Global Liman İşletmeleri Anonim Şirketi
and its Subsidiaries

Condensed Consolidated Interim
Financial Information
As at and for the Six Months Ended
30 June 2018

With Independent Auditors' Review Report

This report includes 2 page of independent auditors' review report and 31 pages of condensed consolidated interim financial information together with their explanatory notes.

Global Liman İşletmeleri A.Ş. and its Subsidiaries

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KPMG Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
İş Kuleleri Kule 3 Kat:2-9
Levent 34330 İstanbul
Tel +90 212 316 6000
Fax +90 212 316 6060
www.kpmg.com.tr

Independent Auditor's Report on Review of Condensed Consolidated Interim Financial Statements

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

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Global Liman İşletmeleri A.Ş. ("the Company") and its subsidiaries (together "the Group") as at 30 June 2018, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six month period then ended, and notes to the interim financial statements ("the condensed consolidated interim financial statements"). Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed consolidated interim financial statements 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 International Standards on Auditing 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.

KPMG

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at and for the six month period ended 30 June 2018 are not prepared, in all material respects, in accordance with IFRS including the requirements of IAS 34, 'Interim Financial Reporting'.

Other Matter

The consolidated financial statements of the Group as at and for the year ended 31 December 2017 and the condensed consolidated interim financial information of the Group as at and for the six-month period ended 30 June 2017 were audited and reviewed by another auditor who expressed an unqualified opinion and an unqualified conclusion on 12 March 2018 and 19 August 2017, respectively.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member of KPMG International Cooperative

Fikret Selamet
Partner
17 August 2018
Istanbul, Turkey

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 2018

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

	Notes	1 January- 30 June 2018	1 January- 30 June 2017
Revenue	*5*	56,556	49,747
Cost of sales	*5*	(37,789)	(35,810)
Gross profit		**18,767**	**13,937**
Other income	*6*	2,802	700
Selling and marketing expenses		(520)	(435)
Administrative expenses	*8*	(7,001)	(6,436)
Other expenses	*6*	(4,974)	(4,329)
Operating profit		**9,074**	**3,437**
Finance income	*9*	10,353	5,754
Finance costs	*9*	(22,350)	(16,839)
Net finance costs		**(11,997)**	**(11,085)**
Share of profit of equity-accounted investees	*12*	2,730	915
Loss before tax		**(193)**	**(6,733)**
Income tax (expense) / benefit	*7*	(1,527)	(207)
(Loss) / profit for the period		**(1,720)**	**(6,940)**
(Loss) / profit attributable to:			
Owners of the Company		(1,871)	(6,609)
Non-controlling interests		151	(331)
		(1,720)	**(6,940)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligation		12	(2)
Income tax relating to items that will not be reclassified subsequently to profit or loss		(3)	--
		9	**(2)**
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences		26,300	15,884
Cash flow hedges - effective portion of changes in fair value		36	212
Gain / (loss) on a hedge of a net investment		(37,342)	786
		(11,006)	**16,882**
Other comprehensive income for the period, net of income tax		**(10,997)**	**16,880**
Total comprehensive income/(loss) for the period		**(12,717)**	**9,940**
Total comprehensive income attributable to:			
Owners of the Company		(9,887)	3,815
Non-controlling interests		(2,830)	6,125
		(12,717)	**9,940**
Basic and diluted (loss) / earnings per share (cents per share)	*17*	**(2.52)**	**(8.89)**

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

Global Liman İşletmeleri A.Ş. and its Subsidiaries

Condensed Consolidated Interim Statement of Financial Position

As at 30 June 2018

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

	Notes	**As at 30 June 2018 (Reviewed)**	**As at 31 December 2017 (Audited)**
Non-current assets			
Property and equipment	*10*	131,066	134,665
Intangible assets	*11*	410,036	433,075
Goodwill		13,699	14,088
Equity-accounted investees	*12*	23,538	22,004
Other investments		4	5
Deferred tax assets	*7*	1,492	1,695
Other non-current assets		4,861	4,905
		584,696	**610,437**
Current assets			
Trade and other receivables		16,881	15,702
Due from related parties	*20*	2,843	1,988
Other investments		705	14,728
Other current assets		5,117	4,855
Inventories		1,791	1,714
Prepaid taxes		722	2,900
Cash and cash equivalents	*13*	84,762	48,308
		112,821	**90,195**
Total assets		**697,517**	**700,632**
Current liabilities			
Loans and borrowings	*15*	48,074	44,878
Other financial liabilities		--	--
Trade and other payables		13,546	14,921
Due to related parties	*20*	7,051	4,056
Current tax liabilities		2,430	2,218
Provisions	*16*	1,156	1,202
		72,257	**67,275**
Non-current Liabilities			
Loans and borrowings	*15*	306,747	296,842
Other financial liabilities		2,551	2,662
Derivative financial liabilities		788	855
Deferred tax liabilities	*7*	96,304	99,879
Provisions	*16*	20,316	21,081
Employee benefits		833	936
		427,539	**422,255**
Total liabilities		**499,796**	**489,530**
Net assets		**197,721**	**211,102**
Equity			
Share capital	*14*	33,836	33,836
Share premium account		54,539	54,539
Legal reserves	*14*	13,030	13,012
Hedging and translation reserves		6,838	14,863
Retained earnings		77	1,957
Equity attributable to equity holders of the Company		**108,320**	**118,207**
Non-controlling interests		**89,401**	**92,895**
Total equity		**197,721**	**211,102**

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 2018

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

	Note	Share capital	Share premium	Legal reserves	Hedging reserves	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2018		**33,836**	**54,539**	**13,012**	**(135,763)**	**150,626**	**1,957**	**118,207**	**92,895**	**211,102**
Total comprehensive income										
Loss for the period		--	--	--	--	--	(1,871)	**(1,871)**	151	**(1,720)**
Other comprehensive income / (loss) for the year		--	--	--	(37,306)	29,281	9	**(8,016)**	(2,981)	**(10,997)**
Total comprehensive income / (loss) for the period		**--**	**--**	**--**	**(37,306)**	**29,281**	**(1,862)**	**(9,887)**	**(2,830)**	**(12,717)**
Contributions and distributions										
Transfer to legal reserves		--	--	18	--	--	(18)	**--**	--	**--**
Dividends	14	--	--	--	--	--	--	**--**	(664)	**(664)**
Total contributions and distributions		**--**	**--**	**18**	**--**	**--**	**(18)**	**--**	**(664)**	**(664)**
Total transactions with owners of the Company		**--**	**--**	**18**	**(37,306)**	**29,281**	**(1,880)**	**(9,887)**	**(3,494)**	**(13,381)**
Balance at 30 June 2018		**33,836**	**54,539**	**13,030**	**(173,069)**	**179,907**	**77**	**108,320**	**89,401**	**197,721**

	Note	Share capital	Share premium	Legal reserves	Hedging reserve	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2017		**33,836**	**54,539**	**12,424**	**(122,708)**	**119,764**	**43,622**	**141,477**	**80,588**	**222,065**
Total comprehensive income										
Loss for the period		--	--	--	--	--	(6,609)	**(6,609)**	(331)	**(6,940)**
Other comprehensive income / (loss) for the year		--	--	--	998	9,428	(2)	**10,424**	6,456	**16,880**
Total comprehensive income / (loss) for the period		**--**	**--**	**--**	**998**	**9,428**	**(6,611)**	**3,815**	**6,125**	**9,940**
Contributions and distributions										
Transfer to legal reserves		--	--	588	--	--	(588)	**--**	--	**--**
Dividends	14	--	--	--	--	--	(26,783)	**(26,783)**	(1,014)	**(27,797)**
Total contributions and distributions		**--**	**--**	**588**	**--**	**--**	**(27,371)**	**(26,783)**	**(1,014)**	**(27,797)**
Total transactions with owners of the Company		**--**	**--**	**588**	**998**	**9,428**	**(33,982)**	**(22,968)**	**5,111**	**(17,857)**
Balance at 30 June 2017		**33,836**	**54,539**	**13,012**	**(121,710)**	**129,192**	**9,640**	**118,509**	**85,699**	**204,208**

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 2018

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

	Notes	**Six months period ended 30 June 2018 (Reviewed)**	**Six months period ended 30 June 2017 (Reviewed)**
Cash flows from operating activities			
Loss for the period		(1,720)	(6,940)
Adjustments for			
Depreciation and amortization expense	*10, 11*	22,581	20,326
Share of profit of equity-accounted investees, net of tax	*12*	(2,730)	(915)
Finance costs (excluding foreign exchange differences)	*9*	12,861	12,918
Finance income (excluding foreign exchange differences)	*9*	(728)	(1,416)
Income tax expense	*7*	1,527	207
Employment termination indemnity reserve		99	144
Provision		147	1,589
Foreign exchange differences on finance costs and income, net		(137)	(417)
Operating cash flow before changes in operating assets and liabilities		**31,900**	**25,496**
Changes in:			
- trade and other receivables		(1,040)	(5,027)
- other current assets		1,839	1,616
- related party receivables		--	(7)
- other non-current assets		44	1,475
- trade and other payables		(1,552)	2,277
- related party payables		(187)	(299)
- provisions		(244)	(703)
Cash generated by operations before benefit and tax payments		**30,760**	**24,828**
Employee termination benefits paid		(58)	(44)
Income taxes paid		(2,737)	(2,824)
Net cash generated from operating activities		**27,965**	**21,960**
Investing activities			
Acquisition of property and equipment		(5,063)	(10,035)
Advances given for tangible assets		(125)	(61)
Acquisition of intangible assets	*11*	(151)	(563)
Proceeds from sale of property and equipment		--	117
Proceeds of disposal of bond and short term investments		13,973	733
Interest received		404	286
Net cash generated from / (used in) investing activities		**9,038**	**(9,523)**
Financing activities			
Change in due from related parties		(1,042)	27,795
Changes in due to related parties		4,316	3,496
Dividends paid		(664)	(27,797)
Interest paid		(11,665)	(12,447)
Proceeds from borrowings		34,770	18,814
Repayments of borrowings		(24,741)	(13,146)
Net cash generated from / (used in) financing activities		**974**	**(3,285)**
Net increase in cash and cash equivalents		**37,977**	**9,152**
Effect of foreign exchange rate changes on cash and cash equivalents		(1,523)	1,110
Cash and cash equivalents at the beginning of the year		48,308	44,310
Cash and cash equivalents at the end of the period	**13**	**84,762**	**54,572**

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

Notes to the condensed consolidated interim financial information

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

1 General Information

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

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

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

As at 30 June 2018 and 31 December 2017, all shares are owned by Global Ports Plc.

As at 30 June 2018, the number of employees of the Group was 649 (31 December 2017: 635). The address of the registered office of the Company is "Rıhtım Caddesi No: 51 Karaköy / Istanbul".

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

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

Ege Liman

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

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

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

1 General Information *(continued)*

Ortadoğu Liman

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

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

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

Bodrum Liman

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

Global Liman acquired 60% of the shares of Bodrum Liman on 16 June 2008. As at 30 June 2018 and 31 December 2017, shareholders of the remaining 30% and 10% of the shares of Bodrum Liman are Yüksel Çağlar and Setur Servis Turistik A.Ş. ("Setur"), respectively.

Port of Adria

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

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

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

BPI and Creuers

The Group acquired 100% interests in Creuers 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.

1 General Information *(continued)*

Global BV, Perquisite, GP Malta and VCP

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

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

POH was established in Italy for the investments made through Italian Ports. As of 31 December 2016, POH acquired 51% of Ravenna shares, 62% of Catania shares and 71% of Cagliari shares. Share purchases are performed from two different former shareholders, one by direct share purchase and another by purchase of a dormant Company, based in Cyprus ("RCI Cyprus"). Ravenna, Cagliari, and Catania were set up to operate the cruise liner passenger terminal together with complementary leisure facilities at their territories. The companies are responsible for the handling of international cruise passengers.

Global Depolama

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

2 Basis of preparation

(a) Statement of compliance

This condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2017. 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").

These interim financial statements were authorised for issue by the Company's management on 17 August 2018.

(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 2017.

2 Basis of preparation *(continued)*

(c) New standards and interpretations not yet adopted

A number of new standards are effective from 1 January 2018 but they do not have a material effect on the Group's financial statements. The Group has initially adopted IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments from 1 January 2018. The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2018.

The effect of initially applying these standards is mainly attributed to the following:

A. **IFRS 15 – Revenue from contracts with customers:** Given the nature of the business, the Group does not have significant long-term contractual agreements in place with its customers as the majority of the Group's revenues are derived from a short-term set of activities performed whilst a ship is docked in one of its Cruise or Commercial ports. These fees are usually agreed at the time based on the applicable port tariff and are charged based on the actual services performed. Revenue is then recognised when the invoice is issued as the ship departs the port, after all services have been provided. The only potentially longer services performed by the Group are the land services in relation to storing of cargo and fees charged for retail space rental, where performance obligations might be performed over a period greater than a few days, and project cargo operations, where performance obligations might be performed over a period greater than a few weeks. Currently revenue is recognised over time for these services and this not changed materially under IFRS 15.

B. **IFRS 9 – Financial Investments:** The Group adopted IFRS 9 on 1 January 2018. IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement and has no significant impact on the Group's condensed consolidated interim financial information.

I. Classification and measurement of financial assets and financial liabilities

Given the nature of the Group's financial assets held, no material changes to the classification and measurement of financial instruments have been identified, in particular in relation to the carrying value of financial assets under the IFRS 9 'expected loss model'.

II. Impairment of financial assets

The Group has performed an technical analysis of the groups receivables profile, and by nature of its business and its clients and historical performance of its receivables. The adoption of the expected credit loss approach has not resulted in a significant material impairment loss change in provision for impairment loss as at 30 June 2018.

III. Hedge accounting

In relation to hedge accounting, the Group has immaterial interest cash flow hedges using interest rate swaps and a net investment hedge which was effective in 2017 and which is expected to remain fully effective under IFRS 9. All hedging relationships designated under IAS 39 at 31 December 2017 met the criteria for hedge accounting under IFRS 9 at 1 January 2018 and are therefore regarded as continuing hedging relationships.

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

2 Basis of preparation *(continued)*

(c) New standards and interpretations not yet adopted *(continued)*

C. **IFRS 16 Leases, effective from 1 January 2019:** The standard is in issue but not yet adopted by the Group. The Group's current commitments in respect of operating lease rentals payable, for which all of the underlying lease agreements are likely to be impacted by the implementation of this standard, were USD 155,2 million as at 31 December 2017.

(d) Functional and presentation currency

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

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

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

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

As at 30 June 2018, 31 December 2017 and 30 June 2017 foreign currency exchange rates of the Central Bank of the Turkish Republic comprised were as follows:

	30 June 2018	**31 December 2017**	**30 June 2017**
TL/USD	0.2193	0.2651	0. 2851
Euro/USD	1.1641	1.1971	1. 1414

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

	2018	**2017**
TL/USD	0.2450	0.2750
Euro/USD	1.2093	1.0809

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 2017.

4 Segment reporting

(i) Basis for segmentation

Operating segments are defined as components of an enterprise for which discrete financial information is available, that is evaluated regularly by the chief operating decision-maker, in deciding how to allocate resources and assessing performance.

The Group has identified ports in each country with same operations as an operating segment, separately, as each country represents a set of activities which generates revenue and the financial information of ports are reviewed by the Group's chief operating decision-maker in deciding how to allocate resources and assess performance. The Group's chief operating decision-maker is the Chief Executive Officer ("CEO"), who reviews the management reports of each port at least on a monthly basis.

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

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

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

4 Segment reporting *(continued)*

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

As at and for the six months ended 30 June 2018, the details of reportable segments comprised the following:

	BPI	**Valletta**	**Ege Ports**	**Others**	***Cruise Total***	**Ortadoğu Liman**	**Port of Adria**	***Total Commercial***	**Non-operational & HQ**	***Total Consolidated***
Segment assets	157,627	101,532	51,022	14,869	*325,050*	211,925	69,552	*281,477*	67,452	*673,979*
Equity accounted investees	--	--	--	23,538	*23,538*	--	--	--	--	*23,538*
Segment liabilities	81,982	38,166	14,147	6,398	140,693	59,433	28,601	*88,034*	271,069	*499,796*
Capital expenditures	1,101	259	46	203	*1,610*	2,988	900	*3,888*	37	*5,534*

	BPI	**Valletta**	**Ege Ports**	**Others**	***Cruise Total***	**Port Akdeniz**	**Port of Adria**	***Total Commercial***	**Non-operational & HQ**	***Consolidated***
External revenues	13,348	5,677	1,737	1,625	*22,387*	27,997	6,172	*34,169*	--	*56,556*
EBITDA	8,017	2,544	946	3,213	*14,720*	23,145	2,460	*25,605*	(1,915)	*38,420*
Depreciation and amortization expense	(5,826)	(1,326)	(1,581)	(1,760)	*(10,493)*	(10,517)	(1,472)	*(11,989)*	(99)	*(22,581)*
Non-recurring income/(expense)	(66)	68	232	(70)	*164*	(25)	(42)	*(67)*	(3,714)	*(3,617)*
Non-cash income/(expenses)	--	(84)	(29)	3	*(110)*	(84)	(224)	*(308)*	--	*(418)*
Operating profit	2,125	1,202	(432)	(1,343)	*1,552*	12,519	722	*13,241*	(5,721)	*9,073*
Share of profit of equity-accounted investees	--	--	--	2,730	*2,730*	--	--	--	--	*2,730*
Interest income	--	--	669	--	*669*	2,068	18	*2,086*	9,267	*12,022*
Interest expense	(1,152)	(153)	(2,152)	(72)	*(3,530)*	(6,992)	(501)	*(7,492)*	(12,703)	*(23,726)*

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

4 Segment reporting *(continued)*

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

As at 31 December 2017 statement of financial position details and for the six months ended 30 June 2017 profit or loss details of reportable segments comprised the following:

	BPI	Valletta	Ege Ports	Others	*Cruise Total*	Ortadoğu Liman	Port of Adria	*Total Commercial*	Non-operational & HQ	*Total Consolidated*
Segment assets	164,043	115,673	55,965	13,900	*349,581*	234,902	70,526	*305,428*	23,619	*678,628*
Equity accounted investees	--	--	--	22,004	*22,004*	--	--	--	--	*22,004*
Segment liabilities	98,490	37,471	13,285	5,068	*154,314*	53,333	8,157	*61,490*	273,725	*489,530*
Capital expenditures	209	801	3,448	1,447	*5,905*	2,851	6,581	*9,432*	467	*15,804*

	BPI	Valletta	Ege Ports	Others	*Cruise Total*	Port Akdeniz	Port of Adria	*Total Commercial*	Non-operational & HQ	*Consolidated*
External revenues	9,957	5,170	1,728	1,639	*18,494*	27,987	3,266	*31,253*	--	*49,747*
EBITDA	5,357	2,558	970	1,250	*10,135*	21,366	698	*22,064*	(2,251)	*29,948*
Depreciation and amortization expense	(5,171)	(1,186)	(1,260)	(1,000)	*(8,617)*	(10,491)	(1,148)	*(11,639)*	(70)	*(20,326)*
Non-recurring income/(expense)	(255)	(113)	(153)	(139)	*(660)*	(116)	(452)	*(568)*	(3,402)	*(4,630)*
Non-cash income/(expenses)	(1,302)	--	5	(12)	*(1,309)*	(353)	1,082	*729*	(60)	*(640)*
Operating profit	(1,371)	1,259	(438)	(816)	*(1,366)*	10,406	180	*10,586*	(5,783)	*3,437*
Share of profit of equity-accounted investees	--	--	--	915	*915*	--	--	--	--	*915*
Interest income	3	14	1,127	9	*1,153*	615	128	*743*	1,953	*3,849*
Interest expense	(1,226)	(202)	(535)	(61)	*(2,024)*	(1,543)	(419)	*(1,962)*	(10,716)	*(14,702)*

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

4 Segment reporting *(continued)*

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

For the six months ended 30 June, the reconciliation of details of reportable segments profit before income tax is as following:

	Note	2018	2017
Revenues			
Total revenue for reportable segments	*5*	56,557	49,747
Total external revenues		**56,557**	**49,747**
Consolidated EBITDA		38,420	29,948
Non-recurring income / (expense)		(3,617)	(4,630)
Non-cash income / (expense)		(418)	(640)
Finance income	*9*	10,353	5,754
Finance costs	*9*	(22,350)	(16,839)
Depreciation and amortization		(22,581)	(20,326)
Total profit before income tax		**(193)**	**(6,733)**
Interest income			
Total interest income for reportable segments		12,022	3,849
Elimination of inter-segments		(11,321)	(2,449)
Consolidated interest income	*9*	**701**	**1,400**
Interest expense			
Total interest expense for reportable segments		(23,726)	(14,702)
Elimination of inter-segments		11,321	2,449
Consolidated interest expense	***9***	**(12,405)**	**(12,253)**

(iv) Geographic information

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

Revenue

	30 June 2018	30 June 2017
Turkey	**30,276**	**30,551**
All foreign countries	**26,280**	**19,196**
Montenegro	6,171	3,267
Malta	5,677	5,170
Spain	13,348	9,957
Italy	1,084	802
	56,556	**49,747**

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

4 Segment reporting *(continued)*

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

Non-current assets

	As at 30 June 2018	**As at 31 December 2017**
Turkey	**253,730**	**265,792**
All foreign countries	**305,936**	**320,946**
Spain	136,434	144,939
Malta	96,839	100,631
Montenegro	65,243	67,416
Italy	7,420	7,960
	559,666	**586,738**

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

(v) ***Information about major customers***

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

5 Revenue and cost of sales

Revenue

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

	2018	**2017**
Container revenues	21,718	21,539
Landing fees	14,848	11,757
Cargo revenues	7,351	5,703
Port service revenues	5,528	5,292
Rental revenues	4,268	3,995
Income from duty free operations	1,776	913
Domestic water sales	426	362
Other revenue	641	186
Total	**56,556**	**49,747**

Seasonality of revenue

Sales from the Cruise business are more heavily weighted towards the second half of the calendar year with, on average, approximately 62% of annual sales arising during the July to December period for the last three years. In 2017, 37% of the Group's full year revenue fell in the first six months, 41% in 2016 and 36% in 2015.

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

5 Revenue and cost of sales *(continued)*

Cost of sales

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

	2018	2017
Depreciation and amortization expenses	20,993	18,819
Personnel expenses	7,108	6,268
Subcontractor crane and container service	1,523	1,619
Shopping mall expenses	1,320	1,220
Security expenses	1,146	808
Commission fees to government authorities and pilotage expenses	1,127	2,032
Repair and maintenance expenses	1,005	805
Port rental expenses	579	389
Container transportation expenses	545	521
Insurance expenses	501	511
Fuel expenses	440	384
Port energy usage expenses	397	372
Fresh water expenses	303	259
Waste removal expenses	75	65
Expenses in relation to replacement provisions	--	989
Tugboat rent expenses	--	4
Other expenses	727	745
Total	**37,789**	**35,810**

6 Other income and expenses

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

	2018	2017
Foreign exchange gains other than financing activities	2,256	--
Reversed provisions	9	384
Other	537	316
Total	**2,802**	**700**

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

	2018	2017
Project expenses (*)	3,335	3,966
Foreign exchange losses other than financing activities	389	--
Other	1,250	363
Total	**4,974**	**4,329**

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

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

7 Taxation on income

Income tax expense is recognised based on management's estimate of the average annual effective income tax rate for each relevant taxing jurisdiction and applied individually to the interim period pre-tax income of each jurisdiction. The estimated average annual tax rate used for the year to 30 June 2018 is 16.22%, compared to 12.13% for the six months ended 30 June 2017. The lower tax rate in prior years was the result of growth in portfolio, newly acquired ports within Europe having higher effective tax rates compared to Turkish Ports, and the comparative decrease in operations of Turkish Ports, increasing significance of European Ports in realizations.

For the six month ended 30 June tax expense comprised the following:

	Six months ended 30 June 2018	**Six months ended 30 June 2017**
Current income taxes	(3,724)	(3,388)
Deferred income taxes	2,197	3,181
Total	**(1,527)**	**(207)**

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

	2018	**2017**
Balance at 1 January	**(98,184)**	**(94,126)**
Deferred tax benefit in profit or loss	2,197	3,181
Currency translation difference	1,175	(4,494)
Balance as at 30 June	**(94,812)**	**(95,439)**

8 Administrative expenses

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

	2018	**2017**
Personnel expenses	2,277	1,658
Depreciation and amortisation expenses	1,588	1,507
Consultancy expenses	839	932
Representation expenses	517	735
Taxes other than on income	335	513
IT expenses	154	87
Communication expenses	153	123
Travelling expenses	127	283
Vehicle expenses	93	74
Rent expenses	50	31
Stationary expenses	42	62
Office operating expenses	38	48
Repair and maintenance expenses	14	19
Other expenses	774	364
Total	**7,001**	**6,436**

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

9 Finance income and costs

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

Finance income	**2018**	**2017**
Foreign exchange gain (*)	9,625	4,338
Interest income on banks and others	404	270
Interest income on related parties	297	179
Gain on sale of marketable securities	12	--
Interest income on marketable securities (**)	--	936
Interest income from housing loans	--	15
Others	15	16
Total	**10,353**	**5,754**

(*) The Group's foreign exchange gains arise mainly through its operations in Turkey, depreciation of TL against the functional currencies of these entities results in a benefit as the cost base is significantly more weighted to TL than the revenues.

(**) Interest income on marketable securities comprised during the prior periods the interest income earned from the Global Yatırım Holding's bonds. Global Yatırım Holding is the ultimate controlling party of the Group. The bonds' maturity was 30 June 2021 with an annual nominal interest rate of 8% and nominal amounts of USD 13,944 thousand. The Group had used its right to sell back all its bonds to Global Yatırım Holding at par plus accrued interest as of 29 December 2017 and transaction was closed at 6 February 2018.

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

Finance costs	**2018**	**2017**
Interest expense on loans and borrowings	12,243	12,126
Foreign exchange losses	9,489	3,919
Other interest expenses	161	127
Unwinding of provisions during the year	149	289
Letter of guarantee commission expenses	120	101
Loan commission expenses	34	79
Other	154	198
Total	**22,350**	**16,839**

10 Property and equipment

For the six months ended 30 June, a summary of movements of property and equipment is as follows:

	2018	**2017**
Net book value as at 1 January	134,664	115,765
Additions	5,383	11,964
Disposals	--	(117)
Depreciation	(6,183)	(5,234)
Currency translation differences	(2,798)	6,773
Net book value as at 30 June	**131,066**	**129,151**

As at 30 June 2018, the net book value of machinery and equipment purchased through leasing amounts to USD 1,878 thousand (31 December 2017: USD 2,064 thousand), the net book value of motor vehicles purchased through leasing amounts to USD 12,021 thousand (31 December 2017: USD 9,428 thousand), and the net book value of furniture and fixtures purchased through leasing amounts to USD 397 thousand (31 December 2017: USD 124 thousand). In 2018 and 2017, no capital expenditure was made through finance leases.

10 Property and equipment *(continued)*

For the six months ended 30 June 2018 and year ended 31 December 2017, there is no capitalised borrowing cost on property and equipment.

As at 30 June 2018, the insured amount of property and equipment amounts to USD 259,674 thousand (31 December 2017: USD 265,598 thousand).

11 Intangible assets

For the six months ended 30 June, a summary of movements of intangible assets is as follows:

	2018	**2017**
Net book value as at 1 January	433,075	426,081
Additions	151	563
Disposals	--	--
Amortization	(16,398)	(15,092)
Currency translation differences	(6,792)	18,806
Net book value as at 30 June	**410,036**	**430,358**

The details of the principal port operation rights for the six months ended 30 June 2018, year ended 31 December 2017 and six months ended 30 June 2017 are as follows:

	As at 30 June 2018		**As at 31 December 2017**		**As at 30 June 2017**	
USD '000	**Carrying Amount**	**Remaining Amortisation Period**	**Carrying Amount**	**Remaining Amortisation Period**	**Carrying Amount**	**Remaining Amortisation Period**
Barcelona Ports Investment	132,331	144 months	141,622	150 months	140,341	156 months
Valletta Cruise Port	65,776	581 months	68,339	587 months	65,823	593 months
Port of Adria	21,679	306 months	22,731	312 months	22,089	318 months
Port Akdeniz	169,116	122 months	177,433	128 months	185,750	134 months
Ege Ports	12,696	177 months	13,491	183 months	13,277	189 months
Port Operation Holding	6,121	100 months	6,644	106 months	--	--
Bodrum Cruise Port	556	9 months	698	15 months	788	21 months
	408,275		**430,958**		**428,068**	

12 Equity-accounted investees

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
La Spezia Cruise Facility Srl. ("La Spezia") (****)	Italy	Port operations

(*) 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. Port of Lisbon has been recognized as an equity-accounted investee in the consolidated financial statements.

(**) Barcelona Port Investments, S.L ("BPI") was established as a joint venture between the Group and Royal Caribbean Cruises Ltd. ("RCCL") on 26 July 2013 for the purpose of acquiring a Creuers. Creuers holds a 100% interest in the port operation rights for the Barcelona cruise port, as well as an 80% interest in the port operation rights for the Malaga cruise port and a 40% interest in the port operation rights for the Singapore cruise port. Singapore cruise port has been recognised as an equity-accounted investee in the consolidated financial statements.

(***) 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.

(****)GPH purchased minority interest through POH in La Spezia Cruise Facility Srl, which has the operating rights of La Spezia Cruise Port, Italy.

At 30 June 2018, Venezia Investimenti, Port of Lisbon, Singapore Port and La Spezia are equity accounted investees in which the Group participates. The following table summarizes the financial information of Venezia Investimenti, La Spezia, Port of Lisbon and Singapore Port as included in the consolidated financial statements as at 30 June 2018. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in Port of Lisbon, Singapore Port, Venezia Investimenti, La Spezia.

In USD 000's	**La Spezia**	**Venezia Investimenti**	**Port of Lisbon**	**Singapore Port**
Percentage ownership interest	30.00%	25.00%	50.00%	40.00%
Non-current assets	--	35,642	30,420	2,960
Current assets	136	3,014	6,754	16,847
Non-current liabilities	--	--	(15,457)	--
Current liabilities	--	52	(4,820)	(6,380)
Net assets (100%)	136	38,708	16,898	13,427
Group's share of net assets	41	9,677	8,449	5,371
Carrying amount of interest in equity accounted investees	**41**	**9,677**	**8,449**	**5,371**
Revenue	--	831	2,755	14,683
Expenses	--	(109)	(2,686)	(8,395)
Profit / (loss) and total comprehensive income for the year (100%)	--	722	70	6,287
Group's share of profit and total comprehensive income	--	**180**	**35**	**2,515**

As of 30 June 2018, Singapore Port has current assets of USD 16,847, Port of Lisbon has non-current financial liabilities of USD 15,457 and cash and cash equivalents of USD 2,554 and Venezia Investimenti has cash and cash equivalents of USD 2,945.

12 Equity-accounted investees *(continued)*

For the period ended 30 June 2018, the Group's share of profit and total comprehensive income is set out below:

In USD 000's	Net profit
Venezia Investimenti	180
Port of Lisbon	35
Singapore Port	2,515
Group's share of profit and total comprehensive income	**2,730**

At 31 December 2017, Venezia Investimenti, Port of Lisbon, Singapore Port and La Spezia are equity accounted investees in which the Group participates. The following table summarizes the financial information of Venezia Investimenti, La Spezia, Port of Lisbon and Singapore Port as included in the consolidated financial statements as at 31 December 2017. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in Port of Lisbon, Singapore Port, Venezia Investimenti, La Spezia.

In USD 000's	La Spezia	Venezia Investimenti	Port of Lisbon	Singapore Port
Percentage ownership interest	30.00%	25.00%	50.00%	40.00%
Non-current assets	--	38,248	28,880	2,802
Current assets	140	1,940	8,077	13,444
Non-current liabilities	--	--	(13,920)	(1,846)
Current liabilities	--	(174)	(5,687)	(6,191)
Net assets (100%)	140	40,014	17,350	8,209
Group's share of net assets	42	10,004	8,675	3,283
Carrying amount of interest in equity accounted investees	**42**	**10,004**	**8,675**	**3,283**

As of 31 December 2017, Singapore Port has current assets of USD 13,444, Port of Lisbon has non-current financial liabilities of USD 13,920 and cash and cash equivalents of USD 4,426 and Venezia Investimenti has cash and cash equivalents of USD 987.

For the period ended 30 June 2017, the Group's share of profit and total comprehensive income is set out below:

In USD 000's	Net profit
Venezia Investimenti	(207)
Port of Lisbon	350
Singapore Port	772
Group's share of profit and total comprehensive income	**915**

13 Cash and cash equivalents

As at 30 June 2018 and 31 December 2017, cash and cash equivalents comprised the following:

	30 June 2018	31 December 2017
Cash on hand	182	69
Cash at banks	84,580	48,239
- *Demand deposits*	*26,592*	*19,285*
- *Time deposits*	*57,662*	*9,646*
- *Overnight deposits*	*326*	*19,308*
Cash and cash equivalents	**84,762**	**48,308**

13 Cash and cash equivalent *(continued)*

As at 30 June 2018 and 31 December 2017, maturities of time deposits comprised the following:

	30 June 2018	31 December 2017
Up to 1 month	54,811	9,646
1 – 3 months	2,851	--
Total	**57,662**	**9,646**

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with a maturity at inception of three months or less. The carrying amount of these assets approximates their fair value.

As at 30 June 2018, cash at bank amounting to USD 7,530 thousand (31 December 2017: USD 5,954 thousand) is restricted, principally due to being held on reserve accounts as required by debt agreements.

14 Capital and reserves

a) Share capital

As at 30 June 2018 and 31 December 2017, the Company's statutory nominal value of authorised and paid-in share capital consists of 74,307,399 registered ordinary shares with a par value of TL 1 each.

As at 30 June 2018 and 31 December 2017, the share ownership structure of the Company was as follows:

	30 June 2018		31 December 2017	
	Nominal value of shares (USD '000)	Proportion of shares (%)	Nominal value of shares (USD '000)	Proportion of shares (%)
Global Ports Holding PLC	33,828	100,00	33,828	100,00
Paid in capital (nominal)	33,828	100.00	33,828	100.00
Inflation accounting adjustment	8		8	
Inflation adjusted capital	33,836		33,836	

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

b) Nature and purpose of reserves

(i) Translation reserves

The translation reserves amounting to USD 179,907 thousand (31 December 2017: USD 150,626 thousand) are recognised as a separate account under equity and comprises foreign exchange differences arising from the translation of the consolidated historical financial information of subsidiaries and equity-accounted investees from their functional currencies (of Euro and TL) to the presentation currency, USD.

(ii) Legal reserves

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

14 Capital and reserves *(continued)*

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

(ii) Legal reserves (continued)

First and second level legal reserves cannot be distributed until they exceed 50% of the capital, but the reserves can be used for offsetting the losses in case free reserves are unavailable. As at 30 June 2018, the legal reserves of the Group amounted to USD 13,030 thousand (31 December 2016: USD 13,012 thousand).

(iii) Hedging reserves

Investment hedge

The Company has used its Eurobond financing as a non-derivative financial item to hedge the net investment of Port Akdeniz. As of 30 June 2018, the net asset value of Port Akdeniz amount to USD 193,261 thousand, and the carrying value of Eurobond amounts to USD 249,749 thousand (31 December 2017: the net asset value of Port Akdeniz amount to USD 193,261 thousand and the carrying value of Eurobond amounts to USD 249,444 thousand). The ineffective portion of the investment hedge is USD 10,963 thousand as at 30 June 2018 (31 December 2017: USD 3,931 thousand).

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.

On 9 March 2017 the Company paid its 2016 final dividend to shareholders totalling USD 26,783 thousand.

Dividends paid to non-controlling interests totalled USD 664 in 2018 (2017: USD 1,063) and comprised a distribution of USD 664 thousand made by BPI to RCCL (2017: USD 1,063 thousand made to other shareholders by Valletta Cruise Port)

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

15 Loans and borrowings

As at 30 June 2018 and 31 December 2017, loans and borrowings comprised the following:

Short term loans and borrowings	**30 June 2018**	**31 December 2017**
Short term portion of Eurobond issued *(i)*	18,551	18,556
Short term bank loans	6,600	7,272
- TL loans	*533*	*47*
- Loans denominated in foreign currencies	*6,067*	*7,225*
Short term portion of long term bank loans	21,612	17,571
- TL loans	*332*	*339*
- Loans denominated in foreign currencies	*21,280*	*17,232*
Finance lease obligations	1,311	1,479
Total	**48,074**	**44,878**

Long term loans and borrowings	**30 June 2018**	**31 December 2017**
Long term portion of Eurobond issued **(i)**	231,198	230,889
Long term bank loans	74,332	64,038
- TL loans	*224*	*288*
- Foreign currency loans	*74,108*	*63,750*
Finance lease obligations	1,217	1,915
Total	**306,747**	**296,842**

(i) The sales process of the Eurobond issuances amounting to USD 250 million with 7 years of maturity, and a 8.125% coupon rate based on 8.250% reoffer yield was completed on 14 November 2014. Coupon repayment are made semi-annually. The bonds are quoted on the Irish Stock Exchange.

Eurobonds contain the following key financial covenants:

If a concession termination event occurs at any time, Global Liman (the "Issuer") 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, in addition to 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.

According to the Eurobond issued by Global Liman, the consolidated leverage ratio may not exceed 5.0 to 1 (incurrence covenant). The consolidated leverage ratio as defined in the Eurobond includes Global Liman as the issuer and all of its consolidated subsidiaries excluding the Malaga Cruise Port and Valletta Cruise Port (both being Unrestricted Subsidiaries as defined in the Eurobond). Irrespective of the consolidated leverage ratio, the issuer will be entitled to incur any or all of the following indebtedness:

- Indebtedness incurred by 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 million;
- Purchase money indebtedness incurred to finance the acquisition by, the Issuer or a Restricted Subsidiary, of assets in the ordinary course of business in an aggregate principal amount which, when added together with the amount of indebtedness incurred and then outstanding, does not exceed USD 10 million; and
- Any additional indebtedness of the Issuer or any Guarantor (other than and in addition to indebtedness permitted above) and Port of Adria indebtedness, provided, however, that the aggregate principal amount of Indebtedness outstanding at any time of this clause does not exceed USD 20 million; and provided further, that more than 50% in aggregate principal amount of any Port of Adria indebtedness incurred pursuant to this clause is borrowed from the International Finance Corporation and/or the European Bank for Reconstruction and Development.

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

15 Loans and borrowings *(continued)*

As at 30 June 2018 and 31 December 2017, maturity profile of loans comprised the following:

Year	30 June 2018	31 December 2017
Between 1-2 years	31,710	32,138
Between 2-3 years	31,436	30,715
Between 3-4 years	209,628	208,750
Over 5 years	32,756	23,324
Total	**305,530**	**294,927**

As at 30 June 2018 and 31 December 2017, maturity profile of finance lease obligations comprised the following:

	30 June 2018			31 December 2017		
	Future minimum lease payments	*Interest*	*Present value of minimum lease payments*	*Future minimum lease payments*	*Interest*	*Present value of minimum lease payments*
Less than one year	1,395	(84)	1,311	1,589	(110)	1,479
Between one and five years	1,339	(122)	1,217	2,145	(230)	1,915
Total	**2,734**	**(206)**	**2,528**	**3,734**	**(340)**	**3,394**

16 Provisions

As at 30 June 2018 and 31 December 2017, non-current and current provisions comprised the following:

Non-current	30 June 2018	31 December 2017
Replacement provisions for Creuers (*)	17,423	17,918
Restructuring provisions for Port of Bar (**)	1,373	1,496
Italian Ports Concession fee provisions(***)	1,520	1,667
Total	**20,316**	**21,081**

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

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

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

16 Provisions *(continued)*

(***) On 16 December 2009, Ravenna Port Authority and Ravenna Passenger Terminal S.r.l. ("RTP") entered into an agreement regarding the operating concession for the Ravenna Passenger Terminal which terminates on 27 December 2019. RTP had an obligation to pay a concession fee to the Port Authority of Euro 86,375 per year until end of concession. The expense relating to this concession agreement is recognized on a straight-line basis over the concession period, giving rise to an accrual in the earlier years.

On 13 June 2011, Catania Port Authority and Catania Cruise Terminal S.r.l. ("CCT") entered into an agreement regarding the operating concession for the Catania Passenger Terminal which terminates on 12 June 2026. CCT had an obligation to pay a concession fee to the Catania Port Authority of Euro 135,000 per year until end of concession. The expense relating to this concession agreement is recognized on a straight-line basis over the concession period, giving rise to an accrual in the earlier years.

On 14 January 2013, Cagliari Cruise Port ("CCP") and Cagliari Port Authority entered into an agreement regarding the operating concession for the Cagliari Cruise Terminal which terminates on 13 January 2027. CCP had an obligation to pay a concession fee to the Cagliari Port Authority of Euro 44,316 per year until end of concession. The expense relating to this concession agreement is recognized on a straight-line basis over the concession period, giving rise to an accrual in the earlier years.

Current	**30 June 2018**	**31 December 2017**
Employee benefit provisions	218	348
Short term provisions	937	854
Total	**1,156**	**1,202**

17 Earnings per share

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

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

	2018	**2017**
Loss attributable to owners of the Company	(1,871)	(6,609)
Weighted average number of shares	74,307,399	74,307,399
Basic and diluted earnings per share with par value of USD 1 (cents per share)	(2.52)	(8.89)

18 Commitment and contingencies

(a) Litigations

There are pending lawsuits that have been filed against or by the Group. The management of the Group assesses the possible results and financial effects of these lawsuits at the end of each period and as a result of these assessments, the required provisions are recognized for the possible expenses and liabilities. The amount of provision that has been accounted for as at 30 June 2018 is USD 241 thousand (31 December 2017: USD 264 thousand).

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

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

On 6 June 2013, the Turkish Constitutional Court partially annulled a law that prevented operators of privatised facilities from applying to extend their operating term. The respective Group companies then applied to extend the concession terms of Port Akdeniz-Antalya, Ege Ports-Kuşadası and Bodrum Cruise Port to give each concession a total term of 49 years from original grant date. After these applications were rejected, the respective Group companies filed lawsuits with administrative courts challenging the decisions.

Port Akdeniz-Antalya filed lawsuits against Privatization Administration and the General Directorate of Turkey Maritime Organization requesting cancellation with respect to rejection of the extension applications. The Court dismissed the case and the Group lawyers appealed such decision of the Court. The appeal is pending before the Council of State.

Ege Ports-Kuşadası filed lawsuits against Privatization Administration and General Directorate of Turkey Maritime Organization requesting cancellation with respect to rejection of the extension applications. Both authorities filed their defenses and Ege Ports-Kuşadası submitted its reply to the defenses in due time. The Court dismissed the case and the Group lawyers appealed such decision of the Court. The Council of State reversed the lower courts' judgement in favor of Ege Ports-Kuşadası. The Privatization Administration applied to the Council of State for reversal of this judgement and the case is still pending.

Bodrum Cruise Port filed a lawsuit against (i) Ministry of Finance General Directorate of National Estate, (ii) the District Governorship of Bodrum and (iii) the Ministry of Transportation, Maritime Affairs and Communication requesting cancellation with respect to rejection of the extension applications. 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's appeal has been overruled and first instance court judgement has been affirmed by the Council of State. The Ministry has applied for the rectification of the decision and the Council of State has rejected the request in favor of Bodrum Cruise Port as the final verdict.

On the other hand, extending operation right terms to 49 years is also a possibility for certain facilities and investments including Bodrum Cruise Port as per the new amendment of law published in the Official Gazette of 5 December 2017. Guidelines as referred in the law are expected to be announced by relevant ministries.

18 Commitments and contingencies *(continued)*

***(a) Litigations** (continued)*

Other legal proceedings

The Port of Adria-Bar (Montenegro) was party to a collective bargaining agreement with a union representing workers in a range of functions that expired in 2010, before the Port of Adria-Bar was acquired by the Group. However, a number of lawsuits have been brought in connection to this collective bargaining agreement seeking (i) unpaid wages for periods before the handover of the Port to the Group, and (ii) alleged underpaid wages as of the start of 2014. On March 2017, the Supreme Court of Montenegro adopted a Standpoint in which it is ruled that collective bargaining agreement cannot be applied on rights, duties and responsibilities for employees of Port of Adria-Bar after 30 September 2010. Although various cases remain pending before lower courts, the Standpoint establishes a precedent that would apply to the remaining pending cases before the lower courts. Accordingly, Management strongly believes that the pending cases will be decided in favor of the Group.

19 Financial instruments – Fair value disclosures

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

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

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

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

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

	Note	As at 30 June 2018		As at 31 December 2017	
USD '000		**Carrying**	**Fair**	**Carrying**	**Fair**
Financial liabilities		**Amount**	**Value**	**Amount**	**Value**
Loans and borrowings	15	354,821	363,873	341,720	347,788

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

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

19 Financial instruments - Fair value disclosures *(continued)*

The Group's Eurobond liability has been included in level 1 of the fair value hierarchy as it has been valued using quotes available on its quoted market. The fair value of loans and borrowings has been determined in accordance with the most significant inputs being discounted cash flow analysis and discount rates.

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

		Level 1	Level 2	Level 3	Total
As at 30 June 2018	Derivative financial liabilities	--	788	--	788
As at 31 December 2017	Derivative financial liabilities	--	855	--	855

The valuation technique and inputs used to determine the fair value of the interest rate swap is based on future cash flows estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

20 Related parties

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

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

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

Due from related parties

As at 30 June 2018 and 31 December 2017, current receivables from related parties comprised the following:

Current receivables from related parties	**30 June 2018**	**31 December 2017**
GPH PLC	1,218	389
Adonia Shipping (*)	855	1,030
Global Yatırım Holding	373	307
Naturel Gaz (*)	74	74
Mehmet Kutman	20	24
Others	303	164
Total	**2,843**	**1,988**

(*) These amounts are related with the work advances. The charged interest rate is 8.50% as at 30 June 2018 (30 June 2017: 9.75%).

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

20 Related parties *(continued)*

Due to related parties

As at 30 June 2018 and 31 December 2017, current payables to related parties comprised the following:

Current payables to related parties	30 June 2018	31 December 2017
GPH PLC (*)	6,802	3,573
Global Yatırım Holding	--	244
Mehmet Kutman	157	191
Global Sigorta	57	1
Global Menkul	1	13
Other	34	34
Total	**7,051**	**4,056**

(*) This amount is related to financing provided to subsidiaries.

Transactions with related parties:

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

	2018		2017	
	Interest received	Other	Interest received	Other
Global Yatırım Holding	297	--	1,115	--
Total	**297**	**--**	**1,115**	**--**

	2018		2017	
	Interest Paid	Other	Interest Paid	Other
Global Yatırım Holding	--	1	--	1
Global Menkul	--	--	--	--
Total	**--**	**1**	**--**	**1**

For the year ended 31 December 2018, the Group recognised interest income on the bonds issued by Global Yatırım Holding in September 2012 with a nominal interest rate of 8% (30 June 2018: nil) amounting to USD 1,490 thousand (for the six months ended 30 June 2018: nil). For the six months ended 30 June 2017, the effective interest rate was 13.95% (31 December 2017: 8%, 30 June 2018: nil). For the year months ended 30 June 2018, the Group accounted for a gain amounting to USD 12 thousand from purchase and sale of Global Yatırım Holding's publicly traded share certificates (for the year ended 31 December 2017: a gain of USD 15 thousand).

Transactions with key management personnel

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

	2018	2017
Salaries	981	917
Bonus	49	--
Attendance fees to Board of Directors	56	69
Other	19	17
Total	**1,105**	**1,003**

21 Events after reporting date

As announced in the official gazetta, Turkiye Denizcilik Isletmeleri A.S. ("TDI") decided to transfer land that was being used by GPH at Port Akdeniz to the Free Trade Zone that operates alongside our port assets. As a result of this transfer the operating area of Port Akdeniz will slightly reduce, however given the excess capacity that exists at the port we do not expect this decision to have a material impact on the operating capability of the port or a material impact on the financial position of GPH. In terms of any specific services that could be impacted, by this decision management have already identified a number alternatives.