.693.965)	(3.115.988)	(2.812.835)	(116.563)	(2.929.398)

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NOTE 4 - CASH AND CASH EQUIVALENTS

	31 March 2013	31 December 2012
Cash	178.497	117.031
Banks		
-time deposit	26.343.248	24.620.534
-demand deposit	16.101.186	21.637.195
Other liquid assets	84.554	42.920
	42.707.485	46.417.680

Effective interest rates on TRY, EUR, USD and INR denominated time deposits at 31 March 2013 are 8,40%, 2,39%, %3,30 and 4,75% (31 December 2012: TRY 8,40%, EUR 2,39%, USD 3,30%, INR 4,75%) respectively. The maturity days on TRY, EUR, USD and INR denominated time deposits as of 31 March 2013 20-60 days for INR, 1-15 days for TRY, EUR and USD. (31 December 2012: EUR, USD 20-60 days, and INR, TRY 1-15 days).

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

	31 March 2013	31 December 2012
Cash and banks	42.707.485	57.508.394
Less: Interest Accruals	(3.209)	(12.090)
Less: Restricted cash (*)	(14.170.568)	(14.040.077)
	28.533.708	43.456.227

(*) The mentioned amount represents the collections from the clients kept in mandatory restricted accounts according to the concession agreements signed for the operation of the terminals in New Delhi Airport in India (31 December 2012: TRY 14.040.077).

NOTE 5 - FINANCIAL INVESTMENTS

Available-for-sale assets:

	<u>31 March 2013</u>		<u>31 December 2012</u>	
	%	TRY	%	TRY
DASPL	% 16,66	1.389.584	16,66%	1.362.917
Celebi Spain (*)	% 100,0	20.525	100,0%	20.525
		1.410.109		1.383.442

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

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DİPNOT 6 – EQUITY ACCOUNTED INVESTEEES

		31 March 2013		31December 2012	
	%	TRY	%	TRY	
Çelebi Nas	55%	10.298.821	55%	10.022.973	
Çelebi IC Yatırım	49%	2.881	49%	3.903	
		10.301.702		10.026.876	

The movement for the three-month period ended 31 March, equity accounted investees are as follows:

	31 March 2013	31 Mart 2012
As of 1 January	10.026.876	8.945.665
Share on profit / loss	77.725	(545.251)
Currency translation difference	197.101	560.713
Additions to equity accounted investees	-	1.991.454
Equity effect of additional share purchase	-	(241.447)
As of 31 March	10.301.702	10.711.134

Share of profit / (loss) of equity accounted investees:

	1 January- 31 March 2013	1 January- 31 March 2012
Çelebi Nas	78.743	(547.321)
Çelebi IC Yatırım	(1.018)	2.070
	77.725	(545.251)

Summary statement of equity accounted investees:

	31 March 2013	31 December 2012
Total Asset	34.698.995	34.630.954
Total Liabilities	15.962.861	16.392.465
	1 January- 31 March 2013	1 January- 31 March 2012
Total Sales Revenue	6.270.560	6.023.578
Net Profit / (loss)	139.282	(987.225)

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NOTE 7 - FINANCIAL LIABILITIES

Short-term financial liabilities:

	31 March 2013		
	Effective interest rate (%)	Original amount	TRY
Short-term bank borrowings:			
INR borrowings	11,54%-15,75%	162.309.715	5.413.029
			5.413.029

Short-term portion of long-term borrowings:

Interest expense accrual - US Dollar	-	43.116	77.984
Interest expense accrual - Euro	-	1.987.276	4.608.294
Interest expense accrual - INR	-	19.554.513	652.143
US Dollar borrowings	Libor+3,40%	2.000.000	3.617.400
INR borrowings	11,54%-15,75%	405.825.547	13.534.282
Euro borrowings	Eurobor+3,40%-Eurobor+6,50%	34.732.667	80.541.581
			103.031.684

Short-term finance lease obligations

Short-term finance lease obligations -Euro	999.148	2.316.925
Short-term finance lease obligations - US Dollar	74.720	135.146

Short-term financial liabilities **110.896.784**

Long-term financial liabilities:

INR borrowings	11,54%-15,75%	1.816.531.694	60.581.332
Euro borrowings	Eurobor+3,40%-Eurobor+6,50%	50.397.667	116.867.150
			177.448.482

Long-term finance lease obligations

Long-term finance lease obligations - Euro	2.427.263	5.628.580
Long-term finance lease obligations –US Dollar	154.048	278.626

Long-term financial liabilities **183.355.688**

Total financial liabilities **294.252.472**

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NOTE 7 - FINANCIAL LIABILITIES (Continued)

Short-term financial liabilities:

	31 December 2012		
	Effective interest rate (%)	Original amount	TRY
<i>Short-term bank borrowings:</i>			
INR borrowings	11,54%-15,75%	85.864.843	2.808.639
			2.808.639

Other short term financial liabilities:

Derivative liabilities (*)			124.446
			124.446

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

Short-term portion of long-term borrowings:

Interest expense accrual - US Dollar	-	19.954	35.570
Interest expense accrual - Euro	-	980.910	2.306.806
Interest expense accrual - INR	-	26.120.300	854.395
US Dollar borrowings	Libor+ 3,40%	2.000.000	3.565.200
Euro borrowings	Euribor+ 3,40%- Euribor+ 6,50%	33.282.666	78.270.846
INR borrowings	11,54%-15,75%	438.530.694	14.344.339
			99.377.156

Short-term financial lease obligations:

	31 December 2012		
	Effective interest rate (%)	Original amount	TRY
Short-term finance lease obligations – USD		1.003.480	2.359.885
Short-term finance lease obligations - Euro		74.286	132.423
Short-term financial liabilities			104.802.549

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NOTE 7 - FINANCIAL LIABILITIES (Continued)

Long-term financial liabilities:

INR borrowings	11,54%-15,75%	1.878.334.026	61.440.306
Euro borrowings	Euribor+ 3,40%- Euribor+ 6,50%	50.864.167	119.617.262
			181.057.568

Long-term finance lease obligations :

Long-term finance lease obligations – USD	2.898.317	6.815.971
Long-term finance lease obligations - Euro	172.570	307.624

Long-term financial liabilities **188.181.163**

Total financial liabilities **292.983.712**

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

	31 March 2013	31 December 2012
Less than 3 months	25.147.128	8.910.293
Between 3-12 months	85.749.656	95.892.256
Between 1-5 years	174.601.342	176.550.409
5 years and more	8.754.346	11.630.754
		294.252.472
		292.983.712

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

	31 March 2013	31 December 2012
Between 1-2 years	53.822.117	53.694.807
Between 2-3 years	40.959.241	43.554.597
Between 3-4 years	41.582.294	40.753.153
4 years and more	41.084.830	43.055.011
		177.448.482
		181.057.568

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NOTE 7 - FINANCIAL LIABILITIES (Continued)

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

	31 March 2013			31 December 2012		
	Minimum lease payments	Interest	Total obligation	Minimum lease payments	Interest	Total obligation
Less than 1 year	2.913.461	(461.390)	2.452.071	2.983.498	(491.190)	2.492.308
1 to 2 years	1.792.249	(303.163)	1.489.086	2.150.466	(397.356)	1.753.110
2 to 3 years	3.211.479	(335.327)	2.876.152	3.549.920	(432.411)	3.117.509
4 years and over	1.594.306	(52.338)	1.541.968	2.357.611	(104.635)	2.252.976
	9.511.495	(1.152.218)	8.359.277	11.041.495	(1.425.592)	9.615.903

NOTE 8 - TRADE RECEIVABLES

	31 March 2013	31 December 2012
Short-term trade receivables		
Trade receivables	52.662.822	47.048.972
Notes receivables	1.419.782	-
Less: Provision for doubtful receivables	(3.194.656)	(3.217.952)
	50.887.948	43.831.020

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

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

Movement of provision for doubtful receivables is as follows:

	31 March 2013	31 March 2012
Opening balance	3.217.952	2.941.074
Cumulative translation differences	(23.296)	(6.567)
Cancellation of receivables impossible to collect	-	(34.636)
Closing balance	3.194.656	2.899.871

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NOTE 9 - OTHER RECEIVABLES AND PAYABLES

	31 March 2013	31 December 2012
Other short-term receivables		
Receivables from Tax Office	2.682.800	6.922.418
Advances given	1.054.803	1.507.727
Other short-term receivables	831.102	111.937
	4.568.705	8.542.082

	31 March 2013	31 December 2012
Other long-term receivables		
Advances given (*)	12.606.938	10.367.489
Other	83.374	-
	12.690.312	10.367.489

(*) As of 31 March 2013, the amount which was given for Group's subsidiaries and joint ventures in India, the Celebi GH Delhi and Celebi Delhi Cargo amounting to TRY 8.791.188 (31 December 2012: TRY 6.724.877) and TRY 3.815.363 (31 December 2012: TRY 3.642.226) as a deposit to the local authorities, companies and the amount which was shown in banks as blockage, As of 31 March 2013 related amount of blockage TRY 2.371.185 (31 December 2012: TRY 2.041.226).

	31 March 2013	31 December 2012
Other short-term payables		
Other short-term payables (*)	6.762.689	3.251.728
Advances received	40.832	390.870
	6.803.521	3.642.598

(*) As of 31 March 2013; TRY 6.026.969 (31 December 2012: TRY 3.251.728) Celebi Delhi Cargo, a subsidiary of the Company in India, the other partner Dial debts arising from the concession contract.

	31 March 2013	31 December 2012
Other long-term payables		
Deposits and guarantees received	959.278	970.476
	959.278	970.476

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NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

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

	Opening 1 January 2013	Additions	Disposals	Transfers	Foreign currency translation differences	Closing 31 March 2013
Cost						
Plant, machinery and equipment	188.801.585	870.545	(166.429)	4.348	(126.529)	189.383.520
Motor vehicles	33.617.328	202.156	(1.242.262)	-	(1.285.581)	31.291.641
Furniture and fixtures	20.608.807	113.775	(30.145)	-	(123.115)	20.569.322
Leasehold improvements (*)	97.683.472	1.568.444	-	734.809	(13.158)	99.973.567
Construction in Progress	739.294	2.950	-	(739.157)	(137)	2.950
Advances given	452.444	(419.179)	-	-	626	33.891
	341.902.930	2.338.691	(1.438.836)	-	(1.547.894)	341.254.891
Accumulated depreciation						
Plant, machinery and equipment	(115.539.733)	(2.859.342)	417.441	-	104.899	(117.876.735)
Motor vehicles	(19.976.849)	(636.529)	210.469	-	818.615	(19.584.294)
Furniture and fixtures	(14.818.571)	(442.631)	29.435	-	77.089	(15.154.678)
Leasehold improvements (**)	(48.774.210)	(1.743.326)	-	-	950	(50.516.586)
	(199.109.363)	(5.681.828)	657.345	-	1.001.553	(203.132.293)
Net book value	142.793.567					138.122.598

(*) The land plots where the stations and cargo buildings were constructed by Çelebi Hava Servisi A.Ş in the airports within which it operates were rented from the DHMI, The station and cargo buildings on this land were constructed by the Group and recorded under the tangible assets of the Group as leasehold improvements. As of 31 March 2013 the net book value of these stations was TRY 46.625.305. The lease contract signed by the Group and the DHMI is valid for one year and the agreement is renewed every year. The agreement is renewed automatically. The Group amortizes these station buildings over 15 years which correspond to their economic lives. If the DHMI does not renew the lease contract within this period, the Group may have to amortize the relevant leasehold improvements over a shorter period.

Depreciation expenses for the period ended 31 March 2013 in the amount of TRY 4.966.262 and TRY 715.566 are included cost of sales and operating expenses, respectively.

There are net book value TRY 8.740.301 worth of financial leasing assets in plant, machinery and equipment as of 31 March 2013.

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NOTE 10 - PROPERTY, PLANT AND EQUIPMENT (Continued)

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

	Opening 1 March 2012	Additions	Disposals	Transfers	Translation differences	Closing 31 March 2012
Cost						
Plant, machinery and equipment	170.899.258	4.246.268	(723.149)	203.129	(614.336)	174.011.170
Motor vehicles	28.998.664	1.642.100	-	-	202.038	30.842.802
Furniture and fixtures	17.212.715	474.444	(10)	-	15.869	17.703.018
Leasehold improvements (*)	90.171.598	176.042	-	-	(24.007)	90.323.633
Construction in Progress	1.885.369	15.251	-	(203.129)	(52.879)	1.644.612
Advances given	788.110	144.068	-	-	(19.255)	912.923
	309.955.714	6.698.173	(723.159)	-	(492.570)	315.438.158
Accumulated depreciation						
Plant, machinery and equipment	(105.536.891)	(2.489.840)	118.598	-	(73.741)	(107.981.874)
Motor vehicles	(17.177.796)	(610.897)	-	-	(637.689)	(18.426.382)
Furniture and fixtures	(13.454.825)	(359.975)	8	-	589.209	(13.225.583)
Leasehold improvements (*)	(42.516.126)	(1.385.416)	-	-	1.266	(43.900.276)
	(178.685.638)	(4.846.128)	118.606	-	(120.955)	(183.534.115)
Net book value	131.270.076					131.904.043

(*) The land plots where the stations were constructed by Çelebi Hava Servisi A.S in the airports within which it operates were rented from the DHMI, The station buildings on this land were constructed by the Group and recorded under the tangible assets of the Group as leasehold improvements. As of 31 March 2012 the net book value of these stations was TRY 45.532.772. The lease contract signed by the Group and the DHMI is valid for one year and the agreement is renewed every year, The agreement is renewed automatically, The Group amortizes these station buildings over 15 years which correspond to their economic lives, If the DHMI does not renew the lease contract within this period, the Group may have to amortize the relevant leasehold improvements over a shorter period.

Depreciation expense for the period ended 31 March 2012 in the amount of TRY 4.157.044 and TRY 689.084 are included in operating expenses and cost of sales.

There are net book value TRY 9.365.456 worth of financial leasing assets in plant, machinery and equipment as of 31 March 2012.

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NOTE 11 - INTANGIBLE ASSETS

	Opening 1 January 2013	Additions	Transfers	Foreign Currency translation differences	Closing 31 March 2013
Cost					
Rights	12.453.583	-	-	(10.790)	12.442.793
Customer relations	32.379.129	-	-	(1.953.909)	30.425.220
Software	7.358.230	29.295	-	(90.507)	7.297.018
Concession rights (**)	61.327.682	2	-	1.199.931	62.527.615
Build-operate-transfer investments (*)	47.997.671	-	-	939.116	48.936.787
	161.516.295	29.297	-	83.841	161.629.433
Accumulated depreciation					
Rights	(1.648.776)	(210.728)	-	4.296	(1.855.208)
Concession rights (**)	(7.925.520)	(627.741)	-	(162.498)	(8.715.759)
Customer relations	(28.606.362)	(1.132.187)	-	1.771.817	(27.966.732)
Software	(4.890.610)	(213.837)	-	50.467	(5.053.980)
Build-operate-transfer investments	(7.175.509)	(616.628)	-	(147.692)	(7.939.829)
	(50.246.777)	(2.801.121)	-	1.516.390	(51.531.508)
Net book value	111.269.518				110.097.925

(*) TRY 34.984.531 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, TRY 6.012.426 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 March 2013 in the amount of TRY 1.553.435 and TRY 1.247.686 are included in operating expenses and cost of sales.

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NOTE 11 - INTANGIBLE ASSETS (Continued)

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

	Opening 1 March 2012	Additions	Transfers	Foreign Currency translation differences	Closing 31 March 2012
Cost					
Rights	9.594.834	3.137.405	-	(23.555)	12.708.684
Customer relations	31.661.370	-	-	518.386	32.179.756
Software	6.532.512	10.907	-	27.015	6.570.434
Franchise (**)	63.235.826	-	-	(1.293.058)	61.942.768
Build-operate-transfer investments (*)	49.807.508	-	-	(1.018.472)	48.789.036
	160.832.050	3.148.312	-	(1.789.684)	162.190.678
Accumulated depreciation					
Rights	(820.949)	(221.756)	-	4.086	(1.038.619)
Customer relations	(5.534.069)	(660.417)	-	127.553	(6.066.933)
Software	(23.449.180)	(1.130.763)	-	(402.442)	(24.982.385)
Franchise (**)	(4.056.358)	(194.953)	-	(8.260)	(4.259.571)
Build-operate-transfer investments	(5.197.907)	(640.233)	-	120.240	(5.717.900)
	(39.058.463)	(2.848.122)	-	(158.823)	(42.065.408)
Net book value	121.773.587				120.125.270

(*) TRY 35.844.043 which is difference between discounted present value of deposits paid with interest rate, 11,46%, and the deposit amounting to INR 1.200.000.000, paid in accordance with the concession agreement on the development, modernization, finance and 25-year operation of the cargo terminal in the airport in New Delhi, India has been capitalized as a Build-Operate-Transfer investment and it will be amortized in 25 years until operations end in Delhi International Airport. TRY 7.227.091 which is difference between discounted present value of deposits paid with interest rate, 10,82%, and the deposit amounting to INR 400.000.000 paid in accordance with the concession agreement on the development, modernization, finance and 10-year operation of the cargo terminal in the airport in New Delhi, India has been capitalized as a Build-Operate-Transfer investment and it will be amortized in 10 years until operations end in Delhi International Airport.

Amortization expense for the period ended 31 March 2012 in the amount of TRY 1.520.051 and TRY 1.328.071 are included in operating expenses and cost of sales.

(**) This amount represents agreement of franchise between Celebi Delhi Cargo and DIAL and fixed asset expenditures accounted for within the scope of IFRIC 12.

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NOTE 12 - GOODWILL

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

	31 March 2013	31 December 2012
Goodwill due to acquisition of CGHH	17.827.068	18.971.925
Goodwill arising from acquisition of additional Celebi Nas shares	910.723	910.723
	18.737.791	19.882.648

Goodwill due to acquisition of CGHH

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

After the studies of the independent valuation company named American Appraisal Hungary Ltd., fair value of the net assets of CGHH was determined to be TRY 31.287.893 as of 26 October 2006 and acquired by Celebi Kft at a price of TRY 49.448.419 which is the TRY equivalent of 6.691.261 thousand Hungarian Forint (EUR 25.593.870). The acquisition has been accounted for according to the clauses of IFRS 3 "Business Combinations" and the goodwill amounting to TRY 18.160.526 projected after the acquisition has been reflected in the financial statements at 31 December 2006.

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

	2013
1 January	18.971.925
Currency translation adjustment	(1.144.857)
Goodwill	17.827.068

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NOTE 12 – GOODWILL (Continued)

Goodwill Impairment Test

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

2013

Ground handling services - Hungary

17.827.068

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

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

Discount rate

%12,2

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

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

Goodwill from purchasing 4% shares of Celebi Nas

The Company has purchased %4 shares of Celebi Nas on 26 January 2012 by paying USD 1.000.000 (TRY 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 TRY 910.723 has also been reflected in consolidated financial statements as of 31 March 2013.

Goodwill Impairment Test

The Group compares the EBITDA projected at 31 March 2013 and the actual EBITDA in an impairment test.

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NOTE 12 – GOODWILL (Continued)

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 difference	(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.

2013

Ground handling services – India **910.723**

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

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 March 2013.

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NOTE 13 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

	31 March 2013	31 December 2012
Short-term provisions		
Provision for unused vacation	2.197.418	2.192.571
Accrued sales commissions (**)	1.831.091	1.631.326
Provision for litigation	1.137.467	1.167.781
Accrued expenses to authorities of airport (***)	1.004.736	483.148
Provision for investment consultancy (*)	633.045	1.247.820
Cargo subcontractor commission provisions	531.655	1.663.132
Provision for electricity	301.567	191.850
Other (****)	3.506.837	4.842.227
	11.143.816	13.419.855

(*) The provisions consist of service fees that arise from Çelebi Hava’s foreign investments which have been made through participations of some tenders in 2009 and 2010.

(**) The provisions consists of the accruals related to the price discounts which are calculated based on the flight numbers and the excess on the tonnages according to the agreements made with the airlines companies

(***) The provisions consist of services provided from State Airport Administration (DHMI) such as royalty, heating and ventilation.

(****) Other debt provisions contain the Group’s received services obtained such as custom, security and maintenance and repair.

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

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

	Provision for investment consultancy	Provision for unused vacation	Accrued sales commissions	Provision for cargo subcontractor commissions	Provision for electricity	Provision for litigation	Accrued expenses to authorities of airport	Other provisions	Total
1 January 2013	1.247.820	2.192.571	1.631.326	1.663.132	191.850	1.167.781	483.148	4.842.227	13.419.855
Increase during the year	-	652.713	1.831.091	525.509	1.532.334	-	2.429.904	5.920.546	12.892.097
Payments during the year	(634.795)	(106.998)	(1.631.326)	(1.676.069)	(1.427.596)	-	(1.912.568)	(7.414.693)	(14.804.045)
Usage during the year	-	(517.811)	-	-	-	-	-	-	(517.811)
Exchange difference	20.020	(23.057)	-	19.083	4.979	(30.314)	4.252	158.757	153.720
31 March 2013	633.045	2.197.418	1.831.091	531.655	301.567	1.137.467	1.004.736	3.506.837	11.143.816

Movements of short term provisions as of 31 March 2012 are as follows:

	Provision for investment consultancy	Provision for unused vacation	Accrued sales commission	Provision for cargo subcontractor commissions	Provision for electricity	Provision for litigation	Accrued expenses to authorities of airport	Provision for consulting Services	Other provisions	Total
1 January 2012	2.455.570	1.669.724	1.830.775	813.162	1.272.693	906.470	410.322	105.942	4.508.385	13.973.043
Increase during the year	-	652.593	2.736.993	828.591	1.097.851	-	1.899.237	1.224.004	3.145.690	11.584.959
Payments during the year	-	(50.036)	(1.830.775)	(796.534)	(1.241.835)	(34.255)	(1.259.474)	(1.302.751)	(4.523.345)	(11.039.005)
Usage during the year	-	(611.435)	-	-	-	-	-	-	-	(611.435)
Exchange difference	(150.800)	(4.214)	-	(16.628)	(26.024)	5.582	(6.801)	(27.195)	(61.805)	(287.885)
31 March 2012	2.304.770	1.656.632	2.736.993	828.591	1.102.685	877.797	1.043.284	-	3.068.925	13.619.677

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

Contingent assets and liabilities of the Group

	31 March 2013	31 December 2012
Guarantees received:		
Guarantee letters	4.096.406	4.597.658
Guarantee check	1.281.613	1.280.212
Guarantee notes	673.289	671.245
	6.051.308	6.549.115
Guarantees given:		
Collateral	219.557.780	215.856.240
Guarantee letters	46.245.909	45.940.323
Share pledge	8.490.133	8.327.204
	274.293.822	270.123.767

The Company has contingent assets amounting to TRY 1.305.315 (31 December 2012: TRY 1.308.628), due to the legal cases in favor of the Company and contingent liabilities amounting to TRY 15.345.090 due to the legal cases and enforcement proceedings against the Company as of 31 March 2013 (31 December 2012: TRY 15.345.945), TRY 12.864.098 portion of contingent liabilities are comprised of legal cases and enforcement proceedings related with the fire in warehouse (Note 26) in which Company is a sole defendant and co-defendant with the DHMI, other warehouse management companies and insurance companies (31 December 2012: TRY 12.848.434).

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

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

Collaterals, pledges and mortgages given by the Company	Currency	31 March 2013		31 December 2012	
		Amount	TRY equivalent	Amount	TRY equivalent
A. CPM given on behalf of the Company’s legal personality			34.322.604		34.189.078
	TRY	4.292.922	4.292.922	4.275.266	4.275.266
	US Dollar	1.910.499	3.455.520	1.910.499	3.405.656
	Euro	1.914.959	4.440.599	1.914.959	4.503.408
	HUF	465.000.000	3.547.950	465.000.000	3.775.800
	INR	557.289.747	18.585.613	557.289.747	18.228.948
B. CPM given on behalf of fully consolidated subsidiaries			222.471.218		218.434.689
	US Dollar	6.592.196	11.923.305	6.592.194	11.751.245
	Euro	32.700.000	75.828.030	31.700.000	74.548.890
	INR	4.039.576.700	134.719.883	4.039.576.700	132.134.554
C. CPM given for continuation of its economic activities on behalf of third parties					-
D. Total amount of other CPM			17.500.000	-	17.500.000
i. Total amount of CPM given on behalf of the majority shareholder	TRY	17.500.000	17.500.000	17.500.000	17.500.000
ii. Total amount of CPM given to on behalf of other group companies which are not in scope of B and C					
iii. Total amount of CPM given on behalf of third parties which are not in scope of C					
			274.293.822		270.123.767

The ratio of other collaterals, pledges and mortgages given by the Company to equity of the Company is 19,3% as of 31 March 2013 (31 December 2012: 27,3%), The Company has no benefit from CPM given to third parties.

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NOTE 14 - EMPLOYEE BENEFITS

	31 March 2013	31 December 2012
Short term provisions:		
Provision for employee termination benefits	438.757	228.922
Long term provisions:		
Provision for employee termination benefits	8.345.775	7.750.205

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 March 2013 consists of one month’s salary limited to a maximum of TRY 3.129,25 (31 December 2012: TRY 3.033,98) 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 March 2013 and the liability is limited to INR 350.000 per employee. Employee termination benefit liability is calculated by estimating the present value of the future probable obligation to the employees of the group in its subsidiaries that are registered in Turkey arising from the retirement of the employees, IFRS requires actuarial valuation methods to be developed to estimate the enterprise’s obligation under defined benefit plans, Accordingly the following actuarial assumptions were used in the calculation of the total liability:

	31 March 2013	31 December 2012
Discount rate (%)	3,86%	3,86%
Turnover rate to estimate the probability of retirement (%)	93,39%	92,86%

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NOTE 14 - EMPLOYEE BENEFITS (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 TRY 3.129,25 which is effective from 1 January 2013 (1 January 2012: TRY 2.917,27) has been taken into consideration in the calculations. Movements in the provision for employment termination benefits are as follows:

	31 March 2013	31 December 2012
1 January	7.750.205	7.384.814
Paid during the year	(2.597.347)	(5.046.655)
Increase during the year	3.216.141	5.427.557
Foreign currency translation differences	(23.224)	(15.511)
31 December	8.345.775	7.750.205

NOTE 15 - OTHER ASSETS AND LIABILITIES

	31 March 2013	31 December 2012
Other current assets		
Fixed asset advances given (*)	4.913.920	6.460.466
Prepaid expenses	4.902.827	5.836.710
Prepaid taxes and funds	2.113.234	2.075.776
Value-added tax (“VAT”) receivables	2.060.402	1.394.746
Deferred VAT	2.363.971	1.440.071
Advances given to personnel	225.844	275.621
Other (**)	8.960.399	8.002.474
	25.540.597	25.485.864

(*) Fixed asset advances given are comprised of advances regarding modernization and development of current cargo terminal in New Delhi Airport, India, under scope of concession agreement of Celebi Delhi Cargo, Group’s subsidiary, located in India.

(**) As of 31 March 2013, TRY 4.306.486 of the current assets includes blocked deposit related to Celebi Delhi Cargo, Group’s subsidiary located in India regarding deposits more than 3 months. As of 31 December 2012, TRY 4.144.684 of the current assets includes blocked deposit related to Celebi Delhi Cargo, Group’s subsidiary located in India regarding it’s loan payment.

	31 March 2013	31 December 2012
Other non-current assets		
Prepaid expenses (*)	21.025.530	19.689.914
Prepaid taxes and funds	5.056.415	4.386.657
Other	3.242	3.242
	26.085.187	24.079.813

(*) TRY 19.347.456 (31 December 2012: TRY 19.636.224) of total prepaid expenses is consist of payments made in advance in regards to long-term field allocated in an airport in which Celebi Hava operates.

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NOTE 15 - OTHER ASSETS AND LIABILITIES (Continued)

	31 March 2013	31 December 2012
Other current liabilities		
Short term deferred revenues (*)	13.271.741	16.631.062
Wages and salaries payable	7.904.202	7.468.988
Social security payables	5.833.465	3.279.949
Order advances received	2.206.287	2.142.078
Accrued bonus payable	289.742	1.325.510
Taxes and funds payable	1.194.728	1.312.079
Provision for operational leasing equalization	943.102	756.695
Other miscellaneous payables and liabilities	879.404	2.211.330
	32.522.671	35.127.691

(*) This amount consists of concession agreement between Celebi Delhi Cargo and DIAL within the principle of IFRIC 12 as calculated deferred income arising from intangible assets.

	31 March 2013	31 December 2012
Other non-current liabilities		
Provision for operating leasing equalization (**)	27.714.860	25.205.391
Deferred insurance claim recovery (*)	2.713.050	2.673.900
Deferred revenues	406.844	406.844
Other	6.668.406	5.490.831
	37.503.160	33.776.966

(*) The deferred insurance claim recovery amount is comprised of the insurance policy related to the goods of third parties amounting to USD 1.500.000 which has been fully collected as of 31 March 2013 and is planned to be utilized by the Company under the circumstances that the Company is found to be liable for the losses incurred during the fire that broke out in Ataturk Airport (“AHL”) Terminal C (Note 26).

(**) 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.

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NOTE 16 - EQUITY

Share Capital

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

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

Shareholders	31 March 2013		31 December 2012	
	Amount	Share%	Amount	Share%
Çelebi Havacilik Holding A.Ş.	18.797.553	77,36	13.299.633	54,73
Engin Çelebioğlu	-	-	2.432.430	10,01
Can Çelebioğlu	-	-	1.822.770	7,50
Canan Çelebioğlu	-	-	1.242.720	5,11
Other	5.502.447	22,64	5.502.447	22,64
	24.300.000	100,00	24.300.000	100,00

Restricted Reserves

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

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

- If the difference is arising from the valuation of “Paid-in Capital” and not yet been transferred to capital should be classified under the “Inflation Adjustment to Share Capital”;
- if the difference is arising from valuation of “Restricted Reserves” and “Share Premium” and the amount has not been subject to dividend distribution or capital increase, it shall be classified under “Retained Earnings”. Other equity items shall be carried at the amounts calculated based on CMB Financial Reporting Standards.

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

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

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NOTE 16 - EQUITY (Continued)

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

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

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

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

Hungary based Celebi Ground Handling Hungary Földi Kiszolgáló Korlátolt Felelősségű Társaság ("CGHH") of which 70% is currently held by Çelebi, remaining 30% share is valued by a firm with Capital Markets Board license with a value of TRY 33.712.020 is purchased on 08/12/2011 therefore increasing the Group's share in CGHH to 100%. It is consisted of the difference between acquisition value and net asset value for the acquired part amounting to TRY minus 33.751.667. In addition, as of 26 January 2012, the percentage of the Group for Celebi NAS increased 4%. It is consisted of the difference between acquisition value and net asset value for the acquired part amounting to TRY minus 545.407. The amount has been considered as an item of retained earnings during the determination of net distributable income for the period. "Equity Effect due to Acquisition" minus item under the equity amounted to TRY 34.297.074. In accordance with the resolution published on the bulletin of CMB dated 14 March, 2013 and numbered 2013/9, the amount of TRY 17.143.351 in the accumulated loss account shall not be taken into account as an item of discount or addition in terms of the profit distribution in 2013 in terms of distributable net profit for the period.

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NOTE 17 - REVENUE AND COST OF SALES

	31 March 2013	31 March 2012
Ground handling services	70.431.391	73.678.535
Cargo and warehouse service income	27.268.910	26.222.788
Revenue in the context of IFRIC 12	3.299.855	7.359.286
Airport security services	259.086	286.432
Rental revenue not related to aviation	2.293.825	994.218
	<hr/>	<hr/>
Less: Returns and discounts	(1.360.949)	(2.004.436)
	<hr/>	<hr/>
Sales revenue - net	102.192.118	106.536.823
	<hr/>	<hr/>
Cost of sales	(88.460.407)	(90.000.195)
	<hr/>	<hr/>
Gross profit	13.731.711	16.536.628

NOTE 18 - EXPENSES BY NATURE

	31 March 2013	31 March 2012
Personnel expenses	(41.850.892)	(37.148.696)
Payments to authorities and terminal managements (*)	(16.638.113)	(19.223.927)
Depreciation and amortization expenses	(8.482.949)	(7.694.250)
Equipment repair, maintenance, fuel and security expenses	(9.232.589)	(9.741.336)
Expense in the context of IFRIC 12 (***)	(4.215.675)	(7.057.847)
Consultancy expenses	(8.553.050)	(8.221.148)
Outsourced services	(3.708.753)	(2.462.111)
Travel and transportation expenses	(2.867.931)	(3.461.954)
Taxes and other fees	(1.549.856)	(1.259.568)
Insurance premiums	(749.813)	(655.434)
Cost of goods sold (de-icing, spare parts etc.) (**)	(1.131.635)	(3.244.006)
Other expenses	(8.775.476)	(9.939.875)
	<hr/>	<hr/>
	(107.756.732)	(110.110.152)

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

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

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

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NOTE 19 - GENERAL ADMINISTRATIVE EXPENSES

	31 March 2013	31 March 2012
Consultancy expenses	(8.128.291)	(8.049.642)
Personnel expenses	(5.817.154)	(6.252.916)
Depreciation and amortization	(1.963.252)	(2.017.155)
Travel and transportation expenses	(725.193)	(607.560)
Equipment repair, maintenance, fuel and security expenses	(442.989)	(168.024)
Payments to authorities and terminal managements	(377.508)	(496.979)
Taxes and other fees	(282.519)	(386.782)
Insurance premiums	(155.967)	(144.557)
Other expenses	(1.403.452)	(1.986.342)
	(19.296.325)	(20.109.957)

NOTE 20 - FINANCIAL INCOME

	31 March 2013	31 March 2012
Foreign exchange gain	2.329.042	7.975.873
Interest Income	563.612	748.711
Income from provision withdrawals	138.200	193.541
Other financial income	100.036	119
	3.130.890	8.918.244

NOTE 21 - FINANCIAL EXPENSES

	31 March 2013	31 March 2012
Interest expenses	(5.652.774)	(5.693.473)
Foreign exchange losses	(1.718.313)	(2.007.694)
Financial expenses incurred under scope of IFRIC 12	(139.111)	(836.801)
Other financial expenses	(434.032)	(197.789)
	(7.944.230)	(8.735.757)

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NOTE 22 - TAX ASSETS AND LIABILITIES

	31 March 2013	31 December 2012
Corporate and income taxes payable	1.467.760	10.152.185
Less: Prepaid current year corporate tax	(1.467.760)	(10.152.185)
Tax provision, net	-	-

	31 March 2013	31 December 2012
Deferred tax assets	16.267.489	15.554.815
Deferred tax liabilities	(5.762.290)	(5.628.521)
Deferred tax liability - net	10.505.199	9.926.294

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

In Turkey, the corporation tax rate for the fiscal year 2013 is 20% (2012: 20%), Corporation tax rate is applicable on the total income of companies after adjusting for certain disallowable expenses, income tax exemptions (participation exemption, investment allowance exemption, etc) and income tax deductions (like research and development expenses), No further tax is payable unless the profit is distributed (except withholding tax at the rate of 19,8% on the investment incentive allowance utilized within the scope of the Income Tax Law transitional article 61).

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

Corporations are required to pay advance corporation tax quarterly at the rate of 20% on their corporate income (2012: 20%). Advance tax is declared by the 14th and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. Despite the credit from annual corporation tax liability, if the company still has excess advance corporate tax, it can receive this balance in cash from the Government or as a credit for another financial debt to the Government.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

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NOTE 22 - TAX ASSETS AND LIABILITIES (Continued)

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 25th of the fourth month following the close of the related financial year. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

There are numerous exemptions in the Corporation Tax Law concerning the corporations. Those related to the Company are as follows:

Domestic participation exemption:

Dividend income earned from investments in another company's shares is excluded in the calculation of the corporate tax (dividend income gained related to the participation in investment funds and investment trust shares is excluded).

Share premiums exemption

New share issue premiums, which represent the difference between the nominal and sale values of shares issued by joint-stock companies, are exempt from corporation tax.

Foreign company participation exemption

The participation income of corporations participating for at least one continuous year of 10% that does not have their legal or business centre in Turkey (except for corporations whose principal activity is financial leasing or investment of marketable securities) up until the date the income is generated and transferred to Turkey and until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax subject to those subsidiaries being subject to corporate income tax, or alike in their country of legal or business centre at the rate of at least 15% (the corporate income tax rate applicable in Turkey for those companies whose principal activity is financial assurance or insurance).

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

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

The corporate tax rate is changed to since 2011 financial year. The corporation tax rate has been changed as 10% up to fiscal profit HUF 500.000.000 and 19% for fiscal profit over HUF 500.000.000 with the regulation in Hungary in the fiscal year 2011.

In India, the corporate tax rate is 32,45% for fiscal year 2013 (2012: 32,45%). Corporation tax rate is applicable on the total income of companies after adjusting for certain disallowable expenses, income tax exemptions (participation exemption, investment allowance exemption, etc) and income tax deductions (like research and development expenses).

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NOTE 22 - TAX ASSETS AND LIABILITIES (Continued)

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

	31 March 2013	31 March 2012
- Current year corporate tax	(1.467.760)	(692.167)
- Deferred tax income	285.998	897.919
	(1.181.762)	205.752

Deferred Taxes

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

The taxes on income for the years ended 31 March 2013 and 31 December 2012 are summarized as follows:

	Cumulative temporary differences		Deferred tax assets / (liabilities)	
	31 March 2013	31 December 2012	31March 2013	31 December 2012
Deferred tax assets				
Non-deductible financial losses (*)	(20.789.490)	(21.658.037)	283.850	670.264
Personnel bonus accrual	(353.960)	(863.855)	70.792	172.771
Accrued sales commissions	(1.831.091)	(1.631.326)	366.218	326.265
Provision for employment termination benefits	(8.122.242)	(7.499.227)	1.624.448	1.499.845
Provision for operational leasing equalization	(26.830.782)	(24.263.883)	8.705.247	7.872.417
Provision for unused vacation	(1.555.819)	(1.534.923)	311.164	306.985
Provision for legal claims	(665.445)	(665.445)	133.089	133.089
Provision for investment consultancy expenses	(633.045)	(1.247.821)	126.609	249.564
Net difference between the tax base and carrying amount of property plant and equipment and intangible assets	(17.890.086)	(20.959.738)	5.804.439	6.800.387
Deferred income from insurance claims	(2.713.050)	(2.673.900)	542.610	534.780
Other	(5.685.261)	(1.878.888)	1.540.358	295.511
			19.508.824	18.861.878
Net off			3.241.335	3.307.063
Deferred tax assets			16.267.489	15.554.815

(*) Tax asset of unused tax losses can be gained in future periods and recognized in case there is a probability of sufficient profit. Celebi GH Delhi’s TRY 18.831.899 (December 31, 2012: TRY 17.035.523) of a part or all of the financial loss is due to the possibility of not being able to benefit from predictable deferred tax asset amounted TRY 6.110.010 as of 31 March 2013, which has not been reflected in the records as well.

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NOTE 22 - TAX ASSETS AND LIABILITIES (Continued)

	<u>Total temporary differences</u>		<u>Deferred tax assets / (liabilities)</u>	
	<u>31 March</u>	<u>31 December</u>	<u>31 March</u>	<u>31 December</u>
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Deferred tax liabilities				
Net difference between the tax base and carrying amount of property plant and equipment and intangible assets	46.137.068	45.768.586	(9.003.242)	(8.935.201)
Other	1.915	1.915	(383)	(383)
			(9.003.625)	(8.935.584)
Net off			3.241.335	3.307.063
Deferred tax liabilities			(5.762.290)	(5.628.521)
Deferred tax asset, net			10.505.199	9.926.924

Deferred tax movement table is as below:

	2013	2012
1 January	9.926.294	8.969.945
Foreign currency translation difference	292.907	(242.826)
Current period deferred tax income	285.998	897.919
31 March	10.505.199	9.625.038

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NOTE 23 - 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:

	31 March 2013	31 March 2012
Net profit / (loss) attributable to the equity holders of the parent	(10.488.217)	(2.158.619)
Weighted average number of shares with 1 Full TRY face value each	2.430.000.000	2.430.000.000
Earning per share (Full TRY)	(0,0043)	(0,0008)

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NOTE 24 - 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:

a) **Balances with related parties**

	31 March 2013	31 December 2012
Due from related parties		
Çelebi Havacılık Holding A.Ş. (ÇHH) (*)	8.407.016	8.301.471
Other	332.521	315.316
	8.739.537	8.616.788

(*) This amount consist included in the financial balance of interest amounting to 3.500.000 Euro (TRY 8.343.412) which CGHH has given to ÇHH with 1 year, 1 week maturity and with 3+6m% Eurobor rates.

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

Due to related parties

	31 March 2013	31 December 2012
ÇHH (*)	3.389.990	2.441.257
Çe-Tur	392.521	388.611
Other	43.308	13.574
	3.825.819	2.843.442

(*) As of 31 March 2013, the relevant amount stems from share transfer of CGHH, and the remaining amount is comprised of expense reimbursements of ÇHH regarding legal, financial, human resources, purchases, information technology, etc.

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NOTE 24 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

ii) Transactions with related parties	31 March 2013	31 March 2012
Miscellaneous sales to related parties		
ÇHH	74.482	86.808
Celebi Austria	68.323	47.718
Çetur	49.254	56.406
Çelebi Bandırma Uluslararası Liman İşletmeciliği A.Ş. (Çelebi Bandırma)	2.997	4.902
Other	588	94.812
	195.644	290.646

Employee and transportation expenses payable to related parties

Çe-Tur	875.968	621.025
	875.968	621.025

Contribution to holding expenses (*)

ÇHH	6.720.631	6.625.095
	6.720.631	6.625.095

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

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NOTE 24 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Other purchases from related parties (*)

ÇHH	910.105	1.207.657
Çe-Tur	276.549	241.539
Other	32.063	30.307
	1.218.717	1.479.503

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

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

31 March 2013	Euro	US Dollar	INR	HUF	TRY	Total TRY
ÇHH	-	-	-	-	17.500.000	17.500.000
CGHH (2)	24.200.000	-	-	-	-	56.117.380
Celebi Nas (1)	-	-	91.080.000	-	-	3.037.518
Celebi Delhi Cargo (3)	-	-	2.094.840.000	-	-	69.862.914
Celebi Delhi GH (4)	-	-	1.353.656.700	-	-	45.144.450
Celebi Cargo GmbH (5)	8.500.000	-	-	-	-	19.710.650

31 December 2012	Euro	US Dollar	INR	Forint	TRY	Total TRY
ÇHH	-	-	-	-	17.500.000	17.500.000
CGHH (2)	24.200.000	-	-	-	-	56.911.140
Celebi Nas (1)	-	-	91.080.000	-	-	2.979.227
Celebi Delhi Cargo (3)	-	-	2.094.840.000	-	-	68.522.216
Celebi Delhi GH (4)	-	-	1.353.656.700	-	-	44.278.110
Celebi Cargo GmbH(5)	7.500.000	-	-	-	-	17.637.750

(1) 16,5% shares of the Company in Celebi Nas, Joint-Venture of the Company, have been pledged in favor of the relevant bank for the financial obligations stipulated by the agreements, signed by the Celebi Nas and a bank, resident in India, comprise INR 387.400.000 as cash credit and INR 50.000.000 as non-cash credit for the long-term project finance and INR100.000.000 as cash working capital credit.

(2) CCGH signed an agreement for project re-financing of it’s outstanding borrowings amounting to EUR 20.000.000 in cash and EUR 2.000.000 non cash, Fort he mentioned loan, the Group gave a guarantee amounting to EUR 24.200.000, The repayments to the loan balance is EUR 17.000.000 as of 31 March 2013.

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NOTE 24 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

- (3) Celebi Delhi Cargo signed an agreement for bridge loan amounting to INR1.935.000.000 and the Company gave a guarantee for full amount of borrowings to related banks. The Company gave corporate guarantee for amounting INR 720.000.000 of the loan to 30% the financial obligations stipulated in the agreements with relevant banks and all of the 74% shares of the Company in Celebi Delhi Cargo have been pledged in favor of these banks.
- (4) The company has given guarantees for liabilities arised from the borrowing agreement signed for financing of long term projects with resident banks in India, which is amounted to INR 750.000.000 as cash, and amounted to INR 600.000.000 as non-cash, the company will pledge the shares amounting to INR 15.300.000 which is corresponding to 23,9% of the total shares of company.
- (5) For borrowing agreements which are EUR 8.500.000 amounted, between Celebi Cargo GmbH and some banks in Germany, Celebi Cargo GmbH has given guarantees and deposits as same amount as the borrowing amount, The repayments to the loan balance is EUR 8.500.000 as of 31 March 2013.

Key management compensation:

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

	31 March 2013	31 March 2012
Short-term employee benefits	2.536.755	3.079.316
Post-employment benefits	-	65.352
	2.536.755	3.144.668

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NOTE 25 - 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 March 2013 and 31 December 2012 are as follows:

	31 March 2013	31 December 2012
Fixed interest rate financial instruments		
Financial Assets		
-Cash and Cash Equivalents	26.343.248	24.620.534
Financial Liabilities	196.910.526	155.034.996
Floating interest rate financial instruments		
Financial liabilities	97.341.946	137.948.716

If other variables are kept constant, interest expense due to financial liabilities would have been either TRY 113.055 higher or lower if the interest rates were 2% more or less at 31 March 2013. (31 December 2012: TRY 113.689).

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 March 2013 and 31 December 2012 are presented at Note 7.

Credit risk

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

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 TRY 183.355.688 as of 31 March 2013 (31 December 2012: TRY 188.181.163) (Note 7).

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NOTE 25 - FINANCIAL RISK MANAGEMENT (Continued)

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

31 March 2013	Carrying value	Total contractual cash outflow	Less than 3 months	3-12 months	1-5 years	Over 5 years
Non derivative financial liabilities						
Financial liabilities	294.252.472	333.060.474	30.805.808	96.534.556	194.138.747	11.581.363
Trade payables						
- Related party	3.825.819	3.825.819	3.825.819	-	-	-
- Other	21.150.351	21.150.351	-	20.191.073	959.278	-
Other liabilities	6.803.521	6.803.521	-	6.803.521	-	-
31 December 2012	Less than Carrying value	cash outflow	3 months	3-12 months	1-5 years	Over 5 years
Non derivative financial liabilities						
Financial liabilities	292.859.266	355.481.285	12.317.581	116.933.913	211.230.751	14.999.040
Trade payables						
- Related party	2.843.442	2.843.442	2.843.442	-	-	-
- Other	17.076.537	17.076.537	-	16.106.061	970.476	-
Other liabilities	3.642.598	3.642.598	-	3.642.598	-	-

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NOTE 25 - FINANCIAL RISK MANAGEMENT (Continued)

Currency risk

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

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

As of 31 March 2013, other things being constant, if the TRY 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 TRY 349.403 (31 December 2012: TRY 801.049).

As of 31 March 2013, other things being constant, if the TRY 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 TRY 13.936.789 (31 December 2012: TRY 15.239.620).

As of 31 March 2013, other things being constant, if the TRY 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 TRY 8.648.452 (31 December 2012: TRY 8.030.134).

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

	31 March 2013	31 December 2012
Assets denominated in foreign currency	150.598.300	135.020.147
Liabilities denominated in foreign currency (-)	(379.969.719)	(375.472.850)
Net balance sheet position	(229.371.419)	(240.452.703)

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NOTE 25 - FINANCIAL RISK MANAGEMENT (Continued)

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

31 March 2013	US Dollar	Euro	Indian Rupee	Other Currencies	Total TRY
Assets:					
Cash and cash equivalents	2.164.981	18.390.481	16.810.121	3.266.899	40.632.482
Trade receivables	2.001.124	30.710.659	8.266.589	1.554.267	42.532.639
Due from related parties	14.034	8.676.849	2.484	-	8.693.367
Other	1.234.977	22.789.766	32.596.402	2.118.667	58.739.812
	5.415.116	80.567.755	57.675.596	6.939.833	150.598.300
Liabilities:					
Short term financial liabilities	(3.830.525)	(87.466.804)	(19.599.455)	-	(110.896.784)
Long term financial liabilities	(278.626)	(122.495.730)	(60.581.332)	-	(183.355.688)
Trade payables	(1.100.380)	(6.268.245)	(5.423.021)	(2.111.695)	(14.903.341)
Due to related parties	(23.882)	(520.980)	-	-	(544.862)
Short-term provisions	(962.680)	(861.954)	(3.265.074)	(918.881)	(6.008.589)
Other	(2.713.050)	(2.321.936)	(55.291.235)	(3.934.234)	(64.260.455)
	(8.909.143)	(219.935.649)	(144.160.117)	(6.964.810)	(379.969.719)
Net balance sheet position	(3.494.027)	(139.367.894)	(86.484.521)	(24.977)	(229.371.419)
31 December 2012	US Dollar	Euro	Indian Rupee	Other Currencies	Total TRY
Assets:					
Cash and cash equivalents	(6.463.584)	(13.045.472)	(15.698.924)	(3.349.546)	(38.587.525)
Trade receivables	1.587.455	24.128.746	8.262.139	1.345.679	35.324.019
Due from related parties	21.999	8.588.795	4.034	-	8.614.828
Other	-	20.443.232	30.756.060	1.294.482	52.493.775
	8.073.038	66.236.245	54.721.157	5.989.707	135.020.147
Liabilities:					
Short term financial liabilities	(3.865.920)	(82.712.455)	(17.874.646)	(225.082)	(104.678.104)
Long term financial liabilities	(7.474.686)	(126.433.233)	(54.273.245)	-	(188.181.163)
Trade payables	(1.000.695)	(5.391.834)	(1.317.909)	(2.275.183)	(9.985.621)
Due to related parties	-	(36.212)	(3.586)	-	(39.798)
Short-term provisions	(1.301.298)	(2.140.511)	(6.534.064)	(977.892)	(10.953.765)
Other	(2.673.900)	(1.850.878)	(52.945.222)	(4.164.399)	(61.634.399)
	(16.316.499)	(218.565.123)	(132.948.672)	(7.642.556)	(375.472.850)
Net balance sheet position	(8.243.461)	(152.328.878)	(78.227.515)	(1.652.849)	(240.452.703)

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NOTE 25 - FINANCIAL RISK MANAGEMENT (Continued)

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

	31 March 2013	31 March 2012
Total export amount	-	-
Total import amount	2.910.380	5.884.804

Capital risk management

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

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

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

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

	31 March 2013	31 December 2012
Total financial liabilities	294.252.472	292.983.712
Less: Cash and cash equivalents	(42.707.485)	(46.417.680)
Less: Current assets (*)	(4.306.486)	(4.144.684)
Less: Long term receivables (**)	(2.371.185)	(2.041.226)
Net debt	244.867.316	240.380.122
Equity	52.964.592	64.074.156
Equity + net debt	297.831.908	304.454.278
Net debt / (Equity + net debt) ratio	0,82	0,79

(*) Note 15

(**) Comprised of long-term blocked amount in banks regarding to Celebi GH Delhi. (Note 9)

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**NOTE 26 - 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 March 2013 some of the owners of the goods have applied to the Company and its insurance company for compensation of their losses by filing lawsuits against the Company and via enforcement proceedings.

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

There are legal cases and enforcement proceedings under way: this comprises legal cases and enforcement proceedings amounting to TRY 8.225.631 (Note 14) in which the Company is a co-defendant along with the DHMI, other warehouse management companies and insurance companies; and legal cases and enforcement proceedings amounting to TRY 4.638.467 in which the Company is the sole defendant. Total legal cases and enforcement proceedings are TRY 12.864.098.

In this context, the company management deems it likely that all the exposed legal claims of the Fund Companies can be eliminated through settlement in the context of the fund as a result of the ongoing negotiations. On the other hand and leaving aside the ongoing negotiations for settlement, the maximum limit which the Company may be held liable under the existing lawsuits and actions taken is approximately TRY 7.546.940 despite being a remote probability bearing in mind the internationally established legal rules regarding the air transportation and so on since the same has a limited liability against the cargo owners based on the limitation of the liability regulated under the international conventions given the legal nature of the contractual liability that may be assumed due to the agreement executed with the carriers.

The Company has an insurance policy related to the goods of third parties amounting to USD 1.500.000 which has been fully collected as of 31 March 2013 and is planned to be utilized by the Company under the circumstances that the Company is held legally liable for the losses incurred during the fire.

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**NOTE 26 - DISCLOSURE OF OTHER MATTERS REQUIRED FOR THE PURPOSE OF
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FINANCIAL STATEMENTS (Continued)**

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

Even though the contracting Company, DHMI, and other warehouse operator (“Fund Companies”) maintain their claim that they can in no way be held responsible for the fire and its consequences, they have decided that the fund in question be established by the reinsurers of the Fund Companies in order to resolve the cases in which they are and are likely to be a party. As of the announcement date of the report, 196 cases with a total value of TRY 71.555.051 (USD 39.561.592) and to which the Fund Companies are a party, have been solved with conciliation; for TRY 44.135.036 (USD 24.401.524) negotiations between the claimants and the fund are ongoing no conciliation has been achieved within the scope of the fund. It is foreseen that the balance amounts remaining in the fund as a result of liquidation will be sufficient for the liquidation of all claims made with all fund parties but for which reconciliation meetings have not been finalized.

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

NOTE 27 - SUBSEQUENT EVENTS

None observed.