

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

**Interim Condensed Consolidated Financial Statements  
As at and for the Three-Month Period Ended 31 March 2015**

**11 May 2015**

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 2015

(Amounts expressed in thousands of Euro unless otherwise stated.)

	<u>Notes</u>	<u>(Unaudited) 31 March 2015</u>	<u>31 December 2014</u>
<b>ASSETS</b>			
Property and equipment		190,408	179,895
Intangible assets		16,932	17,841
Airport operation right	6	1,373,662	1,091,532
Equity-accounted investees	16	92,686	104,083
Other investments		16	16
Goodwill		135,831	135,831
Prepaid concession and rent expenses	7	81,468	15,434
Derivative financial instruments	12	30,655	9,210
Trade receivables		109,860	107,273
Non-current due from related parties	15	3,657	2,799
Other non-current assets		3,249	1,295
Deferred tax assets		73,597	73,125
<b>Total non-current assets</b>		<b><u>2,112,021</u></b>	<b><u>1,738,334</u></b>
Inventories		9,587	10,038
Prepaid concession and rent expenses	7	130,349	109,675
Derivative financial instruments	12	6,185	5,590
Trade receivables		92,291	109,981
Due from related parties	15	37,862	25,601
Other receivables and current assets		147,237	198,003
Cash and cash equivalents	8	89,150	57,581
Restricted bank balances	9	273,976	391,880
<b>Total current assets</b>		<b><u>786,637</u></b>	<b><u>908,349</u></b>
<b>TOTAL ASSETS</b>		<b><u>2,898,658</u></b>	<b><u>2,646,683</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

As at 31 March 2015

(Amounts expressed in thousands of Euro unless otherwise stated.)

	Notes	(Unaudited) 31 March 2015	31 December 2014
<b>EQUITY</b>			
Share capital		162,384	162,384
Share premium		220,286	220,286
Legal reserves		87,670	85,528
Other reserves		(19,841)	(17,605)
Revaluation surplus		530	615
Purchase of shares of entities under common control		40,064	40,064
Cash flow hedge reserve		(78,333)	(91,871)
Translation reserves		(10,981)	(9,269)
Retained earnings		366,042	338,389
<b>Total equity attributable to equity holders of the Company</b>		<b>767,821</b>	<b>728,521</b>
<b>Non-controlling interests</b>		<b>8,844</b>	<b>17,173</b>
<b>Total Equity</b>		<b>776,665</b>	<b>745,694</b>
<b>LIABILITIES</b>			
Loans and borrowings	11	1,118,229	1,178,148
Reserve for employee severance indemnity		17,599	13,116
Due to related parties	15	6,509	7,717
Derivative financial instruments	12	148,637	146,342
Deferred income		41,425	29,285
Other payables		369,782	179,604
Deferred tax liabilities		3,567	3,316
<b>Total non-current liabilities</b>		<b>1,705,748</b>	<b>1,557,528</b>
Bank overdraft	8	1,923	2,319
Loans and borrowings	11	241,698	202,448
Trade payables		38,844	44,144
Due to related parties	15	3,667	6,213
Current tax liabilities		17,272	16,309
Other payables		80,731	52,377
Provisions		7,699	7,421
Deferred income		24,411	12,230
<b>Total current liabilities</b>		<b>416,245</b>	<b>343,461</b>
<b>Total Liabilities</b>		<b>2,121,993</b>	<b>1,900,989</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,898,658</b>	<b>2,646,683</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 2015

(Amounts expressed in thousands of Euro unless otherwise stated.)

	Notes	(Unaudited) 1 January- 31 March 2015	(Unaudited) 1 January- 31 March 2014
Construction revenue		-	22,943
Operating revenue		205,326	170,342
Other operating income		15,907	11,970
Construction expenditure		-	(22,943)
Cost of catering inventory sold		(10,875)	(7,219)
Cost of services rendered		(13,384)	(9,981)
Personnel expenses		(67,600)	(54,938)
Concession and rent expenses		(31,485)	(34,827)
Depreciation and amortisation expenses		(21,373)	(17,577)
Other operating expenses		(31,077)	(24,304)
Share of profit of equity-accounted investees, net of tax	16	5,824	8,385
<b>Operating profit</b>		<b>51,263</b>	<b>41,851</b>
Finance income		15,141	7,305
Finance costs		(27,475)	(23,569)
<b>Net finance costs</b>		<b>(12,334)</b>	<b>(16,264)</b>
<b>Profit before tax</b>		<b>38,929</b>	<b>25,587</b>
Tax expense		(12,504)	(9,173)
<b>Profit for the period</b>		<b>26,425</b>	<b>16,414</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Revaluation of intangible assets		-	17
Defined benefit obligation actuarial differences		(1,188)	(1,142)
Defined benefit obligation actuarial differences from equity accounted investees		172	83
Tax on defined benefit obligation actuarial differences		238	228
Tax on defined benefit obligation actuarial differences from equity accounted investees		(34)	(16)
<b>Total items that will not be reclassified to profit or loss</b>		<b>(812)</b>	<b>(830)</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		17,993	(14,409)
Effective portion of changes in fair value of cash flow hedges from equity accounted investees		(1,826)	(853)
Foreign currency translation differences for foreign operations		(8,348)	7,920
Foreign currency translation differences for foreign operations from equity accounted investees		5,335	(9,097)
Tax on cash flow hedge reserves		(3,354)	6,295
Tax on cash flow hedge reserves from equity accounted investees		120	56
<b>Total items that are or may be reclassified subsequently to profit or loss</b>		<b>9,920</b>	<b>(10,088)</b>
<b>Other comprehensive income for the period, net of tax</b>		<b>9,108</b>	<b>(10,918)</b>
<b>Total comprehensive income for the period</b>		<b>35,533</b>	<b>5,496</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 2015

(Amounts expressed in thousands of Euro unless otherwise stated.)

	<u>Notes</u>	<b>(Unaudited) 1 January- 31 March 2015</b>	<b>(Unaudited) 1 January- 31 March 2014</b>
<b>Profit attributable to:</b>			
Owners of the Company		30,641	20,324
Non-controlling interest		(4,216)	(3,910)
<b>Profit for the period</b>		<b>26,425</b>	<b>16,414</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		41,536	10,467
Non-controlling interest		(6,003)	(4,971)
<b>Total comprehensive income for the period</b>		<b>35,533</b>	<b>5,496</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>	10	<b>0.08</b>	<b>0.06</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 2015**  
*(Amounts expressed in thousands of Euro unless otherwise stated.)*

	Attributable to owners of the Company											
	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	Non-Controlling Interests	Total Equity
<b>Balance at 1 January 2014</b>	<b>162,384</b>	<b>220,286</b>	<b>78,416</b>	<b>(17,605)</b>	<b>957</b>	<b>40,064</b>	<b>(68,660)</b>	<b>(15,742)</b>	<b>193,735</b>	<b>593,835</b>	<b>32,431</b>	<b>626,266</b>
<b>Total comprehensive income for the period</b>												
Profit for the period	-	-	-	-	-	-	-	-	20,324	20,324	(3,910)	16,414
Other comprehensive income												
Revaluation of intangible assets	-	-	-	-	(85)	-	-	-	102	17	-	17
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	-	(8,134)	-	-	(8,134)	(777)	(8,911)
Defined benefit obligation actuarial differences, net of tax	-	-	-	-	-	-	-	-	(828)	(828)	(19)	(847)
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	-	(912)	-	(912)	(265)	(1,177)
Total other comprehensive income	-	-	-	-	(85)	-	(8,134)	(912)	(726)	(9,857)	(1,061)	(10,918)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(85)</b>	<b>-</b>	<b>(8,134)</b>	<b>(912)</b>	<b>19,598</b>	<b>10,467</b>	<b>(4,971)</b>	<b>5,496</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	-	-	-	-	-	-	-	-	(65,209)	(65,209)	-	(65,209)
<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>(65,209)</b>	<b>(65,209)</b>	<b>-</b>	<b>(65,209)</b>
Transfers	-	-	4,838	-	-	-	-	-	(4,838)	-	-	-
<b>Balance at 31 March 2014</b>	<b>162,384</b>	<b>220,286</b>	<b>83,254</b>	<b>(17,605)</b>	<b>872</b>	<b>40,064</b>	<b>(76,794)</b>	<b>(16,654)</b>	<b>143,286</b>	<b>539,093</b>	<b>27,460</b>	<b>566,553</b>
<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>

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 2015

(Amounts expressed in thousands of Euro unless otherwise stated.)

	Notes	(Unaudited) 1 January- 31 March 2015	(Unaudited) 1 January- 31 March 2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit for the period		<b>26,425</b>	<b>16,414</b>
Adjustments for:			
Amortisation of airport operation right	6	12,564	10,274
Depreciation of property and equipment		7,627	6,268
Amortisation of intangible assets		1,182	1,034
Concession and rent expenses		31,485	34,827
Provision for employee severance indemnity		4,129	1,291
Provision for doubtful receivables		1,661	20
Discount on receivables and payables, net		(41)	27
Gain on sale of property and equipment		(4)	(40)
Provision set for unused vacation		164	556
Interest income		(1,674)	(3,442)
Interest expense on financial liabilities		24,753	20,381
Tax expense		12,504	9,173
Unwinding of discount on concession receivable		1,934	(3,882)
Share of profit of equity-accounted investees, net of tax		(5,824)	(8,385)
Unrealised foreign exchange differences on statement of financial position items		(1,573)	(2,140)
<b>Cash flows from operating activities</b>		<b>115,312</b>	<b>82,376</b>
Change in current trade receivables		15,179	(1,393)
Change in non-current trade receivables		938	6,149
Change in inventories		459	(529)
Change in due from related parties		(13,119)	615
Change in restricted bank balances		116,111	232,814
Change in other receivables and current assets		52,441	(990)
Change in trade payables		(5,323)	(13,020)
Change in due to related parties		(3,754)	(7,259)
Change in other payables and provisions		236,563	4,914
Change in other long term assets		(1,953)	311
Additions to prepaid concession and rent expenses	7	(117,379)	(131,772)
<b>Cash provided from operations</b>		<b>395,475</b>	<b>172,216</b>
Income taxes paid		(14,948)	(9,919)
Interest paid		(22,751)	(18,650)
Retirement benefits paid		(881)	(1,233)
Dividends from equity-accounted investees		17,187	16,567
<b>Net cash provided from operating activities</b>		<b>374,082</b>	<b>158,981</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 2015

(Amounts expressed in thousands of Euro unless otherwise stated.)

	<u>Notes</u>	<u>(Unaudited) 1 January- 31 March 2015</u>	<u>(Unaudited) 1 January- 31 March 2014</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		1,793	3,122
Proceeds from sale of property, equipment and intangible assets		1,475	525
Acquisition of property and equipment		(20,070)	(5,685)
Acquisition of non-controlling interest		(4,562)	-
Additions to airport operation right	6	(297,711)	(18,651)
Acquisition of intangible assets		(348)	(414)
<b>Net cash used in investing activities</b>		<b><u>(319,423)</u></b>	<b><u>(21,103)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		55,682	65,803
Repayment of borrowings		(78,111)	(89,690)
Non-controlling interest change		-	(262)
Dividends paid		-	(65,209)
Change in finance lease liabilities		(265)	(1,249)
<b>Net cash used in financing activities</b>		<b><u>(22,694)</u></b>	<b><u>(90,607)</u></b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>31,965</b>	<b>47,271</b>
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	8	<b><u>55,262</u></b>	<b><u>96,212</u></b>
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	8	<b><u>87,227</u></b>	<b><u>143,483</u></b>

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

# 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 2015

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

#### 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 2015

(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 2015 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 2014 are as follows:

Name of Subsidiary	Principal Activity	Place of operation	31 March 2015		31 December 2014	
			Ownership interest %	Voting power held %	Ownership interest %	Voting power held %
TAV Urban Georgia LLC (“TAV Tbilisi”)	Airport Operator	Georgia	80.00	80.00	76.00	76.00
SIA Cakes and Bakes Latvia (“Cakes & Bakes Latvia”)	Food and Beverage Services	Latvia	66.66	66.66	-	-

### 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 and TAV İzmir enter into Build Operate Terminate agreements (“BOT”) with Devlet Hava Meydanları İşletmesi Genel Müdürlüğü (General Directorate of State Airports Authority) (“DHMİ”), 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) (“OACA”) 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 DHMİ. 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 preestablished 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, DHMİ, JSC, GMED, OACA, MOTC and GACA 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.

ATU Turizm İşletmeciliği A.Ş (“ATU”), has been awarded the tender to operate the duty free shops in United States of America, Texas at Houston George Bush International Airport. The operating period of the duty free area is 10 years. The project covers the operation right of 700 square meters of duty free area in the airport which in total, served nearly 41 million passengers in 2014.

### 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 14,370 (average: 14,310) people as at 31 March 2015 (31 December 2014: 13,571 (average: 13,425) people).

# 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 2015

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

#### 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 2014.

The interim condensed consolidated financial statements were authorized for issue by the Board of Directors on 11 May 2015. 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 December 2014. The functional currencies of the Group entities formed after 31 December 2014 are as follows:

<u>Company</u>	<u>Functional Currency</u>
Cakes & Bakes Latvia	EUR

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

	<u>1 Euro Equivalent</u>	
	<u>31 March 2015</u>	<u>31 December 2014</u>
TRL	2.8309	2.8207
GEL	2.4139	2.2656
TND	2.1138	2.2622
MKD	61.6065	61.4814
SEK	9.2869	9.4323
USD	1.0846	1.2164
SAR	4.0691	4.5581
HRK	7.6530	7.6566

# 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 2015

(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

#### a) The restatement of prior year financial statements

The Group has reassessed the presentation of change in restricted bank balances in consolidated statement of cash flows. Accordingly change in restricted bank balances amounting to EUR 140,125 in cash flows from financing activities is presented as change in restricted bank balances in cash flows from operating activities in interim condensed consolidated statement of cash flows for the three-month period Ended 31 March 2014.

#### b) The new standards, amendments and interpretations

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements as at 31 March 2015 are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014, except for the adoption of new and amended IFRS and IFRIC interpretations effective as of 1 January 2015. 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 2015

##### *IAS 19 Defined Benefit Plans: Employee Contributions (Amendment)*

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. The amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. These amendments are to be retrospectively applied for annual periods beginning on or after 1 July 2014. These amendments did not have an impact on the consolidated financial statements of the Group.

##### *Annual Improvements to IAS / IFRSs*

In September 2014, POA has issued the below amendments to the standards in relation to "Annual Improvements - 2010–2012 Cycle" and "Annual Improvements - 2011–2013 Cycle. The changes are effective for annual reporting periods beginning on or after 1 July 2014.

##### **Annual Improvements to IFRSs – 2010–2012 Cycle**

###### *IFRS 2 Share-based Payment:*

Definitions relating to vesting conditions have changed and performance condition and service condition are defined in order to clarify various issues. The amendment is effective prospectively.

###### *IFRS 3 Business Combinations*

Contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of IFRS 9 Financial Instruments. The amendment is effective for business combinations prospectively.

###### *IFRS 8 Operating Segments*

The changes are as follows: i) Operating segments may be combined/aggregated if they are consistent with the core principle of the standard. ii) The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments are effective retrospectively.

###### *IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets*

The amendment to IAS 16.35(a) and IAS 38.80(a) clarifies that revaluation can be performed, as follows:

i) Adjust the gross carrying amount of the asset to market value or ii) determine the market value of the carrying amount and adjust the gross carrying amount proportionately so that the resulting carrying amount equals the market value. The amendment is effective retrospectively.

# 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 2015

(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

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

##### i) The new standards, amendments and interpretations which are effective as at 1 January 2015 (continued)

###### *Annual Improvements to IAS / IFRSs (continued)*

###### **Annual Improvements to IFRSs – 2010–2012 Cycle (continued)**

###### *IAS 24 Related Party Disclosures*

The amendment clarifies that a management entity – an entity that provides key management personnel services – is a related party subject to the related party disclosures. The amendment is effective retrospectively.

###### **Annual Improvements – 2011–2013 Cycle**

###### *IFRS 3 Business Combinations*

The amendment clarifies that: i) Joint arrangements are outside the scope of IFRS 3, not just joint ventures ii) The scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is effective prospectively

###### *Amendment to the Basis for Conclusions on IFRS 13 Fair Value Measurement*

The portfolio exception in IFRS 13 can be applied to financial assets, financial liabilities and other contracts. The amendment is effective prospectively.

###### *IAS 40 Investment Property*

The amendment clarifies the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property. The amendment is effective prospectively.

The amendments did not have a significant impact on the interim condensed consolidated financial statements of the Group.

##### 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 condensed consolidated financial statements are as follows. 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 9 Financial Instruments – Classification and measurement***

As amended in December 2012 and February 2015, the new standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. Phase 1 of this new TFRS introduces new requirements for classifying and measuring financial instruments. The amendments made to TFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option (FVO) liabilities and requires that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is adopted by Public Oversight Authority (POA).

# 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 2015

(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

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

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

###### *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 requires 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. These amendments are to be applied prospectively for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments will 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 are effective prospectively for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

###### *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. Entities are required to apply the amendments for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments are not applicable for Group and will not have an impact on the financial position or performance of the Group.

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

In February 2015, Public Oversight Accounting and Auditing Standards Authority (POA) of Turkey 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 effective for annual periods beginning on or after 1 January 2016. The amendments must be applied retrospectively. Early application is permitted and must be disclosed. The amendments are not applicable for Group and will 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**

In February 2015, IASB issued amendments 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. An entity shall apply those amendments prospectively to transactions occurring in annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendment is not applicable for the Group and will not have an 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 2015

(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

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

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

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

In February 2015, IASB issued amendments 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 amendments are applicable for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendment is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

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

In February 2015, IASB issued amendments 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. The amendments are applicable for annual periods beginning on or after 1 January 2016. Earlier application is permitted. These amendments are not expected to have significant impact on the notes to the consolidated financial statements of the Group.

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

In September 2014, IASB issued their annual cycle of improvements to IFRSs, 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* – changes in methods of disposal
- *IFRS 7 Financial Instruments: Disclosures* – servicing contracts; applicability of the amendments to IFRS 7 to financial statements
- *IAS 19 Employee Benefits* – regional market issue regarding discount rate
- *IAS 34 Interim Financial Reporting* – disclosure of information elsewhere in the interim financial report

The amendments are effective for annual periods beginning on or after 1 January 2016, with earlier application permitted. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

***The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA) (continued)***

##### **Annual Improvements – 2010–2012 Cycle**

##### *IFRS 13 Fair Value Measurement*

As clarified in the Basis for Conclusions short-term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial. The amendment is effective immediately.

# 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 2015

(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)

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

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

In May 2014, 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 is effective for reporting periods beginning on or after 1 January 2017, 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.

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

In July 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.

### 4. DETERMINATION OF FAIR VALUES

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 2015

(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 İzmir, 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 2015</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Interest rate swap	-	(148,637)	-
Cross currency swap	-	30,655	-
Forward	-	6,185	-
	-	<b>(111,797)</b>	-
<b>31 December 2014</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Interest rate swap	-	(146,342)	-
Cross currency swap	-	9,210	-
Forward	-	5,590	-
	-	<b>(131,542)</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 2015

(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; 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 İzmir, 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 Denizyolları, BTU Lokum, BTU Gıda, BTA Medinah and Cakes & Bakes Latvia
- **Duty free operations:** Sales of duty free goods for the international arriving and departing passengers. The Group operates its duty free services through ATÜ, ATÜ Georgia, ATÜ Tunisia, ATÜ Macedonia, ATÜ Latvia, ATÜ Tunisia Duty Free, Saudi ATÜ, ATÜ Mağazacılık and ATÜ Uluslararası Mağazacılık.
- **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, 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 Bilişim, 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 2015

(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	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Total external revenues	127,087	108,437	28,392	20,791	69,892	55,164	50,872	44,246	12,508	6,152	288,751	234,790
Inter-segment revenue	36,707	32,071	5,361	4,276	-	-	(482)	80	6,798	5,282	48,384	41,709
Construction revenue	4,098	64,992	-	-	-	-	-	-	-	-	4,098	64,992
Construction expenditure	(4,098)	(64,992)	-	-	-	-	-	-	-	-	(4,098)	(64,992)
Interest income	2,122	2,484	77	78	122	211	105	121	5,038	3,735	7,464	6,629
Interest expense	(20,421)	(17,211)	(149)	(140)	3	(116)	(3,811)	(1,400)	(6,227)	(4,434)	(30,605)	(23,301)
Depreciation and amortisation	(17,476)	(14,682)	(1,250)	(841)	(591)	(452)	(3,480)	(2,745)	(737)	(478)	(23,534)	(19,198)
Reportable segment operating profit	43,898	38,443	1,531	322	4,153	4,711	(1,627)	2,469	4,284	(1,065)	52,239	44,880
Capital expenditure	319,883	66,778	972	2,214	744	1,377	993	2,193	383	256	322,975	72,818
	As at 31 March 2015 and 31 December 2014											
	Terminal Operations		Catering Operations		Duty Free Operations		Ground Handling and Bus Operations		Other Operations		Total	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Reportable segment assets	2,791,225	2,495,409	53,383	48,734	49,522	56,258	153,751	166,128	231,501	228,694	3,279,382	2,995,223
Other investments	-	-	-	-	-	-	-	-	20	20	20	20
Reportable segment liabilities	2,003,250	1,752,239	41,679	36,237	48,965	36,595	94,941	101,994	318,529	325,152	2,507,364	2,252,217

# 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 2015

(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 2015</b>	<b>1 January- 31 March 2014</b>
<b>Revenues</b>		
Total revenue for reportable segments	321,927	330,057
Other revenue	19,306	11,434
Elimination of inter-segment revenue	(48,384)	(41,709)
	<b>292,849</b>	<b>299,782</b>
Effect of using the equity method for joint ventures	(87,523)	(106,497)
<b>Consolidated revenue</b>	<b>205,326</b>	<b>193,285</b>
	<b>1 January- 31 March 2015</b>	<b>1 January- 31 March 2014</b>
<b>Operating profit</b>		
Segment operating profit	47,955	45,945
Other operating profit / (loss)	4,284	(1,065)
Elimination of inter-segment operating loss	(463)	(512)
	<b>51,776</b>	<b>44,368</b>
Effect of using the equity method for joint ventures	(513)	(2,517)
<b>Consolidated operating profit</b>	<b>51,263</b>	<b>41,851</b>
Finance income	15,141	7,305
Finance expense	(27,475)	(23,569)
<b>Consolidated profit before tax</b>	<b>38,929</b>	<b>25,587</b>
	<b>31 March 2015</b>	<b>31 December 2014</b>
<b>Assets</b>		
Total assets for reportable segments	3,047,881	2,766,529
Other assets	231,501	228,694
	<b>3,279,382</b>	<b>2,995,223</b>
Effect of using the equity method for joint ventures	(380,724)	(348,540)
<b>Consolidated total assets</b>	<b>2,898,658</b>	<b>2,646,683</b>
	<b>31 March 2015</b>	<b>31 December 2014</b>
<b>Liabilities</b>		
Total liabilities for reportable segments	2,188,835	1,927,065
Other liabilities	318,529	325,152
	<b>2,507,364</b>	<b>2,252,217</b>
Effect of using the equity method for joint ventures	(385,370)	(351,228)
<b>Consolidated total liabilities</b>	<b>2,121,994</b>	<b>1,900,989</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 2015

(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 2015</b>	<b>1 January- 31 March 2014</b>
Total interest income for reportable segments	2,426	2,894
Other interest income	5,038	3,735
Elimination of inter-segment interest income	(5,707)	(2,976)
	<b>1,757</b>	<b>3,653</b>
Effect of using the equity method for joint ventures	(83)	(211)
<b>Consolidated interest income</b>	<b>1,674</b>	<b>3,442</b>
	<b>1 January- 31 March 2015</b>	<b>1 January- 31 March 2014</b>
<b>Interest expense</b>		
Total interest expense for reportable segments	(24,378)	(18,867)
Other interest expense	(6,227)	(4,434)
Elimination of inter-segment interest expense	5,927	2,866
	<b>(24,678)</b>	<b>(20,435)</b>
Effect of using the equity method for joint ventures	(75)	54
<b>Consolidated interest expense</b>	<b>(24,753)</b>	<b>(20,381)</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 2015</b>	<b>1 January- 31 March 2014</b>
Turkey	187,611	177,277
Georgia	8,320	6,711
Tunisia	4,132	4,385
Macedonia	4,115	3,487
Other	1,148	1,425
<b>Consolidated revenue</b>	<b>205,326</b>	<b>193,285</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 2015

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

#### 5. OPERATING SEGMENTS (continued)

Non-current assets	<u>31 March 2015</u>	<u>31 December 2014</u>
Turkey	1,504,687	1,119,570
Tunisia	476,528	479,582
Macedonia	71,261	72,218
Georgia	58,964	63,942
Other	<u>581</u>	<u>3,022</u>
<b>Consolidated non-current assets</b>	<b><u>2,112,021</u></b>	<b><u>1,738,334</u></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 2015

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

#### 6. AIRPORT OPERATION RIGHT

	International Terminal of İzmir Adnan Menderes International Airport	Tbilisi International Airport	Enfidha International Airport	Antalya Gazipaşa Airport	Skopje International Airport	Domestic Terminal of İzmir Adnan Menderes International Airport	Milas- Bodrum Airport	Total
<b>Cost</b>								
<b>Balance at 1 January 2014</b>	<b>80,469</b>	<b>82,397</b>	<b>515,959</b>	<b>21,768</b>	<b>86,736</b>	<b>359,294</b>	-	<b>1,146,623</b>
Effect of movements in exchange rates	-	(379)	-	-	-	-	-	(379)
Additions (*)	-	-	-	-	-	22,943	-	22,943
<b>Balance at 31 March 2014</b>	<b>80,469</b>	<b>82,018</b>	<b>515,959</b>	<b>21,768</b>	<b>86,736</b>	<b>382,237</b>	-	<b>1,169,187</b>
<b>Balance at 1 January 2015</b>	<b>80,469</b>	<b>86,889</b>	<b>515,959</b>	<b>28,923</b>	<b>86,736</b>	<b>395,470</b>	<b>118,051</b>	<b>1,312,497</b>
Effect of movements in exchange rates	-	(5,338)	-	-	-	-	-	(5,338)
Additions (*)	-	-	-	-	-	297,711	-	297,711
<b>Balance at 31 March 2015</b>	<b>80,469</b>	<b>81,551</b>	<b>515,959</b>	<b>28,923</b>	<b>86,736</b>	<b>693,181</b>	<b>118,051</b>	<b>1,604,870</b>

(\*) There is no capitalised borrowing cost on airport operation right during 2015 (31 March 2014: EUR 4,292). The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 100%.

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Notes to the Interim Condensed Consolidated Financial Statements

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

	Izmir Adnan Menderes International Airport	Tbilisi International Airport	Enfidha International Airport	Antalya Gazipaşa Airport	Skopje International Airport	Domestic Terminal of Izmir Adnan Menderes International Airport	Milas-Bodrum Airport	Total
<b><u>Accumulated amortisation</u></b>								
<b>Balance at 1 January 2014</b>	<b>70,924</b>	<b>31,327</b>	<b>53,125</b>	<b>3,116</b>	<b>10,992</b>	<b>5,615</b>	<b>-</b>	<b>175,099</b>
Effect of movements in exchange rates	-	(147)	-	-	-	-	-	(147)
Amortisation for the period	2,440	978	3,431	226	1,156	364	-	8,595
<b>Balance at 31 March 2014</b>	<b>73,364</b>	<b>32,158</b>	<b>56,556</b>	<b>3,342</b>	<b>12,148</b>	<b>5,979</b>	<b>-</b>	<b>183,547</b>
<b>Balance at 1 January 2015</b>	<b>80,228</b>	<b>37,632</b>	<b>66,993</b>	<b>4,149</b>	<b>15,677</b>	<b>15,256</b>	<b>1,030</b>	<b>220,965</b>
Effect of movements in exchange rates	-	(2,321)	-	-	-	-	-	(2,321)
Amortisation for the period	241	1,004	3,467	316	1,157	5,694	685	12,564
<b>Balance at 31 March 2015</b>	<b>80,469</b>	<b>36,315</b>	<b>70,460</b>	<b>4,465</b>	<b>16,834</b>	<b>20,950</b>	<b>1,715</b>	<b>231,208</b>
<b><u>Carrying amounts</u></b>								
<b>At 31 March 2014</b>	<b>7,105</b>	<b>49,860</b>	<b>459,403</b>	<b>18,426</b>	<b>74,588</b>	<b>376,258</b>	<b>-</b>	<b>985,640</b>
<b>At 31 December 2014</b>	<b>241</b>	<b>49,257</b>	<b>448,966</b>	<b>24,774</b>	<b>71,059</b>	<b>380,214</b>	<b>117,021</b>	<b>1,091,532</b>
<b>At 31 March 2015</b>	<b>-</b>	<b>45,236</b>	<b>445,499</b>	<b>24,458</b>	<b>69,902</b>	<b>672,231</b>	<b>116,336</b>	<b>1,373,662</b>

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

#### 7. PREPAID CONCESSION AND RENT EXPENSES

An analysis of the Group's prepaid rent expenses as at 31 March 2015, 31 December 2014 and 31 March 2014 are as follows:

<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>
<u>31 December 2014</u>	<u>Concession and rent</u>	<u>Prepaid development expenditures</u>	<u>Total</u>
<b>Balance at 31 December 2013</b>	<b>129,924</b>	<b>21,590</b>	<b>151,514</b>
Concession and rent payments	102,797	-	102,797
Current year rent expense – TAV İstanbul	(126,124)	(3,078)	(129,202)
<b>Balance at 31 December 2014</b>	<b>106,597</b>	<b>18,512</b>	<b>125,109</b>
<b>Represented as current prepaid concession and rent expense</b>	<b>106,597</b>	<b>3,078</b>	<b>109,675</b>
<b>Represented as non-current prepaid concession and rent expense</b>	<b>-</b>	<b>15,434</b>	<b>15,434</b>
<u>31 March 2014</u>	<u>Concession and rent</u>	<u>Prepaid development expenditures</u>	<u>Total</u>
<b>Balance at 31 December 2013</b>	<b>171,970</b>	<b>21,590</b>	<b>193,560</b>
Concession and rent payments	131,772	-	131,772
Current period rent expense – TAV İstanbul	(31,104)	(759)	(31,863)
Current period concession expense – TAV Ege	(2,179)	-	(2,179)
<b>Balance at 31 March 2014</b>	<b>270,459</b>	<b>20,831</b>	<b>291,290</b>
<b>Represented as current prepaid concession and rent expense</b>	<b>133,646</b>	<b>3,079</b>	<b>136,725</b>
<b>Represented as non-current prepaid concession and rent expense</b>	<b>136,813</b>	<b>17,752</b>	<b>154,565</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 2015

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

#### 8. CASH AND CASH EQUIVALENTS

At 31 March 2015 and 31 December 2014, cash and cash equivalents comprised the following:

	<b>31 March 2015</b>	<b>31 December 2014</b>
Cash on hand	845	766
Cash at banks		
- Demand deposits	19,749	19,122
- Time deposits	66,375	36,547
Other liquid assets	2,181	1,146
Cash and cash equivalents	<b>89,150</b>	<b>57,581</b>
Bank overdrafts used for cash management purposes	(1,923)	(2,319)
Cash and cash equivalents in the statement of cash flows	<b>87,227</b>	<b>55,262</b>

The details of the Group's time deposits, maturities and interest rates as at 31 March 2015 and 31 December 2014 are as follows:

<b>31 March 2015</b>			
<b>Original Currency</b>	<b>Maturity</b>	<b>Interest rate %</b>	<b>Balance</b>
EUR	April 2015	0.05 - 1.95	32,546
USD	April 2015	0.15 - 2.50	20,899
TRL	April 2015	3.50 - 11.00	12,930
			<b>66,375</b>
<b>31 December 2014</b>			
<b>Original Currency</b>	<b>Maturity</b>	<b>Interest rate %</b>	<b>Balance</b>
EUR	January 2015	0.05 - 2.30	21,063
USD	February 2015	0.15 - 2.80	12,479
TRL	January 2015	7.50 - 9.75	3,005
			<b>36,547</b>

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 36.

There is no blockage or restriction on the use of cash and cash equivalents as at 31 March 2015 and 31 December 2014.

## 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 2015

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#### 9. RESTRICTED BANK BALANCES

At 31 March 2015 and 31 December 2014, restricted bank balances comprised the following:

	<u>31 March 2015</u>	<u>31 December 2014</u>
Project reserve and funding accounts (*)	273,976	380,997
Cash collaterals (**)	-	10,883
	<u><b>273,976</b></u>	<u><b>391,880</b></u>

(\*) Certain subsidiaries, namely TAV İstanbul, TAV Esenboğa, TAV Tunisia, TAV Macedonia and TAV Ege 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. 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.

(\*\*) As at 31 December 2014, cash collaterals include the time deposit provided by HAVAŞ as guarantee for its bank loan.

#### 31 March 2015

<u>Original Currency</u>	<u>Interest rate %</u>	<u>Balance</u>
EUR	0.05 - 1.80	189,092
USD	0.15 - 2.05	62,302
TRL	7.00 - 10.50	22,014
Other		568
		<u><b>273,976</b></u>

#### 31 December 2014

<u>Original Currency</u>	<u>Interest rate %</u>	<u>Balance</u>
EUR	0.05 - 2.00	229,656
USD	0.25 - 2.25	149,008
TRL	7.50 - 10.30	13,175
Other		41
		<u><b>391,880</b></u>

## 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 2015

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#### 10. EARNINGS PER SHARE

The calculation of basic and diluted EPS at 31 March 2015 was based on the profit attributable to ordinary shareholders of EUR 30,641 (31 March 2014: EUR 20,324) and a weighted average number of ordinary shares outstanding of 363,281,250 (31 March 2014: 363,281,250), as follows:

	<b>1 January- 31 March 2015</b>	<b>1 January- 31 March 2014</b>
Numerator:		
Profit for the period attributable to owners of the Company	<b>30,641</b>	<b>20,324</b>
Denominator:		
Weighted average number of shares	363,281,250	363,281,250
<b>Basic and diluted profit per share (full EUR)</b>	<b>0.08</b>	<b>0.06</b>
	<b>1 January- 31 March 2015</b>	<b>1 January- 31 March 2014</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>

#### 11. 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 2015</b>	<b>31 December 2014</b>
<b>Non-current liabilities</b>		
Secured bank loans (*)	906,180	929,653
Unsecured bank loans	209,781	246,022
Finance lease liabilities	2,268	2,473
	<b>1,118,229</b>	<b>1,178,148</b>
<b>Current liabilities</b>		
Current portion of long term secured bank loans (*)	103,047	148,893
Short term unsecured bank loans	20,045	19,576
Short term secured bank loans	60,848	12,795
Current portion of long term unsecured bank loans	56,345	19,711
Current portion of finance lease liabilities	1,413	1,473
	<b>241,698</b>	<b>202,448</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 2015

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

The Group's total bank loans and finance lease liabilities as at 31 March 2015 and 31 December 2014 are as follows:

	<b>31 March 2015</b>	<b>31 December 2014</b>
Bank loans	1,356,246	1,376,650
Finance lease liabilities	3,681	3,946
	<b><u>1,359,927</u></b>	<b><u>1,380,596</u></b>

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

	<b>Presented as</b>		<b>Total</b>
	<b><u>Current liabilities</u></b>	<b><u>Non-current liabilities</u></b>	
TAV Tunisia	31,378	318,042	349,420
TAV Holding	75,284	208,586	283,870
TAV Ege	14,158	228,545	242,703
TAV İstanbul	72,360	134,260	206,620
TAV Esenboğa	14,388	84,314	98,702
HAVAŞ	10,134	54,030	64,164
TAV Macedonia	8,729	54,272	63,001
TAV Gazipaşa	12,746	32,717	45,463
Others	1,108	1,195	2,303
	<b><u>240,285</u></b>	<b><u>1,115,961</u></b>	<b><u>1,356,246</u></b>

The Group's bank loans as at 31 December 2014 are as follows:

	<b>Presented as</b>		<b>Total</b>
	<b><u>Current liabilities</u></b>	<b><u>Non-current liabilities</u></b>	
TAV Tunisia	30,768	316,422	347,190
TAV Holding	38,178	244,593	282,771
TAV İstanbul	67,327	177,791	245,118
TAV Ege	14,088	224,911	238,999
TAV Esenboğa	14,571	83,430	98,001
TAV Macedonia	8,615	53,481	62,096
HAVAŞ	13,672	40,910	54,582
TAV Gazipaşa	12,646	32,707	45,353
Others	1,110	1,430	2,540
	<b><u>200,975</u></b>	<b><u>1,175,675</u></b>	<b><u>1,376,650</u></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.)

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

Redemption schedules of the Group's bank loans according to original maturities as at 31 March 2015 and 31 December 2014 are as follows:

	<b>31 March 2015</b>	<b>31 December 2014</b>
On demand or within one year	240,285	200,975
In the second year	248,112	263,244
In the third year	300,476	315,497
In the fourth year	84,932	114,675
In the fifth year	69,120	70,659
After five years	413,321	411,600
	<b>1,356,246</b>	<b>1,376,650</b>

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 2015 are between 1.54% - 5.50% (31 December 2014: Spreads for EUR denominated loans are between 1.54% - 5.75%).

Interest payments of 100%, 100%, 80%, 83% and 99% of floating bank loans for TAV İstanbul, TAV Esenboğa, TAV Macedonia, TAV Tunisia and TAV Ege respectively are fixed with interest rate swaps as explained in Note 34.

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

#### 12. DERIVATIVE FINANCIAL INSTRUMENTS

At 31 March 2015 and 31 December 2014, derivative financial instruments comprised the following:

	<b>31 March 2015</b>		
	<b>Assets</b>	<b>Liabilities</b>	<b>Net Amount</b>
Interest rate swap	-	(148,637)	(148,637)
Cross currency swap	30,655	-	30,655
Forward	6,185	-	6,185
	<b>36,840</b>	<b>(148,637)</b>	<b>(111,797)</b>
	<b>31 December 2014</b>		
	<b>Assets</b>	<b>Liabilities</b>	<b>Net Amount</b>
Interest rate swap	-	(146,342)	(146,342)
Cross currency swap	9,210	-	9,210
Forward	5,590	-	5,590
	<b>14,800</b>	<b>(146,342)</b>	<b>(131,542)</b>

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

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

##### 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 2015, 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 2014: 100%).

TAV Tunisia uses interest rate swaps to manage its exposure to interest rate fluctuations on its bank borrowings. As at 31 March 2015, 83% of floating senior bank loan is hedged through IRS contract during the life of the loan with an amortising schedule depending on repayment of the loan (31 December 2014: 83%).

TAV İstanbul uses interest rate swaps to manage its exposure to interest rate fluctuations on its bank borrowings. As at 31 March 2015, 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 2014: 100%).

TAV Ege uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 31 March 2015, 99% 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 2014: 99%).

TAV Macedonia uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 31 March 2015, 80% of total loan is hedged through IRS contract (31 December 2014: 80%).

##### 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 153,882 (in exchange of USD 202,816) as at 31 March 2015 (31 December 2014: EUR 153,882 (in exchange of USD 202,816)).

The fair value of derivatives at 31 March 2015 is estimated at loss of EUR 111,797 (31 December 2014: EUR 131,542). This amount is based on market values of equivalent instruments at the reporting date. Since the Group applied hedge accounting as at 31 March 2015, 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 12,933 (31 March 2014: expense of EUR 8,911) 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 2015

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#### 13. 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 2015

##### Foreign currency denominated financial assets

	USD	EUR (*)	TRL	Other	Total
Other non-current assets	8	-	10	375	393
Trade receivables	21,552	3,024	9,254	10,384	44,214
Due from related parties	11,597	654	9,960	43	22,254
Derivative financial instruments	30,655	-	6,185	-	36,840
Other receivables and current assets	560	38	7,097	4,048	11,743
Restricted bank balances	62,302	-	22,027	114	84,443
Cash and cash equivalents	25,537	48	9,108	5,914	40,607
	<u>152,211</u>	<u>3,764</u>	<u>63,641</u>	<u>20,878</u>	<u>240,494</u>

##### Foreign currency denominated financial liabilities

Loans and borrowings	-	(168)	(54,188)	(521)	(54,877)
Bank overdraft	-	-	(837)	-	(837)
Trade payables	(2,820)	(692)	(5,195)	(8,297)	(17,004)
Due to related parties	(1,323)	(1,495)	(20)	-	(2,838)
Other payables	(2,392)	(291)	(11,010)	(5,615)	(19,308)
	<u>(6,535)</u>	<u>(2,646)</u>	<u>(71,250)</u>	<u>(14,433)</u>	<u>(94,864)</u>
<b>Net exposure</b>	<u>145,676</u>	<u>1,118</u>	<u>(7,609)</u>	<u>6,445</u>	<u>145,630</u>

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

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

#### 13. FINANCIAL INSTRUMENTS (continued)

##### Currency risk (continued)

*Exposure to currency risk (continued):*

##### 31 December 2014

##### Foreign currency denominated financial assets

	<u>USD</u>	<u>EUR (*)</u>	<u>TRL</u>	<u>Other</u>	<u>Total</u>
Other non-current assets	7	-	11	188	206
Trade receivables	14,826	2,535	10,623	12,872	40,856
Due from related parties	10,966	956	6,203	34	18,159
Derivative financial instruments	9,210	-	5,590	-	14,800
Other receivables and current assets	1,337	5	9,540	7,090	17,972
Restricted bank balances	149,008	-	13,175	41	162,224
Cash and cash equivalents	12,257	410	2,133	6,551	21,351
	<u>197,611</u>	<u>3,906</u>	<u>47,275</u>	<u>26,776</u>	<u>275,568</u>

##### Foreign currency denominated financial liabilities

Loans and borrowings	-	(211)	(52,127)	(613)	(52,951)
Bank overdraft	-	-	(1,824)	-	(1,824)
Trade payables	(4,012)	(201)	(5,114)	(8,531)	(17,858)
Due to related parties	(263)	(2,578)	(7,785)	-	(10,626)
Other payables	(1,064)	(145)	(14,446)	(2,255)	(17,910)
	<u>(5,339)</u>	<u>(3,135)</u>	<u>(81,296)</u>	<u>(11,399)</u>	<u>(101,169)</u>
<b>Net exposure</b>	<u>192,272</u>	<u>771</u>	<u>(34,021)</u>	<u>15,377</u>	<u>174,399</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 As at and for the three-month period ended 31 March 2015

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

#### 13. FINANCIAL INSTRUMENTS (continued)

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

	Average Rate		Reporting Date Closing Rate	
	31 March 2015	31 March 2014	31 March 2015	31 December 2014
USD	0.8868	0.7299	0.9220	0.8221
TRL	0.3609	0.3296	0.3532	0.3545
GEL	0.4278	0.4172	0.4143	0.4414
MKD	0.0162	0.0162	0.0162	0.0163
TND	0.4590	0.4554	0.4731	0.4420
SEK	0.1066	0.1129	0.1077	0.1060
SAR	0.2363	0.1946	0.2458	0.2194
HRK	0.1302	0.1307	0.1308	0.1305

#### *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 2015 and 31 December 2014 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 2015</b>				
USD	(15,551)	18,986	(11,502)	11,502
TRL	-	-	761	(761)
Other	-	-	(645)	645
<b>Total</b>	<b>(15,551)</b>	<b>18,986</b>	<b>(11,386)</b>	<b>11,386</b>
<b>31 December 2014</b>				
USD	(13,556)	16,547	(18,306)	18,306
TRL	-	-	3,402	(3,402)
Other	-	-	(1,538)	1,538
<b>Total</b>	<b>(13,556)</b>	<b>16,547</b>	<b>(16,442)</b>	<b>16,442</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 2015

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

#### 13. 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 2015		31 December 2014	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>					
Other non-current assets		327	327	325	325
Trade receivables - non current		109,860	115,358	107,273	130,661
Trade receivables - current		92,291	113,093	109,981	110,677
Due from related parties	15	41,519	41,519	28,400	28,400
Other receivables and current assets (*)		1,221	1,221	809	809
Restricted bank balances	9	273,976	273,976	391,880	391,880
Cash and cash equivalents	8	89,150	89,150	57,581	57,581
Derivative financial instruments	12	36,840	36,840	14,800	14,800
<b>Financial liabilities</b>					
Bank overdraft	8	(1,923)	(1,923)	(2,319)	(2,319)
Loans and borrowings	11	(1,359,927)	(1,359,927)	(1,380,596)	(1,380,596)
Trade payables (**)		(37,197)	(37,197)	(42,619)	(42,619)
Due to related parties	15	(10,176)	(10,176)	(13,930)	(13,930)
Derivative financial instruments	12	(148,637)	(148,637)	(146,342)	(146,342)
Other payables (**)		(447,997)	(447,997)	(229,791)	(229,791)
		<b>(1,360,673)</b>	<b>(1,334,373)</b>	<b>(1,104,548)</b>	<b>(1,080,464)</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 2015

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

### 14. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS

#### Commitments and contingencies

	<u>31 March 2015</u>	<u>31 December 2014</u>
Letters of guarantee given to third parties	285,935	264,370
Letters of guarantee given to DHMİ	227,817	212,387
Letters of guarantee given to Saudi Arabian Government	24,587	21,922
Letters of guarantee given to Tunisian Government	22,732	22,436
Letters of guarantee given to Macedonian Government	250	250
	<u>561,321</u>	<u>521,365</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 24,587) (31 December 2014: USD 26,665 (EUR 21,922)) 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 159,507 (EUR 147,073) (31 December 2014: USD 159,507 (EUR 131,131)) 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 14,920 (31 December 2014: EUR 14,394) to the Ministry of State Property and Land Affairs and EUR 7,812 (31 December 2014: 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.

Georgian Tax Authority criticised the deduction of the VAT stemming from the construction of Batumi Airport Terminal which was undertaken by TAV Tbilisi in return for the extension of the operation period of Tbilisi Airport. The inspectors claimed that this transaction was a barter transaction and hence, TAV Tbilisi should have transferred the Batumi Airport Terminal to the competent authority by calculating VAT. As a result, VAT amounting to GEL 9,798 (EUR 4,059) has been assessed and it has been charged together with GEL 8,263 (EUR 3,423) of penalty (GEL 18,061 (EUR 7,482) in total). The management, lawyers and the tax advisors do not agree with the claim of the Georgian Tax Authority. Therefore, TAV Tbilisi has proceeded the appeal process and management believe that the appeal process will be concluded in the TAV Tbilisi's favor. Accordingly, no provision is recorded in the accompanying interim condensed consolidated financial statements.

## 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 2015

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

#### 15. RELATED PARTIES

The major immediate parents and ultimate controlling parties of the Group are Aéroports de Paris, 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 2015</b>	<b>1 January- 31 March 2014</b>
Short-term benefits (salaries, bonuses etc.)	9,122	7,438
	<b>9,122</b>	<b>7,438</b>

As at 31 March 2015 and 31 December 2014, 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 2015</b>	<b>31 December 2014</b>
Due from related parties	17,635	17,668
Current loan to related parties	20,227	7,933
	<b>37,862</b>	<b>25,601</b>

  

	<b>31 March 2015</b>	<b>31 December 2014</b>
Non-current loan to related parties	3,657	2,799
	<b>3,657</b>	<b>2,799</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 2015

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

#### 15. RELATED PARTIES (continued)

<b>Due from related parties</b>	<b>31 March 2015</b>	<b>31 December 2014</b>
TAV Tepe Akfen Yat. İnş ve İşl. A.Ş. (“TAV İnşaat”) (*)	10,288	8,577
ATÜ (**)	3,289	6,139
Tibah Development (***)	2,194	1,466
TAV G Otopark Yapım Yatırım ve İşletme A.Ş. (“TAV G”)	143	143
Other related parties	1,721	1,343
	<b>17,635</b>	<b>17,668</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 ATÜ comprise of concession fee duty-free receivables.

(\*\*\*) Receivables from Tibah Development are mainly related with the consultancy services rendered.

<b>Loan to related parties</b>	<b>31 March 2015</b>	<b>31 December 2014</b>
ATÜ	11,158	-
TAV İnşaat	4,695	4,114
Tibah Development	289	744
Other related parties	4,085	3,075
	<b>20,227</b>	<b>7,933</b>

<b>Non- current loan to related parties</b>	<b>31 March 2015</b>	<b>31 December 2014</b>
Tibah Development	2,235	1,993
Saudi Havaş	1,422	806
	<b>3,657</b>	<b>2,799</b>

<b>Due to related parties</b>	<b>31 March 2015</b>	<b>31 December 2014</b>
Due to related parties	3,252	2,579
Current loan from related parties	415	3,634
	<b>3,667</b>	<b>6,213</b>
Non-current loan from related parties	6,509	7,717
	<b>6,509</b>	<b>7,717</b>

<b>Due to related parties</b>	<b>31 March 2015</b>	<b>31 December 2014</b>
IBS Brokerlik ve Sigorta Hizmetleri A.Ş. (“IBS Sigorta”) (*)	1,530	1,254
BTU Lokum	855	515
TAV Havacılık	625	549
Other related parties	242	261
	<b>3,252</b>	<b>2,579</b>

(\*) IBS Sigorta provides insurance intermediary services to 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 2015

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

#### 15. RELATED PARTIES (continued)

	<b>31 March 2015</b>	<b>31 December 2014</b>
<b>Current loan from related parties</b>		
ATÜ (*)	-	3,207
Other related parties	415	427
	<b>415</b>	<b>3,634</b>

(\*) Loan received from ATÜ for financing purposes.

	<b>31 March 2015</b>	<b>31 December 2014</b>
<b>Non-current loan from related parties</b>		
ATÜ (*)	6,509	7,717
	<b>6,509</b>	<b>7,717</b>

(\*) Loan received from ATÜ for financing purposes.

	<b>31 March 2015</b>	<b>31 December 2014</b>
<b>Short term deferred income from related parties</b>		
ATÜ (*)	3,149	3,710
Other related parties	7	315
	<b>3,156</b>	<b>4,025</b>

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

	<b>31 March 2015</b>	<b>31 December 2014</b>
<b>Long term deferred income from related parties</b>		
ATÜ (*)	37,355	18,874
	<b>37,355</b>	<b>18,874</b>

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

	<b>1 January- 31 March 2015</b>	<b>1 January- 31 March 2014</b>
<b>Services rendered to related parties</b>		
ATÜ (*)	55,700	49,127
BTA Denizyolları	936	1,264
Other related parties	2,285	4,284
	<b>58,921</b>	<b>54,675</b>

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

## 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 2015

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#### 15. RELATED PARTIES (continued)

	<b>1 January- 31 March 2015</b>	<b>1 January- 31 March 2014</b>
<b>Services rendered by related parties</b>		
IBS Sigorta (*)	1,611	844
BTU Lokum	1,487	301
Akfen Elektrik Enerjisi Toptan Satış A.Ş. (**)	595	926
TAV Havacılık A.Ş.	81	165
Other related parties	112	27
	<b>3,886</b>	<b>2,263</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 2015</b>	<b>1 January- 31 March 2014</b>
<b>Interest (expense) / income from related parties (net)</b>		
ATÜ	(149)	(195)
TAV İnşaat	-	3
Other related parties	47	19
	<b>(102)</b>	<b>(173)</b>

The average interest rate used within the Group is 6.59% per annum (31 December 2014: 6.59%). 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 2015</b>	<b>1 January- 31 March 2014</b>
<b>Construction work rendered by related parties</b>		
TAV İnşaat (*)	-	16,693
	<b>-</b>	<b>16,693</b>

(\*) TAV İnşaat mainly provided services relating to the construction of İzmir Adnan Menderes International Airport's domestic terminal and renovation of Alanya Gazipaşa Airport as of 31 March 2014.

#### Dividend distribution

In 2014 the Company distributed dividends to the shareholders amounting to EUR 65,209 (TRL 199,009) from the Company's distributable profits computed for 2013. Dividends per share is full EUR 0.18 (full TRL 0.55).

The Board of Directors of the Company has decided to distribute dividend amounting to TRL 306,053 (equivalent to EUR 109,192) in cash from the profit for the year 2014 with the decision numbered 2015/4 as of 19 February 2015. This decision is approved by General Assembly on 30 March 2015. Dividend per share is full EUR 0.30 (full TRL 0.84).

## 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 2015

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#### 16. 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 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	476,528	50,871	25,517		
Current assets	25,241	9,832	28,691		
Non-current liabilities	377,413	-	9,098		
Current liabilities	146,079	2,993	36,069		
<b>Net assets</b>	<b>(21,723)</b>	<b>57,710</b>	<b>9,041</b>		
Carrying amount of NCI	(7,168)	11,542	3,013	1,459	8,846

	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)

In 2015, TAV Holding acquired 4% of shares of TAV Urban Georgia LLC held by Aeroser International Holding in return for USD 5,200 (EUR 4,562). After the share transfer, the share of TAV Airports Holding in TAV Urban Georgia increased from 76% to 80% and the share of Aeroser International Holding decreased to 20% from 24%. The effect of this transaction is recognized as an equity transaction as other reserves in the consolidated financial statements.

## 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 2015

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

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

	31 December 2014				Total
	TAV Tunisia	TAV Tbilisi	BTA	Other immaterial subsidiaries	
<b>NCI Percentage</b>	<b>33.00%</b>	<b>24.00%</b>	<b>33.33%</b>		
Non-current assets	479,582	55,292	25,623		
Current assets	27,671	5,767	24,449		
Non-current liabilities	378,025	-	15,544		
Current liabilities	133,939	2,955	27,071		
<b>Net assets</b>	<b>(4,711)</b>	<b>58,104</b>	<b>7,457</b>		
Carrying amount of NCI	(1,554)	13,945	2,485	2,297	17,173

	1 January - 31 March 2014				Total
	TAV Tunisia	TAV Tbilisi	BTA	Other immaterial subsidiaries	
Revenue	4,657	6,713	23,845		
(Loss) / profit	(12,719)	1,846	7		
<b>Total comprehensive income</b>	<b>(15,073)</b>	<b>1,621</b>	<b>(145)</b>		
(Loss) / profit allocated to NCI	(4,197)	443	2	(158)	(3,910)

	31 March 2015	31 December 2014
	Joint ventures	90,227
Associates	2,459	2,439
	<b>92,686</b>	<b>104,083</b>
	<b>1 January- 31 March 2015</b>	<b>1 January- 31 March 2014</b>
Joint ventures	5,804	7,859
Associates	20	526
	<b>5,824</b>	<b>8,385</b>

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

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#### 16. 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 2015 and 31 December 2014 are as follows:

	<b>31 March 2015</b>	<b>31 December 2014</b>
TGS	58,121	57,320
ATÜ	19,003	33,166
Tibah Development	10,024	8,427
BTA Denizyolları	1,514	1,492
Tibah Operation	1,132	805
Other	433	434
	<b>90,227</b>	<b>101,644</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 2015</b>	<b>1 January- 31 March 2014</b>
ATÜ	3,025	3,810
Tibah Development	1,546	1,961
TGS	897	1,702
Tibah Operation	221	177
BTA Denizyolları	(59)	61
Other	174	148
	<b>5,804</b>	<b>7,859</b>

##### Associates

Carrying amount of the Group's associate in the statement of financial position as at 31 March 2015 and 31 December 2014 are as follows:

	<b>31 March 2015</b>	<b>31 December 2014</b>
ZAIC-A	2,459	2,439
	<b>2,459</b>	<b>2,439</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 2015</b>	<b>1 January- 31 March 2014</b>
ZAIC-A	20	526
	<b>20</b>	<b>526</b>

#### 17. SUBSEQUENT EVENTS

None.