

**TAV Havalimanları Holding A.Ş.  
and its Subsidiaries**

**Interim Condensed Consolidated Financial Statements  
As at and for the Three-Month Period Ended 31 March 2016**

**29 April 2016**

This report contains the “Interim Condensed Consolidated Financial Statements and their explanatory notes” comprising 42 pages.

**TAV Havalimanları Holding A.Ş.  
and its Subsidiaries**

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# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Interim Condensed Consolidated Statement of Financial Position

As at 31 March 2016

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro also expressed in thousands unless otherwise stated.)

	<u>Notes</u>	<u>(Unaudited) 31 March 2016</u>	<u>31 December 2015</u>
<b>ASSETS</b>			
Property and equipment		220,706	209,913
Intangible assets		14,870	15,694
Airport operation right	6	1,713,128	1,726,903
Equity-accounted investees	18	93,928	105,651
Goodwill		135,831	135,831
Prepaid concession and rent expenses	7	63,096	14,664
Derivative financial instruments	14	11,607	15,436
Trade receivables		97,553	99,596
Non-current due from related parties	17	1,504	4,321
Other non-current assets		1,463	1,605
Deferred tax assets		61,178	57,510
<b>Total non-current assets</b>		<b><u>2,414,864</u></b>	<b><u>2,387,124</u></b>
Inventories		10,879	11,113
Prepaid concession and rent expenses	7	148,634	101,918
Derivative financial instruments	14	-	2,455
Trade receivables		105,519	98,406
Due from related parties	17	39,306	32,340
Other receivables and current assets	8	46,524	43,765
Cash and cash equivalents	9	64,506	211,666
Restricted bank balances	10	275,136	417,597
<b>Total current assets</b>		<b><u>690,504</u></b>	<b><u>919,260</u></b>
<b>TOTAL ASSETS</b>		<b><u>3,105,368</u></b>	<b><u>3,306,384</u></b>

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

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Interim Condensed Consolidated Statement of Financial Position (continued)

As at 31 March 2016

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro also expressed in thousands unless otherwise stated.)

	Notes	(Unaudited) 31 March 2016	31 December 2015
<b>EQUITY</b>			
Share capital		162,384	162,384
Share premium		220,286	220,286
Legal reserves		134,738	114,735
Other reserves		(60,762)	(60,762)
Revaluation surplus		188	273
Purchase of shares of entities under common control		40,064	40,064
Cash flow hedge reserve		(73,209)	(65,476)
Translation reserves		(23,183)	(20,949)
Retained earnings		303,156	417,026
<b>Total equity attributable to equity holders of the Company</b>		<b>703,662</b>	<b>807,581</b>
<b>Non-controlling interests</b>	18	3,531	5,852
<b>Total Equity</b>		<b>707,193</b>	<b>813,433</b>
<b>LIABILITIES</b>			
Loans and borrowings	12	799,116	856,504
Reserve for employee severance indemnity		19,032	17,651
Derivative financial instruments	14	67,476	60,703
Deferred income		42,310	45,206
Other payables	13	588,844	608,133
Deferred tax liabilities		7,823	4,940
<b>Total non-current liabilities</b>		<b>1,524,601</b>	<b>1,593,137</b>
Bank overdraft	9	1,940	-
Loans and borrowings	12	592,061	611,589
Trade payables		42,423	50,025
Due to related parties	17	3,071	5,469
Current tax liabilities		9,425	14,933
Other payables	13	199,454	193,207
Provisions		7,602	7,167
Deferred income		17,598	17,424
<b>Total current liabilities</b>		<b>873,574</b>	<b>899,814</b>
<b>Total Liabilities</b>		<b>2,398,175</b>	<b>2,492,951</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,105,368</b>	<b>3,306,384</b>

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

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Interim Condensed Consolidated Statement of Comprehensive Income For the Three-Month Period Ended 31 March 2016

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro also expressed in thousands unless otherwise stated.)

	Notes	(Unaudited) 1 January- 31 March 2016	(Unaudited) 1 January- 31 March 2015
Construction revenue		2,026	-
Operating revenue		209,182	205,326
Other operating income		16,390	15,907
Construction expenditure		(2,026)	-
Cost of catering inventory sold		(12,930)	(10,875)
Cost of services rendered		(10,736)	(13,384)
Personnel expenses		(63,917)	(67,600)
Concession and rent expenses		(35,973)	(31,485)
Depreciation and amortisation expenses		(24,312)	(21,373)
Other operating expenses		(29,519)	(31,077)
Share of profit of equity-accounted investees, net of tax	18	3,392	5,824
<b>Operating profit</b>		<b>51,577</b>	<b>51,263</b>
Finance income		5,412	15,141
Finance costs		(34,664)	(27,475)
<b>Net finance costs</b>		<b>(29,252)</b>	<b>(12,334)</b>
<b>Profit before tax</b>		<b>22,325</b>	<b>38,929</b>
Tax expense		(10,132)	(12,504)
<b>Profit for the period</b>		<b>12,193</b>	<b>26,425</b>

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

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Interim Condensed Consolidated Statement of Comprehensive Income (continued) For the Three-Month Period Ended 31 March 2016

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro also expressed in thousands unless otherwise stated.)

	Notes	(Unaudited) 1 January- 31 March 2016	(Unaudited) 1 January- 31 March 2015
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Defined benefit obligation actuarial differences		(1,129)	(1,188)
Defined benefit obligation actuarial differences from equity accounted investees		288	172
Tax on defined benefit obligation actuarial differences		226	238
Tax on defined benefit obligation actuarial differences from equity accounted investees		(62)	(34)
<b>Total items that will not be reclassified to profit or loss</b>		<b>(677)</b>	<b>(812)</b>
<b>Items that are or may be reclassified subsequently to profit or loss:</b>			
Effective portion of changes in fair value of cash flow hedges		(67)	23,014
Effective portion of changes in fair value of cash flow hedges from equity accounted investees		(165)	(1,826)
Portion of cash flow hedges charged to profit or loss		(9,275)	(5,021)
Foreign currency translation differences for foreign operations		(2,478)	(8,348)
Foreign currency translation differences for foreign operations from equity accounted investees		(80)	5,335
Tax on cash flow hedge reserves		2,295	(3,354)
Tax on cash flow hedge reserves from equity accounted investees		11	120
<b>Total items that are or may be reclassified subsequently to profit or loss</b>		<b>(9,759)</b>	<b>9,920</b>
<b>Other comprehensive income for the period, net of tax</b>		<b>(10,436)</b>	<b>9,108</b>
<b>Total comprehensive income for the period</b>		<b>1,757</b>	<b>35,533</b>
<b>Profit attributable to:</b>			
Owners of the Company		14,642	30,641
Non-controlling interest		(2,449)	(4,216)
<b>Profit for the period</b>		<b>12,193</b>	<b>26,425</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		4,078	41,536
Non-controlling interest		(2,321)	(6,003)
<b>Total comprehensive income for the period</b>		<b>1,757</b>	<b>35,533</b>
<b>Weighted average number of shares outstanding</b>		<b>363,281,250</b>	<b>363,281,250</b>
<b>Basic and diluted earnings per share</b>	11	<b>0.04</b>	<b>0.08</b>

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

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Interim Condensed Consolidated Statement of Changes in Equity For the Three-Month Period Ended 31 March 2016

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro also expressed in thousands unless otherwise stated.)

	Attributable to owners of the Company											Non-Controlling Interests	Total Equity
	Share Capital	Share Premium	Legal Reserves	Other Reserves	Revaluation Surplus	Purchase of Shares of Entities Under Common Control	Cash Flow Hedge Reserve	Translation Reserves	Retained Earnings	Total			
<b>Balance at 1 January 2015</b>	<b>162,384</b>	<b>220,286</b>	<b>85,528</b>	<b>(17,605)</b>	<b>615</b>	<b>40,064</b>	<b>(91,871)</b>	<b>(9,269)</b>	<b>338,389</b>	<b>728,521</b>	<b>17,173</b>	<b>745,694</b>	
<b>Total comprehensive income for the period</b>													
Profit for the period	-	-	-	-	-	-	-	-	30,641	30,641	(4,216)	26,425	
Other comprehensive income													
Revaluation of intangible assets	-	-	-	-	(85)	-	-	(17)	102	-	-	-	
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	-	13,538	-	-	13,538	(605)	12,933	
Defined benefit obligation actuarial differences, net of tax	-	-	-	-	-	-	-	-	(948)	(948)	136	(812)	
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	-	(1,695)	-	(1,695)	(1,318)	(3,013)	
Total other comprehensive income	-	-	-	-	(85)	-	13,538	(1,712)	(846)	10,895	(1,787)	9,108	
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(85)</b>	<b>-</b>	<b>13,538</b>	<b>(1,712)</b>	<b>29,795</b>	<b>41,536</b>	<b>(6,003)</b>	<b>35,533</b>	
<b>Transactions with owners of the Company, recognised directly in equity</b>													
<i>Contributions by and distributions to owners of the Company</i>													
Purchase of non-controlling interest	-	-	-	(2,236)	-	-	-	-	-	(2,236)	(2,326)	(4,562)	
<b>Total transactions with owners of the Company</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,236)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,236)</b>	<b>(2,326)</b>	<b>(4,562)</b>	
Transfers	-	-	2,142	-	-	-	-	-	(2,142)	-	-	-	
<b>Balance at 31 March 2015</b>	<b>162,384</b>	<b>220,286</b>	<b>87,670</b>	<b>(19,841)</b>	<b>530</b>	<b>40,064</b>	<b>(78,333)</b>	<b>(10,981)</b>	<b>366,042</b>	<b>767,821</b>	<b>8,844</b>	<b>776,665</b>	
<b>Balance at 1 January 2016</b>	<b>162,384</b>	<b>220,286</b>	<b>114,735</b>	<b>(60,762)</b>	<b>273</b>	<b>40,064</b>	<b>(65,476)</b>	<b>(20,949)</b>	<b>417,026</b>	<b>807,581</b>	<b>5,852</b>	<b>813,433</b>	
<b>Total comprehensive income for the period</b>													
Profit for the period	-	-	-	-	-	-	-	-	14,642	14,642	(2,449)	12,193	
Other comprehensive income													
Revaluation of intangible assets	-	-	-	-	(85)	-	-	(17)	102	-	-	-	
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	-	(7,733)	-	-	(7,733)	532	(7,201)	
Defined benefit obligation actuarial differences, net of tax	-	-	-	-	-	-	-	-	(614)	(614)	(63)	(677)	
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	-	(2,217)	-	(2,217)	(341)	(2,558)	
Total other comprehensive income	-	-	-	-	(85)	-	(7,733)	(2,234)	(512)	(10,564)	128	(10,436)	
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(85)</b>	<b>-</b>	<b>(7,733)</b>	<b>(2,234)</b>	<b>14,130</b>	<b>4,078</b>	<b>(2,321)</b>	<b>1,757</b>	
<b>Transactions with owners of the Company, recognised directly in equity</b>													
<i>Contributions by and distributions to owners of the Company</i>													
Dividend distributions	-	-	-	-	-	-	-	-	(107,997)	(107,997)	-	(107,997)	
<b>Total transactions with owners of the Company</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(107,997)</b>	<b>(107,997)</b>	<b>-</b>	<b>(107,997)</b>	
Transfers	-	-	20,003	-	-	-	-	-	(20,003)	-	-	-	
<b>Balance at 31 March 2016</b>	<b>162,384</b>	<b>220,286</b>	<b>134,738</b>	<b>(60,762)</b>	<b>188</b>	<b>40,064</b>	<b>(73,209)</b>	<b>(23,183)</b>	<b>303,156</b>	<b>703,662</b>	<b>3,531</b>	<b>707,193</b>	

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

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Interim Condensed Consolidated Statement of Cash Flows For the Three-Month Period Ended 31 March 2016

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro also expressed in thousands unless otherwise stated.)

	Notes	(Unaudited) 1 January- 31 March 2016	(Unaudited) 1 January- 31 March 2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit for the period		<b>12,193</b>	<b>26,425</b>
Adjustments for:			
Amortisation of airport operation right	6	14,823	12,564
Depreciation of property and equipment		8,389	7,627
Amortisation of intangible assets		1,100	1,182
Concession and rent expenses		35,973	31,485
Provision for employee severance indemnity		1,631	4,129
Provision for doubtful receivables		338	1,661
Discount on receivables and payables, net		4,585	(41)
Gain on sale of property and equipment		(14)	(4)
Provision set for unused vacation		598	164
Interest income		(2,125)	(1,674)
Interest expense on financial liabilities		25,224	24,753
Tax expense		10,132	12,504
Unwinding of discount on concession receivable		960	1,934
Share of profit of equity-accounted investees, net of tax		(3,392)	(5,824)
Unrealised foreign exchange differences on statement of financial position items		2,451	(1,573)
<b>Cash flows from operating activities</b>		<b>112,866</b>	<b>115,312</b>
Change in current trade receivables		(6,936)	15,179
Change in non-current trade receivables		5,288	938
Change in inventories		223	459
Change in due from related parties		(4,150)	(13,119)
Change in restricted bank balances		141,406	116,111
Change in other receivables and assets		(490)	50,488
Change in trade payables		(12,238)	(5,323)
Change in due to related parties		(2,396)	(3,754)
Change in other payables and provisions		(20,818)	236,563
<b>Cash provided from operations</b>		<b>212,755</b>	<b>512,854</b>
Income taxes paid		(14,099)	(14,948)
Interest paid		(13,217)	(22,751)
Retirement benefits paid		(946)	(881)
Additions to prepaid concession and rent expenses	7	(130,260)	(117,379)
Dividends from equity-accounted investees		14,660	17,187
<b>Net cash provided from operating activities</b>		<b>68,893</b>	<b>374,082</b>

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



# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Interim Condensed Consolidated Statement of Cash Flows For the Three-Month Period Ended 31 March 2016

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro also expressed in thousands unless otherwise stated.)

	Notes	(Unaudited) 1 January- 31 March 2016	(Unaudited) 1 January- 31 March 2015
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		1,055	1,793
Proceeds from sale of property, equipment and intangible assets		1,209	1,475
Acquisition of property and equipment		(21,492)	(20,070)
Acquisition of non-controlling interest		-	(4,562)
Additions to airport operation right	6	(2,029)	(297,711)
Acquisition of intangible assets		(509)	(348)
<b>Net cash used in investing activities</b>		<b>(21,766)</b>	<b>(319,423)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		5,973	55,682
Repayment of borrowings		(92,954)	(78,111)
Dividends paid		(107,997)	-
Change in finance lease liabilities		(1,249)	(265)
<b>Net cash used in financing activities</b>		<b>(196,227)</b>	<b>(22,694)</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		<b>(149,100)</b>	<b>31,965</b>
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	9	<b>211,666</b>	<b>55,262</b>
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	9	<b>62,566</b>	<b>87,227</b>

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

## Notes to the interim condensed consolidated financial statements

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# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Notes to the Interim Condensed Consolidated Financial Statements

### As at and for the three-month period ended 31 March 2016

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro also expressed in thousands unless otherwise stated.)

#### 1. REPORTING ENTITY

TAV Havalimanları Holding A.Ş. (“TAV”, “TAV Holding” or “the Company”) was established in 1997 under the name of Tepe Akfen Vie Yatırım Yapım ve İşletme A.Ş. in Turkey for the purpose of reconstructing the İstanbul Atatürk Airport (International Lines Building) and operating it for a limited period of 66 months. On 7 August 2006, the Company’s name has been changed to TAV Havalimanları Holding A.Ş.. The address of the Company’s registered office is İstanbul Atatürk Havalimanı Dış Hatlar Terminali 34149 Yeşilköy, İstanbul, Turkey.

The Company is listed in Borsa İstanbul since 23 February 2007 and the Company’s shares are traded as “TAVHL”.

The interim condensed consolidated financial statements of the Company as at and for the three-month period ended 31 March 2016 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interests in joint ventures. Changes in ownership interest percentages of the Company’s subsidiaries since 31 December 2015 are as follows:

Name of Subsidiary	Principal Activity	Place of operation	31 March 2016		31 December 2015	
			Ownership interest %	Voting power held %	Ownership interest %	Voting power held %
BS Kahve Yiyecek ve İçecek Hizmetleri A.Ş. (“BS Kahve”)	Food and Beverage Services	Turkey	40.00	40.00	-	-
BTA Uluslararası Yiyecek İçecek Hizmetleri Sanayi ve Ticaret A.Ş. (“BTA Uluslararası Yiyecek”)	Food and Beverage Services	Turkey	66.66	66.66	-	-
BTA Erus Yiyecek İçecek Hizmetleri İnşaat ve Ticaret A.Ş. (“BTA Erus”)	Food and Beverage Services	Turkey	46.66	46.66	-	-
TAV Africa Operation Services Ltd. (“TAV İşletme Kenya”)	Lounge Services	Kenya	100.00	100.00	-	-
TAV USA Operation Services Co. (“TAV İşletme Amerika”)	Holding	United States	100.00	100.00	-	-
TAV Washington Operation Services Ltd. (“TAV İşletme Washington”)	Lounge Services	United States	100.00	100.00	-	-

#### Description of Operations

The Group and its joint ventures’ core businesses are related to the construction of terminal buildings, management and operation of terminals or airports. TAV Esenboğa enters into Build Operate Terminate agreements (“BOT”) with Devlet Hava Meydanları İşletmesi Genel Müdürlüğü (General Directorate of State Airports Authority) (“DHİMİ”), TAV Tbilisi with JSC Tbilisi International Airport (“JSC”), TAV Batumi with Georgian Ministry of Economic Development (“GMED”), TAV Tunisia with Tunisian Airport Authority (Office De L’Aviation Civil Et Des Aeroports) (“OCA”), Ministry of Transportation (“MOT”) and TAV Macedonia with Macedonian Ministry of Transportation and Communication (“MOTC”). Tibah Development enters into Build – Transfer – Operate (“BTO”) Agreements with General Authority of Civil Aviation (“GACA”). TAV Ege, TAV Milas Bodrum and TAV Gazipaşa enter into concession agreement with DHİMİ. Medunarodna Zracna Luka Zagreb D.D. (“MZLZ”) enters into concession agreement with The Republic of Croatia. Under these agreements, the Group agrees to build or renovate or manage an airport or terminal within a specified period of time and in exchange receives the right to operate the airport and terminal for a pre-established period of time. At the end of the contracts, the Group will transfer the ownership of the terminal buildings or airports back to the related public authority, DHİMİ, JSC, GMED, OACA, MOT, MOTC, GACA and GZLZ accordingly. Group also signs separate contracts related with the airport operations. On 3 June 2005, TAV İstanbul signed a rent agreement to operate Atatürk International Airport Terminal (“AIAT”) and Atatürk Domestic Airport Terminal (“ADAT”) for 15.5 years until year 2021. According to the concession agreement dated 16 December 2011, TAV Ege started renting and operating the international terminal of İzmir Adnan Menderes Airport at 10 January 2015.

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Notes to the Interim Condensed Consolidated Financial Statements

### As at and for the three-month period ended 31 March 2016

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro also expressed in thousands unless otherwise stated.)

#### 1. REPORTING ENTITY (continued)

##### Seasonality of Operations

Due to seasonal nature of operations, higher revenues and operating profits are usually expected in the second half of the year rather than in the first six months. Higher sales during the period June to August are mainly attributed to the increased number of passengers during the peak season.

The Group employs 15,556 (average: 15,441) people as at 31 March 2016 (31 December 2015: 15,113 (average: 15,111) people).

#### 2. BASIS OF PREPARATION

##### a) Statement of compliance

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2015.

The interim condensed consolidated financial statements were authorized for issue by the Board of Directors on 29 April 2016. The power to change the interim condensed consolidated financial statements after the issuing of the interim condensed consolidated financial statements is held by the General Assembly.

##### b) Basis of measurement

The interim condensed consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments which are measured at fair value.

The methods used to measure fair values are discussed further in Note 4.

##### c) Functional and presentation currency

TAV Holding and its subsidiaries operating in Turkey maintain their books of account and prepare their statutory financial statements in Turkish Lira ("TRL") in accordance with the accounting principles as promulgated by the Turkish Commercial Code and tax legislation.

Functional currency of most of the Group companies operating in Turkey and other countries are determined to be Euro, different from their country's currency according to IAS 21. Accordingly functional currency of TAV Holding as a parent company has been determined as Euro. The accompanying consolidated financial statements are presented in EUR, which is the functional currency of TAV Group.

All financial information presented in EUR has been rounded to the nearest thousands, except when otherwise indicated.

The functional currencies of the Group entities and joint ventures are consistent with the Group's annual consolidated financial statements for the year ended 31 March 2015. The functional currencies of the Group entities formed after 31 March 2016 are as follows:

<u>Company</u>	<u>Functional Currency</u>
BS Kahve	TRL
BTA Uluslararası Yiyecek	TRL
BTA Erus	TRL
TAV İşletme Kenya	KES
TAV İşletme America	USD
TAV İşletme Washington	USD

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Notes to the Interim Condensed Consolidated Financial Statements

### As at and for the three-month period ended 31 March 2016

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro also expressed in thousands unless otherwise stated.)

#### 2. BASIS OF PREPARATION (continued)

The foreign currency exchange rates as of the related periods are as follows:

	<b><u>1 Euro Equivalent</u></b>	
	<b><u>31 March 2016</u></b>	<b><u>31 December 2015</u></b>
TRL	3.2081	3.1776
GEL	2.6795	2.6169
TND	2.2868	2.2188
MKD	61.6942	61.5947
SEK	9.2323	9.1350
USD	1.1322	1.0929
SAR	4.2459	4.0982
HRK	7.4837	7.6330
KES	113.0660	109.638

#### 3. CHANGES IN ACCOUNTING POLICIES

##### **The new standards, amendments and interpretations**

The accounting policies adopted in preparation of the interim condensed consolidated financial statements as at 31 March 2016 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and IFRIC interpretations effective as of 1 January 2016. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

##### **i) The new standards, amendments and interpretations which are effective as at 1 January 2016 are as follows:**

###### ***IFRS 11 Acquisition of an Interest in a Joint Operation (Amendment)***

IFRS 11 is amended to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. This amendment clarifies that the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3 Business Combinations, to apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs except for those principles that conflict with the guidance in this IFRS. In addition, the acquirer shall disclose the information required by IFRS 3 and other IFRSs for business combinations. The amendments did not have an impact on the financial position or performance of the Group.

###### ***IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)***

The amendments to IAS 16 and IAS 38, have prohibited the use of revenue-based depreciation for property, plant and equipment and significantly limiting the use of revenue-based amortisation for intangible assets. The amendments did not have an impact on the financial position or performance of the Group.

###### ***IAS 16 Property, Plant and Equipment and IAS 41 Agriculture (Amendment) – Bearer Plants***

IAS 16 is amended to provide guidance that bearer plants, such as grape vines, rubber trees and oil palms should be accounted for in the same way as property, plant and equipment in IAS 16. Once a bearer plant is mature, apart from bearing produce, its biological transformation is no longer significant in generating future economic benefits. The only significant future economic benefits it generates come from the agricultural produce that it creates. Because their operation is similar to that of manufacturing, either the cost model or revaluation model should be applied. The produce growing on bearer plants will remain within the scope of IAS 41, measured at fair value less costs to sell. The amendment is not applicable for the the Group and did not have an impact on the financial position or performance of the Group.

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

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(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro also expressed in thousands unless otherwise stated.)

#### 3. CHANGES IN ACCOUNTING POLICIES (continued)

##### The new standards, amendments and interpretations (continued)

##### i) The new standards, amendments and interpretations which are effective as at 1 January 2016 are as follows: (continued)

###### *IAS 27 Equity Method in Separate Financial Statements (Amendments to IAS 27)*

IASB issued an amendment to IAS 27 to restore the option to use the equity method to account for investments in subsidiaries and associates in an entity's separate financial statements. Therefore, an entity must account for these investments either at cost, in accordance with IFRS 9, or using the equity method defined in IAS 28.

The entity must apply the same accounting for each category of investments. The amendment is not applicable for the Group and did not have an impact on the financial position or performance of the Group.

###### *IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)*

Amendments issued to IFRS 10 and IAS 28, to address the acknowledged inconsistency between the requirements in IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture, to clarify that an investor recognises a full gain or loss on the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture. The gain or loss resulting from the re-measurement at fair value of an investment retained in a former subsidiary should be recognised only to the extent of unrelated investors' interests in that former subsidiary. The amendment is not applicable for the Group and did not have an impact on the financial position or performance of the Group.

###### *IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 and IAS 28)*

Amendments issued to IFRS 10, IFRS 12 and IAS 28, to address the issues that have arisen in applying the investment entities exception under IFRS 10 Consolidated Financial Statements. The amendment is not applicable for the Group and did not have an impact on the financial position or performance of the Group.

###### **IAS 1: Disclosure Initiative (Amendments to IAS 1)**

Amendments issued to IAS 1. Those amendments include narrow-focus improvements in the following five areas: Materiality, Disaggregation and subtotals, Notes structure, Disclosure of accounting policies, Presentation of items of other comprehensive income (OCI) arising from equity accounted investments. These amendments did not have significant impact on the notes to the interim condensed consolidated financial statements of the Group.

###### **Annual Improvements to IFRSs - 2012-2014 Cycle**

IASB issued, Annual Improvements to IFRSs 2012-2014 Cycle. The document sets out five amendments to four standards, excluding those standards that are consequentially amended, and the related Basis for Conclusions. The standards affected and the subjects of the amendments are:

- *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations* – clarifies that changes in methods of disposal (through sale or distribution to owners) would not be considered a new plan of disposal, rather it is a continuation of the original plan
- *IFRS 7 Financial Instruments: Disclosures* – clarifies that i) the assessment of servicing contracts that includes a fee for the continuing involvement of financial assets in accordance with IFRS 7; ii) the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report
- *IAS 19 Employee Benefits* – clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located
- *IAS 34 Interim Financial Reporting* – clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report

These amendments did not have significant impact/OR any impact on the financial position or performance of the Group.

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Notes to the Interim Condensed Consolidated Financial Statements

### As at and for the three-month period ended 31 March 2016

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro also expressed in thousands unless otherwise stated.)

#### 3. CHANGES IN ACCOUNTING POLICIES (continued)

##### The new standards, amendments and interpretations (continued)

##### ii) Standards issued but not yet effective and not early adopted

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

##### *IFRS 15 Revenue from Contracts with Customers*

The IASB issued IFRS 15 Revenue from Contracts with Customers. The new five-step model in the standard provides the recognition and measurement requirements of revenue. The standard applies to revenue from contracts with customers and provides a model for the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., the sale of property, plant and equipment or intangibles). IFRS 15 effective date is 1 January 2018, with early adoption permitted. Entities will transition to the new standard following either a full retrospective approach or a modified retrospective approach. The modified retrospective approach would allow the standard to be applied beginning with the current period, with no restatement of the comparative periods, but additional disclosures are required. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

##### *Clarifications to IFRS 15 'Revenue from Contracts with Customers' (Amendment)*

IASB has published final clarifications to IFRS 15 in April 2016. The amendments address three of the five topics identified (identifying performance obligations, principal versus agent considerations, and licensing) and provide some transition relief for modified contracts and completed contracts. The amendments are effective for annual reporting periods beginning on or after 1 January 2018. Earlier application is permitted. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

##### *IFRS 9 Financial Instruments - Final standard (2014)*

The IASB published the final version of IFRS 9 Financial Instruments. The final version of IFRS 9 brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 is built on a logical, single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics. Built upon this is a forward-looking expected credit loss model that will result in more timely recognition of loan losses and is a single model that is applicable to all financial instruments subject to impairment accounting. In addition, IFRS 9 addresses the so-called 'own credit' issue, whereby banks and others book gains through profit or loss as a result of the value of their own debt falling due to a decrease in credit worthiness when they have elected to measure that debt at fair value. The Standard also includes an improved hedge accounting model to better link the economics of risk management with its accounting treatment. IFRS 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. In addition, the own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

##### *IFRS 16 Leases*

The IASB has published a new standard, IFRS 16 'Leases'. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 supersedes IAS 17 'Leases' and related interpretations and is effective for periods beginning on or after January 1, 2019, with earlier adoption permitted if IFRS 15 'Revenue from Contracts with Customers' has also been applied. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Notes to the Interim Condensed Consolidated Financial Statements

### As at and for the three-month period ended 31 March 2016

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro also expressed in thousands unless otherwise stated.)

#### 3. CHANGES IN ACCOUNTING POLICIES (continued)

##### The new standards, amendments and interpretations (continued)

##### ii) Standards issued but not yet effective and not early adopted (continued)

##### *IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses (Amendments)*

The IASB issued amendments to IAS 12 Income Taxes. The amendments clarify how to account for deferred tax assets related to debt instruments measured at fair value. The amendments clarify the requirements on recognition of deferred tax assets for unrealised losses, to address diversity in practice. These amendments are to be retrospectively applied for annual periods beginning on or after 1 January 2017 with earlier application permitted. However, on initial application of the amendment, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. If the Group applies this relief, it shall disclose that fact. The amendment is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

##### *IAS 7 'Statement of Cash Flows (Amendments)*

The IASB issued amendments to IAS 7 'Statement of Cash Flows'. The amendments are intended to clarify IAS 7 to improve information provided to users of financial statements about an entity's financing activities. The improvements to disclosures require companies to provide information about changes in their financing liabilities. These amendments are to be applied for annual periods beginning on or after 1 January 2017 with earlier application permitted. When the Group first applies those amendments, it is not required to provide comparative information for preceding periods. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

#### 4. DETERMINATION OF FAIR VALUES

Fair value determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

##### *i) Property and equipment:*

The fair value of property and equipment recognised as a result of a business combination is the estimated amount for which a property could be exchanged on the date of acquisition between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly. The fair value of items of equipment, fixtures and fittings is based on the market approach and cost approaches using quoted market prices for similar items when available and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

##### *ii) Intangible assets:*

The fair value of intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

The fair values of customer relationship and DHMİ licence acquired in a business combination are determined according to the excess earnings method and depreciated replacement cost approach, respectively.



# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Notes to the Interim Condensed Consolidated Financial Statements

### As at and for the three-month period ended 31 March 2016

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro also expressed in thousands unless otherwise stated.)

#### 4. DETERMINATION OF FAIR VALUES (continued)

##### ii) Intangible assets (continued):

The airport operation right as an intangible asset is initially recognised at cost, being the fair value of consideration transferred to acquire the asset, which is the fair value of the consideration received or receivable for the construction services delivered less any financial asset recognised. The fair value of the consideration received or receivable for the construction services delivered includes a mark-up on the actual costs incurred to reflect a margin consistent with other similar construction work. Mark-up rates for TAV Esenboğa, TAV Gazipaşa, TAV Macedonia and TAV Ege are 0%, TAV Tbilisi and TAV Tunisia are 15% and %5 respectively.

##### iii) Trade and other receivables:

The fair value of trade and other receivables is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. This fair value is determined for disclosure purposes or when acquired in a business combination.

##### iv) Derivatives:

The fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds) or option pricing models.

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

##### v) Other non-derivative financial liabilities:

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

##### Fair value hierarchy:

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

<b>31 March 2016</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Trade receivables	-	203,072	-
Loans and borrowings	-	(1,391,177)	-
Other payables	-	(785,997)	-
Interest rate swap	-	(67,476)	-
Cross currency swap	-	11,607	-
<b>31 December 2015</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Trade receivables	-	198,002	-
Loans and borrowings	-	(1,468,093)	-
Other payables	-	(800,118)	-
Interest rate swap	-	(60,703)	-
Cross currency swap	-	15,436	-
Forward	-	2,455	-

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Notes to the Interim Condensed Consolidated Financial Statements

### As at and for the three-month period ended 31 March 2016

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro also expressed in thousands unless otherwise stated.)

#### 5. OPERATING SEGMENTS

##### Operating Segments:

For management purposes, the Group and its joint ventures are currently organised into four reportable segments regarding to their activities; such as Terminal Operations, Catering Operations, Duty Free Operations, Ground Handling and Bus Operations. These reportable segments are the basis on which the Group reports its primary segment information; the principal activities of each are as follows:

- **Terminal operations:** Operating terminal buildings, the car park and the general aviation terminal, the Group companies included in this segment are TAV İstanbul, TAV Esenboğa, TAV Ege, TAV Milas Bodrum, TAV Tunisia, TAV Tbilisi, TAV Batumi, Batumi Airport LLC, TAV Macedonia, TAV Gazipaşa, TAV Uluslararası Yatırım, Tibah Development, Tibah Operation, MZLZ, MZLZ Operation and AMS. TAV Tbilisi, TAV Batumi, TAV Tunisia, TAV Macedonia, TAV Gazipaşa, and MZLZ also include the ground handling operations, and parking-apron-taxi ways as they are not outsourced and are run by the airport.
- **Catering operations:** Managing all food and beverage operations of the terminal, both for the passengers and the terminal personnel, which is run by BTA, BTA Georgia, BTA Tunisia, BTA Macedonia, Cakes & Bakes, BTA Tedarik, BTA Danışmanlık, BTA Latvia, BTA Denizyolları, BTU Lokum, BTU Gıda, BTA Medinah, BS Kahve, BTA Uluslararası Yiyecek and BTA Erus.
- **Duty free operations:** Sales of duty free goods for the international arriving and departing passengers. The Group operates its duty free services through ATU, ATU Georgia, ATU Tunisia, ATU Macedonia, ATU Latvia, ATU Tunisia Duty Free, Saudi Medinah, ATU Mağazacılık, ATU Uluslararası Mağazacılık and ATU Americas
- **Ground handling and bus operations:** Providing traffic, ramp, flight operation, cargo and all other ground handling services for domestic and international flights under the Civil Aviation Legislation License. The Group operates the ground handling services through HAVAŞ, HAVAŞ Europe, HAVAŞ Europe Helsinki, HAVAŞ Europe Stockholm, HAVAŞ Germany, TAV Gözen, TGS and SAUDI HAVAŞ. HAVAŞ, HYT İzmir, HYT Muğla and HYT Samsun provides bus operations.
- **Other:** Providing lounge services, IT, security and education services, airline taxi services, the Group companies included in this segment are TAV Holding, TAV Latvia, TAV İşletme, TAV İşletme Georgia, TAV İşletme Tunisia, TAV İşletme Tunisia Plus, TAV İşletme Macedonia, TAV İşletme Germany, TAV İşletme Latvia, TAV İşletme Kenya, TAV İşletme America, TAV İşletme Washington, TAV Havacılık, TAV Bilişim, TAV IT Saudi, TAV Güvenlik, TAV Akademi, TAV Aviation Minds, Aviator Netherlands and ZAIC-A.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment operating profit, as included in the internal management reports that are reviewed by the Group's Management. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on arm's length basis.

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Notes to the Consolidated Interim Financial Statements As at and for the three-month period ended 31 March 2016

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro also expressed in thousands unless otherwise stated.)

### 5. SEGMENT REPORTING (continued)

#### Operating Segments (continued)

	Three-month period ended 31 March											
	Terminal Operations		Catering Operations		Duty Free Operations		Ground Handling and Bus Operations		Other Operations		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Total external revenues	135,375	127,087	31,094	28,392	71,163	69,892	60,526	50,872	8,107	12,508	306,265	288,751
Inter-segment revenue	37,175	36,707	5,589	5,361	4	-	1	(482)	7,065	6,798	49,834	48,384
Construction revenue	2,026	4,098	-	-	-	-	-	-	-	-	2,026	4,098
Construction expenditure	(2,026)	(4,098)	-	-	-	-	-	-	-	-	(2,026)	(4,098)
Interest income	1,074	2,122	59	77	9	122	151	105	3,129	5,038	4,422	7,464
Interest expense	(27,544)	(20,421)	(190)	(149)	(25)	3	(519)	(3,811)	(2,752)	(6,227)	(31,030)	(30,605)
Depreciation and amortisation	(24,431)	(17,476)	(1,357)	(1,250)	(899)	(591)	(3,578)	(3,480)	(985)	(737)	(31,250)	(23,534)
Reportable segment operating profit	52,299	43,898	752	1,531	832	4,153	3,203	(1,627)	(1,395)	4,284	55,691	52,239
Capital expenditure	27,225	319,883	1,653	972	1,315	744	779	993	752	383	31,724	322,975
	As at 31 March 2016 and 31 December 2015											
	Terminal Operations		Catering Operations		Duty Free Operations		Ground Handling and Bus Operations		Other Operations		Total	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Reportable segment assets	2,983,136	3,038,102	56,016	52,543	69,901	63,910	157,409	185,034	246,554	382,848	3,513,016	3,722,437
Reportable segment liabilities	2,325,593	2,388,553	42,699	39,265	68,140	54,606	91,181	119,058	289,495	317,360	2,817,108	2,918,842

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Notes to the Interim Condensed Consolidated Financial Statements As at and for the three-month period ended 31 March 2016

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro also expressed in thousands unless otherwise stated.)

### 5. OPERATING SEGMENTS (continued)

#### Reconciliations of reportable segment revenues, profit before tax, assets and liabilities and other material items

	<b>1 January- 31 March 2016</b>	<b>1 January- 31 March 2015</b>
<b>Revenues</b>		
Total revenue for reportable segments	342,953	321,927
Other revenue	15,172	19,306
Elimination of inter-segment revenue	(49,834)	(48,384)
	<b>308,291</b>	<b>292,849</b>
Effect of using the equity method for joint ventures	(97,083)	(87,523)
<b>Consolidated revenue</b>	<b>211,208</b>	<b>205,326</b>
	<b>1 January- 31 March 2016</b>	<b>1 January- 31 March 2015</b>
<b>Operating profit</b>		
Segment operating profit	57,086	47,955
Other operating (loss) / profit	(1,395)	4,284
Elimination of inter-segment operating loss	(626)	(463)
	<b>55,065</b>	<b>51,776</b>
Effect of using the equity method for joint ventures	(3,488)	(513)
<b>Consolidated operating profit</b>	<b>51,577</b>	<b>51,263</b>
Finance income	5,412	15,141
Finance expense	(34,664)	(27,475)
<b>Consolidated profit before tax</b>	<b>22,325</b>	<b>38,929</b>
	<b>31 March 2016</b>	<b>31 December 2015</b>
<b>Assets</b>		
Total assets for reportable segments	3,266,462	3,339,589
Other assets	246,554	382,848
	<b>3,513,016</b>	<b>3,722,437</b>
Effect of using the equity method for joint ventures	(407,648)	(416,053)
<b>Consolidated total assets</b>	<b>3,105,368</b>	<b>3,306,384</b>
	<b>31 March 2016</b>	<b>31 December 2015</b>
<b>Liabilities</b>		
Total liabilities for reportable segments	2,527,613	2,601,482
Other liabilities	289,495	317,360
	<b>2,817,108</b>	<b>2,918,842</b>
Effect of using the equity method for joint ventures	(418,933)	(425,891)
<b>Consolidated total liabilities</b>	<b>2,398,175</b>	<b>2,492,951</b>

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Notes to the Interim Condensed Consolidated Financial Statements

### As at and for the three-month period ended 31 March 2016

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro also expressed in thousands unless otherwise stated.)

#### 5. OPERATING SEGMENTS (continued)

<b>Interest income</b>	<b>1 January- 31 March 2016</b>	<b>1 January- 31 March 2015</b>
Total interest income for reportable segments	1,293	2,426
Other interest income	3,129	5,038
Elimination of inter-segment interest income	(2,352)	(5,707)
	<b>2,070</b>	<b>1,757</b>
Effect of using the equity method for joint ventures	55	(83)
<b>Consolidated interest income</b>	<b>2,125</b>	<b>1,674</b>

<b>Interest expense</b>	<b>1 January- 31 March 2016</b>	<b>1 January- 31 March 2015</b>
Total interest expense for reportable segments	(28,278)	(24,378)
Other interest expense	(2,752)	(6,227)
Elimination of inter-segment interest expense	2,504	5,927
	<b>(28,526)</b>	<b>(24,678)</b>
Effect of using the equity method for joint ventures	3,302	(75)
<b>Consolidated interest expense</b>	<b>(25,224)</b>	<b>(24,753)</b>

#### Geographical information

The main geographical segments of the Group and its joint ventures are comprised of Turkey, Tunisia, Georgia, and Macedonia.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of revenue. Segment assets are based on the geographical location of the assets.

<b>Revenue</b>	<b>1 January- 31 March 2016</b>	<b>1 January- 31 March 2015</b>
Turkey	191,406	187,611
Georgia	11,513	8,320
Macedonia	4,839	4,115
Tunisia	2,323	4,132
Other	1,127	1,148
<b>Consolidated revenue</b>	<b>211,208</b>	<b>205,326</b>

<b>Non-current assets</b>	<b>31 March 2016</b>	<b>31 December 2015</b>
Turkey	1,844,572	1,809,674
Tunisia	455,319	458,615
Macedonia	66,489	67,707
Georgia	47,927	50,550
Other	557	578
<b>Consolidated non-current assets</b>	<b>2,414,864</b>	<b>2,387,124</b>

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

### Notes to the Interim Condensed Consolidated Financial Statements As at and for the three-month period ended 31 March 2016

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro also expressed in thousands unless otherwise stated.)

#### 6. AIRPORT OPERATION RIGHT

	İzmir Adnan Menderes International Airport	Tbilisi International Airport	Enfidha International Airport	Antalya Gazipaşa Airport	Skopje International Airport	Milas-Bodrum Airport	Total
<b>Cost</b>							
<b>Balance at 1 January 2015</b>	<b>475,939</b>	<b>86,889</b>	<b>515,959</b>	<b>28,923</b>	<b>86,736</b>	<b>118,051</b>	<b>1,312,497</b>
Effect of movements in exchange rates	-	(5,342)	-	-	-	-	(5,342)
Additions (*)	297,715	-	-	-	-	-	297,715
<b>Balance at 31 March 2015</b>	<b>773,654</b>	<b>81,547</b>	<b>515,959</b>	<b>28,923</b>	<b>86,736</b>	<b>118,051</b>	<b>1,604,870</b>
<b>Balance at 1 January 2016</b>	<b>773,654</b>	<b>77,741</b>	<b>519,192</b>	<b>45,700</b>	<b>86,736</b>	<b>490,463</b>	<b>1,993,486</b>
Effect of movements in exchange rates	-	(1,815)	-	-	-	-	(1,815)
Additions (*)	-	2,029	-	-	-	-	2,029
<b>Balance at 31 March 2016</b>	<b>773,654</b>	<b>77,955</b>	<b>519,192</b>	<b>45,700</b>	<b>86,736</b>	<b>490,463</b>	<b>1,993,700</b>

(\*) There is no capitalised borrowing cost on airport operation right during 2016 (31 March 2015: None). The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 100%.

As at 31 March 2016 additions to airport operation right is related with the construction works at Tbilisi International Airport (31 March 2015: Additions to airport operation right is related with the rent agreement of International Terminal of İzmir Adnan Menderes Airport).

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

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#### 6. AIRPORT OPERATION RIGHT (continued)

	İzmir Adnan Menderes International Airport	Tbilisi International Airport	Enfidha International Airport	Antalya Gazipaşa Airport	Skopje International Airport	Milas-Bodrum Airport	Total
<b><u>Accumulated amortisation</u></b>							
<b>Balance at 1 January 2015</b>	<b>95,484</b>	<b>37,632</b>	<b>66,993</b>	<b>4,149</b>	<b>15,677</b>	<b>1,030</b>	<b>220,965</b>
Effect of movements in exchange rates	-	(2,321)	-	-	-	-	(2,321)
Amortisation for the period	5,935	1,004	3,467	316	1,157	685	12,564
<b>Balance at 31 March 2015</b>	<b>101,419</b>	<b>36,315</b>	<b>70,460</b>	<b>4,465</b>	<b>16,834</b>	<b>1,715</b>	<b>231,208</b>
<b>Balance at 1 January 2016</b>	<b>118,500</b>	<b>36,321</b>	<b>80,861</b>	<b>5,505</b>	<b>20,360</b>	<b>5,036</b>	<b>266,583</b>
Effect of movements in exchange rates	-	(834)	-	-	-	-	(834)
Amortisation for the period	5,990	874	3,467	546	1,167	2,779	14,823
<b>Balance at 31 March 2016</b>	<b>124,490</b>	<b>36,361</b>	<b>84,328</b>	<b>6,051</b>	<b>21,527</b>	<b>7,815</b>	<b>280,572</b>
<b><u>Carrying amounts</u></b>							
<b>At 31 March 2015</b>	<b>672,231</b>	<b>45,236</b>	<b>445,499</b>	<b>24,458</b>	<b>69,902</b>	<b>116,336</b>	<b>1,373,662</b>
<b>At 31 December 2015</b>	<b>655,154</b>	<b>41,420</b>	<b>438,331</b>	<b>40,195</b>	<b>66,376</b>	<b>485,427</b>	<b>1,726,903</b>
<b>At 31 March 2016</b>	<b>649,164</b>	<b>41,594</b>	<b>434,864</b>	<b>39,649</b>	<b>65,209</b>	<b>482,648</b>	<b>1,713,128</b>

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#### 7. PREPAID CONCESSION AND RENT EXPENSES

An analysis of the Group's prepaid rent expenses as at 31 March 2016, 31 December 2015 and 31 March 2015 are as follows:

<u>31 March 2016</u>	<u>Concession and rent</u>	<u>Prepaid development expenditures</u>	<u>Total</u>
<b>Balance at 31 December 2015</b>	<b>101,148</b>	<b>15,434</b>	<b>116,582</b>
Concession and rent payments	130,260	-	130,260
Current period rent expense – TAV İstanbul	(34,346)	(766)	(35,112)
<b>Balance at 31 March 2016</b>	<b>197,062</b>	<b>14,668</b>	<b>211,730</b>
<b>Represented as current prepaid concession and rent expense</b>	<b>145,547</b>	<b>3,087</b>	<b>148,634</b>
<b>Represented as non-current prepaid concession and rent expense</b>	<b>51,515</b>	<b>11,581</b>	<b>63,096</b>
<u>31 December 2015</u>	<u>Concession and rent</u>	<u>Prepaid development expenditures</u>	<u>Total</u>
<b>Balance at 31 December 2014</b>	<b>106,597</b>	<b>18,512</b>	<b>125,109</b>
Concession and rent payments	117,378	-	117,378
Current year rent expense – TAV İstanbul	(122,827)	(3,078)	(125,905)
<b>Balance at 31 December 2015</b>	<b>101,148</b>	<b>15,434</b>	<b>116,582</b>
<b>Represented as current prepaid concession and rent expense</b>	<b>101,148</b>	<b>770</b>	<b>101,918</b>
<b>Represented as non-current prepaid concession and rent expense</b>	<b>-</b>	<b>14,664</b>	<b>14,664</b>
<u>31 March 2015</u>	<u>Concession and rent</u>	<u>Prepaid development expenditures</u>	<u>Total</u>
<b>Balance at 31 December 2014</b>	<b>106,597</b>	<b>18,512</b>	<b>125,109</b>
Concession and rent payments	117,379	-	117,379
Current period rent expense – TAV İstanbul	(29,912)	(759)	(30,671)
<b>Balance at 31 March 2015</b>	<b>194,064</b>	<b>17,753</b>	<b>211,817</b>
<b>Represented as current prepaid concession and rent expense</b>	<b>127,260</b>	<b>3,089</b>	<b>130,349</b>
<b>Represented as non-current prepaid concession and rent expense</b>	<b>66,804</b>	<b>14,664</b>	<b>81,468</b>



## TAV Havalimanları Holding A.Ş. and its Subsidiaries

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(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro also expressed in thousands unless otherwise stated.)

#### 8. OTHER RECEIVABLES, CURRENT AND NON-CURRENT ASSETS

At 31 March 2016 and 31 December 2015, other receivables and current assets comprised the following:

<u>Other receivables and current assets</u>	<u>31 March 2016</u>	<u>31 December 2015</u>
VAT deductible	12,087	10,666
Advances to suppliers	9,645	6,636
Prepaid insurance	6,968	4,552
Prepaid taxes and funds	5,560	5,360
Other prepaid expense	2,624	1,485
Income accruals	1,935	8,563
Advances given to personnel	1,202	1,203
Other receivables	6,503	5,300
	<u>46,524</u>	<u>43,765</u>

#### 9. CASH AND CASH EQUIVALENTS

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

	<u>31 March 2016</u>	<u>31 December 2015</u>
Cash on hand	786	829
Cash at banks		
- Demand deposits	39,697	37,796
- Time deposits	22,323	168,148
Other liquid assets	1,700	4,893
Cash and cash equivalents	<u>64,506</u>	<u>211,666</u>
Bank overdrafts used for cash management purposes	(1,940)	-
Cash and cash equivalents in the statement of cash flows	<u>62,566</u>	<u>211,666</u>

The details of the Group's time deposits, maturities and interest rates as at 31 March 2016 and 31 December 2015 are as follows:

<b>31 March 2016</b>			
<u>Original Currency</u>	<u>Maturity</u>	<u>Interest rate %</u>	<u>Balance</u>
EUR	April 2016	0.01 - 1.80	13,849
USD	April 2016	0.05 - 3.25	6,547
TRL	April 2016	3.50 - 11.50	1,927
			<u>22,323</u>
<b>31 December 2015</b>			
<u>Original Currency</u>	<u>Maturity</u>	<u>Interest rate %</u>	<u>Balance</u>
EUR	January 2016	0.01 - 1.99	144,541
USD	January 2016	0.05 - 1.65	20,487
TRL	January 2016	5.25 - 11.50	3,120
			<u>168,148</u>

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 13.

There is no blockage or restriction on the use of cash and cash equivalents as at 31 March 2016 and 31 December 2015.

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

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#### 10. RESTRICTED BANK BALANCES

At 31 March 2016 and 31 December 2015, restricted bank balances comprised the following:

	<u>31 March 2016</u>	<u>31 December 2015</u>
Project reserve and funding accounts (*)	275,136	417,597
	<u>275,136</u>	<u>417,597</u>

(\*) Certain subsidiaries, namely TAV İstanbul, TAV Esenboğa, TAV Tunisia, TAV Macedonia, TAV Milas Bodrum, TAV Ege, TAV Holding and (“the Borrowers”) opened Project Accounts designated mainly in order to reserve required amount of debt services, lease payment to DHMI based on agreements with their lenders. As a result of pledges regarding the project bank loans as explained in Note 29, all cash except for cash on hand are classified in these accounts for TAV İstanbul, TAV Esenboğa, TAV Tunisia, TAV Ege, TAV Macedonia, TAV Milas Bodrum and TAV Holding. Based on these agreements, the Group can access and use such restricted cash as per the conditions and cascade defined in respective loan agreements. The project accounts should be used for predetermined purposes, such as, operational expenses, loan repayments or rent payments to airport administrations, tax payments, debt service, etc.

#### 31 March 2016

<u>Original Currency</u>	<u>Interest rate %</u>	<u>Balance</u>
EUR	0.01 - 1.90	253,864
USD	0.25 - 2.60	16,971
TRL	7.75 - 12.40	4,281
Other		20
		<u>275,136</u>

#### 31 December 2015

<u>Original Currency</u>	<u>Interest rate %</u>	<u>Balance</u>
EUR	0.01 - 1.90	273,093
USD	0.25 - 1.80	135,571
TRL	7.50 - 11.35	8,869
Other		64
		<u>417,597</u>

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

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#### 11. EARNINGS PER SHARE

The calculation of basic and diluted EPS at 31 March 2016 was based on the profit attributable to ordinary shareholders of EUR 14,642 (31 March 2015: EUR 30,641) and a weighted average number of ordinary shares outstanding of 363,281,250 (31 March 2015: 363,281,250), as follows:

	<b>1 January- 31 March 2016</b>	<b>1 January- 31 March 2015</b>
Numerator:		
Profit for the period attributable to owners of the Company	<b>14,642</b>	<b>30,641</b>
Denominator:		
Weighted average number of shares	363,281,250	363,281,250
<b>Basic and diluted profit per share (full EUR)</b>	<b>0.04</b>	<b>0.08</b>
	<b>1 January- 31 March 2016</b>	<b>1 January- 31 March 2015</b>
Issued ordinary shares at 1 January	363,281,250	363,281,250
Effect of shares issued during the period	-	-
<b>Weighted average number of ordinary shares</b>	<b>363,281,250</b>	<b>363,281,250</b>

#### 12. LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to foreign currency risk arising from these loans and borrowings, see Note 13.

	<b>31 March 2016</b>	<b>31 December 2015</b>
<b>Non-current liabilities</b>		
Secured bank loans (*)	628,123	671,076
Unsecured bank loans	157,197	169,698
Finance lease liabilities	13,796	15,730
	<b>799,116</b>	<b>856,504</b>
<b>Current liabilities</b>		
Current portion of long term secured bank loans (*)	144,074	144,569
Short term unsecured bank loans	70,753	88,421
Short term secured bank loans	364,325	367,073
Current portion of long term unsecured bank loans	9,444	8,746
Current portion of finance lease liabilities	3,465	2,780
	<b>592,061</b>	<b>611,589</b>

(\*) Secured bank loans mainly consist of project finance loans that have been secured by pledges.

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

### Notes to the Interim Condensed Consolidated Financial Statements

#### As at and for the three-month period ended 31 March 2016

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#### 12. LOANS AND BORROWINGS (continued)

The Group's total bank loans and finance lease liabilities as at 31 March 2016 and 31 December 2015 are as follows:

	<b>31 March 2016</b>	<b>31 December 2015</b>
Bank loans	1,373,916	1,449,583
Finance lease liabilities	17,261	18,510
	<b><u>1,391,177</u></b>	<b><u>1,468,093</u></b>

The Group's bank loans as at 31 March 2016 are as follows:

	<b>Presented as</b>		<b>Total</b>
	<b>Current liabilities</b>	<b>Non-current liabilities</b>	
TAV Tunisia (*)	346,248	-	346,248
TAV Ege	16,140	226,247	242,387
TAV Holding	77,445	151,095	228,540
TAV Milas Bodrum	9,710	146,227	155,937
TAV İstanbul	70,205	68,226	138,431
TAV Esenboğa	18,541	67,677	86,218
TAV Macedonia	4,794	55,637	60,431
HAVAŞ	16,533	41,690	58,223
TAV Gazipaşa	24,716	22,417	47,133
Others	4,264	6,104	10,368
	<b><u>588,596</u></b>	<b><u>785,320</u></b>	<b><u>1,373,916</u></b>

- (\*) TAV Tunisia had started negotiations with the Tunisian Authorities and the Lenders regarding a potential restructuring to restore the economic balance of the concession in line with the Concession Agreement terms. In the meantime, Tunisia has suffered from major terrorist attacks on 18 March 2015 and 26 June 2015, which had a substantial negative impact on tourism and passenger traffic, which in turn negatively affected the revenues of TAV Tunisia. Passenger traffic has dropped by 58% from 3.3 million in 2014 to 1.4 million in 2015 and is not expected to return to its original levels in 2016. Under these new adverse circumstances, TAV Tunisia continued to be engaged in negotiations with the Tunisian Authorities and its Lenders for the restructuring of its concession and financing arrangements, with the aim to reach an agreement during year 2016. The negotiations are in an advanced stage and a 3-year Standstill Agreement where no concession fees and debt is paid is about to be agreed on and signed by the parties. The aim is to arrange a further restructuring at the end of this 3-year period once passenger traffic stabilizes and there is more visibility regarding cash flow projections of the Company.

In the meantime, since TAV Tunisia has been in breach of its financing agreements due to its current difficulties, non-current loan liabilities of TAV Tunisia were reclassified to current loan liabilities on 30 June 2015 and the amount outstanding as of 31 March 2016 is EUR 346,248. Consequently minority deficit amounting to EUR 8,598 (31 December 2015: EUR 8,598) has been classified to other accruals and liabilities which is presented at a fair value of EUR 30,803 (31 December 2015: EUR 30,803). TAV Tunisia received an Acceleration Notice from the Lenders accompanied by a Letter of Intent stating that the Lenders' current intention is to protect their security rights while continuing the three-party negotiations towards a restructuring and they do not intend to make the loans due and payable until 2 May 2016. This date had been originally set as 30 September 2015 and was extended several times to accommodate for the revised calendar for the signing of the Standstill Agreement and hence is subject to further extensions if there are further delays in signing. Tunisian Authorities also granted an extension of their standstill period until 31 May 2016, to be further extended in line with the calendar for the signing of the Standstill Agreement. Furthermore, TAV Tunisia received Early Termination Letters from the Hedging Banks, which resulted in termination amounts of EUR 63,061 becoming due and payable (31 December 2015: EUR 62,910).

#### 12. LOANS AND BORROWINGS (continued)

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

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The Company has been advised by its legal counsels that under the Finance Documents the Hedging Banks cannot act alone in demanding these payments and hence a coordinated solution among all Lenders in line with the Standstill Agreement is currently being negotiated.

While the management believes that the signing of the Standstill Agreement in the near future is very likely, in the event that it is not signed and a joint solution cannot be reached in due course, TAV Tunisia is exposed to the material legal and financial consequences including but not limited to using its legal rights including filing for arbitration for the rebalancing of the Concession Agreement and, in failure to be able to do so, the termination of the Concession Agreement.

The Group's bank loans as at 31 December 2015 are as follows:

	Presented as		<u>Total</u>
	<u>Current liabilities</u>	<u>Non-current liabilities</u>	
TAV Tunisia	343,888	-	343,888
TAV Holding	95,894	168,837	264,731
TAV Ege	15,931	222,584	238,515
TAV İstanbul	72,074	115,948	188,022
TAV Milas Bodrum	9,660	144,340	154,000
TAV Esenboğa	19,917	65,668	85,585
HAVAŞ	21,879	45,593	67,472
TAV Macedonia	9,474	47,224	56,698
TAV Gazipaşa	17,306	29,719	47,025
Others	2,786	861	3,647
	<u>608,809</u>	<u>840,774</u>	<u>1,449,583</u>

Redemption schedules of the Group's bank loans according to original maturities as at 31 March 2016 and 31 December 2015 are as follows:

	<u>31 March 2016</u>	<u>31 December 2015</u>
On demand or within one year	588,596	608,809
In the second year	300,161	330,970
In the third year	67,165	118,508
In the fourth year	58,571	62,295
In the fifth year	48,847	54,638
After five years	310,576	274,363
	<u>1,373,916</u>	<u>1,449,583</u>

The majority of the borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk. Spreads for EUR denominated loans as at 31 March 2016 are between 1.54% - 5.50% (31 December 2015: Spreads for EUR denominated loans are between 1.54% - 5.50%).

Interest payments of 100%, 100%, 100% and 90% of floating bank loans for TAV İstanbul, TAV Esenboğa, TAV Ege and TAV Milas Bodrum respectively are fixed with interest rate swaps as explained in Note 12.

The Group has obtained project financing loans to finance construction of its BOT and BTO concession projects, namely TAV Esenboğa, TAV Macedonia, TAV Tunisia and TAV Ege; and to be able to finance advance payments to DHMİ related to rent agreement of TAV İstanbul and TAV Milas Bodrum.

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

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#### 13. OTHER PAYABLES

At 31 March 2016 and 31 December 2015, other payables comprised the following:

	<b>31 March 2016</b>	<b>31 December 2015</b>
<b>Other short term payables</b>		
Concession payable (*)	73,107	73,700
Taxes and duties payable	11,864	4,976
Expense accruals	7,980	8,090
Due to personnel	5,206	5,968
Social security premiums payable	4,150	4,135
Advances received	2,301	1,222
Other accruals and liabilities (**)	94,846	95,116
	<b>199,454</b>	<b>193,207</b>
	<b>31 March 2016</b>	<b>31 December 2015</b>
<b>Other long term payables</b>		
Concession payable (*)	588,366	607,787
Other accruals and liabilities	478	346
	<b>588,844</b>	<b>608,133</b>

The Group's exposure to currency and liquidity risk is related to other payables is disclosed in Note 15.

(\*) TAV Tunisia has a concession period of 40 years and annual concession fee is paid based on the annual revenue of Monastir and Enfidha Airports. The concession fee is computed at an increasing rate between 11% and 26% of the annual revenues.

The concession fee of TAV Macedonia is 15% of the gross annual turnover until the number of passengers using the two airports reaches to 1 million, and when the number of passengers exceeds 1 million, this percentage shall change between 4% and 2% depending on the number of passengers.

A concession agreement was executed between TAV Milas Bodrum and DHMI on 11 July 2014 for the leasing of the operating rights of the Milas Bodrum Airport's existing international terminal, CIP, general aviation terminal, domestic terminal and its auxiliaries. The agreement covers the operation right of the international terminal starting from 22 October 2015 to 31 December 2035 (approximately 20 years and 2 months) and operation right of the domestic terminal starting from July 2015 to December 2035. The concession payable of TAV Milas Bodrum domestic terminal is presented in financials EUR 303,791 as of 31 March 2016 (31 December 2015: EUR 328,032).

The concession payable of the international and domestic terminal of İzmir Adnan Menderes Airport is presented in financials EUR 300,917 as of 31 March 2016 (The concession payable of the domestic terminal of İzmir Adnan Menderes Airport is presented in financials EUR 325,687 as of 31 December 2015).

(\*\*) See Note 12.

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#### 14. DERIVATIVE FINANCIAL INSTRUMENTS

At 31 March 2016 and 31 December 2015, derivative financial instruments comprised the following:

	31 March 2016		
	Assets	Liabilities	Net Amount
Interest rate swap (*)	-	(67,476)	(67,476)
Cross currency swap (*)	11,607	-	11,607
	<b>11,607</b>	<b>(67,476)</b>	<b>(55,869)</b>

  

	31 December 2015		
	Assets	Liabilities	Net Amount
Interest rate swap (*)	-	(60,703)	(60,703)
Cross currency swap (*)	15,436	-	15,436
Forward	2,455	-	2,455
	<b>17,891</b>	<b>(60,703)</b>	<b>(42,812)</b>

(\*) The Group applied hedge accounting for interest rate swaps and cross currency swaps.

#### **Interest rate swap:**

TAV Esenboğa uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 31 March 2016, 100% of project finance loan is hedged through Interest Rate Swap ("IRS") contract during the life of the loan with an amortising schedule depending on repayment of the loan (31 December 2015: 100%).

TAV İstanbul uses interest rate swaps to manage its exposure to interest rate fluctuations on its bank borrowings. As at 31 March 2016, 100% of project finance loan is hedged through IRS contract during the life of the loan with an amortising schedule depending on repayment of the loan (31 December 2015: 100%).

TAV Ege uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 31 March 2016, 100% of project finance loan is hedged through IRS contract during the life of the loan with an amortising schedule depending on repayment of the loan (31 December 2015: 100%).

TAV Milas Bodrum uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 31 March 2016, 90% of total loan is hedged through IRS contract (31 December 2015: 90%).

TAV Tunisia received Early Termination Letters from the Hedging Banks, which resulted in termination amounts of EUR 63,061 becoming due and payable.

TAV Macedonia terminated the hedge relationship in year 2016 (As at 31 December 2015, 80 % of total loan is hedged through IRS contract).

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#### 14. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

##### Cross currency swap:

TAV İstanbul uses cross currency swaps to manage its exposure to foreign currency exchange rate fluctuations on its rent installments that will be paid to DHMİ in terms of USD.

TAV İstanbul had signed a derivative contract with Dexia Credit Local (“DCL”) on 12 March 2008 to manage and fix its exposure on foreign currency exchange rate fluctuations between USD and EUR on the rent installments that will be paid to DHMİ till 2018. TAV İstanbul terminated the hedge relationship in 2010 and two new cross currency swap contracts were signed by and between TAV İstanbul, DCL, and ING Bank N.V. on 16 December 2010. The total notional amount of the contract is EUR 80,276 (in exchange of USD 105,804) as at 31 March 2016 (31 December 2015: EUR 80,276 (in exchange of USD 105,804)).

The fair value of derivatives at 31 March 2016 is estimated at loss of EUR 55,869 (31 December 2015: EUR 42,812). This amount is based on market values of equivalent instruments at the reporting date. Since the Group applied hedge accounting as at 31 March 2016, changes in the fair value of these interest rate swaps and cross currency swaps are reflected to other comprehensive income resulting to an income of EUR 7,201 (31 March 2015: expense of EUR 12,933) net of tax.

##### Fair value disclosures:

The Group has determined the estimated fair values of the financial instruments by using current market information and appropriate valuation methods.



## TAV Havalimanları Holding A.Ş. and its Subsidiaries

### Notes to the Interim Condensed Consolidated Financial Statements

#### As at and for the three-month period ended 31 March 2016

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro also expressed in thousands unless otherwise stated.)

#### 15. FINANCIAL INSTRUMENTS

##### Currency risk

##### Exposure to currency risk:

The Group's exposure to foreign currency risk in Euro equivalent of their original currencies was as follows:

##### 31 March 2016

##### Foreign currency denominated financial assets

	USD	EUR (*)	TRL	Other	Total
Other non-current assets	7	-	9	-	16
Trade receivables	14,663	2,728	11,128	13,440	41,959
Due from related parties	9,215	4,015	1,934	(201)	14,963
Derivative financial instruments	11,607	-	-	-	11,607
Other receivables and current assets	866	539	12,997	2,627	17,029
Restricted bank balances	17,023	-	6,529	20	23,572
Cash and cash equivalents	26,271	49	4,388	4,703	35,411
	<u>79,652</u>	<u>7,331</u>	<u>36,985</u>	<u>20,589</u>	<u>144,557</u>

##### Foreign currency denominated financial liabilities

Loans and borrowings	(13,997)	(8,636)	(215)	(190)	(23,038)
Bank overdraft	-	(102)	(1,043)	-	(1,145)
Trade payables	(3,566)	(546)	(5,266)	(9,980)	(19,358)
Due to related parties	(1,451)	(126)	(534)	-	(2,111)
Other payables	(2,233)	(447)	(17,541)	(6,095)	(26,316)
	<u>(21,247)</u>	<u>(9,857)</u>	<u>(24,599)</u>	<u>(16,265)</u>	<u>(71,968)</u>
<b>Net exposure</b>	<u><b>58,405</b></u>	<u><b>(2,526)</b></u>	<u><b>12,386</b></u>	<u><b>4,324</b></u>	<u><b>72,589</b></u>

(\*) The figures in this column reflect the EUR position of subsidiaries that have functional currencies other than EUR.

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

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#### 15. FINANCIAL INSTRUMENTS (continued)

##### Currency risk (continued)

##### Exposure to currency risk (continued):

##### 31 December 2015

##### Foreign currency denominated financial assets

	<u>USD</u>	<u>EUR (*)</u>	<u>TRL</u>	<u>Other</u>	<u>Total</u>
Other non-current assets	-	-	16	-	16
Trade receivables	15,984	3,382	9,351	11,008	39,725
Due from related parties	13,295	4,490	5,448	80	23,313
Derivative financial instruments	15,436	-	2,455	-	17,891
Other receivables and current assets	1,164	2,685	10,753	5,940	20,542
Restricted bank balances	135,321	-	10,929	-	146,250
Cash and cash equivalents	37,508	48	3,302	5,747	46,605
	<u>218,708</u>	<u>10,605</u>	<u>42,254</u>	<u>22,775</u>	<u>294,342</u>

##### Foreign currency denominated financial liabilities

Loans and borrowings	(14,758)	(1,645)	(25,176)	(232)	(41,811)
Trade payables	(6,400)	(803)	(16,444)	(9,350)	(32,997)
Due to related parties	(5,307)	(255)	(656)	-	(6,218)
Other payables	434	(585)	(14,243)	(5,356)	(19,750)
	<u>(26,031)</u>	<u>(3,288)</u>	<u>(56,519)</u>	<u>(14,938)</u>	<u>(100,776)</u>
<b>Net exposure</b>	<u>192,677</u>	<u>7,317</u>	<u>(14,265)</u>	<u>7,837</u>	<u>193,566</u>

(\*) The figures in this column reflect the EUR position of subsidiaries that have functional currencies other than EUR.

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

### Notes to the Interim Condensed Consolidated Financial Statements

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#### 15. FINANCIAL INSTRUMENTS (continued)

The following significant exchange rates against Euro applied during the period:

	Average Rate		Reporting Date Closing Rate	
	31 March 2016	31 March 2015	31 March 2016	31 December 2015
USD	0.9071	0.8868	0.8832	0.9150
TRL	0.3085	0.3609	0.3117	0.3147
GEL	0.3725	0.4278	0.3732	0.3821
MKD	0.0162	0.0162	0.0162	0.0162
TND	0.4464	0.4590	0.4373	0.4507
SEK	0.1073	0.1066	0.1083	0.1095
SAR	0.2418	0.2363	0.2355	0.2440
HRK	0.1307	0.1302	0.1336	0.1303
KES	0.0090	0.0097	0.0088	0.0091

#### Sensitivity analysis:

The Group's principal currency risk relates to changes in the value of the Euro relative to TRL and USD. The Group manages its exposure to foreign currency risk by entering into derivative contracts and, where possible, seeks to incur expenses with respect to each contract in the currency in which the contract is denominated and attempt to maintain its cash and cash equivalents in currencies consistent with its obligations.

The basis for the sensitivity analysis to measure foreign exchange risk is an aggregate corporate-level currency exposure. The aggregate foreign exchange exposure is composed of all assets and liabilities denominated in foreign currencies, both short-term and long-term purchase contracts.

A 10 percent strengthening / (weakening) of EUR against the following currencies at 31 March 2016 and 31 December 2015 would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Equity		Profit or loss	
	Strengthening of EUR	Weakening of EUR	Strengthening of EUR	Weakening of EUR
<b>31 March 2016</b>				
USD	(8,463)	10,626	(4,680)	4,680
TRL	-	-	(1,238)	1,238
Other	-	-	(433)	433
<b>Total</b>	<b>(8,463)</b>	<b>10,626</b>	<b>(6,351)</b>	<b>6,351</b>
<b>31 December 2015</b>				
USD	(9,757)	11,962	(17,724)	17,724
TRL	-	-	1,427	(1,427)
Other	-	-	(784)	784
<b>Total</b>	<b>(9,757)</b>	<b>11,962</b>	<b>(17,081)</b>	<b>17,081</b>

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

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#### As at and for the three-month period ended 31 March 2016

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro also expressed in thousands unless otherwise stated.)

#### 15. FINANCIAL INSTRUMENTS (continued)

##### Fair values

##### Fair values versus carrying amounts:

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

	Note	31 March 2016		31 December 2015	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>					
Other non-current assets		413	413	407	407
Trade receivables - non current		97,553	120,795	99,596	119,105
Trade receivables - current		105,519	101,420	98,406	99,137
Due from related parties	17	40,810	40,810	36,661	36,661
Other receivables and current assets (*)		3,706	3,706	3,468	3,468
Restricted bank balances	10	275,136	275,136	417,597	417,597
Cash and cash equivalents	9	64,506	64,506	211,666	211,666
Derivative financial instruments	14	11,607	11,607	17,891	17,891
<b>Financial liabilities</b>					
Bank overdraft	9	(1,940)	(1,940)	-	-
Loans and borrowings	12	(1,391,177)	(1,389,938)	(1,468,093)	(1,468,969)
Trade payables (**)		(40,672)	(40,672)	(48,310)	(48,310)
Due to related parties	17	(3,071)	(3,071)	(5,469)	(5,469)
Derivative financial instruments	14	(67,476)	(67,476)	(60,703)	(60,703)
Other payables (**)		(785,997)	(1,129,377)	(800,118)	(1,152,609)
		<b>(1,691,083)</b>	<b>(2,014,081)</b>	<b>(1,497,001)</b>	<b>(1,830,128)</b>

(\*) Non-financial instruments such as prepaid expenses, prepaid taxes and dues and advances given are excluded from other non-current assets and other receivables and current assets.

(\*\*) Non-financial instruments such as advances received are excluded from trade payables and other payables.

The methods used in determining the fair values of financial instruments are discussed in Note 4.

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

### Notes to the Interim Condensed Consolidated Financial Statements

#### As at and for the three-month period ended 31 March 2016

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#### 16. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS

##### Commitments and contingencies

	<u>31 March 2016</u>	<u>31 December 2015</u>
Letters of guarantee given to third parties	266,533	264,869
Letters of guarantee given to DHMİ	220,605	227,511
Letters of guarantee given to Saudi Arabian Government	23,551	25,620
Letters of guarantee given to Tunisian Government	23,261	23,355
Letters of guarantee given to Macedonian Government	250	250
	<u><b>534,200</b></u>	<u><b>541,605</b></u>

The Group is obliged to give 6% of the total rent amount of USD 152,580 of TAV İstanbul as a letter of guarantee according to the rent agreement made with DHMİ. The total obligation has been provided by the Group.

The Group is obliged to give a letter of guarantee at an amount equivalent of USD 26,665 (EUR 23,551) (31 December 2015: USD 27,999 (EUR 25,620)) to GACA according to the BTO agreement signed with GACA in Saudi Arabia. Furthermore, the Group is obliged to provide a letter of guarantee at an amount equivalent of USD 162,756 (EUR 143,746) (31 December 2015: USD 162,756 (EUR 148,926)) to National Commercial Bank which is included in letters of guarantee given to third parties. The total obligation has been provided by the Group.

The Group is obliged to give a letter of guarantee at an amount equivalent of EUR 15,219 (31 December 2015: EUR 15,313) to the Ministry of State Property and Land Affairs and EUR 8,042 (31 December 2015: 8,042) to OACA according to the BOT agreements and its amendments signed with OACA in Tunisia. The total obligation has been provided by the Group.

TAV Ege is obliged to pay an aggregate amount of EUR 610,000 plus VAT during the rent period according to the concession agreement. 5% of this amount is already paid in two installments. The remaining amount will be paid in equal installments at the first business days of each year. Furthermore, The Group is obliged to give a letter of guarantee at an amount equivalent of EUR 36,600 to DHMİ. The total obligation has been provided by the Group.

TAV Milas Bodrum is obliged to pay an aggregate amount of EUR 717,000 plus VAT during the rent period according to the concession agreement. 20% of this amount is already paid. The remaining amount will be paid in equal installments at the last day of October for each year. Furthermore, The Group is obliged to give a letter of guarantee at an amount equivalent of EUR 43,020 to DHMİ. The total obligation has been provided by the Group.

Majority of letters of guarantee given to third parties includes the guarantees given to customs, lenders and some customers.

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

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#### As at and for the three-month period ended 31 March 2016

(Amounts expressed in thousands of Euro unless otherwise stated. Currencies other than Euro also expressed in thousands unless otherwise stated.)

#### 17. RELATED PARTIES

The major immediate parents and ultimate controlling parties of the Group are Group ADP, Tepe and Akfen Groups.

All other transactions not described in this footnote between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. Details of balances between the Group and other related parties are disclosed below.

##### Key management personnel compensation:

The remuneration of directors and other members of key management during the year comprised the following:

	<b>1 January- 31 March 2016</b>	<b>1 January- 31 March 2015</b>
Short-term benefits (salaries, bonuses etc.)	6,716	9,122
	<b>6,716</b>	<b>9,122</b>

As at 31 March 2016 and 31 December 2015, none of the Group's directors and executive officers has outstanding personnel loans from the Group.

The details of the transactions between the Group and any other related parties are disclosed below:

##### Other related party transactions:

	<b>31 March 2016</b>	<b>31 December 2015</b>
Due from related parties	20,961	26,173
Current loan to related parties	18,345	6,167
	<b>39,306</b>	<b>32,340</b>
	<b>31 March 2016</b>	<b>31 December 2015</b>
Non-current due from related parties	-	2,849
Non-current loan to related parties	1,504	1,472
	<b>1,504</b>	<b>4,321</b>

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

### Notes to the Interim Condensed Consolidated Financial Statements As at and for the three-month period ended 31 March 2016

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#### 17. RELATED PARTIES (continued)

<b>Due from related parties</b>	<b>31 March 2016</b>	<b>31 December 2015</b>
TAV Tepe Akfen Yat. İnş ve İşl. A.Ş. (“TAV İnşaat”) (1) (*)	10,643	12,022
ATU (2) (**)	4,624	7,548
BTA Medinah (2)	1,780	1,766
Tibah Operation (2)	878	1,058
BTA Denizyolları (2)	770	573
Saudi Havaş (2)	170	457
Other related parties	2,096	2,749
	<b>20,961</b>	<b>26,173</b>

(\*) Receivables from TAV İnşaat are mainly comprised of advances given by TAV Ege for construction work to be rendered by TAV İnşaat.

(\*\*) Receivables from ATU comprise of concession fee duty-free receivables.

<b>Non-current due from related parties</b>	<b>31 March 2016</b>	<b>31 December 2015</b>
TAV Tepe Akfen Yat. İnş ve İşl. A.Ş. (“TAV İnşaat”) (1)	-	2,849
	<b>-</b>	<b>2,849</b>

<b>Loan to related parties</b>	<b>31 March 2016</b>	<b>31 December 2015</b>
ATÜ (2)	14,680	-
TAV İnşaat (1)	2,865	5,672
Tibah Development (2)	416	430
Other related parties	384	65
	<b>18,345</b>	<b>6,167</b>

<b>Non-current loan to related parties</b>	<b>31 March 2016</b>	<b>31 December 2015</b>
Saudi Havaş (2)	1,504	1,472
	<b>1,504</b>	<b>1,472</b>

<b>Due to related parties</b>	<b>31 March 2016</b>	<b>31 December 2015</b>
Due to related parties	2,657	5,055
Current loan from related parties	414	414
	<b>3,071</b>	<b>5,469</b>

(1) Subsidiary of shareholders

(2) Joint Venture

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

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### 17. RELATED PARTIES (continued)

	<b>31 March 2016</b>	<b>31 December 2015</b>
<b>Due to related parties</b>		
IBS Brokerlik ve Sigorta Hizmetleri A.Ş. ("IBS Sigorta") (1) (*)	2,373	4,796
Other related parties	284	259
	<b>2,657</b>	<b>5,055</b>

(\*) IBS Sigorta provides insurance intermediary services to the Group.

	<b>31 March 2016</b>	<b>31 December 2015</b>
<b>Current loan from related parties</b>		
Tepe İnşaat (1)	414	414
	<b>414</b>	<b>414</b>

	<b>31 March 2016</b>	<b>31 December 2015</b>
<b>Short term deferred income from related parties</b>		
ATU (2) (*)	4,114	4,755
Other related parties	23	7
	<b>4,137</b>	<b>4,762</b>

(\*) Deferred income from related parties is related with the unearned portion of concession rent income from ATÜ.

	<b>31 March 2016</b>	<b>31 December 2015</b>
<b>Long term deferred income from related parties</b>		
ATU (2) (*)	33,421	33,627
	<b>33,421</b>	<b>33,627</b>

(\*) Deferred income from related parties is related with the unearned portion of concession rent income from ATÜ.

(1) Subsidiary of shareholders

(2) Joint Venture



## TAV Havalimanları Holding A.Ş. and its Subsidiaries

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#### 17. RELATED PARTIES (continued)

	<b>1 January- 31 March 2016</b>	<b>1 January- 31 March 2015</b>
<b>Services rendered to related parties</b>		
ATÜ (1) (*)	55,017	55,700
BTA Denizyolları (1)	871	936
Other related parties	2,662	2,285
	<b>58,550</b>	<b>58,921</b>

(\*) Services rendered to ATÜ comprise of concession fee for duty-free operations.

	<b>1 January- 31 March 2016</b>	<b>1 January- 31 March 2015</b>
<b>Services rendered by related parties</b>		
IBS Sigorta (2) (*)	2,083	1,611
Akfen Elektrik Enerjisi Toptan Satış A.Ş. (“Akfen Elektrik”) (2) (**)	995	595
Other related parties	213	1,680
	<b>3,291</b>	<b>3,886</b>

(\*) IBS Sigorta provides insurance brokerage services to the Group.

(\*\*) Akfen Elektrik Enerjisi Toptan Satış A.Ş. provides electric services to the Group.

	<b>1 January- 31 March 2016</b>	<b>1 January- 31 March 2015</b>
<b>Interest income/ (expense) from related parties (net)</b>		
ATU (1)	155	(149)
Other related parties	28	47
	<b>183</b>	<b>(102)</b>

The average interest rate used within the Group is 4.07% per annum (31 December 2015: 6.14%). The Group converts related party TRL loan receivable and payable balances to USD at month end using the Central Bank’s announced exchange rates and then charges interest on the USD balances.

	<b>1 January- 31 March 2016</b>	<b>1 January- 31 March 2015</b>
<b>Construction work rendered by related parties</b>		
TAV İnşaat (2) (*)	11,978	-
	<b>11,978</b>	<b>-</b>

(\*) Construction revenue and expenditure for the year ended 31 March 2016 is related to the construction works at Tblisi International Airport and İstanbul Atatürk International Airport extension project (31 March 2015: None).

(1) Joint venture

(2) Subsidiary of shareholders

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#### 17. RELATED PARTIES (continued)

##### Dividend distribution

In 2016 the Company distributed dividends to the shareholders amounting to EUR 107,992 (TRL 347,560) from the Company's distributable profits computed for 2015 (2015: EUR 100,966 (TRL 306,053)). Dividend per share is full EUR 0.29 (full TRL 0.96) (2015: EUR 0.28 (full TRL 0.84)).

#### 18. INTERESTS IN OTHER ENTITIES

##### Non-controlling interests in subsidiaries

The following table summarizes the information relating to each of the Group's subsidiaries that has material non-controlling interests ("NCI") before any intra group eliminations.

	31 March 2016				
	TAV Tunisia	TAV Tbilisi	BTA	Other immaterial subsidiaries	Total
<b>NCI Percentage</b>	<b>33,00%</b>	<b>20,00%</b>	<b>33,33%</b>		
Non-current assets	455,319	46,933	27,084		
Current assets	18,142	32,773	28,986		
Non-current liabilities	10,883	-	12,491		
Current liabilities	528,663	4,231	34,481		
<b>Net assets</b>	<b>(66,085)</b>	<b>75,475</b>	<b>9,098</b>		
Carrying amount of NCI	(21,808)	15,095	3,032	(1,386)	(5,067)
Change in non-controlling interest	8,598	-	-	-	8,598
	<b>(13,210)</b>	<b>15,095</b>	<b>3,032</b>	<b>(1,386)</b>	<b>3,531</b>

  

	1 January - 31 March 2016				
	TAV Tunisia	TAV Tbilisi	BTA	Other immaterial subsidiaries	Total
Revenue	2,529	11,748	33,822		
(Loss) / profit	(10,374)	4,518	348		
<b>Total comprehensive income</b>	<b>(8,763)</b>	<b>2,805</b>	<b>87</b>		
(Loss) / profit allocated to NCI	(3,423)	904	116	(46)	(2,449)

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

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#### 18. INTERESTS IN OTHER ENTITIES (continued)

##### Non-controlling interests in subsidiaries (continued)

	31 December 2015				Total
	TAV Tunisia	TAV Tbilisi	BTA	Other immaterial subsidiaries	
<b>NCI Percentage</b>	<b>33,00%</b>	<b>20,00%</b>	<b>33,33%</b>		
Non-current assets	458,615	49,513	26,646		
Current assets	19,200	27,169	25,773		
Non-current liabilities	10,975	-	14,968		
Current liabilities	524,163	4,012	28,424		
<b>Net assets</b>	<b>(57,323)</b>	<b>72,670</b>	<b>9,027</b>		
Carrying amount of NCI	(18,917)	14,534	3,009	(1,372)	(2,746)
Change in non-controlling interest	8,598	-	-	-	8,598
	<b>(10,319)</b>	<b>14,534</b>	<b>3,009</b>	<b>(1,372)</b>	<b>5,852</b>

	1 January - 31 March 2015				Total
	TAV Tunisia	TAV Tbilisi	BTA	Other immaterial subsidiaries	
Revenue	4,502	8,398	32,032		
(Loss) / profit	(15,187)	3,281	1,158		
<b>Total comprehensive income</b>	<b>(17,012)</b>	<b>(394)</b>	<b>1,584</b>		
(Loss) / profit allocated to NCI	(5,012)	656	386	(246)	(4,216)

	31 March 2016	31 December 2015
	Joint ventures	86,369
Associates	7,559	7,462
	<b>93,928</b>	<b>105,651</b>
	1 January- 31 March 2016	1 January- 31 March 2015
Joint ventures	3,295	5,804
Associates	97	20
	<b>3,392</b>	<b>5,824</b>

## TAV Havalimanları Holding A.Ş. and its Subsidiaries

### Notes to the Interim Condensed Consolidated Financial Statements

#### As at and for the three-month period ended 31 March 2016

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#### 18. INTERESTS IN OTHER ENTITIES (continued)

##### Joint Ventures

Carrying amounts of the Group's joint ventures in the statement of financial position as at 31 March 2016 and 31 December 2015 are as follows:

	<b>31 March 2016</b>	<b>31 December 2015</b>
TGS	59,357	58,088
ATÜ	19,514	32,775
Tibah Development	3,781	3,671
BTA Denizyolları	1,470	1,428
Tibah Operation	1,123	928
Other	1,124	1,299
	<b>86,369</b>	<b>98,189</b>

Group's share of profit / (loss) of the Group's joint ventures in the statement of comprehensive income for the period ended 31 March are as follows:

	<b>1 January- 31 March 2016</b>	<b>1 January- 31 March 2015</b>
TGS	1,590	897
ATÜ	1,347	3,025
Tibah Development	524	1,546
Tibah Operation	233	221
BTA Denizyolları	60	(59)
Other	(459)	174
	<b>3,295</b>	<b>5,804</b>

##### Associates

Carrying amount of the Group's associate in the statement of financial position as at 31 March 2016 and 31 December 2015 are as follows:

	<b>31 March 2016</b>	<b>31 December 2015</b>
ZAIC-A	6,392	6,583
Other	1,167	879
	<b>7,559</b>	<b>7,462</b>

Group's share of profit of the Group's associate in the statement of comprehensive income for the period ended 31 March is as follows:

	<b>1 January- 31 March 2016</b>	<b>1 January- 31 March 2015</b>
ZAIC-A	(185)	20
Other	282	-
	<b>97</b>	<b>20</b>

#### 19. SUBSEQUENT EVENTS

None.