

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

Condensed Consolidated Interim
Financial Information
As at and for the Three Months Ended
31 March 2016

This report includes 43 pages of condensed consolidated interim financial information together with their explanatory notes

Global Liman İşletmeleri Anonim Şirketi and its Subsidiaries

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Global Liman İşletmeleri A.Ş. and its Subsidiaries
Condensed Consolidated Interim Statement of Financial Position
As at 31 March 2016

Currency: TL

	<i>Notes</i>	31 March 2016	31 December 2015
Assets			
Property and equipment	<i>11</i>	344,586,166	348,247,559
Intangible assets	<i>12</i>	1,317,544,078	1,344,115,290
Goodwill	<i>13</i>	36,438,726	37,392,970
Equity-accounted investees	<i>14</i>	20,847,333	19,268,404
Other investments	<i>15</i>	22,232	22,232
Deferred tax assets	<i>8</i>	12,312,780	11,060,395
Other non-current assets	<i>17</i>	47,831,544	33,572,316
Total non-current assets		<u>1,779,582,859</u>	<u>1,793,679,166</u>
Trade and other receivables	<i>16</i>	26,386,493	31,404,662
Due from related parties	<i>29</i>	110,601,232	110,901,294
Other investments	<i>15</i>	48,063,905	49,159,145
Other current assets	<i>17</i>	25,231,662	28,105,961
Cash and cash equivalents	<i>18</i>	134,607,708	225,115,739
Total current assets		<u>344,891,000</u>	<u>444,686,801</u>
Total assets		<u>2,124,473,859</u>	<u>2,238,365,967</u>
Equity			
Share capital	<i>22</i>	74,323,982	74,323,982
Reserves	<i>22</i>	338,836,529	319,734,789
Retained earnings		44,287,912	169,675,302
Equity attributable to owners of the Company		<u>457,448,423</u>	<u>563,734,073</u>
Non-controlling interests		<u>241,817,252</u>	<u>244,066,978</u>
Total equity		<u>699,265,675</u>	<u>807,801,051</u>
Liabilities			
Loans and borrowings	<i>19</i>	911,674,517	914,521,489
Other financial liabilities		4,696,572	4,651,920
Derivative financial liabilities		4,416,832	2,771,205
Deferred tax liabilities	<i>8</i>	296,203,323	302,884,650
Provisions	<i>23</i>	41,816,390	41,225,657
Other liabilities		2,244,532	1,616,178
Employee benefits	<i>21</i>	4,470,809	4,255,299
Total non-current liabilities		<u>1,265,522,975</u>	<u>1,271,926,398</u>
Loans and borrowings	<i>19</i>	109,508,839	106,478,192
Other financial liabilities		566,913	759,767
Trade and other payables	<i>20</i>	41,429,189	42,641,272
Due to related parties	<i>29</i>	2,817,947	2,037,837
Current tax liabilities		3,796,573	5,525,114
Provisions	<i>23</i>	1,565,748	1,196,336
Total current liabilities		<u>159,685,209</u>	<u>158,638,518</u>
Total liabilities		<u>1,425,208,184</u>	<u>1,430,564,916</u>
Total equity and liabilities		<u>2,124,473,859</u>	<u>2,238,365,967</u>

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 Three Months Ended 31 March 2016
Currency: TL

	<u>Notes</u>	<u>1 January- 31 March 2016</u>	<u>1 January- 31 March 2015</u>
Revenue	6	54,559,804	42,482,861
Cost of sales	6	(48,357,458)	(40,003,808)
Gross profit		6,202,346	2,479,053
Other income	7	244,900	1,653,097
Selling and marketing expenses		(592,106)	(227,761)
Administrative expenses	9	(9,859,341)	(8,011,212)
Other expenses	7	(3,387,658)	(983,880)
Operating profit		(7,391,859)	(5,090,703)
Finance income	10	42,938,517	19,937,161
Finance costs	10	(57,509,379)	(20,671,142)
Net finance costs		(14,570,862)	(733,981)
Share of profit of equity-accounted investees, net of tax	14	1,444,916	640,622
Profit /(loss) before income tax		(20,517,805)	(5,184,062)
Income tax expense		2,314,977	968,675
Profit for the period		(18,202,828)	(4,215,387)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability	21	(27,398)	--
Related tax		5,480	--
		(21,918)	--
Items that may be reclassified subsequently to profit or loss			
Change in currency translation differences	10	(6,969,146)	62,808,060
Interest hedge – effective portion of changes in fair value	10	(1,619,025)	--
(Loss) / gain on hedging instruments designated in the hedges of the net assets of foreign operations	22	22,680,956	(91,031,250)
Related tax		(4,131,435)	18,206,250
		9,961,350	(10,016,940)
Other comprehensive income / (expense) for the period, net of income tax		9,939,432	(10,016,940)
Total comprehensive income for the period		(8,263,396)	(14,232,327)
Profit / (loss) attributable to:			
Owners of the Company		(13,764,337)	74,003
Non-controlling interests		(4,438,491)	(4,289,390)
		(18,202,828)	(4,215,387)
Total comprehensive income / (expense) attributable to:			
Owners of the Company		(6,654,648)	(13,465,370)
Non-controlling interests		(1,608,748)	(766,957)
		(8,263,396)	(14,232,327)

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 Three Months Ended 31 March 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		--	--	--	--	(13,764,337)	(13,764,337)	(4,438,491)	(18,202,828)
Other comprehensive income		--	--	16,930,496	(9,798,889)	(21,918)	7,109,689	2,829,743	9,939,432
Total comprehensive income for the period		--	--	16,930,496	(9,798,889)	(13,786,255)	(6,654,648)	(1,608,748)	(8,263,396)
Transactions with owners of the Company									
Contributions and distributions									
Transfer		--	6,726,396	--	--	(6,726,396)	--	--	--
Dividends	22	--	5,243,737	--	--	(104,874,739)	(99,631,002)	(640,978)	(100,271,980)
Total contributions and distributions		--	11,970,133	--	--	(111,601,135)	(99,631,002)	(640,978)	(100,271,980)
Balance at 31 March 2016		74,323,982	190,910,428	(173,999,447)	321,925,548	44,287,912	457,448,423	241,817,252	699,265,675

	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		--	--	--	--	74,003	74,003	(4,289,390)	(4,215,387)
Other comprehensive income		--	--	(72,825,000)	59,285,627	--	(13,539,373)	3,522,433	(10,016,940)
Total comprehensive income for the period		--	--	(72,825,000)	59,285,627	74,003	(13,465,370)	(766,957)	(14,232,327)
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 31 March 2015		66,269,683	21,267,694	(123,312,390)	246,893,664	128,712,667	339,831,318	143,619,790	483,451,108

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 Three Months Ended 31 March 2016
Currency: TL

	<i>Notes</i>	2016	2015
Cash flows from operating activities			
Profit for the period		(18,202,828)	(4,215,387)
Adjustments for			
Depreciation and amortization expense	<i>11, 12</i>	29,630,134	24,140,702
Share of profit of equity-accounted investees, net of tax	<i>14</i>	(1,444,916)	(640,622)
Interest expense	<i>10</i>	18,936,584	14,640,231
Interest income	<i>10</i>	(2,286,991)	(1,455,288)
Income tax expense		(2,314,977)	(968,675)
Unrealized foreign exchange differences on loans and borrowings		1,265,034	1,568,381
Operating cash flow before changes in operating assets and liabilities		25,582,040	33,069,342
Changes in:			
- employment termination indemnity		403,232	164,272
- trade and other receivables		4,989,168	1,903,178
- other current assets		2,874,299	3,790,672
- other non-current assets		(14,259,228)	2,087,654
- trade and other payables		272,718	7,078,370
- provisions		960,145	2,671,060
Cash generated (used in) / from operating activities		20,822,374	50,764,548
Employee benefits paid	<i>21</i>	(221,220)	(119,811)
Income taxes paid		(4,317,857)	(4,032,896)
Net cash (used in) / from operating activities		16,283,297	46,611,841
Investing activities			
Acquisition of property and equipment	<i>11</i>	(4,273,213)	(4,720,699)
Acquisition of intangible assets	<i>12</i>	(139,423)	(5,878)
Change in financial investments	<i>15</i>	2,466,803	(3,025,138)
Interest received		915,428	310,653
Advances given for tangible assets		(71,826)	(1,451,237)
Net cash used in investing activities		(1,102,231)	(8,892,299)
Financing activities			
Change in due from related parties		300,062	7,027,626
Changes in due to related parties		(699,342)	232,348
Dividends paid	<i>22</i>	(98,151,550)	(59,380,518)
Interest paid		(3,070,796)	(1,859,525)
Proceeds from borrowings		8,677,018	3,782,468
Repayments of borrowings		(8,921,021)	(3,806,744)
Net cash used in financing activities		(101,865,629)	(54,004,345)
Effect of movements in exchange rates on cash held		(3,924,295)	(12,865,457)
Net decrease in cash and cash equivalents		(90,608,858)	(29,150,260)
Cash and cash equivalents at 1 January	<i>18</i>	212,384,104	103,514,972
Cash and cash equivalents at 31 March	<i>18</i>	121,775,246	74,364,712

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

Global Liman İşletmeleri A.Ş and its Subsidiaries
Notes to the Condensed Consolidated Interim Financial Statements
As at and for the Three Months Ended 31 March 2016
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Notes to the condensed consolidated interim financial information

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Global Liman İşletmeleri A.Ş. and its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

As at and for the Three Months Ended 31 March 2016

Currency: TL

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”, “the Company” or “GPH”). 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 31 March 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 İstanbul Stock Exchange (Borsa İstanbul - “BİST”) since May 1995 (From May 1995 to October 2004, traded as Global Menkul Değerler A.Ş.).

As at 31 March 2016, the number of employees of the Group was 677 (31 December 2015: 702). The address of the registered office of the Company is “Rıhtım Caddesi No: 51 Karaköy / İstanbul”.

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

<u>Subsidiaries</u>	<u>Locations</u>	<u>Operations</u>
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

(*) See to note 3 (a) (iii).

Global Liman İşletmeleri A.Ş. and its Subsidiaries
Notes to the Condensed Consolidated Interim Financial Statements
As at and for the Three Months Ended 31 March 2016

Currency: TL

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 31 March 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.

Global Liman İşletmeleri A.Ş. and its Subsidiaries
Notes to the Condensed Consolidated Interim Financial Statements
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Currency: TL

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 three months ended 30 September 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.

İzmir Liman

İzmir Liman was incorporated in 2008 by the shareholders of the consortium which made the highest bid for the İzmir Port tender. In 2011, Global Liman acquired 54% of the shares of İzmir Liman from the other shareholders and obtained control of İzmir Liman increasing its equity interest from 25% to 79%. As of 27 November 2013, Global Liman obtained remaining 21% of the shares of İzmir Liman from other shareholders. On 24 June 2014, Global Liman and İzmir Liman have merged into Global Liman, and legal personality of İzmir Liman has ended.

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 31 March 2016 and 31 December 2015, Randa is inactive and is excluded from the scope of consolidation.

Global Liman İşletmeleri A.Ş. and its Subsidiaries
Notes to the Condensed Consolidated Interim Financial Statements
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Currency: TL

1 Reporting entity (continued)

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

<u>Equity-accounted investees</u>	<u>Locations</u>	<u>Operations</u>
LCT - Lisbon Cruise Terminals, LDA (“Port of Lisbon”) (*)	Portugal	Port operations
SATS – Creuers Cruise Services Pte. Ltd. (“Singapore Port”) (**)	Singapore	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 as at 31 March 2016. Port of Lisbon has been recognized as equity-accounted investee in the condensed consolidated interim financial statements as at and for the three months ended 31 March 2016, and in the consolidated financial statements for the year ended 31 December 2015.

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, in Spain and in 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.

(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. The Group does not expect that these amendments will have significant impact on the consolidated financial position or performance of the Group.

Global Liman İşletmeleri A.Ş. and its Subsidiaries
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Currency: TL

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 Adria, Valetta Cruise Port and Creuers which are operated by Ege Liman, Ortadoğu Liman, Bodrum Liman, Port of Adria, 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.

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4 Segment reporting (continued)

(ii) Information about reportable segments

As at and for the three months ended 31 March 2016, the details of reportable segments comprised the following:

	Kuşadası Port	Antalya Port	Bodrum Port	Port of Adria	BPI	VCP	Other	Total
Segment assets	196,725,909	765,272,727	25,410,144	171,970,652	285,343,406	488,798,299	170,105,389	2,103,626,526
Equity-accounted investees	--	--	--	--	--	6,594,614	14,252,719	20,847,333
Segment liabilities	38,809,011	143,716,175	3,729,084	28,612,906	47,745,830	351,254,353	811,340,825	1,425,208,184
Capital expenditures	1,685,015	1,145,510	12,400	602,373	2,628,306	69,486	116,402	6,259,492
	Kuşadası Port	Antalya Port	Bodrum Port	Port of Adria	BPI		Other	Total
External revenues	2,380,083	36,341,958	218,085	5,048,222	3,616,785	6,954,671	--	54,559,804
EBITDA	491,375	26,128,668	(585,886)	144,756	646,184	2,654,937	(5,796,843)	23,683,191
Depreciation and amortization expense	(1,758,335)	(15,370,143)	(1,372,457)	(1,601,457)	(1,759,229)	(7,753,728)	(14,785)	(29,630,134)
Significant non-cash income/expenses, net	--	--	--	--	--	--	--	--
Share of profit (loss) of equity-accounted investees	--	--	--	--	--	1,479,434	(34,518)	1,444,916
Interest income	1,222,881	792,425	--	23,840	--	--	4,075,443	6,114,589
Interest expense	(1,835,836)	(2,392,961)	(54,791)	(336,748)	(416,478)	(1,825,886)	(15,901,482)	(22,764,182)

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4 Segment reporting (continued)

(ii) Information about reportable segments (continued)

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

	Kuşadası Port	Antalya Port	Bodrum Port	Port of Adria	BPI	VCP	Other	Total
Segment assets	196,620,034	790,575,602	28,438,941	171,214,329	489,797,906	280,876,834	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	281,326,652	48,261,255	877,853,944	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 Adria	BPI		Other	Total
External revenues	2,152,540	29,381,320	214,251	5,557,338	--	5,177,412	--	42,482,861
EBITDA	842,580	20,108,239	(379,511)	1,192,471	--	1,048,293	(3,121,451)	19,690,621
Depreciation and amortization expense	(1,790,184)	(13,173,686)	(1,152,357)	(1,206,594)	--	(6,797,288)	(20,593)	(24,140,702)
Significant non-cash income/expenses, net	--	--	--	--	--	--	--	--
Share of profit (loss) of equity-accounted investees	--	--	--	--	--	743,066	(102,444)	640,622
Interest income	1,269,838	397,070	4,790	--	--	25,048	2,646,416	4,343,162
Interest expense	(1,646,039)	(2,180,394)	(239,541)	(201,311)	--	(2,456,895)	(10,814,969)	(17,539,149)

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4 Segment reporting (continued)

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

For the three months ended 31 March, the details of reportable segments comprised the following:

	<u>Note</u>	<u>2016</u>	<u>2015</u>
Revenues			
Total revenue for reportable segments	6	54,559,804	42,482,861
Consolidated revenue		<u>54,559,804</u>	<u>42,482,861</u>
Consolidated EBITDA			
Consolidated EBITDA		23,683,191	19,690,621
Finance income	10	42,938,517	19,937,161
Finance costs	10	(57,509,379)	(20,671,142)
Depreciation and amortization		(29,630,134)	(24,140,702)
Consolidated profit before income tax		<u>(20,517,805)</u>	<u>(5,184,062)</u>
Interest income			
Total interest income for reportable segments		6,114,589	4,343,162
Elimination of inter-segments		(3,827,598)	(2,740,724)
Consolidated interest income	10	<u>2,286,991</u>	<u>1,602,438</u>
Interest expense			
Total interest expense for reportable segments		(22,764,182)	(17,539,149)
Elimination of inter-segments		3,827,598	2,740,724
Consolidated interest expense	10	<u>(18,936,584)</u>	<u>(14,798,425)</u>
Significant non-cash income / (expenses)			
Share profit of equity-accounted investees	14	1,444,916	640,622
Depreciation and amortization	11, 12	(29,630,134)	(24,140,702)
Total		<u>(28,185,218)</u>	<u>(23,500,080)</u>

(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 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

	<u>31 March 2016</u>	<u>31 March 2015</u>
Turkey	38,940,126	31,748,111
All foreign countries	15,619,678	10,734,750
Montenegro	5,048,222	5,557,338
Malta	3,616,785	--
Spain	6,954,671	5,177,412
	<u>54,559,804</u>	<u>42,482,861</u>

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4 Segment reporting (continued)

(iv) Geographic information (continued)

Assets

	31 March 2016	31 December 2015
Turkey	1,157,514,169	1,277,208,494
All foreign countries	966,959,690	961,157,473
Spain	488,798,299	489,797,906
Malta	285,343,406	280,876,834
Montenegro	171,970,652	171,214,329
Singapore (equity-accounted investee)	3,031,434	2,920,368
Portugal (equity-accounted investee)	17,815,899	16,348,036
	2,124,473,859	2,238,365,967

5 Acquisitions

(ii) 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 as explained in Note 3. 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. 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.

<i>In TL as at 30 November 2015 (acquisition date)</i>	<i>Note</i>	
Property and equipment	13	84,558,698
Port operation rights	14	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

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5 Acquisitions (continued)

d) Gain on bargain purchase

<i>In TL as at 30 November 2015 (acquisition date)</i>	<i>Note</i>	
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.

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6 Revenue and cost of sales

Revenue

For the three months ended 31 March, revenue comprised the following:

	<u>2016</u>	<u>2015</u>
Container revenues	26,481,706	19,747,230
Port service revenues	8,575,480	7,656,490
Cargo revenues	9,353,064	9,089,081
Landing fees	3,031,098	2,316,418
Rent revenues (*)	6,016,339	3,242,013
Setur rent revenues	99,731	91,930
Domestic water sales	160,634	127,656
Other revenue	841,752	212,043
Total	<u>54,559,804</u>	<u>42,482,861</u>

(*) 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.

Cost of sales

For the three months ended 31 March, cost of sales comprised the following:

	<u>2016</u>	<u>2015</u>
Depreciation and amortization expenses	27,950,767	23,070,985
Personnel expenses	8,973,310	7,264,476
Commission fees to government authorities and pilotage expenses	1,695,078	1,412,636
Subcontractor crane expenses	1,123,853	1,124,977
Repair and maintenance expenses	1,046,584	967,691
Subcontractor lashing expenses	857,892	694,775
Insurance expenses	796,045	510,075
Security expenses	721,333	747,229
Shopping mall expenses	664,113	1,069,957
Port energy usage expenses	564,445	522,866
Tugboat rent expenses	418,128	338,981
Fuel expenses	399,303	476,288
Container transportation expenses	357,785	486,708
Fresh water expenses	183,335	152,707
Port rental expenses	113,894	85,803
Waste removal expenses	95,248	73,854
Other expenses	2,396,345	1,003,800
Total	<u>48,357,458</u>	<u>40,003,808</u>

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7 Other income and expenses

Other income

For the three months ended 31 March, other income comprised the following:

	<u>2016</u>	<u>2015</u>
Income from reversal of lawsuit provisions	--	265,635
Other	244,900	1,387,462
Total	<u>244,900</u>	<u>1,653,097</u>

Other expenses

For the three months ended 31 March, other expenses comprised the following:

	<u>2016</u>	<u>2015</u>
Project expenses (*)	2,674,874	237,123
Concession fee expense	364,928	311,681
Taxes other than on income	18,875	267,484
Other	328,982	167,592
Total	<u>3,387,659</u>	<u>983,880</u>

(*) 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 three months ended 31 March, is as follows:

	<u>2016</u>	<u>2015</u>
Balance at 1 January	(291,824,255)	(104,861,085)
Deferred tax benefit in profit or loss	4,904,293	2,100,163
Currency translation difference	3,029,419	(15,411,331)
Balance as at 31 March	<u>(283,890,543)</u>	<u>(118,172,253)</u>

9 Administrative expenses

For the three months ended 31 March, administrative expenses comprised the following:

	<u>2016</u>	<u>2015</u>
Personnel expenses	3,805,878	2,900,454
Depreciation and amortization expenses	1,679,367	1,069,717
Consultancy expenses	1,225,544	1,365,489
Representation expenses	547,092	567,512
Taxes other than on income	484,587	718,877
Travelling expenses	469,731	314,230
Rent expenses	314,348	7,279
Communication expenses	169,479	98,304
IT expenses	144,925	112,589
Vehicle expenses	99,660	94,406
Office operating expenses	70,627	33,531
Stationary expenses	56,140	65,248
Repair and maintenance expenses	38,208	27,462
Other expenses	753,755	636,114
Total	<u>9,859,341</u>	<u>8,011,212</u>

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10 Finance income and costs

For the three months ended 31 March, finance income comprised the following:

Finance income	2016	2015
Foreign exchange gain	39,687,427	18,317,514
Interest income on marketable securities (*)	1,371,563	1,144,635
Gain on financial instruments	914,771	--
Interest income on banks and others	485,773	310,653
Interest income on related parties	405,862	147,150
Interest income from housing loans	23,793	17,209
Gain on sale of marketable securities	49,328	--
Total	42,938,517	19,937,161

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

For the three months ended 31 March, finance costs comprised the following:

Finance costs	2016	2015
Foreign exchange losses	37,267,842	4,932,455
Interest expense on loans and borrowings	18,912,822	14,640,231
Loan commission expenses	252,776	2,900
Letter of guarantees commission expenses	38,398	8,330
Other interest expense	23,762	158,194
Loss on sale of marketable securities	1,189	--
Other	1,012,590	929,032
Total	57,509,379	20,671,142

For the three months ended 31 March, finance income and costs accounted for in other comprehensive income comprised the following:

	2016	2015
Foreign currency translation differences	(6,969,146)	62,808,060
(Loss) / gain on hedging instruments designated in the hedges of the net assets of foreign operations, net of tax	18,144,765	(72,825,000)
Fair value hedge, net of tax	(1,214,269)	--
Total	9,961,350	(10,016,940)

11 Property and equipment

For the three months ended 31 March, movements of property and equipment comprised the following:

	2016	2015
Net book value as at 1 January	348,247,559	221,996,571
Additions (*)	6,120,069	4,720,699
Disposals	--	--
Depreciation	(7,350,922)	(5,953,030)
Currency translation differences	(2,430,540)	17,660,729
Net book value as at 31 March	344,586,166	238,424,969

(*) A significant portion of the additions are comprised of leasehold improvements, machinery and equipment and construction in progress for the three months ended 31 March 2016 and 2015.

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11 Property and equipment (continued)

As at 31 March 2016, the net book value of machinery and equipment purchased through finance leases amounts to TL 7,708,095 (31 March 2015: TL 8,936,364), the net book value of motor vehicles purchased through leasing amounts to TL 32,014,252 (31 March 2015: TL 30,456,342) and the net book value of furniture fixture purchased through leasing amounts to TL 734,535 (31 March 2015: TL 381,857). In 2015, the capital expenditures amounting to TL 1,846,856 was through finance leases (31 December 2015: TL 1,999,281).

As at 31 March 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 in Note 20.

For the three months ended 31 March 2016 and for the year ended on 31 December 2015, there is no capitalization of borrowing cost on property and equipment.

12 Intangible assets

For the three months ended 31 March, movements of intangible assets comprised the following:

	<u>2016</u>	<u>2015</u>
Net book value as at 1 January	1,344,115,290	1,048,418,490
Additions	139,423	5,878
Disposals	--	--
Amortization	(22,279,212)	(18,187,672)
Currency translation differences	(4,431,423)	71,712,156
Net book value as at 31 March	<u>1,317,544,078</u>	<u>1,101,948,852</u>

13 Goodwill

For the three months ended 31 March, movements of goodwill comprised the following:

	<u>2016</u>	<u>2015</u>
Net book value as at 1 January	37,392,970	27,448,004
Currency translation differences	(954,244)	3,873,560
Net book value as at 31 March	<u>36,438,726</u>	<u>31,321,564</u>

As at 31 March 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.

As at 31 March 2016, goodwill was not tested for impairment because there were no impairment indicators.

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14 Equity-accounted investees

At 31 March 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 31 March 2016. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in Port of Lisbon and Singapore Port.

<i>In TL</i>	Port of Lisbon	Singapore Port
Percentage ownership effective interest	50%	40%
Non-current assets	12,202,569	11,559,622
Current assets	29,470,771	11,511,830
Non-current liabilities	--	(8,745,552)
Current liabilities	(6,041,542)	(6,747,315)
Net assets (100%)	35,631,798	7,578,585
Group's share of net assets	17,815,899	3,031,434
Carrying amount of interest in equity accounted investees	17,815,899	3,031,434
Revenue	864,790	11,673,112
Expenses	(951,085)	(7,952,954)
Profit (100%)	(86,294)	3,720,158
Group's share of profit	(43,147)	1,488,063

For the three months ended 31 March, the Group's share of profit is set out below:

<i>In TL</i>	2016	2015
Port of Lisbon	(43,147)	(118,323)
Singapore Port	1,488,063	758,945
Group's share of profit	1,444,916	640,622

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.

<i>In TL</i>	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

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15 Other investments

Financial assets available for sale

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

	31 March 2016	31 December 2015
Global Yatırım Holding bonds	38,987,603	41,678,871
Time deposits with maturity more than three months	443,515	439,299
Other bonds	401,747	406,176
Share certificates	75,000	--
Other financial assets	8,156,040	6,634,799
Total	48,063,905	49,159,145

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

As at 31 March 2016 and 31 December 2015, investment in equity instruments that is not quoted in an active market comprised the following:

	31 March 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 31 March 2016, Randa is inactive and is excluded from the scope of consolidation.

16 Trade and other receivables

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

	31 March 2016	31 December 2015
Trade receivables	24,844,195	30,078,666
Due from subsidiaries' other shareholders	20,939	32,018
Deposits and advances given	127,815	40,136
Other receivables	1,393,544	1,253,842
Total trade and other receivables	26,386,493	31,404,662

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

	31 March 2016	31 December 2015
Receivables from customers	24,844,195	30,078,666
Doubtful receivables	3,388,051	3,256,178
Allowance for doubtful receivables (-)	(3,388,051)	(3,256,178)
Total	24,844,195	30,078,666

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16 Trade and other receivables (continued)

Movements in the allowance for doubtful trade receivables for the three months ended 31 March comprised the following:

	<u>2016</u>	<u>2015</u>
Balance at 1 January	(3,256,178)	(2,050,904)
Allowance for the period	(111,559)	--
Collections	--	124,307
Currency translation differences	(20,314)	(1,399,100)
Balance as at 31 March	<u>(3,388,051)</u>	<u>(3,325,697)</u>

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

	<u>31 March 2016</u>	<u>31 December 2015</u>
Advances given (*)	21,986,878	7,031,844
Prepaid expenses	11,779,086	12,489,658
Housing loans given to personnel (**)	8,971,549	8,980,684
Other long term receivables	5,029,659	5,029,659
Deposits and guarantees given	40,511	40,471
Other assets	23,861	--
Total	<u>47,831,544</u>	<u>33,572,316</u>

(*) Advances given are mainly composed of the advances given for new project developments and acquisitions.

(**) 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 31 March 2016 and 31 December 2015, other current assets comprised the following:

	<u>31 March 2016</u>	<u>31 December 2015</u>
Prepaid expenses	10,450,228	8,884,346
Advances given	8,526,378	12,753,960
Value added tax ("VAT")	3,038,384	3,441,934
Prepaid taxes	141,472	458,431
Other	3,075,200	2,567,290
Total	<u>25,231,662</u>	<u>28,105,961</u>

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18 Cash and cash equivalents

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

	31 March 2016	31 December 2015
Cash on hand	561,691	279,702
Cash at banks	132,945,837	218,871,160
- Demand deposits	112,416,619	127,931,803
- Time deposits	20,529,218	90,939,357
Receivables from reverse repurchase agreements	1,100,180	5,964,877
Cash and cash equivalents	134,607,708	225,115,739
	31 March 2016	31 December 2015
Cash and cash equivalents	134,607,708	225,115,739
Restricted cash	(12,832,462)	(12,731,635)
Cash and cash equivalents for cash flow statement purposes	121,775,246	212,384,104

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

	31 March 2016	31 December 2015
Up to 1 month	20,529,218	90,939,357
1-3 months	--	--
Total	20,529,218	90,939,357

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

	31 March 2016	31 December 2015
Interest rate for time deposit-TL (lowest)	10.50%	13.00%
Interest rate for time deposit-TL (highest)	13.75%	13.00%
Interest rate for time deposit-USD (lowest)	0.04%	0.25%
Interest rate for time deposit-USD (highest)	0.04%	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 31 March 2016, cash at banks amounting to TL 12,832,462 (31 December 2015: TL 12,731,635) is restricted due to the bank loans guarantees and subscription guarantees.

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19 Loans and borrowings

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

	31 March 2016	31 December 2015
Short term loans and borrowings		
Short term portion of Eurobond issued	55,882,916	56,219,614
- <i>USD borrowings with fixed interest rates</i>	55,882,916	56,219,614
Short term bank loans	10,838,409	9,288,935
- <i>TL loans</i>	1,000,000	295,175
- <i>Loans denominated in other currencies</i>	9,838,409	8,993,760
Short term portion of long term bank loans	38,143,327	36,816,802
- <i>TL loans</i>	--	--
<i>Loans denominated in other currencies</i>	38,143,327	36,816,802
Finance lease obligations	4,644,187	4,152,841
Total	109,508,839	106,478,192

	31 March 2016	31 December 2015
Long term loans and borrowings		
Long term Eurobond issued	674,057,829	678,119,076
- <i>USD borrowings with fixed interest rates</i>	674,057,829	678,119,076
Long term bank loans	226,189,407	225,162,399
- <i>Foreign currency loans</i>	226,189,407	225,162,399
Finance lease obligations	11,427,281	11,240,014
Total	911,674,517	914,521,489

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

Year	31 March 2016	31 December 2015
Between 1-2 years	85,117,430	90,336,485
Between 2-3 years	85,022,327	85,670,118
Between 3-4 years	82,354,962	82,296,609
Over 5 years	647,752,517	644,978,263
Total	900,247,236	903,281,475

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

	31 March 2016			31 December 2015		
	<i>Future minimum lease payments</i>	<i>Interest</i>	<i>Present value of minimum lease payments</i>	<i>Future minimum lease payments</i>	<i>Interest</i>	<i>Present value of minimum lease payments</i>
Less than one year	5,141,042	496,856	4,644,187	4,661,731	508,890	4,152,841
Between one and five years	13,357,310	1,930,028	11,427,281	13,399,135	2,159,121	11,240,014
Total	18,498,352	2,426,884	16,071,468	18,060,866	2,668,011	15,392,855

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19 Loans and borrowings (continued)

Details of the loans and borrowings as at 31 March 2016 are as follows:

							31 March 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	708,350,000	729,940,745	
Unsecured Loan	Bodrum Liman	USD	2016	Fixed	7.75	432,991	450,202	
Secured Loan (ii)	BPI	EUR	2023	Floating	Euribor + 4.00	131,244,806	129,347,259	
Secured Loan (iii)	Malaga Port	EUR	2025	Floating	Euribor + 1.75	20,897,926	20,752,605	
Secured Loan	VCP	EUR	2026	Floating	Euribor + 4.00	33,383,742	33,725,479	
Secured Loan (vii)	Global BV	EUR	2020	Floating	Euribor + 4.60	70,578,200	71,086,835	
Secured Loan	Port of Adria	EUR	2015	Floating	Euribor + 6.20	2,020,298	2,020,298	
Secured Loan	Port of Adria	EUR	2017	Fixed	8.20	794,216	798,609	
						967,702,179	988,122,032	
Loans used to finance working capital								
Unsecured Loan	Global Liman	TL	2016	Fixed	11.70	5,666,800	5,666,800	
Unsecured Loan	Ege Liman	USD	2016	Fixed	6.25	1,000,000	1,000,000	
Unsecured Loan	Ege Liman	USD	2016	Fixed	5.20	425,010	425,010	
Unsecured Loan	Ege Liman	USD	2016	Fixed	5.75	1,726,300	1,726,300	
Secured Loan (ii)	Creuers	EUR	2024	Floating	Euribor + 4.00	7,695,403	7,591,410	
Secured Loan	Port of Adria	EUR	2017	Fixed	8.00	577,155	580,336	
						17,090,668	16,989,856	
Finance lease obligations								
Leasing (iv)	Ortadoğu Liman	USD	2019	Fixed	7.35	3,847,219	3,847,219	
Leasing (v)	Ortadoğu Liman	USD	2020	Fixed	7.35	833,017	833,017	
Leasing	Ortadoğu Liman	USD	2018	Fixed	7.35	519,626	519,626	
Leasing	Ortadoğu Liman	USD	2017	Fixed	7.35	341,241	341,241	
Leasing	Ortadoğu Liman	USD	2019	Fixed	5.75	277,707	277,707	
Leasing	Ortadoğu Liman	USD	2019	Fixed	7.35	67,514	67,514	
Leasing (vi)	Ege Liman	EUR	2020	Fixed	7.75	8,020,928	8,020,928	
Leasing	Ege Liman	USD	2020	Fixed	6.50	1,644,690	1,644,690	
Leasing	Ege Liman	USD	2017	Fixed	6.50	176,936	176,936	
Leasing	Ege Liman	USD	2018	Fixed	6.00	196,747	196,747	
Leasing	Ege Liman	USD	2017	Fixed	5.75	51,778	51,778	
Leasing	Ege Liman	USD	2017	Fixed	6.00	94,065	94,065	
						16,071,468	16,071,468	
						1,000,864,315	1,021,183,356	

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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 Adria	EUR	2015	Floating	Euribor + 6.20	2,001,091	2,001,091	
Secured Loan	Port of Adria	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 Adria	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	

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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 thousand. The tranche A of this loan, amounting to Euro 54,000 thousand, is paid every semester, at the end of June and December, being the last payment in 2023. Tranche B has been already paid for Euro 3,851 thousand. Tranche C amounting to Euro 2,399 thousand has a unique 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 thousand 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.

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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 31 December 2015 is Euro 22,000 thousand (31 December 2014: None).

20 Trade and other payables

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

	31 March 2016	31 December 2015
Due to subsidiaries' other shareholders	8,472,613	6,773,803
Payables to suppliers	17,257,021	18,056,884
Taxes payable and social security contributions	5,551,660	6,826,937
Payables to personnel	2,654,386	3,228,915
Deposits received	1,263,636	1,293,796
Deferred revenue	1,908,984	1,483,288
Advances received	1,126,287	1,483,823
Expense accruals	2,351,967	2,796,835
Other	842,635	696,991
Total	41,429,189	42,641,272

The Group's exposure to currency risk related to the trade and other payables is disclosed in Note 28.

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 3,828.37 for each period of service at 31 March 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 31 March 2016 and 31 December 2015, 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.

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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. The principal statistical assumptions used in the calculation of the total liability in the accompanying consolidated financial statements at 31 March 2016 and 31 December 2015 were as follows:

	<u>31 March 2016</u>	<u>31 December 2015</u>
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 three months ended 31 March comprised the followings:

	<u>2016</u>	<u>2015</u>
1 January	4,255,299	3,597,886
Included in profit or loss		
Current service costs and interest	375,834	164,272
Included in other comprehensive income		
Actuarial (gain) / losses	27,398	--
Other		
Benefits paid	(221,220)	(119,811)
Foreign currency translation differences	33,498	197,687
31 March	<u>4,470,809</u>	<u>3,840,034</u>

22 Capital and reserves

a) Share capital

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

	<u>31 March 2016</u>		<u>31 December 2015</u>	
	<u>Value of Share</u>	<u>Proportion of share %</u>	<u>Value of Share</u>	<u>Proportion of share %</u>
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)	<u>74,307,399</u>	<u>100.00</u>	<u>74,307,399</u>	<u>100.00</u>
Inflation accounting adjustment	16,583		16,583	
Inflation adjusted capital	<u>74,323,982</u>		<u>74,323,982</u>	

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22 Capital and reserves (continued)

b) Nature and purpose of reserves

(i) Translation reserves

The translation reserves amounting to TL 321,925,548 (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 31 March 2016, the legal reserves of the Group amounted to TL 21,267,694 (31 December 2015: TL 21,705,317).

(iii) Hedging reserve

Investment hedge

As at 31 March 2016, the effective portion of gain arising from investment hedging instrument is recognized in other comprehensive income amounting to TL 18,144,765 (31 December 2015: TL 140,632,870).

Cash flow hedge

The Group entered into interest rate swaps in order to hedge its position against changes in interest rates. Accordingly, effective fair value changes of these instruments amounting to TL 1,214,269 (31 December 2014: TL 190,317) is 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 to shareholders with non-controlling interests amounting to TL 640,978 (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.).

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22 Capital and reserves (continued)

d) OCI accumulated in reserves, net of tax

<i>In TL</i>	Attributable to owners of the Company			Total	NCI	Total OCI
	Translation reserve	Hedging reserve	Retained earnings			
2016						
Net investment and cash flow hedge	--	16,930,496	--	16,930,496	--	16,930,496
Foreign currency translation differences	(9,798,889)	--	--	(9,798,889)	2,829,743	(6,969,146)
Remeasurements of defined benefit liability	--	--	(21,918)	(21,918)	--	(21,918)
Total	(9,798,889)	16,930,496	(21,918)	7,109,689	2,829,743	9,939,432

<i>In TL</i>	Attributable to owners of the Company			Total	NCI	Total OCI
	Translation reserve	Hedging reserve	Retained earnings			
2015						
Net investment hedge	--	(72,825,000)	--	(72,825,000)	--	(72,825,000)
Foreign currency translation differences	59,285,627	--	--	59,285,627	3,522,433	62,808,060
Remeasurements of defined benefit liability	--	--	--	--	--	--
Total	59,285,627	(72,825,000)	--	(13,539,373)	3,522,433	(10,016,940)

23 Provisions

	31 March 2016	31 December 2015
Non-current		
Replacement provisions for Creuers (*)	35,825,736	33,762,103
Restructuring provisions for Port of Bar (**)	5,990,654	7,463,554
Total	41,816,390	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 25 (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 25 (c)).

	31 March 2016	31 December 2015
Current		
Short-term provisions for employee benefits	851,934	798,872
Others	713,814	397,464
Total	1,565,748	1,196,336

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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 31 March 2016 is TL 189,658 (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 granted the operation right 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 with the requesting the cancellation of those ‘zoning plan and planning notes’ of the Region of Kuşadası, which enables the construction of the new Cruise Port Upper Structure Facilities. The relevant Chamber of the Council of State ordered the cancellation of the zoning plan and planning notes in November 2009. That decision was appealed by the lawyers of the Ministry of Public Works as well as the lawyers for the Group. However, the Plenary Session of Administrative Law Divisions, affirmed the decision of the Council of State. Following, the request for revision of the decision was denied by the Plenary Session of Administrative Law Divisions, and the file has been finalized.

While above mentioned appeal was pending, the Group lawyers filed a lawsuit for the cancellation of each and all administrative acts of the Kuşadası Municipality against Ege Liman including “termination of the occupancy and construction permit”, “cease and desist order”, “demolishment”, “evacuation and demolition” acts, based on the cancellation award of the Council of State.

TDİ specifically intervened the “evacuation” and “evacuation and demolition” 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 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. However, there have been objections from the public during the announcement period.

The Ministry of Environment and Urbanization (former “the Ministry of Public Works”) took some of the objections regarding the new zoning plan dated 28 October 2010 into account and approved the new amended zoning plan on 31 January 2011 on the grounds that;

- i) The “Master Plan” with 1/5.000 and “Implementation Plan” with 1/1.000 of Kuşadası Port, that have been approved on 28 October 2010 are in line with the 1/100.000 “Environment Plan” of Aydın-Muğla-Denizli, and
- ii) Kuşadası is an important cruise port that would become idle if the zoning plans are cancelled which could, in turn, have a negative effect on the Turkish economy. Moreover, Kuşadası Port complies with “Coastal Law” and “Regulations regarding the Implementation of Coastal Law”.

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24 Commitment and contingencies (continued)

(a) Lawsuits (continued)

The Municipality filed a law case against the new zoning plan and the court has rendered a stay of execution decision with regard to the plan. Group lawyers' objection against the stay of execution was accepted by the Plenary Session of Administrative Law Divisions of the Council of State. However, the Council of State first rejected the plaintiff's stay of execution request and then examined the file and accepted such request on 15 October 2015. The Council of State 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, as stated below.

Ministry of Environment and Urbanization has approved a brand new zoning plan, the plan has become known to public on 09 November 2015, and it received some objections from the local authorities in Kuşadası. The Ministry is now evaluating such objections.

- (ii) 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.

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 file is pending. The Court decided that the file should receive an expert opinion and the expert reported in favor of the Group. Upon this, the defendant has objected to the expert report, and the new expertise was as well on behalf of the Group, however with lack of some information. The Group lawyers requested the revision of the expert report accordingly.

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 on 30.12.2014 and (ii) alleged underpaid wages as of beginning of 2014. The cases are still pending.

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24 Commitment and contingencies (continued)

(a) Lawsuits (continued)

(iii) 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.

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 and the case is pending before the Council of State.

(b) Guarantees

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

Letters of guarantee	31 March 2016	31 December 2015
Given to Privatization Administration / Port Authority	12,167,378	13,821,870
Given to Electricity Distribution Companies	159,774	119,184
Given to courts	--	--
Others	315,591	315,373
Total letters of guarantee	12,642,743	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.

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24 Commitment and contingencies (continued)

(c) Contractual obligations (continued)

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.

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.

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24 Commitment and contingencies (continued)

(c) Contractual obligations (continued)

Barcelona Cruise Port (continued)

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.

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 31 March 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.

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25 Operating leases

The Group as lessee

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

	31 March 2016	31 December 2015
Less than one year	4,613,236	4,305,071
Between one and five years	16,776,663	15,885,157
More than five years	216,785,815	218,902,208
Total	238,175,714	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 Adria until 2043 and Bodrum Liman until 2019.

The Group as lessor

The future lease payments under operating leases are as follows:

	31 March 2016	31 December 2015
Less than one year	15,141,619	8,675,965
Between one and five years	23,858,167	14,365,218
More than five years	15,518,800	20,259,377
	54,518,586	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, Bodrum Liman, Cruceiros Malaga, Creuers del Port de Barcelona and Valetta Cruise Port up to 5 years.

During three months ended 31 March 2016, TL 3,243,899 was recognized as rental income in the condensed consolidated interim statement of profit or loss and other comprehensive income (31 March 2015: TL 2,540,375).

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 24).

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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 20), 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.

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27 Foreign currency position

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

31 March 2016				
	TL equivalents	USD	EURO	TL
Trade receivables	5,066,321	-	279,316	4,170,247
Other monetary financial assets	81,993,740	125,905	23,194,970	7,225,218
Current assets	87,060,061	125,905	23,474,286	11,395,465
Monetary financial assets	29,508,293	1,500,000	5,762,137	6,772,681
Non-current assets	29,508,293	1,500,000	5,762,137	6,772,681
Total assets	116,568,354	1,625,905	29,236,423	18,168,146
Trade payables	16,201,045	633,543	214	14,405,278
Financial liabilities	7,210,886	1,434,158	669,350	1,000,000
Other monetary liabilities	3,546,646	-	-	3,546,646
Current liabilities	26,958,577	2,067,701	669,564	18,951,924
Financial liabilities	54,887,916	17,298,769	1,830,861	-
Other monetary liabilities	2,582,292	-	-	2,582,292
Non-current liabilities	57,470,208	17,298,769	1,830,861	2,582,292
Total liabilities	84,428,785	19,366,470	2,500,425	21,534,216
Net foreign currency position	32,139,569	(17,740,565)	26,735,998	(3,366,070)

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.

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

	31 March 2016	31 December 2015
USD/TL	2.8334	2.9076
Euro/TL	3.2081	3.1776

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27 Foreign currency position (continued)

For the three months ended 31 March, average foreign currency exchange rates of the Central Bank of the Turkish Republic were as follows:

	2016	2015
USD/TL	2.9438	2.4578
Euro/TL	3.2438	2.7705

Sensitivity Analysis

A 10 percent strengthening or depreciation of the Turkish Lira against the following currencies as at 31 March 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.

31 March 2016	PROFIT /LOSS		EQUITY (*)	
	Increase	Decrease	Increase	Decrease
	A 10 percent (strengthening)/weakening of USD against TL:			
1- Net USD asset/liability	(5,026,612)	5,026,612	--	--
2- Hedged portion against USD risk (-)	--	--	--	--
3- Net effect of USD (1+2)	(5,026,612)	5,026,612	--	--
	A 10 percent (strengthening)/weakening of Euro against TL:			
4- Net Euro asset/liability	8,577,176	(8,577,176)	--	--
5- Hedged portion against Euro risk(-)	--	--	--	--
6- Net effect of Euro (4+5)	8,577,176	(8,577,176)	--	--
TOTAL (3+6)	3,550,564	(3,550,564)	--	--

31 March 2015	PROFIT /LOSS		EQUITY (*)	
	Increase	Decrease	Increase	Decrease
	A 10 percent (strengthening)/weakening of USD against TL:			
1- Net USD asset/liability	(950,927)	950,927	--	--
2- Hedged portion against USD risk (-)	--	--	--	--
3- Net effect of USD (1+2)	(950,927)	950,927	--	--
	A 10 percent (strengthening)/weakening of Euro against TL:			
4- Net Euro asset/liability	(654,402)	654,402	--	--
5- Hedged portion against Euro risk(-)	--	--	--	--
6- Net effect of Euro (4+5)	(654,402)	654,402	--	--
TOTAL (3+6)	(1,605,329)	1,605,329	--	--

(*) Profit / (loss) excluded

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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:

	<u>31 March 2016</u>		<u>31 December 2015</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial assets				
Cash and cash equivalents (*)	134,607,708	134,607,708	225,115,739	225,115,739
Trade and other receivables	26,386,493	26,386,493	31,235,557	31,235,557
Due from related parties	110,601,232	110,601,232	116,021,058	116,021,058
Other assets	25,231,662	25,231,662	28,105,961	28,105,961
Other investments	48,063,905	48,063,905	49,159,145	49,159,145
Total	344,891,000	344,891,000	449,637,460	449,637,460
Financial liabilities				
Loans and borrowings	1,021,183,356	1,021,183,356	1,020,999,681	1,020,999,681
Derivative financial liabilities	4,416,832	4,416,832	2,771,205	2,771,205
Trade and other payables	41,429,189	41,429,189	42,641,272	42,641,272
Due to related parties	2,817,947	2,817,947	2,037,837	2,037,837
Total	1,069,847,324	1,069,847,324	1,068,449,995	1,068,449,995

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).

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
31 March 2016				
Derivative financial liabilities	75,000	38,987,603	--	39,062,603
31 December 2015				
Derivative financial liabilities	--	41,678,871	--	41,678,871

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

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29 Related parties

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

Related parties	Relationship
Mehmet Kutman	Shareholder
European Bank for Reconstruction and Development (“EBRD”)	Shareholder
Global Yatırım Holding	Parent Company
Randa Denizcilik San. ve Tic. Ltd. Şti.(“Randa”)	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 Ltd (“Adonia Shipping”)	Parent Company’s subsidiary
Naturel Gaz San. ve Tic. A.Ş. “Naturel Gaz”)	Parent Company’s subsidiary

Due from related parties

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

Current receivables from related parties	31 March 2016	31 December 2015
Global Yatırım Holding (*)	103,190,828	103,239,493
Adonia Shipping (**)	4,608,974	5,235,237
Naturel Gaz (**)	210,068	210,067
Mehmet Kutman	87,632	224,957
Randa	91,063	82,423
Others	2,412,667	1,909,117
Total	110,601,232	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. There is no defined payment schedule for these receivables.

(**) These amounts are related with the work advances.

Other investments

As at 31 March 2016, the Group has Global Yatırım Holding bonds amounting to TL 38,987,603 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 three months ended 31 March 2016 is TL 1,371,563 (2015: TL 1,144,635).

Due to related parties

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

Current payables to related parties	31 March 2016	31 December 2015
EBRD	1,479,452	--
Mehmet Kutman	717,726	717,726
Global Sigorta	578,255	1,214,411
Global Menkul	40,206	34,371
Other	2,308	71,329
Total	2,817,947	2,037,837

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29 Related parties (continued)

Transactions with related parties:

For the three months ended 31 March, significant transactions with other related parties comprised the following:

	2016		2015	
	Interest received	Other	Interest received	Other
Global Yatırım Holding	1,777,425	--	1,291,785	--
Total	1,777,425	--	1,291,785	--

	2016		2015	
	Interest Paid	Other	Interest Paid	Other
Global Yatırım Holding	23,145	2,400	4,689	1,800
Total	23,145	2,400	4,689	1,800

For the three months ended 31 March 2016, the Group recognized interest income on Global Yatırım Holding bonds amounting to 1,371,563 (31 March 2015: TL 1,144,635). For the three months ended 31 March 2016, the effective interest rate was 15.95% (31 March 2015: 14.65%).

For the three months ended 31 March 2016, the Group accounted for a gain amounting to TL 16,346 from the purchase and the sale of Global Yatırım Holding's publicly traded share certificates (31 March 2015: none).

Transactions with key management personnel

For the three months ended 31 March, details of benefits to key management personnel comprised the following:

	2016	2015
Salaries	1,542,688	1,610,708
Attendance fees to Board of Directors	320,640	245,947
Bonus	15,308	24,069
Other	60,055	39,174
Total	1,938,691	1,919,898

30 Events after reporting date

Company has submitted a binding offer as part of an international consortium to the international tender by the APV Investimenti S.p.A "APVS" (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 Passeggeri S.p.A. ("VTP").

In line with the tender procedure, APVS has opened the closed envelope offer of the consortium and it has been announced by the tender committee that the consortium is the only bidder for the aforementioned shares of APVS. 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.

VS notified the Tender Authority that it has decided to practice its pre-emptive rights for all of the 65.98% of APVS shares, which are subject to sale. After having exercised its pre-emptive rights, VS will transfer 48% of APVS' shares to Venezia Investimenti S.R.L'ye ("VI") (formed by the consortium members), based on the signed memorandum of understanding.