**Global Liman İşletmeleri Anonim Şirketi**
**and its Subsidiaries**

Condensed Consolidated Interim
Financial Information
As at and for the Six Months Ended
30 June 2016

This report includes 44 pages of condensed consolidated interim financial information together with their explanatory notes

Deloitte.

DRT Bağımsız Denetim ve
Serbest Muhasebeci
Mali Müşavirlik A.Ş.
Maslak no1 Plaza
Eski Büyükdere Caddesi
Maslak Mahallesi No:1
Maslak, Sarıyer 34398
İstanbul, Türkiye

Tel : +90 (212) 366 6000
Fax : +90 (212) 366 6010
www.deloitte.com.tr

Mersis No: 0291001097600016
Ticari Sicil No : 304099

# 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 2016 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 condensed 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, 17 August 2016

# Global Liman İşletmeleri Anonim Şirketi and its Subsidiaries

**Table of Contents**

# Global Liman İşletmeleri A.Ş. and its Subsidiaries

## Condensed Consolidated Interim Statement of Financial Position

## As at 30 June 2016

*Currency: TL*

| | *Notes* | **30 June 2016** | **31 December 2015** |
|---|---|---|---|
| **Assets** | | | |
| Property and equipment | *11* | 351,921,364 | 348,247,559 |
| Intangible assets | *12* | 1,308,246,553 | 1,344,115,290 |
| Goodwill | *13* | 37,212,924 | 37,392,970 |
| Equity-accounted investees | *14* | 39,391,400 | 19,268,404 |
| Other investments | *15* | 22,232 | 22,232 |
| Deferred tax assets | | 14,619,130 | 11,060,395 |
| Other non-current assets | *17* | 37,502,742 | 37,934,916 |
| **Total non-current assets** | | **1,788,916,345** | **1,798,041,766** |
| | | | |
| Trade and other receivables | *16* | 39,114,065 | 31,404,662 |
| Due from related parties | *29* | 109,796,777 | 110,901,294 |
| Other investments | *15* | 40,836,326 | 49,159,145 |
| Other current assets | *17* | 28,821,918 | 23,743,361 |
| Cash and cash equivalents | *18* | 129,812,544 | 225,115,739 |
| **Total current assets** | | **348,381,630** | **440,324,201** |
| **Total assets** | | **2,137,297,975** | **2,238,365,967** |
| | | | |
| **Equity** | | | |
| Share capital | *22* | 74,323,982 | 74,323,982 |
| Reserves | *22* | 335,289,420 | 319,734,789 |
| Retained earnings | | 58,895,594 | 169,675,302 |
| **Equity attributable to owners of the Company** | | **468,508,996** | **563,734,073** |
| **Non-controlling interests** | | **246,928,146** | **244,066,978** |
| **Total equity** | | **715,437,142** | **807,801,051** |
| | | | |
| **Liabilities** | | | |
| Loans and borrowings | *19* | 896,672,006 | 914,521,489 |
| Other financial liabilities | | 4,691,155 | 4,651,920 |
| Derivative financial liabilities | | 4,480,793 | 2,771,205 |
| Deferred tax liabilities | | 293,905,243 | 302,884,650 |
| Provisions | *23* | 43,955,076 | 41,225,657 |
| Other liabilities | | 2,147,134 | 1,616,178 |
| Employee benefits | *21* | 4,424,570 | 4,255,299 |
| **Total non-current liabilities** | | **1,250,275,977** | **1,271,926,398** |
| | | | |
| Loans and borrowings | *19* | 110,834,705 | 106,478,192 |
| Trade and other payables | *20* | 48,972,544 | 42,641,272 |
| Other financial liabilities | | 1,554,416 | 759,767 |
| Due to related parties | *29* | 1,176,961 | 2,037,837 |
| Current tax liabilities | | 7,291,723 | 5,525,114 |
| Provisions | *23* | 1,754,507 | 1,196,336 |
| **Total current liabilities** | | **171,584,856** | **158,638,518** |
| **Total liabilities** | | **1,421,860,833** | **1,430,564,916** |
| **Total equity and liabilities** | | **2,137,297,975** | **2,238,365,967** |

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 Profit or Loss and Other Comprehensive Income

## For the Six Months Ended 30 June 2016

*Currency: TL*

| | Notes | 1 January-30 June 2016 | 1 January-30 June 2015 |
|---|---|---|---|
| Revenue | *6* | 153,927,146 | 120,621,537 |
| Cost of sales | *6* | (105,000,933) | (85,778,060) |
| **Gross profit** | | **48,926,213** | **34,843,477** |
| Other income | | 1,090,358 | 2,665,944 |
| Selling and marketing expenses | | (1,457,874) | (621,194) |
| Administrative expenses | *9* | (21,718,678) | (14,794,301) |
| Other expenses | *7* | (5,348,747) | (9,926,791) |
| **Operating profit** | | **21,491,272** | **12,167,135** |
| Finance income | *10* | 12,261,840 | 18,876,077 |
| Finance costs | *10* | (42,804,722) | (44,023,980) |
| **Net finance costs** | | **(30,542,882)** | **(25,147,903)** |
| Share of profit of equity-accounted investees, net of tax | *14* | 2,218,736 | 821,351 |
| **Loss before income tax** | | **(6,832,874)** | **(12,159,417)** |
| Income tax benefit | | 8,055,184 | 12,707,468 |
| **Profit for the period** | | **1,222,310** | **548,051** |
| ***Other comprehensive income*** | | | |
| **Items that will not be reclassified to profit or loss** | | | |
| Remeasurement of defined benefit liability | *21* | 11,019 | (47,978) |
| Related tax | | (2,204) | 9,596 |
| | | **8,815** | **(38,382)** |
| **Items that may be reclassified subsequently to profit or loss** | | | |
| Change in currency translation differences | *10* | 7,094,740 | 92,135,447 |
| Interest hedge – effective portion of changes in fair value | *10* | (1,686,216) | 1,096,742 |
| Gain/(loss) on hedging instruments designated in the hedges of the net assets of foreign operations | *22* | 2,624,571 | (81,780,250) |
| Related tax | | 421,554 | (274,186) |
| | | **8,454,649** | **11,177,754** |
| **Other comprehensive income for the period, net of income tax** | | **8,463,464** | **11,139,372** |
| **Total comprehensive income for the period** | | **9,685,774** | **11,687,423** |
| **Profit / (loss) attributable to:** | | | |
| Owners of the Company | | (637,125) | (1,332,596) |
| Non-controlling interests | | 1,859,435 | 1,880,647 |
| | | **1,222,310** | **548,051** |
| **Total comprehensive income attributable to:** | | | |
| Owners of the Company | | 4,405,925 | 622,306 |
| Non-controlling interests | | 5,279,849 | 11,065,117 |
| | | **9,685,774** | **11,687,423** |

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 2016

*Currency: TL*

| | Note | Share capital | Legal reserves | Hedging reserve | Translation reserves | Retained earnings | Total | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2016** | | 74,323,982 | 178,940,295 | (190,929,943) | 331,724,437 | 169,675,302 | 563,734,073 | 244,066,978 | 807,801,051 |
| **Total comprehensive income** | | | | | | | | | |
| Profit for the period | | -- | -- | -- | -- | (637,125) | (637,125) | 1,859,435 | 1,222,310 |
| Other comprehensive income | | -- | -- | 1,359,909 | 3,674,326 | 8,815 | 5,043,050 | 3,420,414 | 8,463,464 |
| **Total comprehensive income for the period** | | -- | -- | 1,359,909 | 3,674,326 | (1,276,548) | 4,405,925 | 5,279,849 | 9,685,774 |
| **Transactions with owners of the Company** | | | | | | | | | |
| **Contributions and distributions** | | | | | | | | | |
| Transfer | | -- | 5,276,659 | -- | -- | (5,276,659) | -- | -- | -- |
| Dividends | 22 | -- | 5,243,737 | -- | -- | (104,874,739) | (99,631,002) | (2,418,681) | (102,049,683) |
| **Total contributions and distributions** | | -- | 10,520,396 | -- | -- | (110,151,398) | (99,631,002) | (2,418,681) | (102,049,683) |
| **Balance at 30 June 2016** | | 74,323,982 | 189,460,691 | (189,570,034) | 335,398,763 | 58,895,594 | 468,508,996 | 246,928,146 | 715,437,142 |

| | Note | Share capital | Legal reserves | Hedging reserve | Translation reserves | Retained earnings | Total | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2015** | | 66,269,683 | 21,705,317 | (50,487,390) | 187,608,037 | 180,583,041 | 405,678,688 | 151,385,265 | 557,063,953 |
| **Total comprehensive income** | | | | | | | | | |
| Profit for the period | | -- | -- | -- | -- | (1,332,596) | (1,332,596) | 1,880,647 | 548,051 |
| Other comprehensive income | | -- | -- | (80,957,693) | 82,950,977 | (38,382) | 1,954,902 | 9,184,470 | 11,139,372 |
| **Total comprehensive income for the period** | | -- | -- | (80,957,693) | 82,950,977 | (1,370,978) | 622,306 | 11,065,117 | 11,687,423 |
| **Transactions with owners of the Company** | | | | | | | | | |
| **Contributions and distributions** | | | | | | | | | |
| Transfer | | -- | (3,194,570) | -- | -- | 3,194,570 | -- | -- | -- |
| Dividends | 22 | -- | 2,756,947 | -- | -- | (55,138,947) | (52,382,000) | (6,998,518) | (59,380,518) |
| **Total contributions and distributions** | | -- | (437,623) | -- | -- | (51,944,377) | (52,382,000) | (6,998,518) | (59,380,518) |
| **Balance at 30 June 2015** | | 66,269,683 | 21,267,694 | (131,445,083) | 270,559,014 | 127,267,686 | 353,918,994 | 155,451,864 | 509,370,858 |

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 2016
*Currency: TL*

| | *Notes* | 2016 | 2015 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit for the period | | 1,222,310 | 548,051 |
| **Adjustments for** | | | |
| Depreciation and amortization expense | *11, 12* | 59,336,661 | 49,038,876 |
| Share of profit of equity-accounted investees, net of tax | *14* | (2,218,736) | (821,351) |
| Interest expense | *10* | 36,671,782 | 31,021,022 |
| Interest income | *10* | (4,994,621) | (3,434,764) |
| Income tax benefit recognized in profit or loss | | (8,055,184) | (12,707,468) |
| Unrealized foreign exchange differences on loans and borrowings | | 727,950 | 12,378,361 |
| **Operating cash flow before changes in operating assets and liabilities** | | **82,690,162** | **76,022,727** |
| Changes in: | | | |
| - employment termination indemnity | | 424,737 | 453,010 |
| - trade and other receivables | | (7,674,772) | (26,645,485) |
| - other current assets | | (5,131,466) | 8,025,437 |
| - other non-current assets | | (958,164) | (354,457) |
| - trade and other payables | | 6,987,019 | 9,079,568 |
| - provisions | | 3,287,590 | 6,341,284 |
| **Cash generated (used in) / from operating activities** | | **79,625,106** | **72,922,084** |
| Employee benefits paid | *21* | (345,261) | (140,302) |
| Income taxes paid | | (2,429,577) | (4,522,724) |
| **Net cash from operating activities** | | **76,850,268** | **68,259,058** |
| | | | |
| **Investing activities** | | | |
| Acquisition of property and equipment | *11* | (15,783,252) | (13,819,567) |
| Acquisition of intangible assets | *12* | (191,704) | (153,677) |
| Proceeds from sale of property and equipment | | -- | 202,150 |
| Change in financial investments | | 11,592,487 | (223,454) |
| Interest received | | 932,436 | 323,510 |
| Acquisition of other investment | | (16,243,919) | -- |
| Advances given for tangible assets | | (121,293) | (1,328,213) |
| **Net cash used in investing activities** | | **(19,815,245)** | **(14,999,251)** |
| | | | |
| **Financing activities** | | | |
| Change in due from related parties | | 1,897,034 | 52,319,092 |
| Changes in due to related parties | | (860,876) | 78,900 |
| Dividends paid | *22* | (99,631,002) | (59,380,518) |
| Interest paid | | (34,528,607) | (24,021,435) |
| Proceeds from borrowings | | 9,425,027 | 4,654,257 |
| Repayments of borrowings | | (23,568,160) | (21,532,093) |
| **Net cash used in financing activities** | | **(147,266,584)** | **(47,881,797)** |
| Effect of movements in exchange rates on cash held | | (5,158,296) | (13,283,250) |
| **Net decrease in cash and cash equivalents** | | **(95,389,857)** | **(7,905,240)** |
| **Cash and cash equivalents at 1 January** | *18* | 212,384,104 | 103,514,972 |
| **Cash and cash equivalents at 30 June** | *18* | **116,994,247** | **95,609,732** |

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

## Notes to the condensed consolidated interim financial information

## 1 Reporting entity

Global Altyapı Hizmetleri ve İşletmecilik A.Ş. was originally incorporated to invest in Global Yatırım Holding A.Ş. ("Global Yatırım Holding")'s infrastructure projects in Istanbul, Turkey in 2004. On 13 September 2007, Global Altyapı Hizmetleri ve İşletmecilik A.Ş. changed its trade name to Global Liman İşletmeleri A.Ş. ("Global Liman" or "the Company"). The main operation of the Company is to invest in the capital and management of companies that operate or will operate in the ports and port management industry.

Global Liman and its subsidiaries are together referred to as "the Group".

As at 30 June 2016 and 31 December 2015, 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"). Global Yatırım Holding was established in 1990 with the trade name Global Menkul Değerler A.Ş. as a brokerage company in Istanbul, Turkey. In 2004, Global Menkul Değerler A.Ş. changed its trade name to Global Yatırım Holding A.Ş. and changed its field of activity into that of a holding company. The main activity of Global Yatırım Holding is to participate in the capital and management of companies that operate or will operate in the fields of finance, energy, infrastructure and transportation and to minimize the volatility of its investments against economic fluctuations by handling the capital expenditure, financing, organization and administration of those companies within a portfolio, while contributing to the achievement of sustainable growth and ensuring the going concern of those companies to the benefit of the national economy, and to engage in commercial, industrial and financial activities in line with these goals.

Global Yatırım Holding is registered with the Capital Market Board of Turkey ("CMB") and its shares have been traded on the Istanbul Stock Exchange (Borsa Istanbul - "BIST") since May 1995 (From May 1995 to October 2004, traded as Global Menkul Değerler A.Ş.).

As at 30 June 2016, the number of employees of the Group was 680 (31 December 2015: 702). 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 Melita Ltd. ("GP Malta") | Malta | Port investments |
| Valetta Cruise Port PLC ("VCP") | Valetta – Malta | Port operations |
| Global Depolama A.Ş. ("Global Depolama") | İstanbul-Turkey | Storage |
| Randa Denizcilik San. ve Tic. Ltd. Şti. ("Randa") | Antalya-Turkey | Marine vehicle trade |

## 1 Reporting entity *(continued)*

*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.

*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 2016 and 31 December 2015, shareholders of the remaining 30% and 10% of the shares of Bodrum Liman are Yüksel Çağlar and Setur Servis Turistik A.Ş. ("Setur"), respectively.

## 1 Reporting entity *(continued)*

*Port of Bar*

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. BPI was recognized in equity-accounted investee in the condensed consolidated interim statement of profit or loss and other comprehensive income for the six months ended 30 June 2014.

However, 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.

*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.

*Global Depolama*

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

*Randa*

Randa was acquired by Global Liman on 17 February 2011 for the purpose of marine vehicle trade for a consideration of Euro 10,000. As at 30 June 2016 and 31 December 2015, Randa is inactive and is excluded from the scope of consolidation.

## 1 Reporting entity *(continued)*

The nature of the operations and the locations of the equity-accounted investees of the Company are listed below:

| Equity-accounted investees | Locations | Operations |
|---|---|---|
| LCT - Lisbon Cruise Terminals, LDA ("Port of Lisbon") (*) | Portugal | Port operations |
| SATS – Creuers Cruise Services Pte. Ltd. (" Singapore Port") (**) | Singapore | Port operations |
| Venezia Investimenti Srl. (Venice Investment") (***) | Italy | Port investments |

(*) The Group has entered into the concession agreement of Lisbon Cruise Port within the framework of a public-service concession on 18 July 2014 as a part of the consortium comprised of Global Liman, RCCL, Creuers and Group Sousa – Investimentos SGPS, LDA.

(**) The operation right of Lisbon Cruise Port has been transferred by the Port Authority of Lisbon to LCT-Lisbon Cruise Terminals, LDA, which was established by the Consortium, on 26 August 2014. The Group has a 46.2% effective interest in Port of Lisbon as at 30 June 2016. Port of Lisbon has been recognized as equity-accounted investee in the condensed consolidated interim financial statements as at and for the six months ended 30 June 2016, and in the consolidated financial statements for the year ended 31 December 2015.

(***) Venezia Investimenti Srl is an international consortium formed for investing in Venezia Terminal Passegeri S.p.A (VTP). The international consortium formed by Global Ports Holding (GPH), Costa Costa Crociere SpA, MSC Cruises SA and Royal Caribbean Cruises Ltd each having 25% share of the Company. Please see Note 30 for further details of the transaction.

## 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 2015. 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").

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 and Malta maintain their books of account and prepare their statutory financial statements in Euro in accordance with their respective local laws. The accompanying condensed consolidated interim financial information is based on this statutory record with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRSs.

### (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 2015.

## 2 Basis of preparation *(continued)*

### (c) New standards and interpretations not yet adopted

The IASB issued Annual Improvements to IFRSs - 2012–2014 Cycle. The amendments are effective as of 1 January 2016. Earlier application is permitted. The Group does not expect that these amendments will have significant impact on the consolidated financial position or performance of the Group and does not plan to adopt early.

### (d) Comparative information and restatement of prior period financial statements

Consolidated financial statements of the Group have been prepared comparatively with the prior period in order to give information about financial position and performance. Comparative information has been reclassified in the prior year's consolidated financial statements in order to maintain consistency and compatibility with current year consolidated financial statements. These reclassifications have no effect over the prior period's equity and net profit/ (loss) accounts. As at 31st December 2015, TL 5,029,659 has been reclassified under "Other non-current assets" which was previously classified under non-current portion of "Due from related parties"; TL 4,362,600 has been reclassified from "Other current assets" to "Other non-current assets"; TL 1,616,178 has been reclassified under non-current portion of "Other liabilities" which was presented under non-current portion of "Other financial liabilities".

### (e) Functional and presentation currency

The accompanying consolidated financial statements are presented in TL which is Global Liman's functional currency and presentation currency for the Group. All financial information presented in TL has been rounded to the nearest digit.

Until 1 January 2016, US Dollar ("USD") was the most significant currency to the operations of Ege Liman and Bodrum Liman. Therefore, USD was determined as the functional currency of Ege Liman and Bodrum Liman in line with IAS 21 "The Effects of Changes in Foreign Exchange Rates". Due to change of sales prices and collections currency from USD to EUR for these subsidiaries, the change of functional currency of Ege Liman and Bodrum Liman has been considered. Group Management concluded that EUR is used to a significant extent in and has a significant impact on the operations of Ege Liman and Bodrum Liman and reflects the underlying transactions, events and conditions that are relevant to these subsidiaries. Therefore, Group Management decided to change the functional currency from USD to EUR for these subsidiaries starting from 1 January 2016 in accordance with IAS 21 "The Effects of Foreign Exchange Rates".

There has been no restatement in the financial statements and notes for prior periods as changes in the functional currency shall be applied prospectively in accordance with IAS 21 "The Effects of Foreign Exchange Rates". Assets and liabilities in the statement of financial position of Ege Liman and Bodrum Liman are translated into TL at the prevailing EUR exchange rates of the Central Bank of Turkish Republic as at 30 June 2016. The statements of profit or loss of these subsidiaries are translated into TL by using average EUR exchange rates. Foreign currency differences arising on translation into TL are recognized directly in the foreign currency translation reserve, as a separate component of equity.

## 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 2015.

## 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 operating segments are Kuşadası Port, Antalya Port, Bodrum Port, Port of Bar, Valetta Cruise Port and Creuers which are operated by Ege Liman, Ortadoğu Liman and Bodrum Liman, Port of Bar, Global BV and BPI, respectively. Other operations of the Group, which include Global Liman and Global Depolama, do not generate external revenues and therefore are presented to reconcile to the consolidated financial statements. Valetta Cruise Port was acquired at the end of 2015 and did not generate revenue for the Group in 2015.

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. EBITDA is not a financial measure defined by IFRS as a measurement of financial performance. The Group management assesses EBITDA as the most appropriate method for the review of the segment operations, based on comparability with other companies in the same industry.

The accounting policies of operating segment are the same as those described in the summary of significant accounting policies.

The reconciliation of EBITDA to profit before tax and elements of EBITDA are disclosed as follows.

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

As at and for the six months ended 30 June 2016, the details of reportable segments comprised the following:

| | Kuşadası Port | Antalya Port | Bodrum Port | Port of Bar | VCP | BPI | Other | Total |
|---|---|---|---|---|---|---|---|---|
| Segment assets | 206,958,888 | 772,177,752 | 25,505,916 | 177,580,544 | 285,610,111 | 491,662,774 | 138,410,590 | **2,097,906,575** |
| Equity-accounted investees | -- | -- | -- | -- | -- | 8,020,495 | 31,370,905 | **39,391,400** |
| Segment liabilities | 40,457,217 | 143,058,532 | 3,168,797 | 27,199,611 | 113,296,358 | 281,713,418 | 812,966,900 | **1,421,860,833** |
| Capital expenditures | 1,791,697 | 2,513,148 | 10,673 | 8,429,140 | 4,787,726 | 174,083 | 115,345 | **17,821,812** |
| | **Kuşadası Port** | **Antalya Port** | **Bodrum Port** | **Port of Bar** | **VCP** | **BPI** | **Other** | **Total** |
| External revenues | 16,979,499 | 76,017,698 | 2,489,468 | 13,757,063 | 15,145,488 | 29,537,930 | -- | **153,927,146** |
| EBITDA | 12,045,673 | 55,737,333 | 843,529 | 4,051,728 | 6,171,684 | 12,914,290 | (8,717,568) | **83,046,669** |
| Depreciation and amortization expense | (3,415,416) | (30,488,221) | (2,705,099) | (3,208,530) | (3,858,472) | (15,564,513) | (96,410) | **(59,336,661)** |
| Share of profit (loss) of equity-accounted investees | -- | -- | -- | -- | -- | 1,348,283 | 870,453 | **2,218,736** |
| Interest income | 3,133,717 | 1,674,763 | -- | 48,246 | -- | -- | 7,384,140 | **12,240,866** |
| Interest expense | (1,773,556) | (5,090,283) | (107,968) | (674,767) | (856,465) | (4,174,663) | (31,240,324) | **(43,918,026)** |

## 4 Segment reporting *(continued)*

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

As at 31 December 2015 statement of financial position details and for the six months 30 June 2015 profit or loss details of reportable segments comprised the following:

| | Kuşadası Port | Antalya Port | Bodrum Port | Port of Bar | VCP | BPI | Other | Total |
|---|---|---|---|---|---|---|---|---|
| Segment assets | 196,620,034 | 790,575,602 | 28,438,941 | 171,214,329 | 280,876,834 | 489,797,906 | 261,573,917 | **2,219,097,563** |
| Equity-accounted investees | -- | -- | -- | -- | -- | 6,189,975 | 13,078,429 | **19,268,404** |
| Segment liabilities | 39,064,759 | 149,323,921 | 4,484,180 | 30,250,205 | 112,514,696 | 281,326,652 | 813,600,503 | **1,430,564,916** |
| Capital expenditures | 1,566,750 | 12,655,954 | 311,377 | 5,126,059 | -- | 3,274,989 | 55,848 | **22,990,977** |

| | Kuşadası Port | Antalya Port | Bodrum Port | Port of Bar | VCP | BPI | Other | Total |
|---|---|---|---|---|---|---|---|---|
| External revenues | 15,361,672 | 67,309,915 | 2,491,585 | 11,620,620 | -- | 23,837,745 | -- | **120,621,537** |
| EBITDA | 12,649,859 | 47,475,640 | 582,944 | 2,835,780 | -- | 12,081,964 | (13,598,825) | **62,027,362** |
| Depreciation and amortization expense | (2,920,352) | (27,573,731) | (2,381,764) | (2,551,484) | -- | (13,564,602) | (46,943) | **(49,038,876)** |
| Share of profit (loss) of equity-accounted investees | -- | -- | -- | -- | -- | 652,445 | 168,906 | **821,351** |
| Interest income | 2,493,816 | 1,199,059 | 6,606 | -- | -- | 45,287 | 6,597,951 | **10,342,719** |
| Interest expense | (2,058,158) | (5,463,350) | (235,877) | (418,456) | -- | (4,314,601) | (25,438,535) | **(37,928,977)** |

## 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* | 2016 | 2015 |
|---|---|---|---|
| **Revenues** | | | |
| Total revenue for reportable segments | *6* | 153,927,146 | 120,621,537 |
| **Consolidated revenue** | | **153,927,146** | **120,621,537** |
| | | | |
| Consolidated EBITDA | | 83,046,669 | 62,027,362 |
| Finance income | *10* | 12,261,840 | 18,876,077 |
| Finance costs | *10* | (42,804,722) | (44,023,980) |
| Depreciation and amortization | | (59,336,661) | (49,038,876) |
| **Consolidated profit before income tax** | | **(6,832,874)** | **(12,159,417)** |
| | | | |
| **Interest income** | | | |
| Total interest income for reportable segments | | 12,240,866 | 10,342,719 |
| Elimination of inter-segments | | (7,246,245) | (6,907,955) |
| **Consolidated interest income** | *10* | **4,994,621** | **3,434,764** |
| | | | |
| **Interest expense** | | | |
| Total interest expense for reportable segments | | (43,918,027) | (37,928,977) |
| Elimination of inter-segments | | 7,246,245 | 6,907,955 |
| **Consolidated interest expense** | *10* | **(36,671,782)** | **(31,021,022)** |
| | | | |
| **Significant non-cash income / (expenses)** | | | |
| Share profit of equity-accounted investees | *14* | 2,218,736 | 821,351 |
| Depreciation and amortization | *11, 12* | (59,336,661) | (49,038,876) |
| **Total** | | **(57,117,925)** | **(48,217,525)** |

### *(iv) Geographic information*

The Port operations of the Group are managed on a worldwide basis, but operational ports and management offices primarily in Turkey, Montenegro, Spain, Malta and Singapore.

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 2016 | 30 June 2015 |
|---|---|---|
| **Turkey** | **95,486,665** | **85,163,172** |
| **All foreign countries** | **58,440,481** | **35,458,365** |
| Montenegro | 13,757,063 | 11,620,620 |
| Malta | 15,145,488 | -- |
| Spain | 29,537,930 | 23,837,745 |
| | **153,927,146** | **120,621,537** |

## 4 Segment reporting *(continued)*

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

***Assets***

| | 30 June 2016 | 31 December 2015 |
|---|---|---|
| **Turkey** | **1,143,053,146** | **1,277,208,494** |
| **All foreign countries** | **994,244,829** | **961,157,473** |
| Spain | 491,662,774 | 489,797,906 |
| Malta | 285,610,111 | 280,876,834 |
| Montenegro | 177,580,544 | 171,214,329 |
| Italy (equity – accounted investee) | 16,243,919 | -- |
| Singapore (equity-accounted investee) | 4,238,749 | 2,920,368 |
| Portugal (equity-accounted investee) | 18,908,732 | 16,348,036 |
| | **2,137,297,975** | **2,238,365,967** |

## 5 Acquisitions

### *(i)* ***Acquisition of Valetta Cruise Port***

As of 30 November 2015, the Group has purchased 55.60% shares of Valetta Cruise Port in Malta and as it was not practicable for VCP to prepare a separate set of financial statements for the consolidation as at 31 December 2015, the financial statements of VCP for the period ended 30 November 2015 has been included in the consolidated financial statements. If the acquisition had occurred on 1 January 2015, management estimates that consolidated revenue would have been TL 27,855 thousand, and consolidated profit for the year would have been TL 4,331 thousand more. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2015.

#### *a)* ***Consideration transferred***

The total acquisition cost amounting to TL 77,042,620 was totally paid in 2015.

#### *b)* ***Acquisition-related costs***

The Group incurred acquisition-related costs of TL 253,369 on legal fees and due diligence costs in 2015. These costs have been included in "other expenses" as project expenses.

#### *c)* ***Identifiable assets acquired and liabilities assumed***

The following tables summarize the recognized amounts of assets acquired and liabilities assumed at the acquisition date.

| *In TL as at 30 November 2015 (acquisition date)* | |
|---|---|
| Property and equipment | 84,558,698 |
| Port operation rights | 183,581,260 |
| Other investments | 275,816 |
| Other assets | 1,214,565 |
| Trade and other receivables | 4,197,365 |
| Cash and cash equivalents | 5,285,658 |
| Loans and borrowings | (34,977,423) |
| Other financial liabilities | (7,027,865) |
| Trade and other payables | (4,152,593) |
| Corporate taxes payable | (628,968) |
| Deferred income | (1,474,406) |
| Deferred tax liabilities | (62,489,969) |
| **Total identifiable net assets acquired** | **168,362,138** |

## 5 Acquisitions *(continued)*

### d) *Gain on bargain purchase*

| *In TL as at 30 November 2015 (acquisition date)* | *Note* | |
|---|---|---|
| Consideration transferred | *(a)* | 77,042,620 |
| Fair value of identifiable net assets | *(c)* | 168,362,138 |
| Fair value of identifiable net acquired assets (55.60%) | | 93,609,349 |
| **Gain on bargain purchase** | | **(16,566,729)** |

The acquisition of Valetta Cruise Port's interests contributed a net profit of TL 16,566,729 which was accounted for as gain on bargain purchase under other income for the year ended 31 December 2015.

| | |
|---|---|
| Consideration paid: | 77,042,620 |
| Cash associated with acquired assets (-) | 5,561,474 |
| **Net cash outflow** | 71,481,146 |

Global Liman as sole consolidator of cruise ports made close relationships with other cruise firms. The realized and expected growth in the operations due to the locations of other ports with Malta ensure a strong network in the Mediterranean Sea that would contribute to the value of the operations resulted in gain on bargain purchase as a result of the acquisition of Valetta Cruise Port.

## 6 Revenue and cost of sales

### Revenue

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

| | 2016 | 2015 |
|---|---|---|
| Container revenues | 56,083,740 | 46,313,336 |
| Port service revenues | 37,068,688 | 32,680,296 |
| Cargo revenues | 20,201,383 | 17,065,596 |
| Landing fees | 19,615,441 | 13,485,966 |
| Rent revenues (*) | 17,822,225 | 7,874,746 |
| Setur rent revenues | 925,871 | 1,035,070 |
| Domestic water sales | 1,070,803 | 1,215,658 |
| Other revenue | 1,138,995 | 950,869 |
| **Total** | **153,927,146** | **120,621,537** |

(*) Includes all rent revenues except Setur rent revenues.

Generally, the number of cruise liner port calls and cargo volumes 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.

### Cost of sales

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

| | 2016 | 2015 |
|---|---|---|
| Depreciation and amortization expenses | 54,675,693 | 46,908,871 |
| Personnel expenses | 19,493,758 | 16,815,587 |
| Commission fees to government authorities and pilotage expenses | 6,567,947 | 2,847,390 |
| Shopping mall expenses | 3,994,584 | 453,494 |
| Repair and maintenance expenses | 2,293,575 | 2,158,097 |
| Subcontractor crane expenses | 2,210,246 | 1,768,302 |
| Security expenses | 2,117,448 | 2,031,297 |
| Subcontractor lashing expenses | 2,000,790 | 1,978,149 |
| Insurance expenses | 1,669,152 | 1,057,082 |
| Port energy usage expenses | 1,157,557 | 1,043,191 |
| Fuel expenses | 903,466 | 1,129,210 |
| Container transportation expenses | 845,048 | 1,011,252 |
| Tugboat rent expenses | 807,423 | 703,490 |
| Fresh water expenses | 692,425 | 818,760 |
| Port rental expenses | 328,109 | 171,607 |
| Waste removal expenses | 120,329 | 374,682 |
| Other expenses | 5,123,383 | 4,507,599 |
| **Total** | **105,000,933** | **85,778,060** |

## 7 Other expenses

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

| | 2016 | 2015 |
|---|---|---|
| Project expenses (*) | 4,095,404 | 8,066,995 |
| Concession fee expense | 732,645 | 642,960 |
| Taxes other than on income | 19,279 | 394,560 |
| Other | 501,419 | 822,276 |
| **Total** | **5,348,747** | **9,926,791** |

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

## 8 Taxation on income

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

| | 2016 | 2015 |
|---|---|---|
| Balance at 1 January | **(291,824,255)** | **(215,601,847)** |
| Deferred tax benefit in profit or loss | 12,251,370 | 3,077,076 |
| Effect of change in tax rate | -- | 15,269,263 |
| Currency translation difference | 286,772 | (21,963,518) |
| **Balance as at 30 June** | **(279,286,113)** | **(219,219,026)** |

## 9 Administrative expenses

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

| | 2016 | 2015 |
|---|---|---|
| Personnel expenses | 7,473,858 | 5,851,469 |
| Depreciation and amortization expenses | 4,660,968 | 2,130,005 |
| Consultancy expenses | 3,221,774 | 2,435,984 |
| Taxes other than on income | 1,435,118 | 967,862 |
| Travelling expenses | 1,129,361 | 645,770 |
| Representation expenses | 1,115,677 | 1,125,072 |
| Communication expenses | 354,100 | 210,688 |
| IT expenses | 281,518 | 276,521 |
| Vehicle expenses | 242,853 | 200,352 |
| Stationary expenses | 139,171 | 119,308 |
| Office operating expenses | 116,035 | 125,500 |
| Rent expenses | 112,710 | 22,004 |
| Repair and maintenance expenses | 74,437 | 73,457 |
| Other expenses | 1,361,098 | 610,309 |
| **Total** | **21,718,678** | **14,794,301** |

## 10 Finance income and costs

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

| **Finance income** | **2016** | **2015** |
|---|---|---|
| Foreign exchange gain | 6,269,452 | 14,953,303 |
| Interest income on marketable securities (*) | 3,269,668 | 3,247,186 |
| Interest income on related parties | 792,517 | -- |
| Interest income on banks and others | 884,927 | 187,578 |
| Interest income from housing loans | 47,509 | 41,596 |
| Gain on financial instruments | -- | 252,500 |
| Gain on sale of marketable securities | 997,767 | 193,914 |
| **Total** | **12,261,840** | **18,876,077** |

(*) 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** | **2016** | **2015** |
|---|---|---|
| Interest expense on loans and borrowings | 36,139,177 | 30,533,843 |
| Foreign exchange losses | 4,133,226 | 11,376,688 |
| Other interest expense | 532,605 | 487,179 |
| Letter of guarantees commission expenses | 30,538 | 33,594 |
| Other | 1,969,176 | 1,592,676 |
| **Total** | **42,804,722** | **44,023,980** |

For the six months ended 30 June, finance income and costs accounted for in other comprehensive income comprised the following:

| | **2016** | **2015** |
|---|---|---|
| Foreign currency translation differences | 7,094,740 | 92,135,447 |
| Gain/(loss) on hedging instruments designated in the hedges of the net assets of foreign operations, net of tax | 2,624,571 | (81,780,249) |
| Cash flow hedge, net of tax | (1,264,662) | 822,556 |
| **Total** | **8,454,649** | **11,177,754** |

## 11 Property and equipment

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

| | **2016** | **2015** |
|---|---|---|
| **Net book value as at 1 January** | 348,247,559 | 221,996,571 |
| Additions (*) | 17,630,108 | 13,819,567 |
| Disposals | -- | (59,483) |
| Depreciation | (14,913,235) | (11,736,201) |
| Currency translation differences | 956,932 | 25,766,312 |
| **Net book value as at 30 June** | **351,921,364** | **249,786,766** |

(*) 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 2016 and 2015.

## 11 Property and equipment *(continued)*

As at 30 June 2016, the net book value of machinery and equipment purchased through finance leases amounts to TL 7,871,865 (30 June 2015: TL 8,960,457) and the net book value of motor vehicles purchased through leasing amounts to TL 32,064,738 (30 June 2015: TL 11,627,894), and the net book value of furniture fixture purchased through leasing amounts to TL 690,198 (30 June 2015: None). In 2016, the capital expenditures amounting to TL 1,846,856 was through finance leases (30 June 2015: None).

As at 30 June 2016 and 31 December 2015, according to the "TOORA" signed with Ege Liman and Ortadoğu Liman and the "BOT" tender agreement signed with Bodrum Liman, at the end of the agreement periods, real estate with their capital improvements will be returned as running, clean, free of any liability and free of charge. The details of the pledge or mortgage on property and equipment regarding the loans and borrowings are explained on Note 19.

For the six months ended 30 June 2016 and year ended 31 December 2015, there is no capitalized borrowing cost on property and equipment.

As at 30 June 2016, the insured amount of property and equipment amounts to TL 550,546,721 (2015: TL 521,241,490).

## 12 Intangible assets

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

| | 2016 | 2015 |
|---|---|---|
| **Net book value as at 1 January** | 1,344,115,290 | 1,048,418,490 |
| Additions | 191,704 | 153,677 |
| Disposals | -- | (142,667) |
| Amortization | (44,423,426) | (37,302,675) |
| Currency translation differences | 8,362,985 | 107,400,843 |
| **Net book value as at 30 June** | **1,308,246,553** | **1,118,527,668** |

## 13 Goodwill

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

| | 2016 | 2015 |
|---|---|---|
| **Net book value as at 1 January** | **37,392,970** | **29,822,038** |
| Currency translation differences | (180,046) | 4,724,920 |
| **Net book value as at 30 June** | **37,212,924** | **34,546,958** |

As at 30 June 2016 and 31 December 2015, goodwill included in the consolidated financial statements relates to the acquisition of Ege Liman.

As at 31 December 2015, the Group tested impairment by comparing the goodwill from the acquisition of Ege Liman with the values in use of the cash generating units and concluded that no impairment exists.

## 14 Equity-accounted investees

At 30 June 2016 and 31 December 2015, Port of Lisbon and Singapore are equity accounted investees in which the Group participates.

The following table summarizes the financial information of Port of Lisbon and Singapore Port as included in the condensed consolidated interim financial statements as at 30 June 2016. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in Venezia Investimenti, Port of Lisbon and Singapore Port.

| *In TL* | Venezia Investimenti | Port of Lisbon | Singapore Port |
|---|---|---|---|
| *Percentage ownership effective interest* | 25% | 50% | 40% |
| Non-current assets | -- | 18,506,134 | 9,856,101 |
| Current assets | 64,975,676 | 29,489,044 | 18,445,074 |
| Non-current liabilities | -- | -- | (8,051,102) |
| Current liabilities | -- | (10,177,714) | (9,653,201) |
| Net assets (100%) | 64,975,676 | 37,817,464 | 10,596,872 |
| Group's share of net assets | 16,243,919 | 18,908,732 | 4,238,749 |
| **Carrying amount of interest in equity accounted investees** | **16,243,919** | **18,908,732** | **4,238,749** |
| Revenue | -- | 5,775,447 | 15,868,489 |
| Expenses | -- | (3,599,314) | (13,041,816) |
| Profit (100%) | -- | 2,176,133 | 2,826,673 |
| **Group's share of profit** | -- | **1,088,067** | **1,130,669** |

For the six months ended 30 June 2016, the Group's share of profit is set out below:

| *In TL* | Net profit |
|---|---|
| Port of Lisbon | 1,088,067 |
| Singapore Port | 1,130,669 |
| **Group's share of profit** | **2,218,736** |

The following table summarizes the financial information of Port of Lisbon and Singapore Port as included in the condensed consolidated interim statement of financial position as at 31 December 2015.

| *In TL* | Port of Lisbon | Singapore Port |
|---|---|---|
| *Percentage ownership effective interest* | 50% | 40% |
| Non-current assets | 6,822,572 | 11,136,101 |
| Current assets | 31,499,333 | 11,090,060 |
| Non-current liabilities | -- | (8,425,133) |
| Current liabilities | (5,625,833) | (6,500,108) |
| Net assets (100%) | 32,696,072 | 7,300,920 |
| Group's share of net assets | 16,348,036 | 2,920,368 |
| **Carrying amount of interest in equity accounted investees** | **16,348,036** | **2,920,368** |

At 30 June 2015, BPI was the only equity accounted investee in which the Group participated. The following table summarizes the Group's share of profit for the six months ended 30 June 2015.

| *In TL* | Net profit |
|---|---|
| Port of Lisbon | 211,133 |
| Singapore Port | 610,218 |
| **Group's share of profit** | **821,351** |

## 15 Other investments

*Financial assets available for sale*

As at 30 June 2016 and 31 December 2015, financial assets available for sale comprised the following:

| | 30 June 2016 | 31 December 2015 |
|---|---|---|
| Global Yatırım Holding bonds | 40,093,737 | 41,678,871 |
| Time deposits with maturity more than three months | 166,784 | 439,299 |
| Other bonds | 128,475 | 406,176 |
| Share certificates | 72,000 | -- |
| Other financial assets | 375,330 | 6,634,799 |
| **Total** | **40,836,326** | **49,159,145** |

The Group has purchased Global Yatırım Holding's bonds. As at 30 June 2016, the bonds' maturity is 30 June 2017 with an annual nominal interest rate of 11% and a nominal amount of USD 14,240,000 (31 December 2015: the bonds' maturity is 30 June 2017, annual nominal interest rate of 11% and a nominal amount of USD 14,240,000).

As at 30 June 2016 and 31 December 2015, investments in equity instruments that are not quoted in an active market comprised the following:

| | 30 June 2016 | | 31 December 2015 | |
|---|---|---|---|---|
| | Share Ratio (%) | Book Value | Share Ratio (%) | Book Value |
| Randa (*) | 99.99 | 22,232 | 99.99 | 22,232 |
| **Total** | | **22,232** | | **22,232** |

(*) Randa was purchased by Global Liman on 17 February 2011 for a consideration of Euro 10,000. As at 30 June 2015, Randa is inactive and is excluded from the scope of consolidation.

## 16 Trade and other receivables

As at 30 June 2016 and 31 December 2015, trade and other receivables comprised the following:

| | 30 June 2016 | 31 December 2015 |
|---|---|---|
| Trade receivables | 37,698,547 | 30,078,666 |
| Due from subsidiaries' other shareholders | 135,575 | 32,018 |
| Deposits and advances given | 127,815 | 40,136 |
| Other receivables | 1,152,128 | 1,253,842 |
| **Total trade and other receivables** | **39,114,065** | **31,404,662** |

As at 30 June 2016 and 31 December 2015, trade receivables comprised the following:

| | 30 June 2016 | 31 December 2015 |
|---|---|---|
| Receivables from customers | 37,698,547 | 30,078,666 |
| Doubtful receivables | 3,333,690 | 3,256,178 |
| Allowance for doubtful receivables (-) | (3,333,690) | (3,256,178) |
| **Total** | **37,698,547** | **30,078,666** |

## 16 Trade and other receivables *(continued)*

Movements in the allowance for doubtful trade receivables for the six months ended 30 June comprised the following:

| | 2016 | 2015 |
|---|---|---|
| Balance at 1 January | (3,256,178) | (2,050,904) |
| Allowance for the period | (222,728) | (163,896) |
| Collections | 1,463 | 105,419 |
| Currency translation differences | (17,849) | (759,498) |
| Write off during period | 161,602 | -- |
| **Balance as at 30 June** | **(3,333,690)** | **(2,868,879)** |

As at 30 June 2016 and 31 December 2015, current trade receivables mature between 0-1 months.

Bad debt expense on doubtful receivables is recognized in administrative expenses.

## 17 Other assets

### Other non-current assets

As at 30 June 2016 and 31 December 2015, other non-current assets comprised the following:

| | 30 June 2016 | 31 December 2015 |
|---|---|---|
| Prepaid expenses | 10,612,737 | 12,489,658 |
| Housing loans given to personnel (*) | 8,865,713 | 8,980,684 |
| Advances given | 12,737,055 | 11,394,444 |
| Deposits and guarantees given | 40,506 | 40,471 |
| Other | 5,246,731 | 5,029,659 |
| **Total** | **37,502,742** | **37,934,916** |

(*) As a state-owned company before being acquired by the Group, the Port of Bar had granted housing loans to its personnel.

### Other current assets

As at 30 June 2016 and 31 December 2015, other current assets comprised the following:

| | 30 June 2016 | 31 December 2015 |
|---|---|---|
| Advances given | 9,724,183 | 8,391,360 |
| Prepaid expenses | 9,022,597 | 8,884,346 |
| Value added tax (“VAT”) | 2,031,212 | 3,441,934 |
| Current income tax receivable | 4,574,483 | -- |
| Prepaid taxes | 86,482 | 458,431 |
| Other | 3,382,961 | 2,567,290 |
| **Total** | **28,821,918** | **23,743,361** |

## 18 Cash and cash equivalents

As at 30 June 2016 and 31 December 2015, cash and cash equivalents comprised the following:

| | 30 June 2016 | 31 December 2015 |
|---|---|---|
| Cash on hand | 1,265,206 | 279,702 |
| Cash at banks | 119,412,617 | 218,871,160 |
| *- Demand deposits* | *58,808,929* | *127,931,803* |
| *- Time deposits* | *60,603,688* | *90,939,357* |
| Receivables from reverse repurchase agreements | 8,282,723 | 5,964,877 |
| Other cash and cash equivalents | 851,998 | -- |
| **Cash and cash equivalents** | **129,812,544** | **225,115,739** |

| | 30 June 2016 | 31 December 2015 |
|---|---|---|
| Cash and cash equivalents | 129,812,544 | 225,115,739 |
| Restricted cash | (12,818,297) | (12,731,635) |
| **Cash and cash equivalents for cash flow statement purposes** | **116,994,247** | **212,384,104** |

As at 30 June 2016 and 31 December 2015, maturities of time deposits comprised the following:

| | 30 June 2016 | 31 December 2015 |
|---|---|---|
| Up to 1 month | 60,603,688 | 90,939,357 |
| **Total** | **60,603,688** | **90,939,357** |

As at 30 June 2016 and 31 December 2015, the ranges of interest rates for time deposits are as follows:

| | 30 June 2016 | 31 December 2015 |
|---|---|---|
| Interest rate for time deposit-TL (lowest) | 8.25% | 13.00% |
| Interest rate for time deposit-TL (highest) | 9.25% | 13.00% |
| Interest rate for time deposit-USD (lowest) | -- | 0.25% |
| Interest rate for time deposit-USD (highest) | -- | 0.25% |
| Interest rate for time deposit-EUR (lowest) | 0.01% | 0.10% |
| Interest rate for time deposit-EUR (highest) | 0.01% | 0.10% |

As at 30 June 2016, cash at banks amounting to TL 12,818,297 (31 December 2015: TL 12,731,635) is restricted due to the bank loans guarantees and subscription guarantees.

## 19 Loans and borrowings

As at 30 June 2016 and 31 December 2015, loans and borrowings comprised the following:

| **Short term loans and borrowings** | **30 June 2016** | **31 December 2015** |
|---|---|---|
| Short term portion of Eurobond issued | 55,942,455 | 56,219,614 |
| *- USD borrowings with fixed interest rates* | *55,942,455* | *56,219,614* |
| Short term bank loans | 8,202,883 | 9,288,935 |
| *- TL loans* | *892,147* | *295,175* |
| *- Loans denominated in other currencies* | *7,310,736* | *8,993,760* |
| Short term portion of long term bank loans | 41,962,401 | 36,816,802 |
| *- Loans denominated in other currencies* | *41,962,401* | *36,816,802* |
| Finance lease obligations | 4,726,966 | 4,152,841 |
| **Total** | **110,834,705** | **106,478,192** |

| **Long term loans and borrowings** | **30 June 2016** | **31 December 2015** |
|---|---|---|
| Long term Eurobond issued | 674,756,295 | 678,119,076 |
| *- USD borrowings with fixed interest rates* | *674,756,295* | *678,119,076* |
| Long term bank loans | 211,394,157 | 225,162,399 |
| *- Foreign currency loans* | *211,394,157* | *225,162,399* |
| Finance lease obligations | 10,521,554 | 11,240,014 |
| **Total** | **896,672,006** | **914,521,489** |

As at 30 June 2016 and 31 December 2015, maturity profile of loans and borrowings comprised the following:

| **Year** | **30 June 2016** | **31 December 2015** |
|---|---|---|
| Between 1-2 years | 53,920,561 | 90,336,485 |
| Between 2-3 years | 84,019,884 | 85,670,118 |
| Between 3-4 years | 80,908,652 | 82,296,609 |
| Over 5 years | 667,301,355 | 644,978,263 |
| **Total** | **886,150,452** | **903,281,475** |

As at 30 June 2016 and 31 December 2015, maturity profile of finance lease obligations comprised the following:

| | **30 June 2016** | | | **31 December 2015** | | |
|---|---|---|---|---|---|---|
| | *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 | 5,200,666 | 473,700 | 4,726,966 | 4,661,731 | 508,890 | 4,152,841 |
| Between one and five years | 12,208,420 | 1,686,866 | 10,521,554 | 13,399,135 | 2,159,121 | 11,240,014 |
| **Total** | **17,409,086** | **2,160,566** | **15,248,520** | **18,060,866** | **2,668,011** | **15,392,855** |

## 19 Loans and borrowings *(continued)*

Details of the loans and borrowings as at 30 June 2016 are as follows:

| | | | | | | 30 June 2016 | |
|---|---|---|---|---|---|---|---|
| **Loans and borrowings type** | **Company name** | **Currency** | **Maturity** | **Interest type** | **Interest rate %** | **Principal (TL)** | **Carrying value (TL)** |
| Loans used to finance investments and projects | | | | | | | |
| Unsecured Eurobonds *(i)* | Global Liman | USD | 2021 | Fixed | 8.13 | 723,400,000 | 730,698,750 |
| Secured Loan *(ii)* | Barcelona Port Investments | EUR | 2023 | Floating | Euribor + 4.00 | 122,697,796 | 122,057,717 |
| Secured Loan *(iii)* | Malaga Cruise Port | EUR | 2025 | Floating | Euribor + 1.75 | 20,379,388 | 20,206,844 |
| Secured Loan | Valetta Cruise Port | EUR | 2029 | Floating | Euribor + 4.00 | 32,177,889 | 32,177,889 |
| Secured Loan (vii) | Global BV | EUR | 2020 | Floating | Euribor + 4.60 | 70,496,800 | 70,242,260 |
| Secured Loan | Bar Limanı | EUR | 2016 | Fixed | Euribor + 6.20 | 1,089,496 | 1,089,496 |
| Secured Loan | Bar Limanı | EUR | 2017 | Fixed | 8.20 | 681,058 | 684,788 |
| | | | | | | **970,922,427** | **977,157,744** |
| Loans used to finance working capital | | | | | | | |
| Unsecured Loan | Ege Liman | USD | 2017 | Fixed | 4.50 | 5,787,200 | 5,787,200 |
| Unsecured Loan | Ege Liman | USD | 2017 | Fixed | 1.30 | 892,147 | 892,147 |
| Unsecured Loan | Ege Liman | USD | 2017 | Fixed | 5.75 | 434,040 | 434,040 |
| Secured Loan *(ii)* | Barcelona Cruise Port | EUR | 2024 | Floating | Euribor + 4.00 | 7,686,529 | 7,509,797 |
| Secured Loan | Bar Limanı | EUR | 2017 | Fixed | 8.00 | 477,695 | 477,263 |
| | | | | | | **15,277,611** | **15,100,447** |
| Finance lease obligations | | | | | | | |
| Leasing *(iv)* | Ortadoğu Liman | USD | 2019 | Fixed | 7.35 | 3,733,331 | 3,733,331 |
| Leasing *(v)* | Ortadoğu Liman | USD | 2020 | Fixed | 7.35 | 790,926 | 790,926 |
| Leasing | Ortadoğu Liman | USD | 2018 | Fixed | 7.35 | 459,232 | 459,232 |
| Leasing | Ortadoğu Liman | USD | 2017 | Fixed | 7.35 | 325,247 | 325,247 |
| Leasing | Ortadoğu Liman | USD | 2019 | Fixed | 5.75 | 228,389 | 228,389 |
| Leasing | Ortadoğu Liman | USD | 2019 | Fixed | 7.35 | 64,410 | 64,410 |
| Leasing *(vi)* | Ege Liman | EUR | 2020 | Fixed | 7.75 | 7,614,435 | 7,614,435 |
| Leasing | Ege Liman | USD | 2020 | Fixed | 5.50 | 1,584,436 | 1,584,436 |
| Leasing | Ege Liman | USD | 2017 | Fixed | 6.50 | 146,432 | 146,432 |
| Leasing | Ege Liman | USD | 2018 | Fixed | 6.00 | 178,681 | 178,681 |
| Leasing | Ege Liman | USD | 2017 | Fixed | 5.75 | 44,833 | 44,833 |
| Leasing | Ege Liman | USD | 2017 | Fixed | 6.00 | 78,168 | 78,168 |
| | | | | | | **15,248,520** | **15,248,520** |
| | | | | | | **1,001,448,558** | **1,007,506,711** |

## 19 Loans and borrowings *(continued)*

Details of the loans and borrowings as at 31 December 2015 are as follows:

| | | | | | 31 December 2015 | | |
|---|---|---|---|---|---|---|---|
| **Loans and borrowings type** | **Company name** | **Currency** | **Maturity** | **Interest type** | **Interest rate %** | **Principal (TL)** | **Carrying value (TL)** |
| Loans used to finance investments and projects | | | | | | | |
| Unsecured Eurobonds *(i)* | Global Liman | USD | 2021 | Fixed | 8.13 | 726,900,000 | 734,338,690 |
| Unsecured Loan | Bodrum Liman | USD | 2016 | Fixed | 7.75 | 444,330 | 452,766 |
| Secured Loan *(ii)* | BPI | EUR | 2023 | Floating | Euribor + 4.00 | 129,997,036 | 126,327,865 |
| Secured Loan *(iii)* | Malaga Port | EUR | 2025 | Floating | Euribor + 1.75 | 21,171,510 | 21,066,895 |
| Secured Loan | VCP | EUR | 2026 | Floating | Euribor + 4.00 | 33,940,476 | 34,977,423 |
| Secured Loan (vii) | Global BV | EUR | 2020 | Floating | Euribor + 4.60 | 69,907,200 | 70,240,927 |
| Secured Loan | Port of Bar | EUR | 2015 | Floating | Euribor + 6.20 | 2,001,091 | 2,001,091 |
| Secured Loan | Port of Bar | EUR | 2017 | Fixed | 8.20 | 859,883 | 858,706 |
| | | | | | | **985,221,526** | **990,264,363** |
| Loans used to finance working capital | | | | | | | |
| Unsecured Loan | Global Liman | TL | 2016 | Fixed | 11.70 | 295,175 | 295,175 |
| Unsecured Loan | Ege Liman | USD | 2016 | Fixed | 6.25 | 2,907,600 | 2,776,649 |
| Unsecured Loan | Ege Liman | USD | 2016 | Fixed | 5.20 | 3,779,880 | 3,779,880 |
| Unsecured Loan | Ege Liman | USD | 2016 | Fixed | 5.75 | 436,140 | 436,140 |
| Secured Loan *(ii)* | Creuers | EUR | 2024 | Floating | Euribor + 4.00 | 7,622,242 | 7,435,533 |
| Secured Loan | Port of Bar | EUR | 2017 | Fixed | 8.00 | 619,710 | 619,086 |
| | | | | | | **15,660,747** | **15,342,463** |
| Finance lease obligations | | | | | | | |
| Leasing *(iv)* | Ortadoğu Liman | USD | 2019 | Fixed | 7.35 | 4,143,257 | 4,143,257 |
| Leasing *(v)* | Ortadoğu Liman | USD | 2020 | Fixed | 7.35 | 913,771 | 913,771 |
| Leasing | Ortadoğu Liman | USD | 2018 | Fixed | 7.35 | 604,068 | 604,068 |
| Leasing | Ortadoğu Liman | USD | 2017 | Fixed | 7.35 | 373,400 | 373,400 |
| Leasing | Ortadoğu Liman | USD | 2019 | Fixed | 5.75 | 339,730 | 339,730 |
| Leasing | Ortadoğu Liman | USD | 2019 | Fixed | 7.35 | 73,751 | 73,751 |
| Leasing *(vi)* | Ege Liman | EUR | 2020 | Fixed | 7.75 | 8,330,527 | 8,330,527 |
| Leasing | Ege Liman | USD | 2017 | Fixed | 6.50 | 215,318 | 215,318 |
| Leasing | Ege Liman | USD | 2018 | Fixed | 6.00 | 223,843 | 223,843 |
| Leasing | Ege Liman | USD | 2017 | Fixed | 5.75 | 61,078 | 61,078 |
| Leasing | Ege Liman | USD | 2017 | Fixed | 6.00 | 114,112 | 114,112 |
| | | | | | | **15,392,855** | **15,392,855** |
| | | | | | | **1,016,275,128** | **1,020,999,681** |

## 19 Loans and borrowings *(continued)*

The detailed information related to the significant loans borrowed by the Group is as follows:

*(i)* The sales process of the Eurobond issuances amounting to USD 250,000,000 with 7 years of maturity, and 8.125% coupon rate based on 8.250% reoffer yield was completed on 14 November 2014. The bonds are now quoted at Irish Stock Exchange.

Eurobonds contains the certain following covenants;

- If a concession termination event occurs at any time, Global Liman must offer to repurchase all of the notes pursuant to the terms set forth in the indenture (a "Concession Termination Event Offer"). In the Concession Termination Event Offer, the Issuer will offer a "Concession Termination Event Payment" in cash equal to 100% of the aggregate principal amount of Notes repurchased plus accrued and unpaid interest and Additional Amounts, if any, on the Notes repurchased, to the date of purchase (the "Concession Termination Event Payment Date"), subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant interest payment date.
- The consolidated leverage ratio would not exceed 5.0 to 1. Notwithstanding the foregoing clause (a), the Issuer and any Restricted Subsidiary will be entitled to Incur any or all of the following Indebtedness;
  - Indebtedness incurred by Global Liman ("the Issuer"), Ege Ports ("Guarantor") or Ortadoğu Liman ("Guarantor") pursuant to one or more credit facilities in an aggregate principal amount outstanding at any time not exceeding USD 5,000,000;
  - Purchase Money Indebtedness Incurred to finance the acquisition by the Issuer or a Restricted Subsidiary (all subsidiaries except Malaga Cruise Port and Lisbon Cruise Port) of assets in the ordinary course of business in an aggregate principal amount which, when added together with the amount of Indebtedness Incurred pursuant to this sub-clause and then outstanding, does not exceed USD 10,000,000;
  - (a) additional Indebtedness of the Issuer or any Guarantor (other than and in addition to Indebtedness permitted above) and (b) Port of Bar Indebtedness, provided, however, that the aggregate principal amount of Indebtedness outstanding at any time under sub-clauses (a) and (b) of this clause does not exceed USD 20,000,000; and provided further, that more than 50% in aggregate principal amount of any Port of Bar Indebtedness incurred pursuant to this clause is borrowed from the International Finance Corporation and/or the European Bank for Reconstruction and Development.

*(ii)* On 30 September 2014, BPI and Creuers have entered into a syndicated loan amounting to Euro 60,250,000. The tranche A of this loan, amounting to Euro 54,000,000, is paid every semester, at the end of June and December, being the last payment in 2023. Tranche B amounting Euro 3,851,000 has been paid at 10 October 2014. Tranche C amounting to Euro 2,399,000 has a single payment in 2024. The interest rate of this loan is Euribor 6m + 4.00%. The syndicated loan is subject to a number of financial ratios and restrictions, breach of which could lead to early repayment being requested. Under this loan, in the event of default, the shares of BPI and Creuers are pledged together with certain rights of these companies. The agreement includes terms about certain limitations on dividends payments, new investments, change in the control of the companies, change of the business, new loans, and disposal of assets.

*(iii)* On 12 January 2010, the Malaga Port obtained a Euro 9,000,000 loan from Unicaja to finance the construction of the new terminal. This loan had an 18-month grace period, it is linked to Euribor and has a term of 180 months from the agreement execution date. Mortgage has been taken out on the administrative concession to guarantee repayment of the loan principal and accrued interest thereon.

## 19 Loans and borrowings *(continued)*

*(iv)* On 12 June 2014, Ortadoğu Liman has signed a finance lease agreement for a port tugboat with the interest rate of 7.35% having the maturity of 16 July 2020.

*(v)* On 27 June 2014, Ortadoğu Liman has signed a finance lease agreement for a port forklift with the interest rate of 7.35% having the maturity of 16 August 2019.

*(vi)* On June 2014, Ege Liman has signed a finance lease agreement for financial investments with the interest rate of 7.75% with the maturity at 2020.

*(vii)* Global Ports Europe BV entered into a loan amounting to EUR 22,000, thousand in total on 16 November 2015 with a 6-year maturity, 12 months grace period and an interest rate of Euribor+4,60%. Principal and interest is paid twice, on May and November of each year. Under this loan agreement, in the event of default, the shares of Global Ports Europe BV are pledged in accordance with a share pledge agreement. The remaining principle amount of the loan as at 30 June 2016 is EUR 22,000 thousand (31 December 2015: EUR 22,000 thousand).

## 20 Trade and other payables

As at 30 June 2016 and 31 December 2015, current trade and other payables comprised the following:

| | **30 June 2016** | **31 December 2015** |
|---|---:|---:|
| Payables to suppliers | 25,359,325 | 18,056,884 |
| Due to subsidiaries' other shareholders | 8,756,583 | 6,773,803 |
| Taxes payable and social security contributions | 5,508,339 | 6,826,937 |
| Payables to personnel | 2,200,911 | 3,228,915 |
| Deposits received | 2,172,424 | 1,293,796 |
| Advances received | 2,133,769 | 1,483,823 |
| Deferred revenue | 1,415,316 | 1,483,288 |
| Expense accruals | 1,312,515 | 2,796,835 |
| Other | 113,362 | 696,991 |
| **Total** | **48,972,544** | **42,641,272** |

The Group's exposure to currency risk related to the trade and other payables is disclosed in Note 27.

## 21 Employee benefits

Under Turkish Labor Law, the Group is required to pay termination benefits to each employee who has completed certain years of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service and reaches the retirement age (58 for women and 60 for men)

The amount payable consists of one month's salary limited to a maximum of TL 4,092.53 for each period of service at 30 June 2016 (31 December 2015: TL 3,828.37).

Retirement pay liability is not subject to any kind of funding legally. Provision for retirement pay liability is calculated by estimating the present value of probable liability amount arising due to retirement of employees. IAS 19 *Employee Benefits* stipulates the development of company's liabilities by using actuarial valuation methods under defined benefit plans. In this direction, actuarial assumptions used in calculation of total liabilities are described as follows:

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 30 June 2016, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees.

## 21 Employee benefits *(continued)*

Ceiling amount of TL 4,092.53 which is in effect since 1 January 2016 is used in the calculation of Groups' provision for retirement pay liability (1 January 2015: TL 3,541.37). The principal statistical assumptions used in the calculation of the total liability in the accompanying condensed consolidated financial statements at 30 June 2016 and 31 December 2015 were as follows:

| | **30 June 2016** | **31 December 2015** |
|---|---|---|
| Discount rate | 4.23% | 4.23% |
| Turnover rate for the expectation of retirement probability | 90%-100% | 90%-100% |

Movements in the reserve for employee termination indemnity for the six months ended 30 June comprised the followings:

| | **2016** | **2015** |
|---|---|---|
| **1 January** | **4,255,299** | **3,597,886** |
| **Included in profit or loss** | | |
| Current service costs and interest | 435,756 | 414,628 |
| **Included in other comprehensive income** | | |
| Actuarial (gain) / losses | (11,019) | 47,978 |
| **Other** | | |
| Benefits paid | (345,261) | (140,302) |
| Foreign currency translation differences | 89,795 | 177,782 |
| **30 June** | **4,424,570** | **4,097,972** |

## 22 Capital and reserves

### *a) Share capital*

As at 30 June 2016, the Company's statutory nominal value of paid-in share capital consists of 74,307,399 (31 December 2015: 74,307,399) registered ordinary shares with a par value of TL 1 each.

As at 30 June 2016 and 31 December 2015, the share ownership structure of the Company was as follows:

| | **30 June 2016** | | **31 December 2015** | |
|---|---|---|---|---|
| | **Value of Share** | **Proportion of share %** | **Value of Share** | **Proportion of share %** |
| Global Yatırım Holding A.Ş. | 66,253,100 | 89.16 | 66,253,100 | 89.16 |
| European Bank of Reconstruction and Development | 8,054,299 | 10.84 | 8,054,299 | 10.84 |
| **Paid in capital (nominal)** | **74,307,399** | **100.00** | **74,307,399** | **100.00** |
| Inflation adjustment | 16,583 | | 16,583 | |
| **Adjusted capital** | **74,323,982** | | **74,323,982** | |

## 22 Capital and reserves *(continued)*

### b) *Nature and purpose of reserves*

*(i) Translation reserves*

The translation reserves amounting to TL 335,398,763 (31 December 2015: TL 331,724,437) is recognized as a separate account under equity and comprises foreign exchange differences arising from the translation of the financial statements of subsidiaries and joint ventures from their functional currencies (of Euro and USD) to the Group presentation currency, TL.

*(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. 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 of running out of arbitrary reserves. As at 30 June 2016, the legal reserves of the Group amounted to TL 189,460,691 (31 December 2015: TL 178,940,295).

*(iii) Hedging reserve*

*Investment hedge*

As at 30 June 2016, the effective portion of gain arising from investment hedging instrument is recognized in other comprehensive income amounting to TL 2,624,571 (31 December 2015: TL 112,506,296).

*Cash flow hedge*

The Group entered into interest rate swaps in order to hedge it position against changes in interest rates. Accordingly, effective fair value changes of these instruments are recognized directly in equity at cash flow hedge reserve.

### 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. In 2016, General Assembly of GPH decided to distribute TL 104,874,739, TL 5,243,737 of this amount was transferred to the legal reserves, TL 99,631,002 was distributed to its shareholders. Another dividend distribution was made by Valetta Cruise Port amounting to TL 8,692,227, TL 3,244,747 of this amount was transferred to the legal reserves, TL 5,447,480 was distributed to its shareholders. Also, Port Akdeniz made a dividend distribution amounted TL 40,462,092 (In 2015, General Assembly of GPH decided to distribute TL 55,138,947, TL 2,756,947 of this amount was transferred to the legal reserves, TL 52,382,000 was distributed to its shareholders.).

## 22 Capital and reserves *(continued)*

### d) *OCI accumulated in reserves, net of tax*

| | Attributable to owners of the Company | | | | | |
|---|---|---|---|---|---|---|
| *In TL* | Translation reserve | Hedging reserve | Retained earnings | Total | NCI | Total OCI |
| **2016** | | | | | | |
| Net investment hedge – net loss | -- | 2,624,571 | -- | 2,624,571 | -- | 2,624,571 |
| Interest rate hedge | -- | (1,264,662) | -- | (1,264,662) | -- | (1,264,662) |
| Foreign currency translation differences | 3,674,326 | -- | -- | 3,674,326 | 3,420,414 | 7,094,740 |
| Remeasurements of defined benefit liability | -- | -- | 8,815 | 8,815 | -- | 8,815 |
| **Total** | **3,674,326** | **1,359,909** | **8,815** | **5,043,050** | **3,420,414** | **8,463,464** |

| | Attributable to owners of the Company | | | | | |
|---|---|---|---|---|---|---|
| *In TL* | Translation reserve | Hedging reserve | Retained earnings | Total | NCI | Total OCI |
| **2015** | | | | | | |
| Net investment hedge – net loss | -- | (81,780,249) | -- | (81,780,249) | -- | (81,780,249) |
| Interest rate hedge | -- | 822,556 | -- | 822,556 | -- | 822,556 |
| Foreign currency translation differences | 82,950,977 | -- | -- | 82,950,977 | 9,184,470 | 92,135,447 |
| Remeasurements of defined benefit liability | -- | -- | (38,382) | (38,382) | -- | (38,382) |
| **Total** | **82,950,977** | **(80,957,693)** | **(38,382)** | **1,954,902** | **9,184,470** | **11,139,372** |

## 23 Provisions

| **Non-current** | **30 June 2016** | **31 December 2015** |
|---|---|---|
| Replacement provisions for Creuers (*) | 37,521,980 | 33,762,103 |
| Restructuring provisions for Port of Bar (**) | 6,433,096 | 7,463,554 |
| **Total** | **43,955,076** | **41,225,657** |

(*) The replacement provisions are related to the acquisition of Creuers in compliance with TOORA Contract, executed by and between Creuers and the Barcelona and Malaga Port Authorities (see Note 24 (c)).

(**) The restructuring provisions are related to the acquisition of the Port of Bar in compliance with TOORA Contract dated 15 November 2013, executed by and between Global Liman and the Government of Montenegro (see Note 24 (c)).

| **Current** | **30 June 2016** | **31 December 2015** |
|---|---|---|
| Short-term provisions for employee benefits | 986,990 | 798,872 |
| Others | 767,517 | 397,464 |
| **Total** | **1,754,507** | **1,196,336** |

## 24 Commitment and contingencies

### *(a) Lawsuits*

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 2016 is TL 243,966 (31 December 2015: TL 189,658).

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

*(i)* Ege Liman was awarded with operation rights of Kuşadası Port for a term of 30 years as of July 2003 by the Privatization Authority ("PA").

In October 2006, two former members of the Kuşadası Municipal Council filed a lawsuit requesting cancellation of the 'zoning plan and planning notes' of the Region of Kuşadası, which enabled the construction of the new Cruise Port Upper Structure Facilities the file was accepted and finalized. Upon cancellation award of the Council of State, Kuşadası Municipality took some actions such as "termination of the occupancy and construction permit", "cease and desist order", "demolishment", "evacuation and demolishment" against Ege Ports.

The Group lawyers filed a lawsuit for the cancellation of each and all administrative acts of the Kuşadası Municipality against Ege Liman. TDİ specifically intervened the "evacuation" and "evacuation and demolishment" cases, and the court of first instance first issued the stay of execution; however, then the court dismissed the case. This judgment of the court was appealed by the Group and the TDİ, the Council of State decided to reverse the decision of the court of first instance in favor of Ege Liman. The Municipality applied for the revision of such decision, however such request was denied by the Council of State. Aydın 1st Administrative Court, in accordance with the reverse award of the Council of State, decided on 22 May 2015 for cancellation of "evacuation" and "demolishment and evacuation" acts of the Kuşadası Municipality. This judgment was appealed by the Municipality and the case is pending.

The Ministry of Public Works (now "Ministry of Environment and Urbanization") has approved the new zoning plan for Kuşadası on 28 October 2010 following cancellation of the Zoning Plan dated 2006 by the Council of State in 2009. The Municipality filed a law case against the new plan and the court has rendered a stay of execution decision. However, the Ministry has approved a brand new zoning plan, which has become known to public on 09 November 2015. The Ministry is now evaluating such objections from local authorities in order to finalize the procedure. This being said Council of State subsequently decided on 26.11.2015, that "there are no grounds to make a judgment on a court file without a merit" based on the fact that a new zoning plan is issued for Ege Liman on 2015.

*(ii)* The Constitutional Court passed a decision on 6 June 2013 governing the cancellation of the phrase "...except for specific arrangements..." included in the Provisional Article 8 that has been added to the Law No: 4706 amending the contractual terms of agreements regarding easement rights or utilization rights concerning the immovable that are fully owned by the state or private properties of the Treasury, the terms of which are shorter than 49 years, to be extended to 49 years starting from the validity of the relevant agreements.

## 24 Commitment and contingencies *(continued)*

### (a) *Lawsuits (continued)*

Ortadoğu Antalya Liman İşletmeleri A.Ş. ("Port Akdeniz"), Ege Liman İşletmeleri A.Ş. ("Ege Ports") and Bodrum Yolcu Limanı İşletmeleri A.Ş. ("Bodrum Cruise Port") filed their applications regarding extension of the operation periods of the ports in accordance with the cancellation decision of the Constitutional Court and the applicable legislation, to the relevant authorities.

However, each application was rejected by the authorities. Port Akdeniz, Ege Ports and Bodrum Cruise Port filed lawsuits at the competent administrative courts. The cases taken to the courts by Ege Liman and Port Akdeniz had been rejected and the Group lawyers appealed the rejection decisions and appeal is pending before the Council of State. On the other hand, Bodrum Cruise Port's objection was approved by the court and rejection decision of the Ministry of Transportation, Maritime Affairs and Communication had been cancelled in favor of Bodrum Cruise Port. The Ministry appealed the court of first instance's decision with a stay of execution request. The Council of State rejected the stay of execution request and the case is still pending.

*(iii)* The employees of Bar Port in Montenegro have filed number of cases with the local courts for the purposes of their claims that are related to (i) the period (2011 - 2014) before the handover of the port to Global Ports and (ii) alleged underpaid wages as of beginning of 2014. The cases are still pending.

*(iv)* The former owner of the shares of Torba filed a lawsuit against the Group for the restitution of the shares. The expert appointed by the local court submitted his report which was against the defendants. On 2 March 2010, the court decided to restore the shares to the former owners and the trustee, previously appointed by the Court on 4 January 2008, shall remain in charge until the final decision. The Group lawyers appealed the decision on 28 April 2010 upon the notification of the decision. The Court of Appeals has overruled the decision and the case has been tried in the court of first instance. The court has decided in favor of the former owners. The Group lawyers had appealed such decision however, the appeal court's final verdict has been against the Group. As a trustee was appointed to the management of Torba by the Court in January 2008, this subsidiary has been excluded from the scope of consolidation.

*(v)* Global Yatırım Holding, the Company and Ege İhracatçı Birlikleri Liman Hizmetleri ve Taşımacılık A.Ş. filed a lawsuit against the Privatization Administration at İzmir 4th Commercial Court with respect to the İzmir Port Privatization tender for the granting of operating rights for a definite period claiming the plaintiffs should be granted a period of 6 months as a preliminary junction in order to enable them to perform their duties, and that the provisions of the agreement regarding duration and payment should be adjusted, and arguing that in case such adjustment request is not accepted then there should be termination of the agreement without any indemnification as well as release of the plaintiffs from their obligations and the return of their bid bonds. İzmir 4th Commercial Court denied the lawsuit on the ground that it was not the authorized court for the lawsuit but that decision of the court has been appealed.

The decision was approved by the Court of Appeals, and the Group lawyers requested a revision of the decision, which the court has rejected. The Group lawyers have commenced enforcement proceedings, which were objected by the Privatization Authority. Upon this, the Group lawyers have filed a lawsuit in Ankara 5th Commercial Court, but the court has denied the lawsuit on the basis that such lawsuit is subject to administrative law, and such decision has been finalized. Accordingly, the Group lawyers have filed a lawsuit before the administrative court, which was also denied based on the lack of subject matter jurisdiction. The file was sent to the Court of Conflicts, and the Court of Conflicts decided that the file should be tried by the ordinary courts and sent the file back to Ankara 5th Commercial Court. The Court has rejected the file and the Group lawyers have appealed the same.

## 24 Commitment and contingencies *(continued)*

### (b) *Guarantees*

As at 30 June 2016 and 31 December 2015, the letters of guarantee given comprised the following:

| Letters of guarantee | 30 June 2016 | 31 December 2015 |
|---|---|---|
| Given to Privatization Administration / Port Authority | 11,929,705 | 13,821,870 |
| Given to Electricity Distribution Companies | 159,774 | 119,184 |
| Others | 338,062 | 315,373 |
| **Total letters of guarantee** | **12,427,541** | **14,256,427** |

### (c) *Contractual obligations*

Ege Liman

The details of the TOORA dated 2 July 2003, executed by and between Ege Liman and OIB together with TDI are stated below:

Ege Liman will be performing services such as sheltering, installing, charging, discharging, shifting, terminal services, pilotage, towing, moorings, water quenching, waste reception, operating, maintaining and repairing of cruise terminals, in Kuşadası Cruise Port for an operational period of 30 years. Ege Liman is liable for the maintenance of Kuşadası Cruise Port together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the TDI, while the movable properties stay with Ege Liman.

Ortadoğu Liman

The details of the TOORA dated 31 August 1998, executed by and between Ortadoğu Liman and OIB together with TDI are stated below:

Ortadoğu Liman will be performing services such as sheltering, installing, charging, discharging, shifting, terminal services, pilotage, towing, moorings, water quenching, waste reception, operating, maintaining and repairing of cruise terminals, in Antalya Port for an operational period of 30 years. Ortadoğu Liman is liable for the maintenance of Antalya Port together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the TDI, while the movable properties stay with Ortadoğu Liman.

Bodrum Liman

The details of the BOT Contract dated 23 June 2004, executed by and between Bodrum Liman and the DLH are stated below:

Bodrum Liman had to construct the Bodrum Cruise Port in a period of 1 year and 4 months following the delivery of the land and thereafter, will operate the Bodrum Cruise Port for 12 years. The final acceptance of the construction was performed on 4 December 2007, and thus the operation period has commenced. Bodrum Liman is liable for the maintenance of the port together with the port equipment in good repair and in operating condition throughout its operating right period. The facilities, equipment, installations and the systems together with the tools and other equipment belonging thereto shall be surrendered to the DLH after the expiry of the contractual period.

## 24 Commitment and contingencies *(continued)*

### (c) *Contractual obligations (continued)*

Port of Bar

The details of the TOORA Contract dated 15 November 2013, executed by and between Global Liman and the Government of Montenegro are stated below:

Global Liman will be performing services such as repair, financing, operation, maintenance in the Port of Bar for an operational period of 30 years (terminating in 2043). For the first three years of its ownership, the Group must implement certain investment programs and social programs outlined in the share purchase agreement. Global Liman is liable for the maintenance of the Port of Bar together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the Government of Montenegro, while the movable properties stay with Global Liman.

Barcelona Cruise Port

The details of the TOORA Contract dated 29 July 1999, executed by and between Creuers del Port de Barcelona and the Barcelona Port authority are stated below:

Creuers del Port de Barcelona, S.A. ("Creuers") will be performing the management and exploitation of the port service related to the traffic of tourist cruises on the Port of Barcelona, as well as the development of commercial complementary activities corresponding to a sea station, in World Trade Center Wharf in Barcelona for an operational period of 27 years. However, the Port concession period can be extended automatically for three years provided that (i) Creuers has complied with all the obligations set forth in the Port Concession; and (ii) Creuers remains rendering port services on tourist cruises until the expiry of the extended term. Therefore, the concession period is considered as 30 years. Creuers is liable for the maintenance of World Trade Center Wharf terminals North and South together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the Barcelona Port Authority.

The details of the TOORA Contract dated 26 July 2003, executed by and between Creuers and the Barcelona Port authority are stated below:

Creuers will be performing the management and exploitation of the port service related to the traffic of tourist cruises on the Port of Barcelona, as well as the development of commercial complementary activities corresponding to a sea station, in Adossat Wharf in Barcelona for an operational period of 27 years. However, the Port concession period can be extended automatically for three years provided that (i) Creuers has complied with all the obligations set forth in the Port Concession; and (ii) Creuers remains rendering port services on tourist cruises until the expiry of the extended term. Therefore, the concession period is considered as 30 years. Creuers is liable for the maintenance of Adossat Wharf Terminals A, B and C together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the Barcelona Port Authority.

## 24 Commitment and contingencies *(continued)*

### (c) *Contractual obligations (continued)*

Malaga Cruise Port

The details of the TOORA Contract dated 9 July 2008, executed by and between Cruceros Malaga and the Malaga Port authority are stated below:

Cruceros Málaga, S.A. obtained an administrative concession to adapt the Terminal Levante of the Malaga Port and its exploitation, for a 30-year period. However, the Port concession period can be extended automatically for 5 years provided that Creuers has complied with all the obligations set forth in the Port Concession. Therefore, the concession period is considered as 35 years. Cruceros will perform passenger services, terminal usage and luggage services. Cruceros is liable for the maintenance of Terminal Levante together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the Malaga Port Authority. The details of the TOORA Contract dated 11 December 2011, executed by and between Cruceros Malaga and the Malaga Port authority are stated below:

Cruceros Málaga, S.A. obtained an administrative concession to adapt Terminal El Palmeral of the Malaga Port and its exploitation, for a 30 years period. However, the Port concession period can be extended automatically for 5 years provided that Creuers has complied with all the obligations set forth in the Port Concession. Therefore, the concession period is considered as 35 years. Cruceros will perform passenger services, terminal usage and luggage services. Cruceros is liable for the maintenance of Terminal El Palmeral together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the Malaga Port Authority.

As of 30 June 2016, the Group management stated that the Group is in compliance with the above mentioned contractual obligations in all material respects.

Valetta Cruise Port

On 22 November 2001, VCP signed a deed with the Government of Malta by virtue of which the Government granted the buildings and lands situated in Floriana, having an area of 46,197sqm by title of temporary emphyteusis, for a period of 65 years. VCP will perform operation and management of a cruise liner passenger terminal and an international ferry passenger terminal together with complementary leisure facilities. The area transferred is used as follows: retail 6,854sqm, office 4,833sqm, terminal 21,145sqm and potential buildings 13,365sqm.

## 25 Operating leases

The Group as lessee

The Group entered into various operating lease agreements. Operating lease rentals are payable as follows:

| | 30 June 2016 | 31 December 2015 |
|---|---|---|
| Less than one year | 4,622,803 | 4,305,071 |
| Between one and five years | 16,328,414 | 15,885,157 |
| More than five years | 216,747,936 | 218,902,208 |
| **Total** | **237,699,153** | **239,092,436** |

In the periods presented, the Group's main operating lease arrangements as lessee are the port rent agreement of Valetta Cruise Port until 2066, Port of Bar until 2043 and Bodrum Liman until 2019.

The Group as lessor

The future lease payments under operating leases are as follows:

| | 30 June 2016 | 31 December 2015 |
|---|---|---|
| Less than one year | 14,089,445 | 8,675,965 |
| Between one and five years | 23,831,375 | 14,365,218 |
| More than five years | 15,848,522 | 20,259,377 |
| | **53,769,342** | **43,300,560** |

The Group's main operating lease arrangements as lessor are a marina lease agreement of Ortadoğu Liman until 2028, and various shopping center rent agreements of Ege Liman and Bodrum Liman of up to 5 years.

During six months ended 30 June 2016, TL 6,353,903 was recognized as rental income in the condensed consolidated interim statement of profit or loss and other comprehensive income (30 June 2015: TL 5,381,348).

## 26 Service concession arrangement

The port operation rights, which belongs to Creuers, recognized under intangible assets includes fixed asset elements built or acquired from third parties to adapt Sea Stations North and South of the World Trade Center and A and B of the Adossat Wharf of Port of Barcelona, according to administrative concession contracts to adapt and exploit such terminals in order to render the basic passengers' boarding and disembarkation port services and luggage and vehicle loading and unloading under passage system on cruise terminals.

The fixed assets model is applied to such agreements, since the consideration received consists on the right to collect the corresponding rates on the basis of the usage degree of the public service. Rates applied by Creuers are annually reviewed and approved by the Port Authorities of Barcelona.

Creuers pays an occupancy and utilization royalty to the Port Authorities of Barcelona on the basis of surfaces occupied and the value of fixtures made available. Additionally, an activity rate is accrued on the basis of the turnover generated by the activity.

On the basis of obligations assumed on the concession agreement, the corresponding provision for reposition and large repair actions is allocated (Note 23).

## 26 Service concession arrangement *(continued)*

In accordance with the administrative concession contracts signed between the Port Authorities of Barcelona and Creuers, described below:

- Contract to adapt the Sea Station and render the tourist cruise port service of North and South terminals of the World Trade Center, signed for a 27-year period from its granting date, in October 1999.
- Contract to adapt the Sea Station A of the Adossat Wharf of Port of Barcelona and render the tourist cruise port service signed for a 27-year period from its granting date, in May 2003.
- Contract to adapt the Sea Station B of the Adossat Wharf of Port of Barcelona and render the tourist cruise port service signed for a 27-year period from its granting date, in May 2003.

The Creuers' main actions in relation to the adaptation of the Sea Station refer to the construction of a building, fixed fixtures and equipment of terminals for their exploitation under the terms contemplated on concession agreements.

Under the syndicated loan agreement signed on 23 May 2008, Creuers had undertaken a mortgage commitment on the concessions in favor of the lenders. In 2014, after settling all the amounts outstanding, Creuers cancelled the guarantees extended to secure compliance with the obligations arising from this loan. On 26 September 2014, Creuers arranged new guarantees in accordance with the new syndicated loan arranged (see Note 19), for which it pledged the receivables from the concession arrangements in favor of the lenders.

The Group's policy is to formalize insurance policies to cover possible risks to which certain elements related to administrative concessions are subject.

## 27 Foreign currency position

As at 30 June 2016 and 31 December 2015, foreign currency risk exposures of the Group comprised the following:

| | 30 June 2016 | | | |
|---|---|---|---|---|
| | **TL equivalents** | **USD** | **EURO** | **TL** |
| Trade receivables | 18,786,563 | 4,687,871 | 224,231 | 4,503,214 |
| Other monetary financial assets | 64,929,162 | 18,580,051 | 790,530 | 8,632,752 |
| **Current assets** | **83,715,725** | **23,267,922** | **1,014,761** | **13,135,966** |
| Monetary financial assets | 6,476,704 | - | - | 6,476,704 |
| **Non-current assets** | **6,476,704** | **-** | **-** | **6,476,704** |
| **Total assets** | **90,192,429** | **23,267,922** | **1,014,761** | **19,612,670** |
| Trade payables | 15,842,599 | 62,131 | 265 | 15,661,968 |
| Financial liabilities | 10,992,493 | 3,490,581 | - | 892,147 |
| Other monetary liabilities | 6,757,969 | - | - | 6,757,969 |
| **Current liabilities** | **33,593,061** | **3,552,712** | **265** | **23,312,084** |
| Financial liabilities | 37,608,315 | 12,997,068 | - | - |
| Other monetary liabilities | 2,532,458 | - | - | 2,532,458 |
| **Non-current liabilities** | **40,140,773** | **12,997,068** | **-** | **2,532,458** |
| **Total liabilities** | **73,733,834** | **16,549,780** | **265** | **25,844,542** |
| **Net foreign currency position** | **16,458,595** | **6,718,142** | **1,014,496** | **(6,231,872)** |

| | 31 December 2015 | | | |
|---|---|---|---|---|
| | **TL equivalents** | **USD** | **EURO** | **TL** |
| Trade receivables | 4,629,103 | 181,612 | 308,249 | 3,121,556 |
| Other monetary financial assets | 161,568,987 | 14,024,536 | 35,692,901 | 7,373,484 |
| **Current assets** | **166,198,090** | **14,206,148** | **36,001,150** | **10,495,040** |
| Monetary financial assets | 19,556,875 | 4,105,231 | - | 7,620,505 |
| **Non-current assets** | **19,556,875** | **4,105,231** | **-** | **7,620,505** |
| **Total assets** | **185,754,965** | **18,311,379** | **36,001,150** | **18,115,545** |
| Trade payables | 19,430,086 | 1,261,058 | 274,312 | 14,891,780 |
| Financial liabilities | 5,526,911 | 1,046,642 | 781,626 | - |
| Other monetary liabilities | 4,654,629 | - | - | 4,654,629 |
| **Current liabilities** | **29,611,626** | **2,307,700** | **1,055,938** | **19,546,409** |
| Financial liabilities | 43,168,359 | 12,624,562 | 2,033,353 | - |
| Other monetary liabilities | 2,171,188 | - | - | 2,171,188 |
| **Non-current liabilities** | **45,339,547** | **12,624,562** | **2,033,353** | **2,171,188** |
| **Total liabilities** | **74,951,173** | **14,932,262** | **3,089,291** | **21,717,597** |
| **Net foreign currency position** | **110,803,792** | **3,379,117** | **32,911,859** | **(3,602,052)** |

TL exchange rate risk of subsidiaries whose functional currency is other than TL, is shown in TL line in the foreign currency risk table.

30 June 2016 and 31 December 2015, foreign currency exchange rates of the Central Bank of the Turkish Republic comprised were as follows:

| | **30 June 2016** | **31 December 2015** |
|---|---|---|
| USD/TL | 2.8936 | 2.9076 |
| Euro/TL | 3.2044 | 3.1776 |

## 27 Foreign currency position *(continued)*

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

| | 2016 | 2015 |
|---|---|---|
| USD/TL | 2.9185 | 2.7200 |
| Euro/TL | 3.2562 | 3.0183 |

*Sensitivity Analysis*

A 10 percent strengthening or depreciation of the Turkish Lira against the following currencies as at 30 June 2016 and 2015 would have increased equity or profit or loss, excluding tax effects, by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

| 30 June 2016 | PROFIT /LOSS | | EQUITY (*) | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| | A 10 percent (strengthening)/weakening of USD against TL: | | | |
| 1- Net USD asset/liability | 1,943,962 | (1,943,962) | -- | -- |
| 2- Hedged portion against USD risk (-) | -- | -- | -- | -- |
| 3- Net effect of USD (1+2) | **1,943,962** | **(1,943,962)** | -- | -- |
| | A 10 percent (strengthening)/weakening of Euro against TL: | | | |
| 4- Net Euro asset/liability | 325,085 | (325,085) | -- | -- |
| 5- Hedged portion against Euro risk(-) | -- | -- | -- | -- |
| 6- Net effect of Euro (4+5) | **325,085** | **(325,085)** | -- | -- |
| TOTAL (3+6) | **2,269,047** | **(2,269,047)** | -- | -- |

| 30 June 2015 | PROFIT /LOSS | | EQUITY (*) | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| | A 10 percent (strengthening)/weakening of USD against TL: | | | |
| 1- Net USD asset/liability | (4,288,224) | 4,288,224 | -- | -- |
| 2- Hedged portion against USD risk (-) | -- | -- | -- | -- |
| 3- Net effect of USD (1+2) | **(4,288,224)** | **4,288,224** | -- | -- |
| | A 10 percent (strengthening)/weakening of Euro against TL: | | | |
| 4- Net Euro asset/liability | (476,434) | 476,434 | -- | -- |
| 5- Hedged portion against Euro risk(-) | -- | -- | -- | -- |
| 6- Net effect of Euro (4+5) | **(476,434)** | **476,434** | -- | -- |
| TOTAL (3+6) | **(4,764,658)** | **4,764,658** | -- | -- |

(*) Profit / (loss) excluded

## 28 Fair Values

Fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of consolidated financial position, are as follows:

| | 30 June 2016 | | 31 December 2015 | |
|---|---|---|---|---|
| | **Carrying Amount** | **Fair Value** | **Carrying Amount** | **Fair Value** |
| **Financial assets** | | | | |
| Cash and cash equivalents | 129,812,544 | 129,812,544 | 225,115,739 | 225,115,739 |
| Trade and other receivables | 39,114,065 | 39,114,065 | 31,235,557 | 31,235,557 |
| Due from related parties | 109,796,777 | 109,796,777 | 116,021,058 | 116,021,058 |
| Other assets | 28,821,918 | 28,821,918 | 28,105,961 | 28,105,961 |
| Other investments | 40,836,326 | 40,836,326 | 49,159,145 | 49,159,145 |
| **Total** | **348,381,630** | **348,381,630** | **449,637,460** | **449,637,460** |
| **Financial liabilities** | | | | |
| Loans and borrowings | 1,007,506,711 | 1,007,506,711 | 1,020,999,681 | 1,020,999,681 |
| Other financial liabilities | 8,392,705 | 8,392,705 | 7,027,865 | 7,027,865 |
| Derivative financial liabilities | 4,480,793 | 4,480,793 | 2,771,205 | 2,771,205 |
| Trade and other payables | 38,563,950 | 38,563,950 | 30,240,416 | 30,240,416 |
| Due to related parties | 1,176,961 | 1,176,961 | 2,037,837 | 2,037,837 |
| **Total** | **1,060,121,120** | **1,060,121,120** | **1,063,077,004** | **1,063,077,004** |

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 the appropriate methods and market information. Fair values have been determined for measurement based on the following methods and assumptions:

The fair values of cash and cash equivalents, other monetary assets, which are short term, trade receivables and payables and 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 table below analyses the valuation method of the financial instruments carried at fair value. The different levels have been defined as follows:

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).

| **30 June 2016** | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Derivative financial liabilities | -- | 4,480,793 | -- | 4,480,793 |

| **31 December 2015** | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Derivative financial liabilities | -- | 2,771,205 | -- | 2,771,205 |

There were no transfers between Level 1 and Level 2 during the year.

## 29 Related parties

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

| Related parties | Relationship |
|---|---|
| Mehmet Kutman | Shareholder |
| Global Yatırım Holding | Parent Company |
| Torba | Investment |
| Global Sigorta Aracılık Hizmetleri A.Ş. ("Global Sigorta") | Parent Company's subsidiary |
| Global Menkul Değerler A.Ş. ("Global Menkul") | Parent Company's subsidiary |
| IEG Kurumsal Finansal Danışmanlık A.Ş. | Parent Company's subsidiary |
| Adonia Shipping | Parent Company's subsidiary |
| Naturel Gaz | Parent Company's subsidiary |

**Due from related parties**

As at 30 June 2016 and 31 December 2015, current receivables from related parties comprised the following:

| Current receivables from related parties | 30 June 2016 | 31 December 2015 |
|---|---|---|
| Global Yatırım Holding (*) | 102,746,865 | 103,239,493 |
| Adonia Shipping (**) | 4,615,334 | 5,235,237 |
| Naturel Gaz (**) | 232,649 | 210,067 |
| Mehmet Kutman | 90,802 | 224,957 |
| Others | 2,111,127 | 1,991,540 |
| **Total** | **109,796,777** | **110,901,294** |

(*) The receivable from Global Yatırım Holding represents charges and expenses incurred by the Group companies on behalf of Global Yatırım Holding and amounts advanced before 2014 year-end. There is no defined payment schedule for these receivables.

(**) These amounts are related with the work advances. The charged interest rate is 10.50% as at 30 June 2016 (31 December 2015: 10.50%).

**Other investments**

As at 30 June 2016, the Group has Global Yatırım Holding bonds amounting to TL 40,093,737 with a nominal value of USD 14,240,000 which are classified as available for sale financial assets (31 December 2015: TL 41,678,871 with a nominal value of USD 14,240,000). Accrued interest for the six months ended 30 June 2016 is TL 3,269,668 (2015: TL 3,247,186).

## 29 Related parties *(continued)*

**Due to related parties**

As at 30 June 2016 and 31 December 2015, current payables to related parties comprised the following:

| Current payables to related parties | 30 June 2016 | 31 December 2015 |
|---|---|---|
| Mehmet Kutman | 717,725 | 717,726 |
| Global Sigorta | 394,003 | 1,214,411 |
| Global Menkul | 65,215 | 34,371 |
| Other | 18 | 71,329 |
| **Total** | **1,176,961** | **2,037,837** |

**Transactions with related parties:**

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

| | 2016 | | 2015 | |
|---|---|---|---|---|
| | Interest received | Other | Interest received | Other |
| Global Yatırım Holding | 4,062,185 | -- | 3,247,186 | -- |
| **Total** | **4,062,185** | **--** | **3,247,186** | **--** |

| | 2016 | | 2015 | |
|---|---|---|---|---|
| | Interest Paid | Other | Interest Paid | Other |
| Global Yatırım Holding | 23,145 | 4,800 | 51,564 | 3,600 |
| Global Menkul | -- | -- | 1,659 | -- |
| **Total** | **23,145** | **4,800** | **53,223** | **3,600** |

For the six months ended 30 June 2016, the Group recognized interest income on Global Yatırım Holding bonds amounting to 3,269,668 (30 June 2015: TL 3,247,186). For the six months ended 30 June 2016, the effective interest rate was 12.90% (30 June 2015: 13.85%).

For the six months ended 30 June 2016, the Group accounted for a gain amounting to TL 24,715 from the purchase and the sale of Global Yatırım Holding's publicly traded share certificates (30 June 2015: a gain of TL 193,194).

**Transactions with key management personnel**

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

| | 2016 | 2015 |
|---|---|---|
| Salaries | 3,155,392 | 3,450,841 |
| Attendance fees to Board of Directors | 461,130 | 511,542 |
| Bonus | 31,836 | 33,537 |
| Other | 77,196 | 41,291 |
| **Total** | **3,725,554** | **4,037,211** |

## 30 Events after reporting date

Global Ports Holding (GPH) had submitted a binding offer on 24 March 2016, as part of a strong international consortium to the international tender by the APV Investimenti S.p.A (owned by Venice Port Authority) of Italy, for the transfer of its 65.98% stake in APVS, which in turn owns a 53% stake in Venezia Terminal Passegeri S.p.A (VTP). The international consortium formed by Global Ports Holding (GPH), Costa Costa Crociere S.p.A, MSC Cruises S.A. and Royal Caribbean Cruises Ltd. had been the only bidder for the aforementioned tender, while the tender result was subject to the waiver of pre-emption rights by Venetto Sviluppo ("VS"), the other shareholder of APVS with the first degree pre-emption rights, and the other 3 shareholders of VTP with second degree pre-emption rights.

On 10th May 2016, APVS' other shareholder, Venetto Sviluppo ("VS"), exercised its pre-emptive rights for this process, and would transfer 48% of APVS' shares to Venezia Investimenti S.R.L. (VI) (formed by the consortium members), based on the signed memorandum of understanding.

As of 19th July 2016; after having completed the pre-emption process regarding APVS share sale, VS has completed the transfer of 48% APVS shares it owned post-preemption, to VI (the Consortium).

On 1st July 2016, the transfer of Finpax S.r.l. ("Finpax") shares representing 85.85% of its capital to VI (the consortium) was completed by Finpax shareholders. Finpax owns 22.15% of VTP shares. As a result of transfer, the Consortium which Global Ports is a member of, became the controlling shareholder of Finpax that owns 22.18% of VTP shares.

As a result of these transfer, the Consortium which Global Ports is a member of, became a 44.48% shareholder of VTP indirectly, including the previously acquired Finpax shares. Total purchase price for the acquisition to be paid by Global Ports, which is one of the four equal members of consortium, is Euro 7,665,760.47. Mr. Mehmet Kutman, the Chairman of Global Ports, will take seat at VTP's Board of Directors as a board member.

Additionally, VS, the 51% shareholder of APVS, has a put option to sell its shares in APVS partially or completely (up to 51%); while this option can be exercised between 15th May 2017 and 15th November 2018. If VS exercises the put option completely, VI will own 99% of APVS and accordingly 71.51% of VTP.

Aside from the acquisition process of Venice Cruise Port, Global Ports has started negotiations on the share purchase of operating companies of Brindisi, Cagliari, Catania and Ravenna Cruise Ports in Italy.