Global Liman İşletmeleri Anonim Şirketi
and its Subsidiaries

Condensed Consolidated Interim Financial Information As at and for the Six Months Ended 30 June 2017

This report includes 26 pages of condensed consolidated interim financial information together with their explanatory notes.

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REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

To the Board of Directors of
Global Liman İşletmeleri A.Ş.
İstanbul

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Global Liman İşletmeleri A.Ş. (the "Company") and its subsidiaries (together will be referred as the "Group") as of 30 June 2017 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended. Group management is responsible for the preparation and presentation of this consolidated interim financial information in accordance with International Accounting Standards 34 "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Independent Auditing Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting".

DRT BAĞIMSIZ DENETİM VE SMMM A.Ş.
DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

İstanbul, 19 August 2017

Global Liman İşletmeleri A.Ş. and its Subsidiaries

Table of Contents

Global Liman İşletmeleri A.Ş. and its Subsidiaries

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2017

(Amounts expressed in USD 000's ("USD'000"))

	Notes	1 January-30 June 2017	1 January-30 June 2016
Revenue	*5*	49,747	52,742
Cost of sales	*5*	(35,810)	(35,978)
Gross profit		**13,937**	**16,764**
Other income		700	375
Selling and marketing expenses		(435)	(500)
Administrative expenses	*8*	(6,436)	(7,442)
Other expenses	*6*	(4,329)	(1,833)
Operating profit		**3,437**	**7,364**
Finance income	*9*	5,754	4,201
Finance costs	*9*	(16,839)	(14,666)
Net finance costs		**(11,085)**	**(10,465)**
Share of profit of equity-accounted investees		915	760
Loss before tax		**(6,733)**	**(2,341)**
Income tax (expense) / benefit	*7*	(207)	2,760
(Loss) / profit for the period		**(6,940)**	**419**
(Loss) / profit attributable to:			
Owners of the Company		(6,609)	(92)
Non-controlling interests		(331)	511
		(6,940)	**419**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Foreign currency translation differences		311	1,542
Remeasurement of defined benefit obligation		(2)	4
Income tax relating to items that will not be reclassified subsequently to profit or loss		--	(1)
		309	**1,545**
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences		15,573	2,431
Cash flow hedges - effective portion of changes in fair value		282	(578)
Gain on a hedge of a net investment		982	1,124
Income tax relating to items that may be reclassified subsequently to profit or loss		(266)	(80)
		16,571	**2,897**
Other comprehensive income for the period, net of income tax		**16,880**	**4,442**
Total comprehensive income/(loss) for the period		**9,940**	**4,861**
Total comprehensive income attributable to:			
Owners of the Company		3,815	2,556
Non-controlling interests		6,125	2,305
		9,940	**4,861**
Basic and diluted (loss) / earnings per share (cents per share)	*16*	**(8.89)**	**(0.12)**

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

Global Liman İşletmeleri A.Ş. and its Subsidiaries

Condensed Consolidated Interim Statement of Financial Position

As at 30 June 2017

(Amounts expressed in USD 000's ("USD'000"))

	Notes	As at 30 June 2017	As at 31 December 2016
Non-current assets			
Property and equipment	*10*	129,151	115,765
Intangible assets	*11*	430,358	426,081
Goodwill		15,716	14,515
Equity-accounted investees		19,497	17,168
Other investments		6	8
Deferred tax assets	*7*	2,947	3,047
Other non-current assets		8,193	11,412
		605,868	**587,996**
Current assets			
Trade and other receivables		16,972	11,922
Due from related parties	*19*	2,977	31,501
Other investments		14,806	14,602
Other current assets		6,894	7,768
Prepaid taxes		1,211	1,815
Cash and cash equivalents	*12*	54,572	44,310
		97,432	**111,918**
Total assets		**703,300**	**699,914**
Current liabilities			
Loans and borrowings	*14*	47,008	43,659
Other financial liabilities		--	140
Trade and other payables		16,510	14,463
Due to related parties	*19*	3,897	581
Current tax liabilities		2,510	1,814
Provisions	*15*	866	1,199
		70,791	**61,856**
Non-current Liabilities			
Loans and borrowings	*14*	307,547	299,020
Other financial liabilities		3,093	2,524
Derivative financial liabilities		932	1,131
Deferred tax liabilities	*7*	98,386	97,173
Provisions	*15*	17,373	14,858
Employee benefits		970	1,287
		428,301	**415,993**
Total liabilities		**499,092**	**477,849**
Net assets		**204,208**	**222,065**
Equity			
Share capital	*13*	33,836	33,836
Share premium account		54,539	54,539
Legal reserves	*13*	13,012	12,424
Hedging and translation reserves		7,482	(2,944)
Retained earnings		9,640	43,622
Equity attributable to equity holders of the Company		**118,509**	**141,477**
Non-controlling interests		**85,699**	**80,588**
Total equity		**204,208**	**222,065**

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

Global Liman İşletmeleri A.Ş. and its Subsidiaries
Condensed Consolidated Interim Statement of Changes in Equity
For the Six Months Ended 30 June 2017
(Amounts expressed in USD 000's ("USD'000"))

	Note	Share capital	Share premium	Legal reserves	Hedging reserves	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2017		33,836	54,539	12,424	(122,708)	119,764	43,622	141,477	80,588	222,065
Total comprehensive income										
Loss for the period		--	--	--	--	--	(6,609)	(6,609)	(331)	(6,940)
Other comprehensive income		--	--	--	998	9,428	(2)	10,424	6,456	16,880
Total comprehensive income for the period		--	--	--	998	9,428	(6,611)	3,815	6,125	9,940
Contributions and distributions										
Transfer to legal reserves		--	--	588	--	--	(588)	--	--	--
Dividends	13	--	--	--	--	--	(26,783)	(26,783)	(1,014)	(27,797)
Total contributions and distributions		--	--	588	--	--	(27,371)	(26,783)	(1,014)	(27,797)
Total transactions with owners of the Company		--	--	588	998	9,428	(33,982)	(22,968)	5,111	(17,857)
Balance at 30 June 2017		33,836	54,539	13,012	(121,710)	129,192	9,640	118,509	85,699	204,208

	Note	Share capital	Share premium	Legal reserves	Hedging reserve	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2016		33,836	54,539	9,917	(74,867)	91,970	78,488	193,883	83,941	277,824
Total comprehensive income										
Profit for the period		--	--	--	--	--	(218)	(218)	637	419
Other comprehensive income		--	--	--	466	2,305	3	2,774	1,668	4,442
Total comprehensive income for the period		--	--	--	466	2,305	(215)	2,556	2,305	4,861
Transactions with owners of the Company										
Contributions and distributions										
Transfer to legal reserves		--	--	1,807	--	--	(1,807)	--	--	--
Dividends	13	--	--	--	--	--	(34,608)	(34,608)	(830)	(35,438)
Total contributions and distributions		--	--	1,807	--	--	(36,415)	(34,608)	(830)	(35,438)
Total transactions with owners of the Company		--	--	1,807	466	2,305	(36,630)	(32,052)	1,475	(30,577)
Balance at 30 June 2016		33,836	54,539	11,724	(74,401)	94,275	41,858	161,831	85,416	247,247

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

Global Liman İşletmeleri A.Ş. and its Subsidiaries

Condensed Consolidated Interim Statement of Cash Flows
For the six months ended 30 June 2017
(Amounts expressed in USD 000's ("USD'000"))

	Notes	Six months period ended 30 June 2017	Six months period ended 30 June 2016
Cash flows from operating activities			
(Loss) / profit for the period		(6,940)	419
Adjustments for			
Depreciation and amortization expense	*10, 11*	20,326	20,331
Share of profit of equity-accounted investees, net of tax		(915)	(760)
Finance costs (excluding foreign exchange differences)	*9*	12,918	13,250
Finance income (excluding foreign exchange differences)	*9*	(1,416)	(2,053)
Income tax (benefit) / expense	*7*	207	(2,760)
Employment termination indemnity reserve		144	149
Provisional charges		1,306	1,400
Foreign exchange differences on finance costs and income, net		(417)	(732)
Operating cash flow before changes in operating assets and liabilities		**25,213**	**29,244**
Changes in:			
- trade and other receivables		(3,242)	(2,726)
- other current assets		1,616	(1,813)
- related party receivables		(7)	(8)
- other non-current assets		1,475	5,408
- trade and other payables		2,277	3,338
- related party payables		(299)	(271)
- provisions		(703)	(622)
Cash generated by operations before benefit and tax payments		**26,327**	**32,550**
Employee benefits paid		(44)	(119)
Income taxes paid		(2,824)	(840)
Net cash generated from operating activities		**23,459**	**31,591**
Investing activities			
Acquisition of property and equipment	*10*	(10,035)	(6,093)
Advances given for tangible assets		(61)	(42)
Acquisition of intangible assets	*11*	(563)	(66)
Proceeds from sale of property and equipment		117	--
Change in financial investments		733	4,247
Interest received		286	319
Acquisition of other investment		--	(5,803)
Net cash used in investing activities		**(9,523)**	**(7,438)**
Financing activities			
Change in due from related parties		27,795	662
Changes in due to related parties		3,496	(25)
Dividends paid		(27,797)	(35,437)
Interest paid		(12,447)	(11,831)
Proceeds from borrowings		18,814	3,895
Repayments of borrowings		(13,146)	(8,145)
Net cash used in financing activities		**(3,285)**	**(50,881)**
Net decrease in cash and cash equivalents		**10,652**	**(26,728)**
Effect of foreign exchange rate changes on cash and cash equivalents		1,390	(5,884)
Cash and cash equivalents at the beginning of the year		38,356	73,044
Cash and cash equivalents at the end of the period	**12**	**50,401**	**40,432**

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

Notes to the condensed consolidated interim financial information

(Amounts expressed in thousand USD 000's ("USD'000"))

1 General Information

Global Altyapı Hizmetleri ve İşletmecilik A.Ş. was incorporated in 2004 in Istanbul, Turkey as joint stock company to invest in Global Yatırım Holding A.Ş.'s ("Global Yatırım Holding") infrastructure projects. On 13 September 2007, Global Altyapı Hizmetleri ve İşletmecilik A.Ş. changed its trade name to Global Liman İşletmeleri A.Ş. ("Global Liman", the "Company" or "GPH").

The principal activities of the Company and its subsidiaries (together, the "Group") is to invest in the capital and management of companies that operate or will operate in the ports and port management industry.

The address of the registered office of the Company is "Rıhtım Caddesi No: 51 Karaköy / İstanbul".

As at 30 June 2017, all shares are owned by Global Ports Plc. As at 31 December 2016, 89.16% of the shares of the Company are owned by Global Yatırım Holding and 10.84% by European Bank of Reconstruction and Development ("EBRD").

As at 30 June 2017, the number of employees of the Group was 651 (31 December 2016: 666). The address of the registered office of the Company is "Rıhtım Caddesi No: 51 Karaköy / Istanbul".

The nature of the operations and the locations of the subsidiaries of the Company are listed below:

Subsidiaries	Locations	Operations
Ege Liman İşletmeleri A.Ş. ("Ege Liman")	Aydın-Turkey	Port operations
Ortadoğu Antalya Liman İşletmeleri A.Ş. ("Ortadoğu Liman")	Antalya-Turkey	Port operations
Bodrum Liman İşletmeleri A.Ş. ("Bodrum Liman")	Muğla-Turkey	Port operations
Container Terminal and General Cargo – Bar ("Port of Adria")	Montenegro	Port operations
Barcelona Port Investments, S.L ("BPI")	Spain	Port investments
Creuers del Port de Barcelona, S.A. ("Creuers")	Spain	Port operations
Cruceros Malaga, S.A. ("Malaga Port")	Spain	Port operations
Global Ports Europe B.V ("Global BV")	Netherlands	Port investments
Perquisite Holdings Ltd. ("Perquisite")	Malta	Port investments
Global Ports Malta Ltd. ("GP Malta")	Malta	Port investments
Valetta Cruise Port PLC ("VCP")	Valetta – Malta	Port operations
Port Operation Holding Srl ("POH")	Italy	Port investments
Royal Caribbean Investments (Cyprus) Ltd ("RCI Cyprus")	Cyprus	Port investments
Ravenna Terminali Passegeri Srl ("Ravenna")	Italy	Port operations
Catania Terminali Passegeri Srl ("Catania")	Italy	Port operations
Cagliari Terminali Passegeri Srl ("Cagliari")	Italy	Port operations
Global Depolama A.Ş. ("Global Depolama")	İstanbul-Turkey	Storage
Randa Denizcilik San. ve Tic. Ltd. Şti. ("Randa")	Antalya-Turkey	Marine vehicle trade

Ege Liman

Kuşadası Cruise Port was constructed in 1968 and was operated by the Turkish Maritime Organization Inc. (Türkiye Denizcilik İşletmeleri A.Ş.) ("TDI") until its privatization in 2003. On 2 July 2003, Ege Liman entered into a transfer of operational rights agreement ("TOORA") for Kuşadası Cruise Port for a period of 30 years with the Privatization Administration (Özelleştirme İdaresi Başkanlığı) ("OIB") and TDI. The TOORA will end in 2033. Kuşadası Cruise Port is the largest cruise ship terminal in Turkey and is a popular port of call for cruises originating from Greece, Italy, France, Spain and Turkey.

Global Liman acquired 72.50% of the shares of Ege Liman on 6 July 2005. The other shareholder of Ege Liman is Royal Caribbean Cruises Ltd. ("RCCL").

Ege Liman offers the following basic services to ships calling at the port: tugging, pilotage, sheltering, security, clean water supply, disposal of solid waste, underwater diving inspection, fuel supply and liquid waste collection.

1 General Information *(continued)*

Ortadoğu Liman

Antalya Port, constructed in 1977, is a multi-functional facility harbouring a cruise port, a marina and a commercial port and was operated by the TDI until its privatization in 1998. Operational rights for Antalya Port were taken over for a period of 30 years by Ortadoğu Liman in August 1998. In 2001, due to the difficulties in the other commercial activities of the former shareholders of Ortadoğu Liman, Savings Deposit Insurance Fund ("SDIF") confiscated the company.

Akdeniz Liman İşletmeleri A.Ş. ("Akdeniz Liman"), a joint venture of Global Liman, acquired 99.99% of the shares of Ortadoğu Liman which were subsequently tendered by the SDIF. Akdeniz Liman merged with Ortadoğu Liman in December 2006 and all the rights and obligations of Akdeniz Liman were transferred to Ortadoğu Liman which was denoted the successor entity. The concession period will end in 2028.

Until 29 July 2010, Global Liman owned 39.80% shares of Ortadoğu Liman. On 29 July 2010, Global Liman acquired the 60% of the shares of Ortadoğu Liman from other shareholders and obtained control by raising the ownership to 99.80%.

Bodrum Liman

Bodrum Cruise Port was tendered by the State Railways, Ports and Airports Construction Company (Demiryolları, Limanlar ve Havayolları) ("DLH") in September 2003 through a 12-year Build-Operate-Transfer ("BOT") tender agreement, which commenced in December 2007. The BOT agreement period will end in 2019. The winning bidder of the BOT concession was a consortium, which later established Bodrum Liman to carry out the operations of Bodrum Cruise Port.

Global Liman acquired 60% of the shares of Bodrum Liman on 16 June 2008. As at 30 June 2017 and 31 December 2016, shareholders of the remaining 30% and 10% of the shares of Bodrum Liman are Yüksel Çağlar and Setur Servis Turistik A.Ş. ("Setur"), respectively.

Port of Adria

On 23 July 2013, Global Liman won the tender for the repair, financing, operation, maintenance and transfer of Port of Bar and the right to acquire 62.09% of the shares in Port of Bar from the Montenegro Government through Container Terminal and General Cargo JSC-Bar, which has an operating concession for thirty years (terminating in 2043). Global Liman finalized a share purchase agreement with the Montenegro Government on 15 November 2013 and it was approved by the tender commission, the Montenegro Privatization and Capital Investments Authority and the Montenegro Council of Ministers. The shares were transferred to the Group on 30 December 2013.

Port of Bar represents an important link in the chain of intermodal transport because of its integration with the Belgrade-Bar railway and road traffic network, and benefits from a free zone regime.

For the first three years of its ownership, the Group is obliged to implement certain investment programs and social programs outlined in the share purchase agreement.

BPI and Creuers

The Group acquired 43% and 57% interests in Creuers on 30 December 2013 and 30 September 2014, respectively through Barcelona Port Investments, S.L ("BPI") which is a special purpose joint venture between the Global Liman and Royal Caribbean Cruises Ltd. Creuers has the concession rights of Adossat and World Trade Center wharfs in Barcelona Cruise Port with 80% of controlling interest in Malaga Port and 40% of non-controlling interest in Singapore Port.

Global Liman increased its interest in BPI from 49% to 62% with the agreement of RCCL and became the shareholder of Creuers with 62% of interest indirectly on 30 September 2014 and BPI and Creuers have been recognized as subsidiaries as from 30 September 2014.

1 General Information *(continued)*

Global BV, Perquisite, GP Malta and VCP

Global BV was established in Netherlands for the investments made through European Ports. As of 15 November 2015, Global BV acquired 55.60% of VCP shares through Holding Companies of GP Malta and Perquisite. VCP was set up to develop the Valletta Waterfront, situated on the Grand Harbour, Malta, for the purpose of the operation and management of a cruise liner passenger terminal and an international ferry passenger terminal together with complementary leisure facilities. The company is also responsible for the handling of international cruise and ferry passengers. For this purpose the company was granted a licence by the Malta Maritime Authority.

Port Operation Holding, RCI Cyprus, Ravenna, Catania and Cagliari

POH was established in Italy for the investments made through Italian Ports. As of 31 December 2016, POH acquired 51% of Ravenna shares, 62% of Catania shares and 71% of Cagliari shares. Share purchases are performed from two different former shareholders, one by direct share purchase and another by purchase of a dormant Company, based in Cyprus ("RCI Cyprus"). Purchase of RCI Cyprus shares are made at the end of the year 2016. The financial statements of RCI Cyprus as of 31 December 2015 are not significant in terms of consolidated financial statements of the Group. Since RCI Cyprus could not prepare its financial statements as of 31 December 2016, RCI Cyprus is not included in the accompanying consolidated financial statements. Ravenna, Cagliari, and Catania were set up to operate the cruise liner passenger terminal together with complementary leisure facilities at their territories. The companies are responsible for the handling of international cruise passengers.

Global Depolama

Global Depolama was established on 9 July 2008 for the purpose of investing in the warehousing sector.

2 Basis of preparation

(a) Statement of compliance

This condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2016. This condensed consolidated interim financial information does not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS").

(b) Use of estimates and judgments

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2016.

(Amounts expressed in thousand USD 000's ("USD'000"))

2 Basis of preparation *(continued)*

(c) New standards and interpretations not yet adopted

The following standards are in issue but not yet adopted by the Group:

- IFRS 9 Financial Instruments, effective from 1 January 2018,
- IFRS 15 Revenue from contracts with customers, effective from 1 January 2018,
- IFRS 16 Leases, effective from 1 January 2019.

The Group is currently evaluating the impact of adopting these new accounting standards.

(d) Functional and presentation currency

The individual financial statements of each group company are presented in the currency of the primary economic environment in which it operates (its functional currency). The functional currency of the Company is TL. For the purpose of the consolidated financial statements, United States Dollars is chosen as the presentation currency by management. The consolidated financial statements are rounded to the nearest thousand dollars, except when otherwise indicated.

The Company and its subsidiaries operating in Turkey maintain their books of account and prepare their statutory financial statements in Turkish Lira ("TL") in accordance with the Turkish Commercial Code, tax legislation and Turkish Uniform Chart of Accounts. The subsidiaries operating in Montenegro, Spain, Malta and Italy maintain their books of account and prepare their statutory financial statements in Euro in accordance with their respective local laws. The accompanying consolidated financial statements is based on these statutory records with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRS.

US Dollar ("USD") is the most significant currency to the operations of Ortadoğu Liman. Therefore, USD has been determined as the functional currency of Ortadoğu Liman in line with IAS 21 "The Effects of Changes in Foreign Exchange Rates".

Euro is significantly used in the operations of the Port of Adria, Ege Liman, Bodrum Liman, VCP, Malaga Port, Global BV, BPI, Creuers and Italy. Therefore, Euro has been determined as the functional currency of these companies in line with IAS 21 – "The Effects of Changes in Foreign Exchange Rates".

30 June 2017 and 31 December 2016, foreign currency exchange rates of the Central Bank of the Turkish Republic comprised were as follows:

	30 June 2017	31 December 2016
TL/USD	0.2851	0.2842
Euro/USD	1.1414	1.0542

For the six months ended 30 June, average foreign currency exchange rates of the Central Bank of the Turkish Republic were as follows:

	2017	2016
TL/USD	0.2750	0.3426
Euro/USD	1.0809	1.1157

3 Significant accounting policies

The accounting policies applied in preparation of the accompanying condensed consolidated interim financial information are consistent with the accounting policies applied in the annual consolidated financial statements of the Group as at and for the year ended 31 December 2016.

4 Segment reporting

(i) Basis for segmentation

Operating segments considered in performance evaluation by the Group management are determined by considering the Group's risks and resources and internal reporting structure. The Group's chief operating decision maker is chief executive officer, who reviews the internal management reports of each division and subsidiary at least monthly.

The Group's operating segments are Commercial Operations which are Ortadoğu Liman and Port of Adria, and Cruise Operations, which composed of Ege Ports, Valletta Cruise Port, BPI, Bodrum Cruise Port, Ortadoğu Liman (Cruise operations) and Port Operation Holding. Bodrum Cruise Port, Cruise Operation of Ortadoğu Liman, Port Operation Holding results, and share of profit of equity accounted investees are presented under other cruise business category. Other operations of the Group, which include Global Liman and Global Depolama, do not generate external revenues and therefore are presented as non-operational & headquarter to reconcile to the consolidated financial statements. Ravenna, Cagliari and Catania (consolidated under Port Operation Holding) were acquired at the end of 2016, therefore they do not generate any revenue for the group in 2016.

Information regarding all the segments is stated below. External revenues and earnings before interest, tax, depreciation and amortization ("EBITDA") are reviewed in the assessment of the financial performance of the operating segments. This measurement basis excludes the effects of non-recurring income / expense from the operating segments such as project expenses. The measure also excludes the effects of non-cash income / expense such as bargain purchase gains and reserves created on provisional accounting. The Group management assesses EBITDA as the most appropriate method for the review of the segment operations. The reconciliation of EBITDA to operating profit is disclosed as follows.

The Group did not have a single customer that accounted for more than 10% of the Group's consolidated net revenues in any of the periods presented.

(Amounts expressed in thousand USD 000's ("USD'000"))

4 Segment reporting *(continued)*

(ii) ***Information about reportable segments*** *(continued)*

As at and for the six months ended 30 June 2017, the details of reportable segments comprised the following:

	BPI	Valletta	Ege Ports	Others	*Cruise Total*	Port Akdeniz	Port of Adria	*Total Commercial*	Non-operational & HQ	*Consolidated*
Segment assets	160,027	104,783	61,599	12,196	*338,605*	260,385	68,454	*328,839*	16,359	*683,803*
Equity accounted investees	--	--	--	19,497	*19,497*	--	--	--	--	*19,497*
Segment liabilities	97,001	36,510	14,316	4,064	*151,891*	60,725	8,486	*69,211*	277,990	*499,092*
Capital expenditures	80	268	4,166	201	*4,715*	1,577	5,952	*7,529*	283	*12,527*

	BPI	Valletta	Ege Ports	Others	*Cruise Total*	Port Akdeniz	Port of Adria	*Total Commercial*	Non-operational & HQ	*Consolidated*
External revenues	9,957	5,170	1,728	1,639	*18,494*	27,987	3,266	*31,253*	--	*49,747*
EBITDA	5,357	2,558	970	1,250	*10,135*	21,366	698	*22,064*	(2,251)	*29,948*
Depreciation and amortization expense	(5,171)	(1,186)	(1,260)	(1,000)	*(8,617)*	(10,491)	(1,148)	*(11,639)*	(70)	*(20,326)*
Non-recurring income/(expense)	(255)	(113)	(153)	(139)	*(660)*	(116)	(452)	*(568)*	(3,402)	*(4,630)*
Non-cash income/(expenses)	(1,302)	--	5	(12)	*(1,309)*	(353)	1,082	*729*	(60)	*(640)*
Operating profit	(1,371)	1,259	(438)	(816)	*(1,366)*	10,406	180	*10,586*	(5,783)	*3,437*
Share of profit of equity-accounted investees	--	--	--	915	*915*	--	--	--	--	*915*
Interest income	3	14	1,127	9	*1,153*	615	128	*743*	1,953	*3,849*
Interest expense	(1,226)	(202)	(535)	(61)	*(2,025)*	(1,543)	(419)	*(1,962)*	(10,716)	*(14,702)*

(Amounts expressed in thousand USD 000's ("USD'000"))

4 Segment reporting *(continued)*

(ii) Information about reportable segments (continued)

As at 31 December 2016 statement of financial position details and for the six months ended 30 June 2016 profit or loss details of reportable segments comprised the following:

	BPI	Valletta	Ege Ports	Others	*Cruise Total*	Port Akdeniz	Port of Adria	*Total Commercial*	Non-operational & HQ	*Consolidated*
Segment assets	146,068	101,804	53,066	11,713	*312,651*	250,527	59,127	*309,654*	60,441	*682,746*
Equity accounted investees	--	--	--	17,168	*17,168*	--	--	--	--	*17,168*
Segment liabilities	88,696	35,075	12,942	3,193	*139,905*	50,840	9,630	*60,470*	277,475	*477,849*
Capital expenditures	126	1,960	1,255	4	*3,345*	1,400	4,009	*5,409*	261	*9,015*

	BPI	Valletta	Ege Ports	Others	*Cruise Total*	Port Akdeniz	Port of Adria	*Total Commercial*	Non-operational & HQ	*Consolidated*
External revenues	10,121	5,189	5,818	853	*21,981*	26,047	4,714	*30,761*	--	*52,742*
EBITDA	5,899	2,392	4,269	1,099	*13,660*	19,384	1,649	*21,033*	(2,201)	*32,491*
Depreciation and amortization expense	(5,333)	(1,322)	(1,170)	(927)	*(8,752)*	(10,447)	(1,099)	*(11,546)*	(33)	*(20,331)*
Non-recurring income/(expense)	(339)	(277)	(125)	3	*(738)*	(112)	(258)	*(370)*	(1,453)	*(2,561)*
Non-cash income/(expenses)	(1,210)	--	(17)	(53)	*(1,280)*	(174)	(2)	*(176)*	(19)	*(1,475)*
Operating profit	(983)	793	2,957	(638)	*2,129*	8,651	289	*8,940*	(3,706)	*7,364*
Share of profit of equity-accounted investees	--	--	--	760	*760*	--	--	--	--	*760*
Interest income	--	--	1,074	--	*1,074*	574	17	*590*	2,530	*4,194*
Interest expense	(1,430)	(293)	(608)	(37)	*(2,369)*	(1,744)	(231)	*(1,975)*	(10,704)	*(15,048)*

(Amounts expressed in thousand USD 000's ("USD'000"))

4 Segment reporting *(continued)*

(iii) ***Reconciliation of information on reportable segments to IFRS measures***

For the six months ended 30 June, the details of reportable segments comprised the following:

	Note	2017	2016
Revenues			
Total revenue for reportable segments	*5*	49,747	52,742
Total external revenues		**49,747**	**52,742**
Consolidated EBITDA		29,948	32,491
Non-recurring income / (expense)		(4,630)	(2,561)
Non-cash income / (expense)		(640)	(1,475)
Finance income	*9*	5,754	4,201
Finance costs	*9*	(16,839)	(14,666)
Depreciation and amortization		(20,326)	(20,331)
Total loss before income tax		**(6,733)**	**(2,341)**
Interest income			
Total interest income for reportable segments		3,849	4,194
Elimination of inter-segments		(2,449)	(2,483)
Consolidated interest income	*9*	**1,400**	**1,711**
Interest expense			
Total interest expense for reportable segments		(14,702)	(15,048)
Elimination of inter-segments		2,449	2,483
Consolidated interest expense	*9*	**(12,253)**	**(12,565)**

(iv) ***Geographic information***

The Port operations of the Group are managed on a worldwide basis, but operational ports and management offices are primarily in Turkey, Montenegro, Spain and Malta. The geographic information below analyses the Group's revenue and non-current assets by the Company's country of domicile and other countries. In presenting the following information, segment revenue has been based on the geographic location of port operations and segment assets were based on the geographic location of the assets.

Revenue

	30 June 2017	30 June 2016
Turkey	**30,551**	**32,718**
All foreign countries	**19,196**	**20,024**
Montenegro	3,267	4,714
Malta	5,170	5,189
Spain	9,957	10,121
Italy	802	--
	49,747	52,742

(Amounts expressed in thousand USD 000's ("USD'000"))

4 Segment reporting *(continued)*

***(iv) Geographic information** (continued)*

Non-current assets

	As at 30 June 2017	As at 31 December 2016
Turkey	**274,006**	**280,549**
All foreign countries	**309,418**	**287,224**
Spain	143,604	137,601
Malta	96,810	90,321
Montenegro	65,490	56,094
Italy	3,514	3,208
	583,524	**567,773**

Non-current assets exclude those relating to deferred tax assets and financial instruments (including equity-accounted investees).

(v) Information about major customers

The Group did not have a single customer that accounted for more than 10% of the Group's consolidated net revenues in any of the periods presented.

5 Revenue and cost of sales

Revenue

For the six months ended 30 June, revenue comprised the following:

	2017	2016
Container revenues	21,539	19,217
Landing fees	11,757	11,800
Cargo revenues	5,703	6,922
Port service revenues	5,292	7,622
Rental revenues	4,608	6,107
Domestic water sales	362	367
Income from duty free	300	317
Other revenue	186	390
Total	**49,747**	**52,742**

Generally, the number of cruise calls are lower during the winter months of December to February than at other times of the year, although this seasonality is more pronounced in the cruise segment as compared to the commercial segment. The third quarter is the busiest for cruise port calls in Mediterranean, Creuers (Barcelona) and Cruceros (Malaga) ports usually see less seasonality in terms of the number of calls than the Turkish ports in the Group's portfolio with the increasing popularity of winter cruises in Mediterranean and considering locations.

(Amounts expressed in thousand USD 000's ("USD'000"))

5 Revenue and cost of sales *(continued)*

Cost of sales

For the six months ended 30 June, cost of sales comprised the following:

	2017	2016
Depreciation and amortization expenses	18,819	18,734
Personnel expenses	6,268	6,679
Commission fees to government authorities and pilotage expenses	2,032	2,250
Shopping mall expenses	1,220	1,369
Repair and maintenance expenses	805	786
Subcontractor crane and container service	1,619	1,443
Security expenses	808	726
Insurance expenses	511	572
Port energy usage expenses	372	397
Fuel expenses	384	310
Container transportation expenses	521	290
Tugboat rent expenses	4	277
Fresh water expenses	259	237
Port rental expenses	389	112
Waste removal expenses	65	41
Expenses in relation to replacement provisions	989	978
Other expenses	745	777
Total	**35,810**	**35,978**

6 Other expenses

For the six months ended 30 June, other expenses comprised the following:

	2017	2016
Project expenses (*)	3,966	1,654
Taxes other than on income	--	7
Other	363	172
Total	**4,329**	**1,833**

(*) The project expenses are mainly the expenses incurred in relation to the projects for new acquisitions and financing of these new projects.

7 Taxation on income

Income tax expense is recognised based on management's estimate of the average annual effective income tax rate for each relevant taxing jurisdiction and applied individually to the interim period pre-tax income of each jurisdiction. The estimated average annual tax rate used for the year to 30 June 2017 is 12.13%, compared to 10.11% for the six months ended 30 June 2016. The lower tax rate in prior years was the result of growth in portfolio, newly acquired ports within Europe having higher effective tax rates compared to Turkish Ports, and the comparative decrease in operations of Turkish Ports, increasing significance of European Ports in realizations.

(Amounts expressed in thousand USD 000's ("USD'000"))

7 Taxation on income *(continued)*

	Six months ended 30 June 2017	**Six months ended 30 June 2016**
Current income taxes	(3,388)	(1,438)
Deferred income taxes	3,181	4,198
Total	**(207)**	**2,760**

The movement of net deferred tax liability for the six months ended 30 June, is as follows:

	2017	**2016**
Balance at 1 January	**(94,126)**	**(100,366)**
Deferred tax benefit in profit or loss	3,181	4,198
Currency translation difference	(4,494)	(2,401)
Balance as at 30 June	**(95,439)**	**(98,569)**

8 Administrative expenses

For the six months ended 30 June, administrative expenses comprised the following:

	2017	**2016**
Personnel expenses	1,658	2,561
Depreciation and amortization expenses	1,507	1,597
Consultancy expenses	932	1,104
Representation expenses	735	382
Taxes other than on income	513	492
Travelling expenses	283	387
Communication expenses	123	121
IT expenses	87	96
Vehicle expenses	74	83
Stationary expenses	62	48
Office operating expenses	48	40
Rent expenses	31	39
Repair and maintenance expenses	19	26
Other expenses	364	466
Total	**6,436**	**7,442**

(Amounts expressed in thousand USD 000's ("USD'000"))

9 Finance income and costs

For the six months ended 30 June, finance income comprised the following:

Finance income	**2017**	**2016**
Foreign exchange gain	4,338	2,148
Interest income on marketable securities (*)	936	1,120
Interest income on related parties	179	272
Interest income on banks and others	270	303
Interest income from housing loans	15	16
Gain on sale of marketable securities	--	342
Others	16	--
Total	**5,754**	**4,201**

(*) Interest income on marketable securities comprises the interest income earned from the Global Yatırım Holding's bonds during the year.

For the six months ended 30 June, finance costs comprised the following:

Finance costs	**2017**	**2016**
Interest expense on loans and borrowings	12,126	12,383
Other foreign exchange losses	3,919	1,416
Other interest expenses	127	182
Letter of guarantee commission expenses	101	10
Loan commission expenses	79	--
Unwinding of provisions during the year	289	232
Other	198	443
Total	**16,839**	**14,666**

10 Property and equipment

During the period, the Group spent approximately USD 3,871 thousand on shopping mall renovations in Ege Ports, USD 5,679 thousand on a mobile harbor crane in Port of Adria and USD 673 thousand on enhancements to superstructure and USD 511 thousand on machinery in order to increase efficiency in operations.

For the six months ended 30 June, movements of property and equipment comprised the following:

	2017	**2016**
Net book value as at 1 January	115,765	119,771
Additions (*)	11,964	2,160
Disposals	(117)	--
Depreciation	(5,234)	(2,497)
Currency translation differences	6,773	2,181
Net book value as at 30 June	**129,151**	**121,616**

(*) A significant portion of the additions are comprised of leasehold improvements, machinery and equipment and construction in progress for the six months ended 30 June 2017 and 2016.

As at 30 June 2017, the net book value of machinery and equipment purchased through leasing amounts to USD 2,252 thousand (31 December 2016: USD 2,438 thousand), the net book value of motor vehicles purchased through leasing amounts to USD 9,744 thousand (31 December 2016: USD 9,829 thousand), and the net book value of furniture and fixtures purchased through leasing amounts to USD 162 thousand (31 December 2016: USD 190 thousand). In 2017, no capital expenditure was made through finance leases (31 December 2016: USD 620 thousand).

10 Property and equipment *(continued)*

For the six months ended 30 June 2017 and year ended 31 December 2016, there is no capitalised borrowing cost on property and equipment.

As at 30 June 2017, the insured amount of property and equipment amounts to USD 206,340 thousand (31 December 2016: USD 202,880 thousand).

11 Intangible assets

For the six months ended 30 June, movements of intangible assets comprised the following:

	2017	2016
Net book value as at 1 January	426,081	462,277
Additions	563	49
Disposals	--	--
Amortization	(15,092)	(7,568)
Currency translation differences	18,806	10,247
Net book value as at 30 June	**430,358**	**465,005**

The details of the principal port operation rights for the six months ended 30 June 2017, year ended 31 December 2016 and six months ended 30 June 2016 are as follows:

	As at 30 June 2017		As at 31 December 2016		As at 30 June 2016	
USD '000	**Carrying Amount**	**Remaining Amortisation Period**	**Carrying Amount**	**Remaining Amortisation Period**	**Carrying Amount**	**Remaining Amortisation Period**
Barcelona Ports Investment	140,341	156 months	134,461	162 months	146,336	168 months
Valletta Cruise Port	65,823	593 months	61,409	599 months	65,155	606 months
Port of Adria	22,089	318 months	20,786	324 months	22,240	330 months
Port Akdeniz	185,750	134 months	194,067	140 months	202,384	146 months
Ege Ports	13,277	189 months	12,646	195 months	13,508	201 months
Bodrum Cruise Port	788	21 months	839	27 months	986	33 months
	428,068		**424,208**		**450,609**	

12 Cash and cash equivalents

As at 30 June 2017 and 31 December 2016, cash and cash equivalents comprised the following:

	30 June 2017	31 December 2016
Cash on hand	56	69
Cash at banks	54,402	44,128
- Demand deposits	*15,512*	*13,820*
- Time deposits	*38,890*	*30,308*
Other cash and cash equivalents	114	113
Cash and cash equivalents	**54,572**	**44,310**

	30 June 2017	30 June 2016
Cash and cash equivalents	54,572	44,862
Restricted cash	(4,171)	(4,430)
Cash and cash equivalents for cash flow statement purposes	**50,401**	**40,432**

12 Cash and cash equivalents *(continued)*

As at 30 June 2017 and 31 December 2016, maturities of time deposits comprised the following:

	30 June 2017	31 December 2016
Up to 1 month	36,860	30,216
1 – 3 months	2,030	92
Total	**38,890**	**30,308**

As at 30 June 2017, cash at banks amounting to USD 4,171 thousand (31 December 2016: USD 5,954 thousand) is restricted due to the bank loans guarantees and subscription guarantees.

13 Capital and reserves

a) Share capital

As at 30 June 2017 and 31 December 2016, the Company's statutory nominal value of authorised and paid-in share capital consists of 74,307,399 registered ordinary shares with a par value of TL 1 each.

As at 30 June 2017 and 31 December 2016, the share ownership structure of the Company was as follows:

	30 June 2017		31 December 2016	
	Nominal value of shares (USD '000)	Proportion of shares (%)	Nominal value of shares (USD '000)	Proportion of shares (%)
Global Yatırım Holding A.Ş.	--	--	31,042	89.16
European Bank of Reconstruction and Development	--	--	2,786	10.84
Global Ports Holding Plc	33,828	100.00	--	--
Paid in capital (nominal)	**33,828**	**100.00**	**33,828**	**100.00**
Inflation accounting adjustment	8		8	
Inflation adjusted capital	**33,836**		**33,836**	

The Company's shares are ordinary voting shares. There are no preferential rights attached to any shares of the Company.

b) Nature and purpose of reserves

(i) Translation reserves

The translation reserves amounting to USD 129,192 thousand (31 December 2016: USD 119,764 thousand) are recognised as a separate account under equity and comprises foreign exchange differences arising from the translation of the consolidated historical financial information of subsidiaries and equity-accounted investees from their functional currencies (of Euro and TL) to the presentation currency, USD.

(ii) Legal reserves

Under the Turkish Commercial Code, Turkish companies are required to set aside first and second level legal reserves out of their profits. First level legal reserves are set aside as up to 5% of the distributable income per the statutory accounts each year. The ceiling of the first level reserves is 20% of the paid-up share capital. The requirement to set aside ends when the 20% of the paid-up capital level has been reached. Second level legal reserves correspond to 10% of profit actually distributed after the deduction of the first legal reserves and the minimum obligatory dividend pay-out, but holding companies are not subject to this regulation. There is no ceiling for second level legal reserves and they are accumulated every year.

13 Capital and reserves *(continued)*

b) Nature and purpose of reserves *(continued)*

(ii) Legal reserves (continued)

First and second level legal reserves cannot be distributed until they exceed 50% of the capital, but the reserves can be used for offsetting the losses in case free reserves are unavailable. As at 30 June 2017, the legal reserves of the Group amounted to USD 13,013 thousand (31 December 2016: USD 12,424 thousand).

(iii) Hedging reserves

Investment hedge

The Company has used its Eurobond financing as a non-derivative financial item to hedge the net investments of Ege Ports, Port Akdeniz and Bodrum Cruise Port. The ineffective portion of the investment hedge is USD 3,816 thousand as at 30 June 2017 (31 December 2016: USD 887 thousand).

As at 30 June 2017, the effective portion of gain or loss arising from investment hedging instrument is recognised in other comprehensive income, net of tax amounting to USD 786 thousand (31 December 2016: USD 47,653 thousand).

Cash flow hedge

The Group entered into an interest rate swap in order to hedge its position against changes in interest rates. The effective portion of the cash flow hedge that was recognised in other comprehensive income was a loss amounting USD 212 thousand (31 December 2016: USD 188 thousand income). The amount that was reclassified from equity to profit and loss within the cash flow hedges – effective portion of changes in fair value line item for the period was USD 128 thousand (31 December 2016: USD 345 thousand).

The principal payments will be made in the periods shown below, at which time the amount deferred in equity will be reclassified to profit and loss:

	3 months or less	More than 3 months but less than 1 year	5 years or less but more than 1 year	More than 5 years
	(USD '000)	(USD '000)	(USD '000)	(USD '000)
Net cash inflows/(outflows) exposure				
Liabilities	--	294	677	47
At 30 June 2017	**--**	**294**	**677**	**47**
Net cash inflows/(outflows) exposure				
Liabilities	--	315	883	104
At 31 December 2016	**--**	**315**	**883**	**104**

(Amounts expressed in thousand USD 000's ("USD'000"))

13 Capital and reserves *(continued)*

c) Dividends

Dividend distributions are made by the Company in TL in accordance with its articles, after deducting taxes and setting aside the legal reserves as discussed above.

At the 2017 General Assembly, GPH decided to distribute USD 26,783 thousand to its shareholders. Valetta Cruise Port distributed USD 1,014 thousand to other shareholders.

In 2016, General Assembly of GPH decided to distribute USD 34,608 thousand to its shareholders. Valletta Cruise Port distributed USD 830 thousand to other shareholders. A total of USD 35,438 thousand was paid out in cash to shareholders.

14 Loans and borrowings

As at 30 June 2017 and 31 December 2016, loans and borrowings comprised the following:

Short term loans and borrowings	**30 June 2017**	**31 December 2016**
Short term portion of Eurobond issued	19,333	19,340
Short term bank loans	4,708	9,067
- TL loans	*1,146*	*1,396*
- Loans denominated in other currencies	*3,562*	*7,671*
Short term portion of long term bank loans	21,492	13,711
- TL loans	*314*	--
- Loans denominated in other currencies	*21,178*	*13,711*
Finance lease obligations	1,475	1,541
Total	**47,008**	**43,659**

Long term loans and borrowings	**30 June 2017**	**31 December 2016**
Long term Eurobond issued	233,175	233,260
Long term bank loans	71,947	62,845
- TL loans	*528*	--
- Foreign currency loans	*71,419*	*62,845*
Finance lease obligations	2,425	2,915
Total	**307,547**	**299,020**

As at 30 June 2017 and 31 December 2016, maturity profile of loans and borrowings comprised the following:

Year	**30 June 2017**	**31 December 2016**
Between 1-2 years	33,168	30,338
Between 2-3 years	30,973	29,497
Between 3-4 years	29,678	27,310
Over 5 years	211,303	208,960
Total	**305,122**	**296,105**

(Amounts expressed in thousand USD 000's ("USD'000"))

14 Loans and borrowings *(continued)*

As at 30 June 2017 and 31 December 2016, maturity profile of finance lease obligations comprised the following:

	30 June 2017			31 December 2016		
	Future minimum lease payments	*Interest*	*Present value of minimum lease payments*	*Future minimum lease payments*	*Interest*	*Present value of minimum lease payments*
Less than one year	1,589	114	1,475	1,677	136	1,541
Between one and five years	2,702	277	2,425	3,312	397	2,915
Total	**4,291**	**391**	**3,900**	**4,989**	**533**	**4,456**

15 Provisions

Non-current	**30 June 2017**	**31 December 2016**
Replacement provisions for Creuers (*)	15,946	13,487
Restructuring provisions for Port of Bar (**)	1,427	1,371
Total	**17,373**	**14,858**

(*) As part of the concession agreement between Creuers and the Barcelona and Malaga Port Authorities entered in 2013, the Company has an obligation to maintain the port equipment in good operating condition throughout its operating period, and in addition return the port equipment to the Port Authorities in a specific condition at the end of the agreement.

(**) On 27 December 2013, the Government of Montenegro and Container Terminal and General Cargo JSC-Bar ("CTGC") entered into an agreement regarding the operating concession for the Port of Adria-Bar which terminates on 27 December 2043. From the fourth year of the agreement, CTGC had an obligation to pay a concession fee to the Government of Montenegro of Euro 500,000 per year until the end of the agreement. The expense relating to this concession agreement is recognized on a straight-line basis over the concession period, giving rise to an accrual in the earlier years.

Current	**30 June 2017**	**31 December 2016**
Employee benefit provisions	373	276
Short term provisions	493	923
Total	**866**	**1,199**

16 Earnings per share

The Group presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, less own shares acquired.
The Group does not present diluted earnings per share ("diluted EPS") data, because there are no potential convertible dilutive securities.

For the period ended 30 June, earnings per share is calculated by dividing the loss attributable to ordinary shareholders, by the weighted average number of shares outstanding.

	2017	**2016**
Loss attributable to owners of the Company	(6,609)	(92)
Weighted average number of shares	74,323,982	74,323,982
Basic and diluted earnings per share with par value of TL 1 (cents per share)	(8.89)	(0.12)

17 Commitment and contingencies

(a) Litigations

There are pending lawsuits that have been filed against or by the Group. The management of the Group assesses the possible results and financial effects of these lawsuits at the end of each period and as a result of these assessments, the required provisions are recognized for the possible expenses and liabilities. The amount of provision that has been accounted for as at 30 June 2017 is USD 241 thousand (31 December 2016: USD 698 thousand).

The information related to the significant lawsuits that the Group is directly or indirectly a party to is as follows:

Legal proceedings in relation to Ortadoğu Antalya, Ege Liman and Bodrum Liman's applications for extension of their operation rights

On 6 June 2013, the Turkish Constitutional Court partially annulled a law that had prevented operators of privatised facilities from applying to extend their operating term. The respective Group companies then applied to extend the concession terms of Port Akdeniz-Antalya, Ege Ports-Kuşadası and Bodrum Cruise Port for extension of terms up to, in total, 49 years. After these applications were rejected, the respective Group companies filed lawsuits with administrative courts challenging the decisions. The lawsuits were rejected by the courts of first instance, except for three lawsuits relating to Bodrum Cruise Port in which the courts of first instance upheld the respective Group company's claims relating to extension. Although Council of State affirmed the first instance court's decision, relative ministry applied for rectification. All foregoing court rulings were appealed either by the Group companies or relevant administration. The Council of State reversed the lower courts' judgement with respect to Ege Ports-Kuşadası, but the relevant administration applied to the Council of State for reversal of this judgement and the case is still pending. The appeal relating to Port Akdeniz-Antalya is still pending before the Council of State.

A fee claim by the Ministry of Environment and Forestry against Port Akdeniz-Antalya for the allocation of land from the Türkiye Denizcilik İşletmeleri (TDİ)

There is a finalized legal challenge regarding payment for land allocated to Port Akdeniz-Antalya by the TDİ. The land was transferred without payment as part of the operating rights agreement with respect to Port Akdeniz-Antalya. The Council of the State and the Ministry of Environment and Forestry General Directorate challenged the land allocation on the basis that the TDİ should have sought compensation for the land. As far as the Group is aware, the TDİ and the Ministry of Environment and Forestry have not come to an agreement regarding collection of the relevant consideration as of the date of the consolidated financial statements.

As a result of a disagreement between the TDİ and the Ministry of Environment and Forestry on the consideration for land allocated, the Ministry of Environment and Forestry may request from the Group the same amount that it previously requested from the TDİ for allocation of these lands. As of the date of the consolidated financial statements, no claim has been made against the Group, by the Ministry of Environment and Forestry, except for the claim requesting the return of the training and social facilities operated by third parties which are being used outside of the scope of port operations; and no claim has been made against the Group concerning any payment relating to land allocation of Port Akdeniz-Antalya.

If the Group is forced to pay the aforesaid amount to the Ministry of Environment and Forestry, the Group may seek reimbursement from the TDİ, on the grounds of its right of recourse arising from the agreement transferring operational rights to the land at Port Akdeniz-Antalya.

17 Commitments and contingencies *(continued)*

Other legal proceedings

The Port of Adria-Bar (Montenegro) was party to a collective bargaining agreement with a union representing workers in a range of functions that expired in 2010, before the Port of Adria-Bar was acquired by the Group. However, a number of lawsuits have been brought in connection to this collective bargaining agreement seeking (i) unpaid wages for periods before the handover of the port to the Group (from 2011 to 2014), and (ii) alleged underpaid wages as of the start of 2014. In April 2017, the Supreme Court ruled that the collective bargaining agreement is not valid. Although various cases remain pending before lower courts, this judgment establishes a precedent that would apply to the remaining pending cases before the lower courts. Accordingly, Management believes that the pending cases will be decided in favor of the Group.

18 Fair values

The information set out below provides information about how the Group determines fair values of various financial assets and liabilities.

Determination of the fair value of a financial instrument is based on market values when there are two counterparties willing to sell or buy, except under the conditions of events of default forced liquidation. The Group determines the fair values based on appropriate methods and market information and uses the following assumptions: the fair values of cash and cash equivalents, other monetary assets, which are short term, trade receivables and payables and long term foreign currency loans and borrowings with variable interest rates and negligible credit risk change due to borrowings close to year end are expected to approximate to the carrying amounts.

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

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

Except as detailed in the following table, the directors consider the carrying amounts of the financial assets and financial liabilities recognised in the consolidated historical financial information approximate to their fair values.

	Note	As at 30 June 2017		As at 31 December 2016	
USD '000		**Carrying**	**Fair**	**Carrying**	**Fair**
Financial liabilities		**Amount**	**Value**	**Amount**	**Value**
Loans and borrowings	20	354,555	364,423	342,679	335,763

Loans and borrowings have been included in Level 2 of fair value hierarchy as they have been valued using quotes available for similar liabilities in the active market. The valuation technique and inputs used to determine the fair value of the loans and borrowings is based on discounted future cash flows and discount rates.

The fair value of loans and borrowings has been determined in accordance with the most significant inputs being discounted cash flow analysis and discount rates.

(Amounts expressed in thousand USD 000's ("USD'000"))

18 Fair values *(continued)*

Financial instruments at fair value

The table below analyses the valuation method of the financial instruments carried at fair value. The different levels have been defined as follows:

		Level 1	Level 2	Level 3	Total
As at 30 June 2017	Derivative financial liabilities	--	932	--	932
As at 31 December 2016	Derivative financial liabilities	--	1,131	--	1,131

19 Related parties

The related parties of the Group which are disclosed in this note comprised the following:

Related parties	Relationship
Mehmet Kutman	Shareholder of ultimate controlling party
Global Yatırım Holding	Ultimate controlling party
Global Ports Holding PLC ("GPH PLC")	Parent Company
Global Sigorta Aracılık Hizmetleri A.Ş. ("Global Sigorta")	Ultimate controlling party's subsidiary
IEG Kurumsal Finansal Danışmanlık A.Ş.	Ultimate controlling party's subsidiary
Global Menkul Değerler A.Ş. ("Global Menkul")	Ultimate controlling party's subsidiary
Adonia Shipping	Ultimate controlling party's subsidiary
Naturel Gaz	Ultimate controlling party's subsidiary

All the related party transactions between the company and its subsidiaries have been eliminated on consolidation, and are therefore not disclosed in this note.

Due from related parties

As at 30 June 2017 and 31 December 2016, current receivables from related parties comprised the following:

Current receivables from related parties	30 June 2017	31 December 2016
Global Yatırım Holding (*)	--	29,058
Adonia Shipping (**)	1,098	1,066
Naturel Gaz (**)	76	69
Mehmet Kutman	26	26
Others	1,777	1,282
Total	**2,977**	**31,501**

(*) The receivable from Global Yatırım Holding comprises charges and expenses incurred by the subsidiaries of the Group on behalf of Global Yatırım Holding prior to 2014. The full amount of $29.1m that was receivable at 31 December 2016 has subsequently been paid in full on IPO date.

(**) These amounts are related with the work advances. The charged interest rate is 9.75% as at 30 June 2017 (31 December 2016: 10.50%).

(Amounts expressed in thousand USD 000's ("USD'000"))

19 Related parties *(continued)*

Due to related parties

As at 30 June 2017 and 31 December 2016, current payables to related parties comprised the following:

Current payables to related parties	30 June 2017	31 December 2016
Global Yatırım Holding	161	--
GPH PLC	3,407	--
Mehmet Kutman	205	204
Global Sigorta (*)	76	356
Global Menkul (*)	2	21
Other	46	--
Total	**3,897**	**581**

(*) These amounts are related to professional services taken. The charged interest rate is 9.75% as at 30 June 2017 (31 December 2016: 10.50%).

Transactions with related parties:

For the six months ended 30 June, significant transactions with other related parties comprised the following:

	2017		2016	
	Interest received	Other	Interest received	Other
Global Yatırım Holding	1,115	--	1,392	--
Total	**1,115**	**--**	**1,392**	**--**

	2017		2016	
	Interest Paid	Other	Interest Paid	Other
Global Yatırım Holding	--	1	8	2
Global Menkul	--	--	--	--
Total	**--**	**1**	**8**	**2**

For the six months ended 30 June 2017, the Group recognized interest income on Global Yatırım Holding bonds amounting to USD 936 thousand (30 June 2016: USD 1,120 thousand). For the six months ended. 30 June 2017, the effective interest rate was 13.45% (30 June 2016: 14.95%).

For the six months ended 30 June 2017, the Group has no purchase and sale transactions on Global Yatırım Holding's publicly traded share certificates (30 June 2016: a gain of USD 340).

Transactions with key management personnel

For the six months ended 30 June, details of benefits to key management personnel comprised the following:

	2017	2016
Salaries	917	1,081
Bonus	--	11
Attendance fees to Board of Directors	69	158
Other	17	26
Total	**1,003**	**1,276**

20 Events after reporting date

None.