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

## Interim Condensed Consolidated Financial Statements
## As at and for the Nine-Month Period Ended 30 September 2015

**6 November 2015**
This report contains the "Interim Condensed Consolidated Financial Statements and their explanatory notes" comprising 43 pages.

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

**Table of Contents**

# TAV Havalimanları Holding A.Ş. and its Subsidiaries

## Interim Condensed Consolidated Statement of Financial Position
## As at 30 September 2015

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

| | Notes | (Unaudited) 30 September 2015 | 31 December 2014 |
|---|---|---|---|
| **ASSETS** | | | |
| Property and equipment | | 200,176 | 179,895 |
| Intangible assets | | 15,345 | 17,841 |
| Airport operation right | 6 | 1,344,786 | 1,091,532 |
| Equity-accounted investees | 18 | 93,067 | 104,083 |
| Other investments | | 16 | 16 |
| Goodwill | | 135,831 | 135,831 |
| Prepaid concession and rent expenses | 7 | 14,664 | 15,434 |
| Derivative financial instruments | 14 | 16,056 | 9,210 |
| Trade receivables | | 101,744 | 107,273 |
| Non-current due from related parties | 17 | 3,528 | 2,799 |
| Other non-current assets | | 2,505 | 1,295 |
| Deferred tax assets | | 58,301 | 73,125 |
| **Total non-current assets** | | **1,986,019** | **1,738,334** |
| | | | |
| Inventories | | 10,082 | 10,038 |
| Prepaid concession and rent expenses | 7 | 135,119 | 109,675 |
| Derivative financial instruments | 14 | - | 5,590 |
| Trade receivables | | 117,708 | 109,981 |
| Due from related parties | 17 | 40,348 | 25,601 |
| Other receivables and current assets | 8 | 146,335 | 198,003 |
| Cash and cash equivalents | 9 | 114,139 | 57,581 |
| Restricted bank balances | 10 | 330,887 | 391,880 |
| **Total current assets** | | **894,618** | **908,349** |
| | | | |
| **TOTAL ASSETS** | | **2,880,637** | **2,646,683** |

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 30 September 2015

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

| | Notes | (Unaudited) 30 September 2015 | 31 December 2014 |
|---|---|---|---|
| **EQUITY** | | | |
| Share capital | | 162,384 | 162,384 |
| Share premium | | 220,286 | 220,286 |
| Legal reserves | | 113,484 | 85,528 |
| Other reserves | | (19,841) | (17,605) |
| Revaluation surplus | | 359 | 615 |
| Purchase of shares of entities under common control | | 40,064 | 40,064 |
| Cash flow hedge reserve | | (68,120) | (91,871) |
| Translation reserves | | (26,129) | (9,269) |
| Retained earnings | | 376,170 | 338,389 |
| **Total equity attributable to equity holders of the Company** | | **798,657** | **728,521** |
| **Non-controlling interests** | 18 | (823) | 17,173 |
| **Total Equity** | | **797,834** | **745,694** |
| **LIABILITIES** | | | |
| Loans and borrowings | 12 | 728,649 | 1,178,148 |
| Reserve for employee severance indemnity | | 16,939 | 13,116 |
| Due to related parties | 17 | - | 7,717 |
| Derivative financial instruments | 14 | 62,188 | 146,342 |
| Deferred income | | 37,645 | 29,285 |
| Other payables | 13 | 383,107 | 179,604 |
| Deferred tax liabilities | | 7,587 | 3,316 |
| **Total non-current liabilities** | | **1,236,115** | **1,557,528** |
| Bank overdraft | 9 | 2,785 | 2,319 |
| Loans and borrowings | 12 | 604,702 | 202,448 |
| Trade payables | | 36,480 | 44,144 |
| Due to related parties | 17 | 2,128 | 6,213 |
| Derivative financial instruments | 14 | 63,428 | - |
| Current tax liabilities | | 26,716 | 16,309 |
| Other payables | 13 | 78,515 | 52,377 |
| Provisions | | 6,495 | 7,421 |
| Deferred income | | 25,439 | 12,230 |
| **Total current liabilities** | | **846,688** | **343,461** |
| **Total Liabilities** | | **2,082,803** | **1,900,989** |
| **TOTAL EQUITY AND LIABILITIES** | | **2,880,637** | **2,646,683** |

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 Nine-Month Period Ended 30 September 2015

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

| | Notes | (Unaudited) 1 January- 30 September 2015 | (Unaudited) 1 July- 30 September 2015 | (Unaudited) 1 January- 30 September 2014 | (Unaudited) 1 July- 30 September 2014 |
|---|---|---|---|---|---|
| Construction revenue | | - | - | 39,623 | - |
| Operating revenue | | 758,613 | 291,392 | 650,933 | 259,993 |
| Other operating income | | 50,637 | 18,219 | 42,051 | 13,425 |
| Construction expenditure | | - | - | (39,623) | - |
| Cost of catering inventory sold | | (38,447) | (14,630) | (28,262) | (11,324) |
| Cost of services rendered | | (39,964) | (14,609) | (36,991) | (9,986) |
| Personnel expenses | | (185,876) | (58,013) | (168,073) | (59,396) |
| Concession and rent expenses | | (97,985) | (34,004) | (109,771) | (38,913) |
| Depreciation and amortisation expenses | | (62,881) | (20,558) | (54,778) | (19,418) |
| Other operating expenses | | (85,187) | (29,411) | (80,890) | (30,939) |
| Share of profit of equity-accounted investees, net of tax | 18 | 20,230 | 10,526 | 30,688 | 9,570 |
| **Operating profit** | | **319,140** | **148,912** | **244,907** | **113,012** |
| Finance income | | 6,560 | (3,866) | 35,814 | 17,620 |
| Finance costs | | (91,001) | (30,590) | (70,077) | (19,470) |
| **Net finance costs** | | **(84,441)** | **(34,456)** | **(34,263)** | **(1,850)** |
| **Profit before tax** | | **234,699** | **114,456** | **210,644** | **111,162** |
| Tax expense | | (71,673) | (34,032) | (35,388) | (17,679) |
| **Profit for the period** | | **163,026** | **80,424** | **175,256** | **93,483** |
| **Other comprehensive income** | | | | | |
| **Items that will not be reclassified to profit or loss:** | | | | | |
| Revaluation of intangible assets | | - | - | 51 | 17 |
| Defined benefit obligation actuarial differences | | (2,556) | (901) | (4,194) | (2,399) |
| Defined benefit obligation actuarial differences from equity accounted investees | | 229 | 96 | (343) | (228) |
| Tax on defined benefit obligation actuarial differences | | 511 | 180 | 839 | 480 |
| Tax on defined benefit obligation actuarial differences from equity accounted investees | | (46) | (19) | 68 | 45 |
| **Total items that will not be reclassified to profit or loss** | | **(1,862)** | **(644)** | **(3,579)** | **(2,085)** |
| **Items that are or may be reclassified subsequently to profit or loss:** | | | | | |
| Effective portion of changes in fair value of cash flow hedges | | 30,946 | (3,262) | (25,248) | (1,810) |
| Effective portion of changes in fair value of cash flow hedges from equity accounted investees | | (1,151) | (799) | (1,326) | 758 |
| Foreign currency translation differences for foreign operations | | (14,067) | (2,584) | 5,506 | 6,058 |
| Foreign currency translation differences for foreign operations from equity accounted investees | | (6,753) | (8,475) | 547 | 4 |
| Tax on cash flow hedge reserves | | (4,338) | 1,475 | 4,906 | (27) |
| Tax on cash flow hedge reserves from equity accounted investees | | 79 | 54 | 88 | (50) |
| **Total items that are or may be reclassified subsequently to profit or loss** | | **4,716** | **(13,591)** | **(15,527)** | **4,933** |
| **Other comprehensive income for the period, net of tax** | | **2,854** | **(14,235)** | **(19,106)** | **2,848** |
| **Total comprehensive income for the period** | | **165,880** | **66,189** | **156,150** | **96,331** |

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

## Interim Condensed Consolidated Statement of Comprehensive Income
## For the Nine-Month Period Ended 30 September 2015

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

| | Notes | (Unaudited) 1 January- 30 September 2015 | (Unaudited) 1 July- 30 September 2015 | (Unaudited) 1 January- 30 September 2014 | (Unaudited) 1 July- 30 September 2014 |
|---|---|---|---|---|---|
| **Profit attributable to:** | | | | | |
| Owners of the Company | | 168,314 | 79,869 | 173,717 | 88,543 |
| Non-controlling interest | | (5,288) | 555 | 1,539 | 4,940 |
| **Profit for the period** | | **163,026** | **80,424** | **175,256** | **93,483** |
| **Total comprehensive income attributable to:** | | | | | |
| Owners of the Company | | 173,338 | 67,174 | 156,372 | 90,798 |
| Non-controlling interest | | (7,458) | (985) | (222) | 5,533 |
| **Total comprehensive income for the period** | | **165,880** | **66,189** | **156,150** | **96,331** |
| **Weighted average number of shares outstanding** | | **363,281,250** | **363,281,250** | **363,281,250** | **363,281,250** |
| **Basic and diluted earnings per share** | 11 | **0.46** | **0.22** | **0.48** | **0.24** |

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 Nine-Month Period Ended 30 September 2015

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

| | Attributable to owners of the Company | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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 |
| **Balance at 1 January 2014** | **162,384** | **220,286** | **78,416** | **(17,605)** | **957** | **40,064** | **(68,660)** | **(15,742)** | **193,735** | **593,835** | **32,431** | **626,266** |
| **Total comprehensive income for the period** | | | | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | - | - | 173,717 | 173,717 | 1,539 | 175,256 |
| Other comprehensive income | | | | | | | | | | | | |
| Revaluation of intangible assets | - | - | - | - | (256) | - | - | - | 307 | 51 | - | 51 |
| Effective portion of changes in fair value of cash flow hedges, net of tax | - | - | - | - | - | - | (18,080) | - | - | (18,080) | (3,500) | (21,580) |
| Defined benefit obligation actuarial differences, net of tax | - | - | - | - | - | - | - | - | (3,662) | (3,662) | 32 | (3,630) |
| Foreign currency translation differences for foreign operations | - | - | - | - | - | - | - | 4,346 | - | 4,346 | 1,707 | 6,053 |
| Total other comprehensive income | - | - | - | - | (256) | - | (18,080) | 4,346 | (3,355) | (17,345) | (1,761) | (19,106) |
| **Total comprehensive income for the period** | **-** | **-** | **-** | **-** | **(256)** | **-** | **(18,080)** | **4,346** | **170,362** | **156,372** | **(222)** | **156,150** |
| **Transactions with owners of the Company, recognised directly in equity** | | | | | | | | | | | | |
| ***Contributions by and distributions to owners of the Company*** | | | | | | | | | | | | |
| Dividend distributions | - | - | - | - | - | - | - | - | (65,209) | (65,209) | (2,380) | (67,589) |
| **Total transactions with owners of the Company** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **(65,209)** | **(65,209)** | **(2,380)** | **(67,589)** |
| Transfers | - | - | 8,404 | - | - | - | - | - | (9,348) | (944) | 944 | - |
| **Balance at 30 September 2014** | **162,384** | **220,286** | **86,820** | **(17,605)** | **701** | **40,064** | **(86,740)** | **(11,396)** | **289,540** | **684,054** | **30,773** | **714,827** |
| | | | | | | | | | | | | |
| **Balance at 1 January 2015** | **162,384** | **220,286** | **85,528** | **(17,605)** | **615** | **40,064** | **(91,871)** | **(9,269)** | **338,389** | **728,521** | **17,173** | **745,694** |
| **Total comprehensive income for the period** | | | | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | - | - | 168,314 | 168,314 | (5,288) | 163,026 |
| Other comprehensive income | | | | | | | | | | | | |
| Revaluation of intangible assets | - | - | - | - | (256) | - | - | (51) | 307 | - | - | - |
| Effective portion of changes in fair value of cash flow hedges, net of tax | - | - | - | - | - | - | 23,751 | - | - | 23,751 | 1,785 | 25,536 |
| Defined benefit obligation actuarial differences, net of tax | - | - | - | - | - | - | - | - | (1,918) | (1,918) | 56 | (1,862) |
| Foreign currency translation differences for foreign operations | - | - | - | - | - | - | - | (16,809) | - | (16,809) | (4,011) | (20,820) |
| Total other comprehensive income | - | - | - | - | (256) | - | 23,751 | (16,860) | (1,611) | 5,024 | (2,170) | 2,854 |
| **Total comprehensive income for the period** | **-** | **-** | **-** | **-** | **(256)** | **-** | **23,751** | **(16,860)** | **166,703** | **173,338** | **(7,458)** | **165,880** |
| **Transactions with owners of the Company, recognised directly in equity** | - | - | - | - | - | - | - | - | - | - | - | - |
| ***Contributions by and distributions to owners of the Company*** | - | - | - | - | - | - | - | - | - | - | - | - |
| Decrease in capital of subsidiary | - | - | - | - | - | - | - | - | - | - | (6,393) | (6,393) |
| Dividend distributions | - | - | - | - | - | - | - | - | (100,966) | (100,966) | (1,819) | (102,785) |
| Purchase of non-controlling interest | - | - | - | (2,236) | - | - | - | - | - | (2,236) | (2,326) | (4,562) |
| **Total transactions with owners of the Company** | **-** | **-** | **-** | **(2,236)** | **-** | **-** | **-** | **-** | **(100,966)** | **(103,202)** | **(10,538)** | **(113,740)** |
| Transfers | - | - | 27,956 | - | - | - | - | - | (27,956) | - | - | - |
| **Balance at 30 September 2015** | **162,384** | **220,286** | **113,484** | **(19,841)** | **359** | **40,064** | **(68,120)** | **(26,129)** | **376,170** | **798,657** | **(823)** | **797,834** |

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

## Interim Condensed Consolidated Statement of Cash Flows
## For the Nine-Month Period Ended 30 September 2015

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

| | **Notes** | **(Unaudited) 1 January- 30 September 2015** | **(Unaudited) 1 January- 30 September 2014** |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Profit for the period | | **163,026** | **175,256** |
| Adjustments for: | | | |
| Amortisation of airport operation right | 6 | 37,074 | 32,924 |
| Depreciation of property and equipment | | 22,451 | 18,678 |
| Amortisation of intangible assets | | 3,356 | 3,172 |
| Concession and rent expenses | | 97,985 | 109,771 |
| Provision for employee severance indemnity | | 5,928 | 4,280 |
| Provision for doubtful receivables | | 1,722 | 101 |
| Discount on receivables and payables, net | | (38) | (17) |
| Loss / (gain) on sale of property and equipment | | 731 | (807) |
| (Reversal) / provision set for unused vacation | | (169) | 632 |
| Interest income | | (6,335) | (8,448) |
| Interest expense on financial liabilities | | 67,989 | 64,120 |
| Tax expense | | 71,673 | 35,388 |
| Unwinding of discount on concession receivable | | 7,191 | (17,746) |
| Share of profit of equity-accounted investees, net of tax | | (20,230) | (30,688) |
| Unrealised foreign exchange differences on statement of financial position items | | (6,311) | (1,430) |
| **Cash flows from operating activities** | | **446,043** | **385,186** |
| Change in current trade receivables | | (9,560) | (30,255) |
| Change in non-current trade receivables | | 15,198 | 22,102 |
| Change in inventories | | (30) | (1,493) |
| Change in due from related parties | | (15,476) | (8,842) |
| Change in restricted bank balances | | 56,953 | 78,211 |
| Change in other receivables and current assets | | 58,003 | 2,632 |
| Change in trade payables | | (7,677) | (5,060) |
| Change in due to related parties | | (11,803) | (9,449) |
| Change in other payables and provisions | | 229,057 | 6,887 |
| Change in other long term assets | | (1,212) | (382) |
| Additions to prepaid concession and rent expenses | 7 | (117,378) | (275,172) |
| **Cash provided from operations** | | **642,118** | **164,365** |
| Income taxes paid | | (46,247) | (35,259) |
| Interest paid | | (58,358) | (64,834) |
| Retirement benefits paid | | (2,586) | (3,095) |
| Dividends from equity-accounted investees | | 27,100 | 20,810 |
| **Net cash provided from operating activities** | | **562,027** | **81,987** |

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 Nine-Month Period Ended 30 September 2015

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

| | Notes | (Unaudited) 1 January- 30 September 2015 | (Unaudited) 1 January- 30 September 2014 |
|---|---|---|---|
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Interest received | | 4,039 | 7,666 |
| Proceeds from sale of property, equipment and intangible assets | | 7,694 | 3,317 |
| Acquisition of property and equipment | | (56,771) | (35,660) |
| Acquisition of non-controlling interest | | (4,562) | - |
| Additions to airport operation right | 6 | (297,714) | (35,362) |
| Acquisition of intangible assets | | (1,051) | (1,378) |
| **Net cash used in investing activities** | | **(348,365)** | **(61,417)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Proceeds from borrowings | | 88,719 | 228,118 |
| Repayment of borrowings | | (136,941) | (211,332) |
| Non-controlling interest change | | (6,237) | - |
| Dividends paid | | (102,785) | (67,589) |
| Change in finance lease liabilities | | (326) | (1,066) |
| **Net cash used in financing activities** | | **(157,570)** | **(51,869)** |
| **NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS** | | **56,092** | **(31,299)** |
| **CASH AND CASH EQUIVALENTS AT 1 JANUARY** | 9 | **55,262** | **96,212** |
| **CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER** | 9 | **111,354** | **64,913** |

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

## Notes to the interim condensed consolidated financial statements

*(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 and operating the İstanbul Atatürk Airport (International Lines Building). 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 nine-month period ended 30 September 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:

| | | | 30 September 2015 | | 31 December 2014 | |
|---|---|---|---|---|---|---|
| **Name of Subsidiary** | **Principal Activity** | **Place of operation** | **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 | - | - |
| TAV Latvia Operation Services SIA ("TAV İşletme Latvia") | Lounge Services | Latvia | 100.00 | 100.00 | - | - |

#### Description of Operations

The Group and its joint ventures' core businesses are related to the construction of terminal buildings, management and operation of terminals or airports. TAV Esenboğa 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. "Medunarodna Zracna Luka Zagreb D.D. ("MZLZ") enters into concession agreement with The Republic of Croatia. Under these agreements, the Group agrees to build or renovate or manage an airport or terminal within a specified period of time and in exchange receives the right to operate the airport and terminal for a 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 at 27 March 2015. 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 15,315 (average: 14,972) people as at 30 September 2015 (31 December 2014: 14,556 (average: 14,478) people).

*(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 6 November 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.

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

The functional currencies of the Group entities formed after 31 December 2014 are as follows:

| Company | Functional Currency |
|---|---|
| Cakes & Bakes Latvia | EUR |
| TAV İşletme Latvia | EUR |

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

| | 1 Euro Equivalent | |
|---|---|---|
| | 30 September 2015 | 31 December 2014 |
| TRL | 3.4212 | 2.8207 |
| GEL | 2.6736 | 2.2656 |
| TND | 2.2030 | 2.2622 |
| MKD | 61.6947 | 61.4814 |
| SEK | 9.4119 | 9.4323 |
| USD | 1.1242 | 1.2164 |
| SAR | 4.2157 | 4.5581 |
| HRK | 7.6284 | 7.6566 |

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

**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 154,597 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 six-month period Ended 30 September 2014.

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

The accounting policies adopted in preparation of the interim condensed consolidated financial statements as at September 30, 2015 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and IFRIC interpretations effective as of January 1, 2015. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

**i) <u>The new standards, amendments and interpretations which are effective as at 1 January 2015</u>**

***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 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 July 1, 2014.

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

*IFRS 2 Share-based Payment:*

Definitions relating to performance and service conditions which are vesting conditions are clarified. The amendment is effective prospectively.

*IFRS 3 Business Combinations*

The amendment clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IAS 9. The amendment is effective for business combinations prospectively.

*IFRS 8 Operating Segments*

The changes are as follows: i) An entity must disclose the judgements made by management in applying the aggregation criteria in IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'. 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.

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

**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. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. 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.

*IFRS 13 Fair Value Measurement*

The portfolio exception in IFRS 13 can be applied to financial assets, financial liabilities and other contracts within the scope of IFRS 9. 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 interim 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.

***TFRS 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 January 1, 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 POA.

## 3. CHANGES IN ACCOUNTING POLICIES (continued)

**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. The amendments will not have an impact on the financial position or performance of the Group.

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

IAS 16 is amended to provide guidance that bearer plants, such as grape vines, rubber trees and oil palms should be accounted for in the same way as property, plant and equipment in IAS 16. Once a bearer plant is mature, apart from bearing produce, its biological transformation is no longer significant in generating future economic benefits. The only significant future economic benefits it generates come from the agricultural produce that it creates. Because their operation is similar to that of manufacturing, either the cost model or revaluation model should be applied. The produce growing on bearer plants will remain within the scope of IAS 41, measured at fair value less costs to sell. Entities are required to apply the amendments 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 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 TAS 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, amendments issued to IFRS 10 and IAS 28, to address the acknowledged inconsistency between the requirements in IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture, to clarify that an investor recognises a full gain or loss on the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture. The gain or loss resulting from the re-measurement at fair value of an investment retained in a former subsidiary should be recognised only to the extent of unrelated investors’ interests in that former subsidiary. 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.

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

**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, amendments issued to IFRS 10, IFRS 12 and IAS 28, to address the issues that have arisen in applying the investment entities exception under IFRS 10 Consolidated Financial Statements. The 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, amendments issued to IAS 1. Those amendments include narrow-focus improvements in the following five areas: Materiality, Disaggregation and subtotals, Notes structure, Disclosure of accounting policies, Presentation of items of other comprehensive income (OCI) arising from equity accounted investments. 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 February 2015, POA issued, Annual Improvements to TFRSs 2012-2014 Cycle. The document sets out five amendments to four standards, excluding those standards that are consequentially amended, and the related Basis for Conclusions. The standards affected and the subjects of the amendments are:

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

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)**

The following standards, interpretations and amendments to existing IFRS standards are issued by the IASB but not yet effective up to the date of issuance of the financial statements. However, these standards, interpretations and amendments to existing IFRS standards are not yet adapted/issued by the POA, thus they do not constitute part of TFRS. The Company / the Group will make the necessary changes to its consolidated financial statements after the new standards and interpretations are issued and become effective under TFRS.

**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.

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

**ii) <u>Standards issued but not yet effective and not early adopted (continued)</u>**

**Annual Improvements to IFRSs - 2011-2013 Cycle**

**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 original effective date was January 1, 2017. However, in July 2015, IASB decided to defer the effective date to reporting periods beginning on or after January 1, 2018, with early adoption permitted. Entities will transition to the new standard following either a full retrospective approach or a modified retrospective approach. The modified retrospective approach would allow the standard to be applied beginning with the current period, with no restatement of the comparative periods, but additional disclosures are required. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

**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 January 1, 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) <u>Property and equipment:</u>***

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) <u>Intangible assets:</u>***

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.

*(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.

| **30 September 2015** | **Level 1** | **Level 2** | **Level 3** |
|---|---|---|---|
| Interest rate swap | - | (124,927) | - |
| Cross currency swap | - | 16,056 | - |
| Forward | - | (689) | - |
| | **-** | **(109,560)** | **-** |

| **31 December 2014** | **Level 1** | **Level 2** | **Level 3** |
|---|---|---|---|
| Interest rate swap | - | (146,342) | - |
| Cross currency swap | - | 9,210 | - |
| Forward | - | 5,590 | - |
| | **-** | **(131,542)** | **-** |

### 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 İşletme Latvia, 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.

*(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)

| | Nine-month period ended 30 September | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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 | 465,034 | 388,162 | 100,814 | 74,615 | 246,138 | 201,948 | 210,787 | 193,668 | 33,929 | 22,580 | 1,056,702 | 880,973 |
| Inter-segment revenue | 134,798 | 115,934 | 17,359 | 14,828 | - | - | - | 246 | 18,649 | 16,266 | 170,806 | 147,274 |
| Construction revenue | 5,282 | 139,645 | - | - | - | - | - | - | - | - | 5,282 | 139,645 |
| Construction expenditure | (5,282) | (139,645) | - | - | - | - | - | - | - | - | (5,282) | (139,645) |
| Interest income | 6,526 | 6,099 | 339 | 218 | 149 | 131 | 491 | 394 | 16,882 | 11,918 | 24,387 | 18,760 |
| Interest expense | (71,532) | (54,675) | (534) | (482) | 23 | (227) | (5,215) | (3,736) | (13,964) | (15,383) | (91,222) | (74,503) |
| Depreciation and amortisation | (58,899) | (45,667) | (3,724) | (2,771) | (1,788) | (1,494) | (10,381) | (8,657) | (1,707) | (1,472) | (76,499) | (60,061) |
| Reportable segment operating profit | 251,605 | 187,853 | 10,385 | 7,130 | 17,222 | 21,912 | 36,268 | 38,078 | 16,782 | 1,036 | 332,262 | 256,009 |
| Capital expenditure | 344,669 | 151,484 | 4,786 | 7,311 | 4,133 | 4,447 | 9,049 | 16,198 | 2,315 | 2,404 | 364,952 | 181,844 |

| | As at 30 September 2015 and 31 December 2014 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Terminal Operations | | Catering Operations | | Duty Free Operations | | Ground Handling and Bus Operations | | Other Operations | | Total | |
| | 30 September 2015 | 31 December 2014 | 30 September 2015 | 31 December 2014 | 30 September 2015 | 31 December 2014 | 30 September 2015 | 31 December 2014 | 30 September 2015 | 31 December 2014 | 30 September 2015 | 31 December 2014 |
| Reportable segment assets | 2,720,454 | 2,495,409 | 52,591 | 48,734 | 63,508 | 56,258 | 170,088 | 166,128 | 257,028 | 228,694 | 3,263,669 | 2,995,223 |
| Other investments | - | - | - | - | - | - | - | - | 20 | 20 | 20 | 20 |
| Reportable segment liabilities | 1,960,406 | 1,752,239 | 38,772 | 36,237 | 55,549 | 36,595 | 99,865 | 101,994 | 319,560 | 325,152 | 2,474,152 | 2,252,217 |

*(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 30 September | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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 | 177,119 | 152,697 | 39,123 | 27,837 | 89,833 | 77,733 | 92,501 | 81,550 | 10,191 | 8,012 | 408,767 | 347,829 |
| Inter-segment revenue | 50,951 | 44,792 | 5,699 | 5,220 | - | - | - | 84 | 6,414 | 5,550 | 63,064 | 55,646 |
| Construction revenue | 98 | 22,625 | - | - | - | - | - | - | - | - | 98 | 22,625 |
| Construction expenditure | (98) | (22,625) | - | - | - | - | - | - | - | - | (98) | (22,625) |
| Interest income | 2,320 | 1,794 | 101 | 53 | (21) | (122) | 197 | 171 | 5,868 | 4,286 | 8,465 | 6,182 |
| Interest expense | (21,288) | (16,350) | (235) | (173) | (65) | 46 | (946) | (1,278) | (3,349) | (3,469) | (25,883) | (21,224) |
| Depreciation and amortisation | (21,076) | (16,226) | (1,223) | (997) | (604) | (527) | (3,474) | (3,048) | (154) | (518) | (26,531) | (21,316) |
| Reportable segment operating profit | 111,874 | 84,851 | 4,932 | 3,967 | 6,607 | 8,664 | 24,885 | 19,789 | 7,254 | 976 | 155,552 | 118,247 |
| Capital expenditure | 9,532 | 30,481 | 1,612 | 1,777 | 2,854 | 1,141 | 3,018 | 4,717 | 748 | 1,771 | 17,764 | 39,887 |

*(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**

| Revenues | 1 January-30 September 2015 | 1 July-30 September 2015 | 1 January-30 September 2014 | 1 July-30 September 2014 |
|---|---|---|---|---|
| Total revenue for reportable segments | 1,180,212 | 455,324 | 1,129,046 | 412,538 |
| Other revenue | 52,578 | 16,605 | 38,846 | 13,562 |
| Elimination of inter-segment revenue | (170,806) | (63,064) | (147,274) | (55,646) |
| | **1,061,984** | **408,865** | **1,020,618** | **370,454** |
| Effect of using the equity method for joint ventures | (303,371) | (117,473) | (330,062) | (110,461) |
| **Consolidated revenue** | **758,613** | **291,392** | **690,556** | **259,993** |

| Operating profit | 1 January-30 September 2015 | 1 July-30 September 2015 | 1 January-30 September 2014 | 1 July-30 September 2014 |
|---|---|---|---|---|
| Segment operating profit | 315,480 | 148,298 | 254,973 | 117,271 |
| Other operating loss | 16,782 | 7,254 | 1,036 | 976 |
| Elimination of inter-segment operating loss | (333) | 377 | (1,944) | (86) |
| | **331,929** | **155,929** | **254,065** | **118,161** |
| Effect of using the equity method for joint ventures | (12,789) | (7,017) | (9,158) | (5,149) |
| **Consolidated operating profit** | **319,140** | **148,912** | **244,907** | **113,012** |
| Finance income | 6,560 | (3,866) | 35,814 | 17,620 |
| Finance expense | (91,001) | (30,590) | (70,077) | (19,470) |
| **Consolidated profit before tax** | **234,699** | **114,456** | **210,644** | **111,162** |

| Assets | 30 September 2015 | 31 December 2014 |
|---|---|---|
| Total assets for reportable segments | 3,006,641 | 2,766,529 |
| Other assets | 257,028 | 228,694 |
| | **3,263,669** | **2,995,223** |
| Effect of using the equity method for joint ventures | (383,032) | (348,540) |
| **Consolidated total assets** | **2,880,637** | **2,646,683** |

| Liabilities | 30 September 2015 | 31 December 2014 |
|---|---|---|
| Total liabilities for reportable segments | 2,154,592 | 1,927,065 |
| Other liabilities | 319,560 | 325,152 |
| | **2,474,152** | **2,252,217** |
| Effect of using the equity method for joint ventures | (391,349) | (351,228) |
| **Consolidated total liabilities** | **2,082,803** | **1,900,989** |

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

### 5. OPERATING SEGMENTS (continued)

| Interest income | 1 January- 30 September 2015 | 1 July- 30 September 2015 | 1 January- 30 September 2014 | 1 July- 30 September 2014 |
|---|---|---|---|---|
| Total interest income for reportable segments | 7,505 | 2,597 | 6,842 | 1,896 |
| Other interest income | 16,882 | 5,868 | 11,918 | 4,286 |
| Elimination of inter-segment interest income | (17,941) | (6,187) | (9,849) | (4,060) |
| | **6,446** | **2,278** | **8,911** | **2,122** |
| Effect of using the equity method for joint ventures | (111) | 23 | (463) | (142) |
| **Consolidated interest income** | **6,335** | **2,301** | **8,448** | **1,980** |

| Interest expense | 1 January- 30 September 2015 | 1 July- 30 September 2015 | 1 January- 30 September 2014 | 1 July- 30 September 2014 |
|---|---|---|---|---|
| Total interest expense for reportable segments | (77,258) | (22,534) | (59,120) | (17,755) |
| Other interest expense | (13,964) | (3,349) | (15,383) | (3,469) |
| Elimination of inter-segment interest expense | 17,878 | 5,908 | 10,162 | 4,078 |
| | **(73,344)** | **(19,975)** | **(64,341)** | **(17,146)** |
| Effect of using the equity method for joint ventures | 5,355 | 2,923 | 221 | 48 |
| **Consolidated interest expense** | **(67,989)** | **(17,052)** | **(64,120)** | **(17,098)** |

**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.

| Revenue | 1 January- 30 September 2015 | 1 July- 30 September 2015 | 1 January- 30 September 2014 | 1 July- 30 September 2014 |
|---|---|---|---|---|
| Turkey | 683,314 | 261,834 | 607,150 | 220,696 |
| Georgia | 35,169 | 16,034 | 25,876 | 11,051 |
| Tunisia | 19,386 | 4,878 | 38,342 | 21,238 |
| Macedonia | 16,285 | 7,056 | 14,994 | 6,090 |
| Other | 4,459 | 1,590 | 4,194 | 918 |
| **Consolidated revenue** | **758,613** | **291,392** | **690,556** | **259,993** |

| Non-current assets | 30 September 2015 | 31 December 2014 |
|---|---|---|
| Turkey | 1,404,476 | 1,119,570 |
| Tunisia | 466,883 | 479,582 |
| Macedonia | 68,848 | 72,218 |
| Georgia | 45,217 | 63,942 |
| Other | 595 | 3,022 |
| **Consolidated non-current assets** | **1,986,019** | **1,738,334** |

*(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 | İzmir Adnan Menderes International Airport | Milas-Bodrum Airport | Total |
|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | |
| **Balance at 1 January 2014** | **80,469** | **82,397** | **515,959** | **21,768** | **86,736** | **359,294** | **-** | **1,146,623** |
| Effect of movements in exchange rates | - | 6,141 | - | - | - | - | - | 6,141 |
| Additions (*) | - | - | - | 3,446 | - | 36,177 | - | 39,623 |
| **Balance at 30 September 2014** | **80,469** | **88,538** | **515,959** | **25,214** | **86,736** | **395,471** | **-** | **1,192,387** |
| **Balance at 1 January 2015** | **80,469** | **86,889** | **515,959** | **28,923** | **86,736** | **395,470** | **118,051** | **1,312,497** |
| Effect of movements in exchange rates | - | (13,260) | - | - | - | - | - | (13,260) |
| Additions (*) | - | - | - | - | - | 297,714 | - | 297,714 |
| **Balance at 30 September 2015** | **80,469** | **73,629** | **515,959** | **28,923** | **86,736** | **693,184** | **118,051** | **1,596,951** |

(*) There is no capitalised borrowing cost on airport operation right during 2015 (30 September 2014: EUR 4,261). The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 100%.

Airport operation right is capitalised as started renting and operating the international terminal of İzmir Adnan Menderes Airport at 10 January 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 (continued)

| | International Terminal of İzmir Adnan Menderes International Airport | Tbilisi International Airport | Enfidha International Airport | Antalya Gazipaşa Airport | Skopje International Airport | İzmir Adnan Menderes International Airport | Milas-Bodrum Airport | Total |
|---|---|---|---|---|---|---|---|---|
| **Accumulated amortisation** | | | | | | | | |
| **Balance at 1 January 2014** | **70,924** | **31,327** | **53,125** | **3,116** | **10,992** | **5,615** | **-** | **175,099** |
| Effect of movements in exchange rates | - | 2,539 | - | - | - | - | - | 2,539 |
| Amortisation for the period | 7,319 | 2,961 | 10,401 | 758 | 3,504 | 7,981 | - | 32,924 |
| **Balance at 30 September 2014** | **78,243** | **36,827** | **63,526** | **3,874** | **14,496** | **13,596** | **-** | **210,562** |
| **Balance at 1 January 2015** | **80,228** | **37,632** | **66,993** | **4,149** | **15,677** | **15,256** | **1,030** | **220,965** |
| Effect of movements in exchange rates | - | (5,874) | - | - | - | - | - | (5,874) |
| Amortisation for the period | 241 | 2,834 | 10,401 | 958 | 3,502 | 17,082 | 2,056 | 37,074 |
| **Balance at 30 September 2015** | **80,469** | **34,592** | **77,394** | **5,107** | **19,179** | **32,338** | **3,086** | **252,165** |
| **Carrying amounts** | | | | | | | | |
| **At 30 September 2014** | **2,226** | **51,711** | **452,433** | **21,340** | **72,240** | **277,102** | **-** | **981,825** |
| **At 31 December 2014** | **241** | **49,257** | **448,966** | **24,774** | **71,059** | **380,214** | **117,021** | **1,091,532** |
| **At 30 September 2015** | **-** | **39,037** | **438,565** | **23,816** | **67,557** | **660,846** | **114,965** | **1,344,786** |

*(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 30 September 2015, 31 December 2014 and 30 September 2014 are as follows:

| 30 September 2015 | Concession and rent | Prepaid development expenditures | Total |
|---|---|---|---|
| **Balance at 31 December 2014** | **106,597** | **18,512** | **125,109** |
| Concession and rent payments | 117,378 | - | 117,378 |
| Current period rent expense – TAV İstanbul | (90,402) | (2,302) | (92,704) |
| **Balance at 30 September 2015** | **133,573** | **16,210** | **149,783** |
| **Represented as current prepaid concession and rent expense** | **133,573** | **1,546** | **135,119** |
| **Represented as non-current prepaid concession and rent expense** | **-** | **14,664** | **14,664** |

| 31 December 2014 | Concession and rent | Prepaid development expenditures | Total |
|---|---|---|---|
| **Balance at 31 December 2013** | **129,924** | **21,590** | **151,514** |
| Concession and rent payments | 102,797 | - | 102,797 |
| Current year rent expense – TAV İstanbul | (126,124) | (3,078) | (129,202) |
| **Balance at 31 December 2014** | **106,597** | **18,512** | **125,109** |
| **Represented as current prepaid concession and rent expense** | **106,597** | **3,078** | **109,675** |
| **Represented as non-current prepaid concession and rent expense** | **-** | **15,434** | **15,434** |

| 30 September 2014 | Concession and rent | Prepaid development expenditures | Total |
|---|---|---|---|
| **Balance at 31 December 2013** | **171,970** | **21,590** | **193,560** |
| Concession and rent payments | 275,172 | - | 275,172 |
| Current period rent expense – TAV İstanbul | (94,335) | (2,302) | (96,637) |
| Current period concession expense – TAV Ege | (6,536) | - | (6,536) |
| Current period concession expense – TAV Milas Bodrum | (1,395) | - | (1,395) |
| **Balance at 30 September 2014** | **344,876** | **19,288** | **364,164** |
| **Represented as current prepaid concession and rent expense** | **139,274** | **3,078** | **142,352** |
| **Represented as non-current prepaid concession and rent expense** | **205,602** | **16,210** | **221,812** |

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

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

At 30 September 2015 and 31 December 2014, other receivables and current assets comprised the following:

| **Other receivables and current assets** | **30 September 2015** | **31 December 2014** |
|---|---|---|
| Advances to suppliers (*) | 116,218 | 174,280 |
| VAT deductible | 7,327 | 7,740 |
| Prepaid taxes and funds | 5,830 | 4,623 |
| Prepaid insurance | 3,129 | 1,560 |
| Income accruals | 2,340 | 1,805 |
| Other receivables | 11,491 | 7,995 |
| | **146,335** | **198,003** |

(*) At 30 September 2015 advances to suppliers comprise of the advances payments to DHMİ by TAV Milas Bodrum (EUR 107,754) related with concession agreements. At 31 December 2014 advances to suppliers comprise of the advances payments to DHMİ by TAV Ege (EUR 61,915) and by TAV Milas Bodrum (EUR 107,550) related with concession agreements.

### 9. CASH AND CASH EQUIVALENTS

At 30 September 2015 and 31 December 2014, cash and cash equivalents comprised the following:

| | **30 September 2015** | **31 December 2014** |
|---|---|---|
| Cash on hand | 832 | 766 |
| Cash at banks | | |
| - Demand deposits | 48,285 | 19,122 |
| - Time deposits | 63,980 | 36,547 |
| Other liquid assets | 1,059 | 1,146 |
| Cash and cash equivalents | **114,139** | **57,581** |
| Bank overdrafts used for cash management purposes | (2,785) | (2,319) |
| Cash and cash equivalents in the statement of cash flows | **111,354** | **55,262** |

The details of the Group's time deposits, maturities and interest rates as at 30 September 2015 and 31 December 2014 are as follows:

**30 September 2015**

| **Original Currency** | **Maturity** | **Interest rate %** | **Balance** |
|---|---|---|---|
| EUR | October - November 2015 | 0.01 - 1.70 | 30,081 |
| USD | October - November 2015 | 0.05 - 2.15 | 23,452 |
| TL | October - November 2015 | 3.50 -12.80 | 10,447 |
| | | | **63,980** |

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

### 9. CASH AND CASH EQUIVALENTS (continued)

**31 December 2014**

| Original Currency | Maturity | Interest rate % | Balance |
|---|---|---|---|
| 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 |
| | | | **36,547** |

There is no blockage or restriction on the use of cash and cash equivalents as at 30 September 2015 and 31 December 2014.

### 10. RESTRICTED BANK BALANCES

At 30 September 2015 and 31 December 2014, restricted bank balances comprised the following:

| | 30 September 2015 | 31 December 2014 |
|---|---|---|
| Project reserve and funding accounts (*) | 330,887 | 380,997 |
| Cash collaterals (**) | - | 10,883 |
| | **330,887** | **391,880** |

(*) Certain subsidiaries, namely TAV İstanbul, TAV Esenboğa, TAV Tunisia, TAV Macedonia, TAV Ege and TAV Milas Bodrum ("the Borrowers") opened Project Accounts designated mainly in order to reserve required amount of debt services, lease payment to DHMİ 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.

**30 September 2015**

| Original Currency | Interest rate % | Balance |
|---|---|---|
| EUR | 0.01 - 1.85 | 225,209 |
| USD | 0.10 - 1.90 | 89,536 |
| TRL | 7.50 - 12.15 | 16,107 |
| Other | | 35 |
| | | **330,887** |

**31 December 2014**

| Original Currency | Interest rate % | Balance |
|---|---|---|
| EUR | 0.05 - 2.00 | 229,656 |
| USD | 0.25 - 2.25 | 149,008 |
| TRL | 7.50 - 10.30 | 13,175 |
| Other | | 41 |
| | | **391,880** |

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

### 11. EARNINGS PER SHARE

The calculation of basic and diluted EPS at 30 September 2015 was based on the profit attributable to ordinary shareholders of EUR 168,314 (30 September 2014: EUR 173,717) and a weighted average number of ordinary shares outstanding of 363,281,250 (30 September 2014: 363,281,250), as follows:

| | **1 January-30 September 2015** | **1 July-30 September 2015** | **1 January-30 September 2014** | **1 July-30 September 2014** |
|---|---|---|---|---|
| Numerator: | | | | |
| Profit for the period attributable to owners of the Company | **168,314** | **79,869** | **173,717** | **88,543** |
| Denominator: | | | | |
| Weighted average number of shares | 363,281,250 | 363,281,250 | 363,281,250 | 363,281,250 |
| **Basic and diluted profit per share (full EUR)** | **0.46** | **0.22** | **0.48** | **0.24** |

| | **1 January-30 September 2015** | **1 July-30 September 2015** | **1 January-30 September 2014** | **1 July-30 September 2014** |
|---|---|---|---|---|
| Issued ordinary shares at 1 January | 363,281,250 | 363,281,250 | 363,281,250 | 363,281,250 |
| Effect of shares issued during the year | - | - | - | - |
| **Weighted average number of ordinary shares** | **363,281,250** | **363,281,250** | **363,281,250** | **363,281,250** |

### 12. LOANS AND BORROWINGS

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

| | **30 September 2015** | **31 December 2014** |
|---|---|---|
| **Non-current liabilities** | | |
| Secured bank loans (*) | 553,839 | 929,653 |
| Unsecured bank loans | 172,609 | 246,022 |
| Finance lease liabilities | 2,201 | 2,473 |
| | **728,649** | **1,178,148** |
| **Current liabilities** | | |
| Current portion of long term secured bank loans (*) | 117,371 | 148,893 |
| Short term secured bank loans | 370,047 | 12,795 |
| Current portion of long term unsecured bank loans | 22,080 | 19,711 |
| Short term unsecured bank loans | 93,785 | 19,576 |
| Current portion of finance lease liabilities | 1,419 | 1,473 |
| | **604,702** | **202,448** |

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

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

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

The Group's total bank loans and finance lease liabilities as at 30 September 2015 and 31 December 2014 are as follows:

| | 30 September 2015 | 31 December 2014 |
|---|---|---|
| Bank loans | 1,329,731 | 1,376,650 |
| Finance lease liabilities | 3,620 | 3,946 |
| | **1,333,351** | **1,380,596** |

The Group's bank loans as at 30 September 2015 are as follows:

| | Presented as | | |
|---|---|---|---|
| | Current liabilities | Non-current liabilities | Total |
| TAV Tunisia (*) | 341,335 | - | 341,335 |
| TAV Holding | 114,941 | 171,999 | 286,940 |
| TAV Ege | 16,788 | 226,636 | 243,424 |
| TAV İstanbul | 71,615 | 114,776 | 186,391 |
| TAV Esenboğa | 17,742 | 75,243 | 92,985 |
| HAVAŞ | 21,776 | 45,360 | 67,136 |
| TAV Macedonia | 9,500 | 51,832 | 61,332 |
| TAV Gazipaşa | 7,135 | 39,991 | 47,126 |
| Others | 2,451 | 611 | 3,062 |
| | **603,283** | **726,448** | **1,329,731** |

(*) TAV Tunisia is currently engaged in a negotiation with the Tunisian Authorities and its Lenders for the restructuring of its concession and financing arrangements, with the aim to reach an agreement by the end of the year. As TAV Tunisia is in breach of its financing agreements due to its current difficulties, non-current loan liabilities of TAV Tunisia were reclassified to current loan as of 30 June 2015 and the amount as of 30 September 2015 is EUR 311,195.

TAV Tunisia has received an Acceleration Notice from the Lenders accompanied by a Letter of Intent stating Lenders' current intention is to protect their security rights while continuing the three-party negotiations towards a restructuring and not to make the loans due and payable until 30 November 2015 and subject to further extension. Furthermore, TAV Tunisia received Early Termination Letters from the Hedging Banks, which resulted in termination amounts of EUR 62,739 becoming due and payable. Hedging Banks issued a Deferral Letter deferring such payment to 30 October 2015 and extension is under discussion.

TAV Tunisia is exposed to the material legal and financial consequences, including but not limited to the Termination of the Concession Agreement, if a restructuring agreement is not reached among the three parties in due course.

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

### 12. LOANS AND BORROWINGS (continued)

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

| | Presented as | | |
|---|---|---|---|
| | Current liabilities | Non-current liabilities | Total |
| 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 |
| | **200,975** | **1,175,675** | **1,376,650** |

Redemption schedules of the Group's bank loans according to original maturities as at 30 September 2015 and 31 December 2014 are as follows:

| | 30 September 2015 | 31 December 2014 |
|---|---|---|
| On demand or within one year | 603,283 | 200,975 |
| In the second year | 324,942 | 263,244 |
| In the third year | 116,729 | 315,497 |
| In the fourth year | 50,750 | 114,675 |
| In the fifth year | 42,811 | 70,659 |
| After five years | 191,216 | 411,600 |
| | **1,329,731** | **1,376,650** |

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 30 September 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% and 100% of floating bank loans for TAV İstanbul, TAV Esenboğa, TAV Macedonia and TAV Ege respectively are fixed with interest rate swaps as explained in Note 14.

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.

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

### 13. OTHER PAYABLES

At 30 September 2015 and 31 December 2014, other payables comprised the following:

| **Other short term payables** | **30 September 2015** | **31 December 2014** |
|---|---|---|
| Concession payable (*) | 52,761 | 27,622 |
| Expense accruals | 9,343 | 5,512 |
| Taxes and duties payable | 4,741 | 5,705 |
| Social security premiums payable | 4,506 | 4,569 |
| Other accruals and liabilities | 7,164 | 8,969 |
| | **78,515** | **52,377** |

| **Other long term payables** | **30 September 2015** | **31 December 2014** |
|---|---|---|
| Concession payable (*) | 382,784 | 179,289 |
| Other accruals and liabilities | 323 | 315 |
| | **383,107** | **179,604** |

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

(*) A concession agreement was executed between TAV Milas Bodrum and DHMİ on 11 July 2014 for the leasing of the operating rights of the Milas-Bodrum Airport's existing international terminal, CIP, general aviation terminal, domestic terminal and its auxiliaries. The agreement covers the operation right of the international terminal starting from 22 October 2015 to 31 December 2035 (approximately 20 years and 2 months) and operation right of the domestic terminal starting from July 2015 to December 2035. The concession payable of TAV Milas Bodrum domestic terminal is presented in financials EUR 87,988 as of 30 September 2015 (31 December 2014: EUR 84,354).

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. The concession payable of the international and domestic terminal of İzmir Adnan Menderes Airport is presented in financials EUR 321,092 as of 30 September 2015 (The concession payable of the domestic terminal of İzmir Adnan Menderes Airport is presented in financials EUR 101,041 as of 31 December 2014)

### 14. DERIVATIVE FINANCIAL INSTRUMENTS

At 30 September 2015 and 31 December 2014, derivative financial instruments comprised the following:

| | **30 September 2015** | | |
|---|---|---|---|
| | **Assets** | **Liabilities** | **Net Amount** |
| Interest rate swap | - | (124,927) | (124,927) |
| Cross currency swap | 16,056 | - | 16,056 |
| Forward | - | (689) | (689) |
| | **16,056** | **(125,616)** | **(109,560)** |

| | **31 December 2014** | | |
|---|---|---|---|
| | **Assets** | **Liabilities** | **Net Amount** |
| Interest rate swap | - | (146,342) | (146,342) |
| Cross currency swap | 9,210 | - | 9,210 |
| Forward | 5,590 | - | 5,590 |
| | **14,800** | **(146,342)** | **(131,542)** |

**14. 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 30 September 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 İstanbul uses interest rate swaps to manage its exposure to interest rate fluctuations on its bank borrowings. As at 30 September 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 30 September 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: 99%).

TAV Macedonia uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 30 September 2015, 80% of total loan is hedged through IRS contract (31 December 2014: 80%).

TAV Tunisia received Early Termination Letters from the Hedging Banks, which resulted in termination amounts of EUR 62,739 becoming due and payable (31 December 2014: %83 of floating senior bank loan of TAV Tunisie is hedged through IRS contract during the life of the loan with an amortising schedule depending on repayment of the loan).

***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. As of 30 September 2015, 2018 payments of cross currency swap have been terminated. The total notional amount of the contract is EUR 98,434 (in exchange of USD 129,736) as at 30 September 2015 (31 December 2014: EUR 153,882 (in exchange of USD 202,816)).

The fair value of derivatives at 30 September 2015 is estimated at loss of EUR 109,560 (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 30 September 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 25,536 (30 September 2014: expense of EUR 21,580) 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.

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

## 15. FINANCIAL INSTRUMENTS

**Currency risk**

***Exposure to currency risk:***

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

**30 September 2015**

| **Foreign currency denominated financial assets** | **USD** | **EUR (*)** | **TRL** | **Other** | **Total** |
|---|---|---|---|---|---|
| Other non-current assets | 7 | - | 8 | - | 15 |
| Trade receivables | 23,284 | 2,829 | 10,060 | 10,899 | 47,072 |
| Due from related parties | 13,887 | 2,681 | 5,959 | 1,483 | 24,010 |
| Derivative financial instruments | 16,056 | - | - | - | 16,056 |
| Other receivables and current assets | 632 | 24 | 9,530 | 3,664 | 13,850 |
| Restricted bank balances | 89,475 | 25,123 | 17,245 | 35 | 131,878 |
| Cash and cash equivalents | 42,990 | 13,542 | 10,765 | 8,798 | 76,095 |
| | **186,331** | **44,199** | **53,567** | **24,879** | **308,976** |
| **Foreign currency denominated financial liabilities** | | | | | |
| Loans and borrowings | - | (1,667) | (39,460) | (335) | (41,462) |
| Bank overdraft | - | - | (286) | - | (286) |
| Trade payables | (2,248) | (738) | (6,809) | (8,944) | (18,739) |
| Derivative financial instruments | - | - | (689) | - | (689) |
| Due to related parties | (371) | (170) | (217) | - | (758) |
| Other payables | (3,975) | (210) | (9,265) | (5,404) | (18,854) |
| | **(6,594)** | **(2,785)** | **(56,726)** | **(14,683)** | **(80,788)** |
| **Net exposure** | **179,737** | **41,414** | **(3,159)** | **10,196** | **228,188** |

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

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

**15. FINANCIAL INSTRUMENTS (continued)**

**Currency risk (continued)**

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

**31 December 2014**

| **Foreign currency denominated financial assets** | **USD** | **EUR (*)** | **TRL** | **Other** | **Total** |
|---|---|---|---|---|---|
| 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 |
| | **197,611** | **3,906** | **47,275** | **26,776** | **275,568** |
| **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) |
| | **(5,339)** | **(3,135)** | **(81,296)** | **(11,399)** | **(101,169)** |
| **Net exposure** | **192,272** | **771** | **(34,021)** | **15,377** | **174,399** |

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

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

### 15. FINANCIAL INSTRUMENTS (continued)

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

| | Average Rate | | Reporting Date Closing Rate | |
|---|---|---|---|---|
| | 30 September 2015 | 30 September 2014 | 30 September 2015 | 31 December 2014 |
| USD | 0.8965 | 0.7375 | 0.8895 | 0.8221 |
| TRL | 0.3375 | 0.3411 | 0.2923 | 0.3545 |
| GEL | 0.4025 | 0.4207 | 0.3740 | 0.4414 |
| MKD | 0.0162 | 0.0162 | 0.0162 | 0.0163 |
| TND | 0.4610 | 0.4462 | 0.4539 | 0.4420 |
| SEK | 0.1067 | 0.1106 | 0.1062 | 0.1060 |
| SAR | 0.2389 | 0.1966 | 0.2372 | 0.2194 |
| HRK | 0.1313 | 0.1311 | 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 30 September 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 |
| **30 September 2015** | | | | |
| USD | (14,694) | 18,015 | (16,368) | 16,368 |
| TRL | - | - | 316 | (316) |
| Other | - | - | (1,020) | 1,020 |
| **Total** | **(14,694)** | **18,015** | **(17,072)** | **17,072** |
| **31 December 2014** | | | | |
| USD | (13,556) | 16,547 | (18,306) | 18,306 |
| TRL | - | - | 3,402 | (3,402) |
| Other | - | - | (1,538) | 1,538 |
| **Total** | **(13,556)** | **16,547** | **(16,442)** | **16,442** |

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

**15. FINANCIAL INSTRUMENTS (continued)**

**Fair values**

***Fair values versus carrying amounts:***

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

| | | 30 September 2015 | | 31 December 2014 | |
|---|---|---|---|---|---|
| | **Note** | **Carrying Amount** | **Fair Value** | **Carrying Amount** | **Fair Value** |
| **Financial assets** | | | | | |
| Other non-current assets | | 408 | 408 | 325 | 325 |
| Trade receivables - non current | | 101,744 | 102,224 | 107,273 | 130,661 |
| Trade receivables - current | | 117,708 | 142,835 | 109,981 | 110,677 |
| Due from related parties | 17 | 43,876 | 43,876 | 28,400 | 28,400 |
| Other receivables and current assets (*) | 8 | 1,345 | 1,345 | 809 | 809 |
| Restricted bank balances | 10 | 330,887 | 330,887 | 391,880 | 391,880 |
| Cash and cash equivalents | 9 | 114,139 | 114,139 | 57,581 | 57,581 |
| Derivative financial instruments | 14 | 16,056 | 16,056 | 14,800 | 14,800 |
| **Financial liabilities** | | | | | |
| Bank overdraft | 9 | (2,785) | (2,785) | (2,319) | (2,319) |
| Loans and borrowings | 12 | (1,333,351) | (1,333,351) | (1,380,596) | (1,380,596) |
| Trade payables (**) | | (34,770) | (34,770) | (42,619) | (42,619) |
| Due to related parties | 17 | (2,128) | (2,128) | (13,930) | (13,930) |
| Derivative financial instruments | 14 | (125,616) | (125,616) | (146,342) | (146,342) |
| Other payables (**) | 13 | (459,626) | (686,522) | (229,791) | (344,260) |
| | | **(1,232,113)** | **(1,433,402)** | **(1,104,548)** | **(1,194,933)** |

(*) 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.

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

### 16. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS

**Commitments and contingencies**

| | 30 September 2015 | 31 December 2014 |
|---|---|---|
| Letters of guarantee given to third parties | 257,727 | 264,370 |
| Letters of guarantee given to DHMİ | 222,621 | 212,387 |
| Letters of guarantee given to Saudi Arabian Government | 24,906 | 21,922 |
| Letters of guarantee given to Tunisian Government | 23,279 | 22,436 |
| Letters of guarantee given to Macedonian Government | 250 | 250 |
| | **528,783** | **521,365** |

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 27,999 (EUR 24,906) (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 160,073 (EUR 142,391) (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 15,237 (31 December 2014: EUR 14,394) to the Ministry of State Property and Land Affairs and EUR 8,042 (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 3,665) has been assessed and it has been charged together with GEL 8,263 (EUR 3,091) of penalty (GEL 18,061 (EUR 6,755) in total). As a result of the negotiations with the tax authority, on 20 May 2015, the tax authority pardoned the penalty and accordingly, the tax debt was cancelled.

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

### 17. RELATED PARTIES

The major immediate parents and ultimate controlling parties of the Group are 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:

| | **1 January-30 September 2015** | **1 July-30 September 2015** | **1 January-30 September 2014** | **1 July-30 September 2014** |
|---|---|---|---|---|
| Short-term benefits (salaries, bonuses etc.) | 13,370 | 1,854 | 12,312 | 2,804 |
| | **13,370** | **1,854** | **12,312** | **2,804** |

As at 30 September 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:**

| | **30 September 2015** | **31 December 2014** |
|---|---|---|
| Due from related parties | 28,929 | 17,668 |
| Current loan to related parties | 11,419 | 7,933 |
| | **40,348** | **25,601** |

| | **30 September 2015** | **31 December 2014** |
|---|---|---|
| Non-current loan to related parties | 3,528 | 2,799 |
| | **3,528** | **2,799** |

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

## 17. RELATED PARTIES (continued)

| **Due from related parties** | **30 September 2015** | **31 December 2014** |
|---|---|---|
| TAV Tepe Akfen Yat. İnş ve İşl. A.Ş. ("TAV İnşaat") (2) (*) | 18,354 | 8,577 |
| ATÜ (1) (**) | 5,595 | 6,139 |
| Tibah Operation (1) | 1,510 | 175 |
| BTA Denizyolları (1) | 1,011 | 387 |
| Tibah Development (1) | 913 | 1,466 |
| Other related parties | 1,546 | 924 |
| | **28,929** | **17,668** |

(*) 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.

| **Loan to related parties** | **30 September 2015** | **31 December 2014** |
|---|---|---|
| TAV İnşaat (2) | 6,306 | 4,114 |
| Saudi Havaş (1) | 1,693 | 806 |
| MZLZ | 1,563 | 1,717 |
| BTA Medinah (1) | 1,398 | 402 |
| Tibah Development | 453 | 744 |
| Other related parties | 6 | 150 |
| | **11,419** | **7,933** |

| **Non- current loan to related parties** | **30 September 2015** | **31 December 2014** |
|---|---|---|
| Tibah Development (1) | 2,157 | 1,993 |
| Saudi Havaş (1) | 1,371 | 806 |
| | **3,528** | **2,799** |

| | **30 September 2015** | **31 December 2014** |
|---|---|---|
| Due to related parties | 1,072 | 2,579 |
| Current loan from related parties | 1,056 | 3,634 |
| | **2,128** | **6,213** |
| Non-current loan from related parties | - | 7,717 |
| | **2,128** | **7,717** |

| **Due to related parties** | **30 September 2015** | **31 December 2014** |
|---|---|---|
| IBS Brokerlik ve Sigorta Hizmetleri A.Ş. ("IBS Sigorta") (2) (*) | 622 | 1,254 |
| TAV Havacılık (2) | 110 | 549 |
| Other related parties | 340 | 776 |
| | **1,072** | **2,579** |

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

(1) Joint Ventures

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

### 17. RELATED PARTIES (continued)

| Current loan from related parties | 30 September 2015 | 31 December 2014 |
|---|---|---|
| ATÜ (1) (*) | - | 3,207 |
| Other related parties | 1,056 | 427 |
| | **1,056** | **3,634** |

(*) Loan received from ATÜ for financing purposes.

| Non-current loan from related parties | 30 September 2015 | 31 December 2014 |
|---|---|---|
| ATÜ (1) (*) | - | 7,717 |
| | **-** | **7,717** |

(*) Loan received from ATÜ for financing purposes.

| Short term deferred income from related parties | 30 September 2015 | 31 December 2014 |
|---|---|---|
| ATÜ (1) (*) | 7,781 | 3,710 |
| Other related parties | - | 315 |
| | **7,781** | **4,025** |

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

| Long term deferred income from related parties | 30 September 2015 | 31 December 2014 |
|---|---|---|
| ATÜ (1) (*) | 30,559 | 18,874 |
| | **30,559** | **18,874** |

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

| Services rendered to related parties | 1 January-30 September 2015 | 1 July-30 September 2015 | 1 January-30 September 2014 | 1 July-30 September 2014 |
|---|---|---|---|---|
| ATÜ (1) (*) | 201,341 | 74,883 | 174,839 | 66,154 |
| BTA Denizyolları | 3,367 | 1,371 | 7,148 | 3,404 |
| Other related parties | 7,476 | 2,430 | 12,283 | 3,565 |
| | **212,184** | **78,684** | **194,270** | **73,123** |

(*) Services rendered to ATÜ comprise of rent for duty-free operations.
(1) Joint Ventures

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

### 17. RELATED PARTIES (continued)

| Services rendered by related parties | 1 January-30 September 2015 | 1 July-30 September 2015 | 1 January-30 September 2014 | 1 July-30 September 2014 |
|---|---|---|---|---|
| IBS Sigorta (2) (*) | 4,740 | 1,519 | 2,116 | 368 |
| Akfen Elektrik Enerjisi Toptan Satış A.Ş. (2) (**) | 3,211 | 1,551 | 3,874 | 1,639 |
| BTU Lokum (1) | 1,487 | - | - | - |
| Other related parties | 907 | 343 | 3,116 | 983 |
| | **10,345** | **3,413** | **9,106** | **2,990** |

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

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

| Interest (expense) / income from related parties (net) | 1 January-30 September 2015 | 1 July-30 September 2015 | 1 January-30 September 2014 | 1 July-30 September 2014 |
|---|---|---|---|---|
| ATÜ (1) | (408) | - | (542) | (170) |
| Tibah Development (1) | 195 | 53 | - | - |
| Saudi Havaş (1) | 95 | 36 | 7 | 7 |
| TAV İnşaat (2) | - | - | 8 | 2 |
| Other related parties | 56 | 27 | 31 | - |
| | **(62)** | **116** | **(496)** | **(161)** |

The average interest rate used within the Group is 6.20% 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.

| Construction work rendered by related parties | 1 January-30 September 2015 | 1 July-30 September 2015 | 1 January-30 September 2014 | 1 July-30 September 2014 |
|---|---|---|---|---|
| TAV İnşaat (*) (2) | - | - | 33,346 | - |
| | **-** | **-** | **33,346** | **-** |

(*) 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 30 September 2014.

**Dividend distribution**

In 2015 the Company distributed dividends to the shareholders amounting to EUR 100,966 (TRL 306,053) from the Company's distributable profits computed for 2014.

(1) Joint Ventures

(2) Subsidiary of shareholders

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

### 18. INTERESTS IN OTHER ENTITIES

**Non-controlling interests in subsidiaries**

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

| | 30 September 2015 | | | | |
|---|---|---|---|---|---|
| | **TAV Tunisia** | **TAV Tbilisi** | **BTA** | **Other immaterial subsidiaries** | **Total** |
| **NCI Percentage** | **33.00%** | **20.00%** | **33.33%** | | |
| Non-current assets | 466,883 | 44,204 | 23,609 | | |
| Current assets | 25,236 | 25,807 | 27,038 | | |
| Non-current liabilities | 83,735 | - | 6,583 | | |
| Current liabilities | 447,064 | 3,606 | 34,725 | | |
| **Net assets** | **(38,680)** | **66,405** | **9,339** | | |
| Carrying amount of NCI | (12,764) | 13,281 | 3,113 | (4,453) | (823) |

| | 1 January – 30 September 2015 | | | | |
|---|---|---|---|---|---|
| | **TAV Tunisia** | **TAV Tbilisi** | **BTA** | **Other immaterial subsidiaries** | **Total** |
| Revenue | 21,369 | 34,376 | 108,393 | | |
| (Loss) / profit | (39,378) | 18,478 | 8,719 | | |
| **Total comprehensive income** | **(33,968)** | **8,301** | **7,378** | | |
| (Loss) / profit allocated to NCI | (12,995) | 3,696 | 2,906 | 1,105 | (5,288) |

| | 1 July – 30 September 2015 | | | | |
|---|---|---|---|---|---|
| | **TAV Tunisia** | **TAV Tbilisi** | **BTA** | **Other immaterial subsidiaries** | **Total** |
| Revenue | 5,324 | 15,177 | 39,960 | | |
| (Loss) / profit | (12,041) | 9,874 | 4,287 | | |
| **Total comprehensive income** | **(14,191)** | **5,359** | **3,134** | | |
| (Loss) / profit allocated to NCI | (3,974) | 1,975 | 1,429 | 1,125 | 555 |

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.

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

## 18. INTERESTS IN OTHER ENTITIES (continued)

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

| | 31 December 2014 | | | | |
|---|---|---|---|---|---|
| | **TAV Tunisia** | **TAV Tbilisi** | **BTA** | **Other immaterial subsidiaries** | **Total** |
| **NCI Percentage** | **33.00%** | **24.00%** | **33.33%** | | |
| 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 | | |
| **Net assets** | **(4,711)** | **58,104** | **7,457** | | |
| Carrying amount of NCI | (1,554) | 13,945 | 2,485 | 2,297 | 17,173 |

| | 1 January – 30 September 2014 | | | | |
|---|---|---|---|---|---|
| | **TAV Tunisia** | **TAV Tbilisi** | **BTA** | **Other immaterial subsidiaries** | **Total** |
| Revenue | 42,142 | 25,242 | 86,109 | | |
| (Loss) / profit | (11,354) | 10,991 | 5,460 | | |
| **Total comprehensive income** | **(21,954)** | **15,365** | **(1,452)** | | |
| (Loss) / profit allocated to NCI | (3,747) | 2,638 | 1,820 | 828 | 1,539 |

| | 1 July – 30 September 2014 | | | | |
|---|---|---|---|---|---|
| | **TAV Tunisia** | **TAV Tbilisi** | **BTA** | **Other immaterial subsidiaries** | **Total** |
| Revenue | 23,688 | 10,421 | 33,083 | | |
| (Loss) / profit | 5,093 | 5,681 | 3,261 | | |
| **Total comprehensive income** | **1,033** | **10,439** | **1,029** | | |
| (Loss) / profit allocated to NCI | 1,681 | 1,364 | 1,087 | 808 | 4,940 |

| | **30 September 2015** | **31 December 2014** |
|---|---|---|
| Joint ventures | 89,219 | 101,644 |
| Associates | 3,848 | 2,439 |
| | **93,067** | **104,083** |

| | **1 January-30 September 2015** | **1 July-30 September 2015** | **1 January-30 September 2014** | **1 July-30 September 2014** |
|---|---|---|---|---|
| Joint ventures | 18,823 | 9,694 | 31,017 | 10,952 |
| Associates | 1,407 | 832 | (329) | (1,382) |
| | **20,230** | **10,526** | **30,688** | **9,570** |

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

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

**Joint Ventures**

Carrying amounts of the Group's joint ventures in the statement of financial position as at 30 September 2015 and 31 December 2014 are as follows:

| | 30 September 2015 | 31 December 2014 |
|---|---|---|
| TGS | 52,702 | 57,320 |
| ATÜ | 30,166 | 33,166 |
| Tibah Development | 4,221 | 8,427 |
| BTA Denizyolları | 1,395 | 1,492 |
| Tibah Operation | 683 | 805 |
| Other | 52 | 434 |
| | **89,219** | **101,644** |

Group's share of profit / (loss) of the Group's joint ventures in the statement of comprehensive income for the period ended 30 September are as follows:

| | 1 January-30 September 2015 | 1 July-30 September 2015 | 1 January-30 September 2014 | 1 July-30 September 2014 |
|---|---|---|---|---|
| ATÜ | 14,098 | 6,185 | 16,173 | 5,412 |
| TGS | 7,831 | 5,127 | 8,716 | 3,531 |
| BTA Denizyolları | 805 | 690 | 862 | 508 |
| Tibah Development | 654 | 224 | 509 | 181 |
| Tibah Operation | (4,310) | (2,041) | 4,792 | 1,592 |
| Other | (255) | (491) | (35) | (272) |
| | **18,823** | **9,694** | **31,017** | **10,952** |

**Associates**

Carrying amount of the Group's associate in the statement of financial position as at 30 September 2015 and 31 December 2014 are as follows:

| | 30 September 2015 | 31 December 2014 |
|---|---|---|
| ZAIC-A | 3,848 | 2,439 |
| | **3,848** | **2,439** |

Group's share of profit of the Group's associate in the statement of comprehensive income for the period ended 30 September is as follows:

| | 1 January-30 September 2015 | 1 July-30 September 2015 | 1 January-30 September 2014 | 1 July-30 September 2014 |
|---|---|---|---|---|
| ZAIC-A | 1,407 | 832 | (329) | (1,382) |
| | **1,407** | **832** | **(329)** | **(1,382)** |

### 19. SUBSEQUENT EVENTS

As of 22 October 2015, TAV Milas Bodrum started to operate Milas-Bodrum Airport's international terminal.