“David was already in the marble, I simply chipped away the excess...”

Michelangelo

ANNUAL REPORT 2013

GLOBAL INVESTMENT HOLDINGS

One of the greatest architects, artists and sculptors of the Italian Renaissance, Michelangelo gave this answer to those who asked how he sculpted the statue of David:

"David was already in the marble, I simply chipped away the excess ..."

David was, of course, not already in that piece of stone; rather, he was in Michelangelo's imagination. The statue of David was the result of imagination, inspiration, enthusiasm, meticulous and careful work, know-how, strong intuition; in short, he was the stunning success of a masterful sculptor.

CONTENTS

At **Global Investment Holdings**, we have a multi-angle approach to our business; as a result, we see potential that no one else sees. With our visionary perspective, we focus on our business, and discover value in our areas of activity, much like an accomplished sculptor.

Global Investment Holdings Group

The business divisions of the Global Investment Holdings Group, including the principal companies operating in each division, are presented below.

PORT INFRASTRUCTURE
Global Ports Holding
Ege Ports (Kuşadası)
Port Akdeniz (Antalya)
Bodrum Cruise Port
Port of Bar
Creuers del Port de Barcelona

ENERGY
Global Energy
Naturelgaz
Mining Operations
Tres Energy
Şırnak Thermal Power Plant
Other Energy Projects

REAL ESTATE
Pera REIT
Denizli Sümerpark
Van Land Development
Vakıfbank No. VI
Salıpazarı Global Building
Aqua Dolce Resort

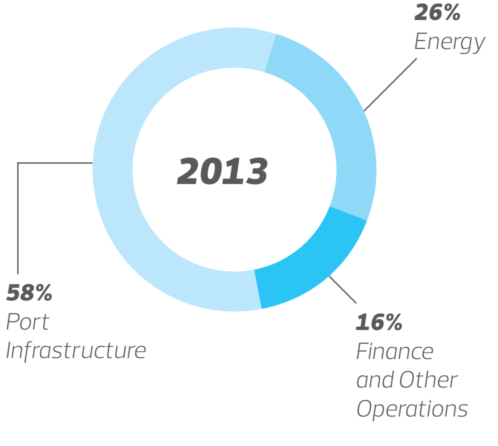
FINANCE
Global Securities
AZ Global

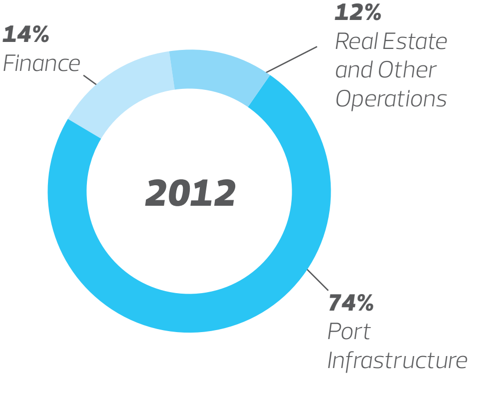
Consolidated Financial Highlights

Global Investment Holdings Group's total assets climbed to TL 1,977.6 million in 2013.

Gross Turnover

The following charts illustrate, a breakdown of the gross turnover of the Global Investment Holdings Group for the fiscal years ended 31 December 2012 and 2013.





Chairman's Message

A year of transformation

The year 2013 marked important partnerships and additional achievements for Global Investment Holdings.

For the first time since 1992, Turkey's long-term foreign currency rating was raised to investment grade by two international credit rating agencies.

Dear Stakeholders,

2013 was a challenging year for both Turkey and the entire world. Even as the most developed countries had started to heal the wounds of the global economic crisis, emerging markets demonstrated below-potential rates of growth.

However, before presenting the numbers, which are results and not underlying reasons, let me briefly attempt to map out what is happening in our part of the world.

We are located right at the crossroads of the world's natural resources. The 'Stans,' Russia and Iraq, the Kurdistan Regional Government (KRG) and other resource rich neighbors sit atop great oil and gas reserves as they try to determine how exactly to raise GDP per capita for their respective populations. Unfortunately, they have been unsuccessful to date and probably will never fully diversify their resource-based economies.

On the other side of the globe is the ever-advancing and developing United States, which aims to become a net exporter of oil and gas, and eventually to trigger a massive shift of production from the Far East/Europe/China back to its home shores. In my opinion, the implications of the US revival through the exploitation of shale gas are profound and warrant close monitoring in the years to come.

Additionally, the technology era is in full swing. Today, each and every one of us is able to follow, comment and criticize real-time events, domestic or global. Yet this technological miracle inflicts us with a diminishing attention span, leaves little room for tolerance and reasoned judgment, and ultimately leads to rifts between individuals, countries or even regions of the world.

Mehmet Kutman
Chairman

As someone who has conducted business for more than two decades in the still-frontier markets of the Stans and Russia, I will make an informed observation. Against such a backdrop, Turkey stands out as a country built on resilient cultural fabric and a tradition of democracy, which in turn significantly raises our level of creativity, entrepreneurship and business savvy.

Turkey, with its strategic location at the world's natural resources crossroads, should build on its strengths.

Although not quite 'there' yet, Turkey is certainly moving in the right direction, and is more fully capitalizing on its geopolitical and entrepreneurial advantages in the region. Education is really the key to overcoming the income gap disparity, and propelling the country forward. This is, however, a long-term goal, which will take at least a decade, or more, to materialize.

For the immediate future, Turkey, with its strategic location at the world's natural resource crossroads, should build on its strengths by:

- Constructing a pipeline from the Leviathan oil field in Israel;
- Constructing a pipeline from Cyprus;
- Starting the flow of oil and gas from KRG to reduce its domestic energy bill;
- Working to resolve the Cyprus issue;
- Amending its constitution and strengthening its democratic legacy; and

- Finally, establishing a non-monetary union with the European Union, as both an end and a means in itself. Turkey's membership in the EU will be greatly enhanced if the country plays its hand correctly as the energy gateway; likewise, EU membership will add considerable momentum to furthering the country's democratic aspirations.

4%

Turkey finished the year with below-average 4% economic growth.

Returning now to the numbers: In 2013, the world economy expanded by 2.4% and the US achieved 1.8% economic growth, which suggested that it was finally beginning to shake off the effects of the financial crisis. The Eurozone economy, too, returned to positive growth in the second half of 2013, following 18 months of prolonged recession.

However, the US Federal Reserve Bank (Fed)'s unexpected announcement in May that it would begin tapering its bond purchase program later in the year had an adverse impact on emerging market countries. In parallel with a drop in capital inflows, interest rates started to rise, stock prices plummeted, and national currencies were devalued by a considerable margin.

Due to these developments, China, the driving force of the global economy, saw its rate of economic expansion drop to the lowest level in 14 years, to 7.7% in 2013. Meanwhile, developing economies as a whole recorded 4.8% growth for the year.

49%

GIH's turnover increased 49% over the prior year.

In parallel with these fluctuations in the world economic environment, the Turkish economy went through a number of ups and downs.

Turkey expanded by 2.9% in the first quarter, and by a higher-than-anticipated 4.4% in the second, when the country's sovereign credit rating was upgraded. As such, for the first time since 1992, Turkey's long-term foreign currency rating was raised to investment grade by two international credit rating agencies. However, the economy soon changed direction due to the Fed's policy reversal as well as domestic political unrest. As a result, the country's unemployment rate, which had showed a downtrend in the post-crisis era, started to rise once again. While the current account deficit increased by USD 12 billion over the previous year, foreign capital inflow into Turkey fell from USD 38 billion to USD 17 billion, leading to hikes in the currency exchange rate and in interest rates. The Turkish lira lost nearly 20% of its nominal value in a single year, which in turn brought the 2013 inflation rate up to 7.3%. Consequently, Turkey finished the year with a below-average 4% economic growth.

Global Investment Holdings, on the other hand, demonstrated consistent growth owing to its robust structure, and remained unscathed by the economic turbulence in 2013. The Company's turnover increased 49% over the prior year, climbing to TL 247.3 million, while net profit totaled TL 29.1 million.

In 2013, Global Investment Holdings distributed TL 13,365,000 in gross dividends. This dividend distribution, which previously had to be postponed due to legal restrictions, recommenced after the withdrawal of these restrictions in late 2012, and is expected to continue in coming years to meet investor expectations.

In 2013, Global Investment Holdings distributed TL 13.3 million in gross dividends.

The Company's Share Buyback Program, which was approved at the Ordinary General Assembly dated May 10, 2012, was complete as of November 11, 2013. Under the program, some 20,791,765 shares, with a nominal value of TL 20,791,765 and corresponding to 9.24% of the Company's issued capital, were repurchased for TL 29,985,687.33. As a result, the Company in effect distributed TL 0.1443/share of 'dividend equivalent' to shareholders in addition to the TL 0.05940/share cash dividend paid in 2013.

Although all of the Company's business lines achieved growth during the reporting year, port and energy operations made the biggest contributions to total turnover. In 2013, revenues from port operations, which account for a significant portion of our business, rose 17% over the prior year and totaled TL 143.5 million. Meanwhile, the normalized EBITDA of the ports went up from TL 80.2 million in 2012 to TL 93.9 million in 2013.

Global Ports Holding continued to pursue its investment plan at full speed in 2013. During the year, GPH acquired a 62% stake in Montenegro's Port of Bar via a privatization transaction, in line with the company's overseas growth objective. The EUR 30 million tender is particularly significant as the first ever acquisition by a Turkish company of a majority stake in an overseas port operation.

GIH's wholly owned subsidiary Global Ports Holding did not limit its investments abroad to the Port of Bar. The company also acquired a 43% stake in Creuers del Barcelona, which operates the Port of Barcelona, Europe's biggest cruise port with a capacity of

1.8 million passengers. Creuers del Barcelona is also the majority shareholder in Malaga Cruise Port and a minority shareholder in Singapore Cruise Port.

Currently, Global Ports Holding continues its efforts to become a majority shareholder in Creuers del Barcelona while undertaking additional investments abroad. The company has been selected as the preferred bidder for the build-operate-transfer (BOT) contract of Lisbon Cruise Terminal, as part of a consortium comprising Royal Caribbean Cruises Ltd., Creuers del Port de Barcelona, S.A. and Grupo Sousa - Investimentos SGPS, LDA. The contract is for the construction and operation of a landmark cruise terminal on a public-service concession basis at the Lisbon Cruise Terminal for a period of 35 years. The concession agreement is expected to be signed upon securing the necessary permissions.

75%

Global Energy entered the mining business by acquiring a 75% stake in Straton Maden in 2013.

In 2013, the revenues of our energy business amounted to TL 63.3 million, while the segment's EBITDA jumped from TL 3.1 million to TL 53.1 million thanks to goodwill gains from acquisitions made during the year.

Naturelgaz has generated significant added value for the sector by transporting natural gas to new areas of use. The company boasts the highest capacity network, the most extensive CNG transport and distribution fleet and the largest CNG storage infrastructure in Turkey. As a result, Naturelgaz continues to grow and expand its station network in line with the goal of becoming the leading player not only in Turkey but also in the region.

In 2013, Naturelgaz increased the number of its stations to 11 and plans to bring this figure up to 15 by year-end 2014. In early May 2014, the company also inaugurated the Black Sea Rize Refueling Station, the largest capacity CNG station in the world.

Additionally, Global Energy entered the mining business by acquiring a 75% stake in Straton Maden in 2013. At this newly acquired concern, the company aims to produce higher quality feldspar in a more efficient fashion, without polluting the environment. Global Energy's investment in mining know-how and advanced extraction technologies is expected to make a significant contribution to the national economy in terms of both production and employment opportunities.

Turkey accounts for 24% of the world's total feldspar production of 20.7 million tons and is thus the global market leader. Straton Maden ranks among the five biggest mining companies in the sector, and annually produces 250,000 tons of feldspar, 80% of which is exported.

Finally, Tres Energy, established in late 2012, has expanded its client portfolio. This power solutions company builds micro generation facilities for industrial and commercial customers. With current backlog of 17MW, we expect the company will reach 70MW in contracts by end-2015.

Global Ports Holding continued to pursue its investment plan at full speed in 2013.

In 2013, Global Investment Holdings showed a strong performance in real estate, too. Pera Real Estate Investment Trust's Sümerpark Apartments development project has radically altered the cityscape of Denizli with new housing units and shopping mall, hotel, school and hospital; in addition, the company has signed a 15-year lease agreement with Turkey's prestigious educational company, Final Okulları.

The school facility is planned to serve around one thousand students with 74 classrooms, a library, gymnasium, swimming pool, conference and meeting halls all covering about 11,450 m^2; it is scheduled to open in the 2014-15 academic year.

Despite the economic volatility in 2013, Global Securities maintained its pioneering and innovative market position thanks to the company's robust capital structure and valuable human capital. During the period, the company forged important new partnerships and racked up additional achievements in line with the Global Investment Holdings' overall strategy and objectives.

In 2013, AZ Global Asset Management's funds enjoyed a very high sales drive and ranked as the Turkey's second largest independent asset manager while Global Securities entered into a strategic partnership agreement with the Portugal-based investment bank Espirito Santo.

I would like to extend my gratitude to our stakeholders and the whole Global family for their great contributions in helping us reach our current position.

Mehmet Kutman
Chairman

The Global Investment Holdings Group in Summary

We achieve our goals

Along with providing general strategic and risk management guidance, the Global Investment Holdings also determines the overall corporate and financial strategies under which the groups business units operate independently.

70%

EBITDA margin of port assets in 2013.

Global Investment Holdings became the leading independent brokerage and investment banking firm in Turkey soon after its establishment in 1990. The Company has played a vital role in the development of Turkish capital markets by paving the way for many of the country's leading businesses to meet international businesses for the first time. The Company transformed into an investment portfolio company in late 2004 drawing on its appetite for growing investments and its extensive investment banking experience. With interests in a variety of budding business sectors and traditional non-bank financial service providers, Global Investment Holdings has evolved into a dynamic investment vehicle.

Global Investment Holdings is trading on the Borsa Istanbul under the ticker symbol GLYHO.IS.

At this time, the Global Investment Holdings Group operates in four key business areas:

Port Infrastructure: the operation of cruise ship and commercial seaports;
Energy: Compressed natural gas sales and distribution, energy efficiency, renewable power generation, and mining; and large scale power generation;
Real Estate: development and operation of commercial real estate projects;
Finance: non-banking financial services, including brokerage, advisory, and asset management.

Port Infrastructure involves cruise and commercial port investments under the umbrella of Global Ports Holding. Strong market demand and excellent access to inland areas put Global Ports Holding in a unique place to operate its portfolio of five strategically located cruise and commercial ports in Turkey and Europe. Global Ports Holding actively seeks opportunities to expand its Turkish portfolio and aims to acquire new ports in the Mediterranean, as well as in other regions with the strategic objective of becoming an international port operator.

Global Energy sells and distributes compressed natural gas in Turkey through its subsidiary Naturelgaz and further concentrates on the development of micro and large scale thermal, solar and gas fired power generation projects. The rapidly growing energy efficiency and mining sectors are also of interest to the Group.

In Real Estate, the development and operation of commercial real estate projects are the main activities of the Group.

Financial sector investments comprise brokerage, financial advisory and asset management. The expertise and product portfolio of strategic partners contribute to the customer base and reputation of the Group.

The Global Investment Holdings Group in Summary

Investing in the future

Global Investment Holdings has effectively recognized investment opportunities in the rapidly growing sectors in Turkey's economy, following its transformation in late 2004. The Group focuses on sectors with future growth potential and businesses in their initial stages. The Company has a competitive edge in identifying investment targets as well as in risk assessment for new ventures due to its considerable investment experience and secure relationships with international businesses. The Company successfully pioneered many of its investments owing to the responsive structure and culture of the Group as well as its well established assessment process.

11

CNG stations in 2013.

An investment portfolio unlike any other traditional holding company.

The Group is differentiated from other "core business oriented" conglomerates and holding companies in that it does not have any specific geographic or sector bound limits. It has expanded its portfolio along this line and has a proven track record of successful exits.

The approach of the Company is to maximize shareholder value and returns by establishing a diversified portfolio of investments in sectors with high growth and return potential; where, due to the nature of barriers of entry, whether geographic, technical, "first mover," or similar, they will provide a sustainable competitive advantage. The potential for future growth and an attractive rate of return are the prioritized key parameters for prospective business opportunities; this allows the Company to maximize profitability in certain investments of only short-term relevance to the current investment portfolio.

The Company views timely exits as an integral element in maximizing shareholder value. The timing of the exit is determined according to continuous monitoring of its investment portfolio to realize its equity investment in whole or in part.

Immediately responding to a continuously changing business environment and achieving operational efficiency are the keystones of the management approach.

The Group implements best corporate practices by facilitating decision making at all levels and fosters an independent and lean organizational structure both at the operational and group level. This lean structure enables senior management to closely monitor and briskly respond both to the operational performance across the Group and the continuously changing business environment.

Under the general strategic and risk management guidance as well as the overall corporate and financial strategies of the Global Investment Holdings Group, business units and operating subsidiaries are run principally on an independent basis. There are professional management teams in place made up of skilled executives with precise qualifications to assess sector specific dynamics and challenges across all operations within the Group.

47%

Rise in total assets in 2013.

Share buyback program

On March 03, 2014, the Board of Directors of Global Investment Holdings determined that the "Share Repurchase Program (2012)" was completed as of November 11, 2013 and the 18-month repurchase period has expired. In line with the Share Repurchase Program (2012), 20,791,765 shares, representing 9.24% of Company's share capital was repurchased. As such, Global Investment Holdings distributed TL0.1443/share of dividend equivalent' to its investors in addition to TL0.05940/share cash dividend paid in 2013.

The Board further decided to cancel the repurchased shares by means of a capital decrease and thus reduce the Company's share capital by TL20,791,765 to TL204,211,922.45; subject to the approval of the General Assembly to be held on 1 July 2014.

High growth potential

Global Investment Holdings Group posted turnover of TL 247.4 million, and gross operating profit of TL 129.3 million in 2013.

Consolidated Balance Sheet (TL million)

	2013	2012
Current Assets	386.4	259.2
Non-Current Assets	1,591.2	1,047.7
Total Assets	1,977.6	1,339.9
Short-Term Liabilities	423.3	305.4
Long-Term Liabilities	828.4	291.1
Total Shareholders' Equity	725.9	737.3
Total Liabilities and Shareholders' Equity	1,977.6	1,339.9

Consolidated Income Statement (TL million)

	2013	2012
Turnover	247.4	166.4
Gross Profit	95.7	75.9
EBITDA	190.0	208.3
Profit/(Loss) Before Tax	29.7	104.7
Net Profit/ (Loss)	29.1	108.7

Board of Directors

Mehmet Kutman/Chairman
Mr. Kutman, a founding shareholder, is the Chairman and Chief Executive Officer of the Company. As well as being actively involved in business development at the Company level, Mr. Kutman serves on the Boards of Directors of several of Global Investment Holdings' operating subsidiaries and affiliates.

Mr. Kutman also serves on the Board of Directors of other non-group Borsa Istanbul-listed companies. He is a member of TÜSİAD (the Turkish Industrialists' and Businessmen's Association) and DEİK (the Foreign Economic Relations Board).

Prior to founding the precursor to the Company in 1990, Mr. Kutman held an executive position at Net Holding A.Ş., a Turkish group with investments in the tourism and real estate sectors, from 1989 to 1990. Between 1984 and 1989, he resided in the United States, where he served as Vice President at North Carolina National Bank, Sexton Roses Inc. and Philip Bush & Associates. Mr. Kutman holds a BA (Hons.) from Boğaziçi University and an MBA from the University of Texas.

Erol Göker/Vice Chairman
Mr. Göker is a founding shareholder of the Company, and has served as Chairman of the Group's finance division since its formation. In addition to his representation on the Board of Directors of various Group companies, Mr. Göker holds memberships on several committees of the Borsa Istanbul and is a member of TÜSİAD.

Prior to founding the precursor to the Company in 1990, Mr. Göker was Head of the Capital Markets Department at Net Holding A.Ş. Before joining Net Holding A.Ş., he served four years at the Capital Markets Board and four years at the Ministry of Finance in the Tax Auditing Department. Mr. Göker holds a BA in Political Science and an MA in Economics, both from Ankara University.

Ayşegül Bensel/Non Executive Board Member
Mrs. Bensel joined the Board in 1999 and serves on the Boards of various subsidiaries.

Mrs. Bensel served as the Chairman and after 2005 also as the CEO of Global Life Insurance until the Group exited the company in March 2007. Previously, Mrs. Bensel was Co-Director of Research at Global Securities between 1998 and 1999, and Assistant Director of Research from 1993 to 1998. Prior to joining the Group as an equity research analyst in 1991, Mrs. Bensel was a foreign exchange dealing manager in the Turkish banking sector. Mrs. Bensel holds a BA in Business Administration and Finance from Hacettepe University, Ankara.

Serdar Kırmaz/Board Member
Mr. Kırmaz joined the Board in 2010 and has also served on the Boards of various subsidiaries since then.

Mr. Kırmaz served as the CFO and on the Boards of various subsidiaries of Doğan Group from 2007 to 2010, of Global Investments Holdings from 2005 to 2007, and of STFA Group between 1999 and 2005. From 1997 to 1999, he assumed advisory positions at various Turkish groups prior to which he was a Partner at PricewaterhouseCoopers ("PWC") which he joined in 1988. Mr. Kırmaz holds a BA in Business Administration from Middle East Technical University, Ankara.

Adnan Nas/Non Executive Board Member
Mr. Nas joined the Board in 2011 and has served on the Boards of various subsidiaries since then.

Prior to joining Global Investment Holdings, Mr. Nas was the Chairman of PricewaterhouseCoopers ("PWC") tax practice for many years where he was the founding Partner in 1995. Before joining PWC, Mr. Nas held various senior executive and board member positions in the private sector after leaving the Ministry of Finance where he started his career and served many years as the Chief Inspector of Finance and the Deputy President of the Board of Inspection.

Mr. Nas is the Deputy Chairman of the Foreign Investors Association (YASED), a member of TÜSİAD's International Executive Board (Turkish Industrialists' and Businessmen's Association), former Chairman of Am-Cham Turkey, an executive member of the Tax Council at the Ministry of Finance, Vice-President of the Association of Financial Executives (Finance Club), and member of the Turkish-American Business Council at DEİK (Foreign Economic Relations Board). He is also a board member of Galatasaray Sports Club.

Mr. Nas has also published many studies and academic articles. He holds a BA in Political Sciences from Ankara University and a BA in Law from Istanbul University.

Jérôme Bayle/Independent Board Member
Mr. Bayle has served as an independent Board member at Global Investment Holdings since 2009

Mr. Bayle is the former Managing Director of Tetra Pak Makina Ticaret ve Servis A.Ş. (Turkey), having held various positions at the company from 1974-2005. Since his retirement from Tetra Pak, Mr. Bayle has established Magnetic North, a management consulting firm that provides mentoring and consulting services to large multinational companies in the greater Middle East region, with a particular emphasis on human resources and organizational processes and development. Mr. Bayle, who holds a Master's Degree in Business and Finance from France's Dauphine Université (Paris IX Université), has received numerous awards during his professional career, and has been recognized for his contribution to business and social organizations.

Oğuz Satıcı/Independent Board Member
Mr. Satıcı has been an independent Board member since 2012.

Mr. Satıcı started his career in his family business in the textile sector which he successfully expanded. Mr. Satıcı was notably the youngest person to be elected as an Assembly Member of the Istanbul Chamber of the Commerce (İTO) in 1990 and served as a board member of the Economic Development Foundation (İKV) between 1996 and 1998 and as the Chairman of the Istanbul Textile and Raw Materials Exporters' Association between 1999 and 2001. He was the Chairman of the Turkish Exporters Assembly (TİM) for three consecutive terms between 2001 and 2008 during which period his significant contribution to the more than 500% increase in export volume of Turkey is well acknowledged by the Turkish political and business community. Mr. Satıcı also served as a board member of the Coordination Committee for Improvement of the Investment Environment of Turkey (YOİKK) between 2001 and 2008 and of the Investment Advisory Council of Turkey (YDK) from 2004 to 2009.

Mr. Satıcı is currently also a board member of Turkish Eximbank and holds a BA in Business Administration from Washington International University.

A sculpture begins with imagination.
You sail away from a harbor out to the open sea. Sailing on the route of your dreams you see things differently. Your imagination transports you to a very special harbor, in your mind.

Global Ports Holding continues to move along the route towards its targets, by adding new cruise and commercial ports to the company's portfolio.

Added two new ports to our portfolio

Global Ports Holding (GPH) generated gross throughput of 217,384 TEU, and 1.73 million tons of general and bulk cargo in commercial operations.

27,195,583 gross register tonnage (GRT) in cruise operations
In addition to keeping countries' goods on the move, ports also help keep countries' economies on the move. Ports make a significant contribution to local and regional economies, by developing commerce and industry and creating employment opportunities. Port regions seem always to be at an advantage when compared to those regions which are not situated by the sea or on rivers.

Established in 2004, Global Investment Holdings' ports infrastructure business is active in the development and operation of marine terminals and other maritime-related facilities through its subsidiary Global Ports Holding ("GPH"). GPH specializes in commercial port operations, concentrating on container, bulk and general cargo handling, as well as cruise operations serving cruise liners, ferries, yachts and mega-yachts.

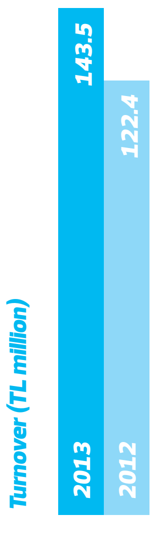
Global Investment Holdings' port investments include a 72.5% share in Ege Ports; a 60% share in Bodrum Cruise Port; a 100% share in Port Akdeniz – The Port of Antalya; a 62.1% share in Port of Bar, Montenegro; and a 43% share in Creuers del Port de Barcelona, Spain which operates the Port of Barcelona. Creuers is also the majority shareholder of the Malaga Cruise Port and a minority shareholder in the Singapore Cruise Port.

GPH's commercial port operations have a gross capacity of approximately 500,000 TEU and a 5 million ton capacity of general and bulk cargo as of year-end 2013. GPH generated gross throughput of 217,384 TEU, 1.73 million tons of general and bulk cargo in commercial operations and served 27,195,583 gross register tonnages (GRT) in cruise operations in 2013. The Group hosted 657 cruise calls, 979 ferry calls, 780,338 cruise passengers and 150,662 ferry passengers during the year.

By concentrating on expanding its operations and increasing its profitability, Global Ports Holding plans to:

- Invest in state of the art facilities and implementing efficient management systems, thereby facilitating rapid export and tourism growth in Turkey and overseas,
- Create a higher level of activity in secondary ports and achieve higher cargo margins,
- Optimize cash generation at current facilities, and
- Pursue commercial and cruise port privatizations and acquisitions in Turkey and the wider region.

In 2013, GPH concentrated its efforts into transferring its experience gained domestically to the international market. It has drawn on its experience gained by the operating of one mixed-use commercial and cruise port on Turkey's Mediterranean coast (Port Akdeniz), and two cruise ports on the country's Aegean coast (Ege Ports and Bodrum Cruise Port). In December 2013, GPH completed the acquisition of 62.1% shares of Port of Bar and the acquisition of 43% of Creuers del Port de Barcelona in joint venture with RCCL.



The Port of Bar will be able to serve the European countries in the vicinity as well as shift some portion of the Turkey-Europe truck traffic through the Port of Bar.

6 million tons

Port of Bar's capacity.

Creuers del Port de Barcelona, Spain:
In November 2013, the company acquired 23% of Creuers del Port de Barcelona S.A. (Creuers) through Barcelona Port Investments (BPI) in partnership with Royal Caribbean Cruises Ltd., one of the world's leading cruise operators. In 2013, BPI acquired an additional 20% of Creuers del Port de Barcelona and increased its stake to 43%. Apart from operating Europe's largest cruise port, the Port of Barcelona with a passenger capacity of 1.8 million, is the majority shareholder of the Malaga Cruise Port and a minority shareholder of the Singapore Cruise Port.

Port of Bar, Montenegro:
On December 30, 2013, GPH completed the acquisition of 62% shares of Port of Bar for a total consideration of EUR 8 million as well as a commitment of EUR 21 million in capital expenditure for asset purchases and efficiency improvements. The port holds a 30-year concession to repair, finance, operate and maintain the general freight and cargo terminal in the city of Bar, Montenegro.

The Port of Bar has a capacity of 1 million containers and 6 million tons of general cargo; however, due to the, underutilization of the railway network and insufficient infrastructure, the port is currently not being used to its full potential. Last year, the Port of Bar had a throughput of 31,000 containers in an area of 520,000 m^2. GPH aims to direct the Serbian traffic back to the port to increase utilization. Also, the Port of Bar will be able to serve the European countries in the vicinity as well as shift some portion of the Turkey-Europe truck traffic through the Port of Bar. Finally, GPH plans to build a cruise pier in the Port as it has a potential to become a new route for the cruise ships.

Marina and tourist ports in Greece:
The Hellenic Republic Assets Development Funds (HRADF) has pre-qualified GPH for the tender of a Greek marina and tourist ports group consisting of Alimos, Nea Epidaurus, Hydra and Poros covering the management, operation and exploitation of the related assets for a period of 40 years.

Lisbon Cruise Terminal:
On January 17, 2014, GPH won the tender for the Build Operate-Transfer (BOT) contract of the Lisbon Cruise Terminal as part of a consortium comprising Royal Caribbean Cruises Ltd; Creuers del Port de Barcelona S.A. and Grupo Sousa Investimentos SGPS LDA. The 35-year contract will include the construction and the operation of a landmark cruise terminal, on a public-service concession basis, at the Lisbon Cruise Terminal. The concession agreement is expected to be signed upon securing the necessary permissions from the Competition Authority. With this new terminal, the Port Authority of Lisbon aims to grow the total number of calls and cruise passengers, as well as increase the turn-around operations with a view to double the current traffic of 550,000 passengers in the medium term. The construction of the new Lisbon Cruise Terminal, estimated to cost about EUR 24 million in total investment, will start in 2014 with expected completion by the end of 2015. With an estimated 1.8 million passengers arriving at the port, the new terminal is expected to support the growth of the turnaround business and make a favorable contribution to regional tourism and economy.

Global Ports Group's objective is to set the benchmark in its provision of services and be recognized by its peers with awards. Cruise Shipping Miami is one of the major sector events; GPH has been successfully representing Turkey for the last 10 years. In 2012, Port Akdeniz - Antalya received "The Most Improved Terminal Facilities" award at Cruise Shipping Miami. GPH is a member of leading groups such as, CLIA (Cruise Lines International Association); ECC (European Cruise Council); and Medcruise Mediterranean Cruise Ports. At Medcruise, GPH acts as an executive board member, representing 70 members and 100

Apart from operating Europe's largest cruise port, the Port of Barcelona with a passenger capacity of 1.8 million, is the majority shareholder of the Malaga Cruise Port and a minority shareholder of the Singapore Cruise Port.

Global Ports Holding

In parallel with Turkey's sovereign national credit ratings, Global Ports Holding's long-term international foreign currency rating was confirmed as BBB-.

BBB-

Credit rating of GPH in 2013.

ports in the Mediterranean. GPH was invited to join the Florida-Caribbean Cruise Association (FCCA) with an aim of developing new strategies and creating a solid networking base, founded on the pioneering work it has done in Turkey.

In correlation to the sovereign national ratings of Turkey, the Company's long-term international foreign currency grade has been confirmed as BBB-. This was based on the company's internal fund generating capacity, balance sheet composition, business structure, group synergy, market penetration, increasing interest of foreign institutions, the organic and inorganic growth potential domestically and internationally, foreign currency revenue generating capacity, the capability to access long term resources and the risks and opportunities offered by the current economic conditions. Moreover, JCR Eurasia Rating has assigned a high investment grade credit rating of 'A- (Trk)' on the long term national scale along with a 'stable' outlook. The level of the shareholders' willingness to provide support to the Company and

its financial strengths has been assessed as (2) in the sponsor support category and the company's ability to manage the risks undertaken within its own capabilities has been assessed as (AB) in the stand-alone category. While the (AB) notation in the stand alone category denotes a "high" level based on JCR Eurasia's notation system and showed that the institution will fulfill its obligations without external support, with the notation of (2) indicating an adequate level of external support.

VEI Capital SpA, an investment company of Italian Group Palladio Finanziaria, acquired 22.1% of the shares of GPH in July 2011. Subsequent to an agreement with VEI in December 2012, GIH acquired 22.1% of GPH from VEI in February 2013. As a result, GIH's share in GPH increased to 100%.

Global Ports Group's objective is to set the benchmark in its provision of services and be recognized by its peers with awards. Cruise Shipping Miami is one of the major sector events; GHP has been successfully representing Turkey for the last 10 years.

Commercial and Cruise Port Markets in Turkey

Modern and well-equipped port

In 2013, 655 ships carrying 780,338 passengers visited the Global Ports, while Turkish ports in total accommodated 1,572 cruise ships, transporting 2.3 million passengers.

The maritime industry is considered to be one of the most promising sectors in Turkey, and there have been significant developments in recent years

Turkey has a large number of modern and well equipped ports along the Marmara, Mediterranean, Aegean and Black Sea coasts. Turkey's geographic location allows it to be connected to the Atlantic Ocean via Gibraltar, the Arabian Peninsula and Indian Ocean via the Suez Canal and the Black Sea, Aegean, Mediterranean and Eurasia via the Turkish Straits. The Turkish port industry has grown rapidly over recent years as a result of privatization and general economic expansion, but it has yet to reach its full potential. All in all, Turkey has 160 ports and piers, with three operated by the Turkish Maritime Administration (TDİ) and two by the Turkish State Railways (TCDD), with the rest being operated by the private sector.

The maritime industry is considered to be one of the most promising sectors in Turkey, and there have been significant developments in recent years. In the last decade, in parallel with developments in the local economy, the Turkish maritime industry has experienced a several-fold increase in its capacity. According to Turkstat, 90% of Turkey's foreign trade volume is conducted via sea transport. This is especially true for the construction sector, where Turkey is a leading exporter of cement and other construction materials. According to the Turkish Cement Manufacturers Association, the Turkish cement industry showed an upward trend at the beginning of 2013 and volumes expanded by 12%. Additionally, the Turkish cement sector holds the first position in Europe and the fifth in the world by production volumes. It also ranked second globally in cement exports in 2013; during the year, despite the civil conflicts that arose in the key cement export market of Africa, Turkish cement exports totaled over 14 million tons, generating over US$ 0.9 billion.

Cruise Ports in Turkey

Turkey is one of the top 10 tourist destinations in the world and is a vast and varied country boasting incredible landscapes and natural wonders bordered by four different seas. The number of foreign tourist arrivals in Turkey has increased from 31.7 million in 2012, to 34.9 million in 2013, marking a 10.1% rise.

The leading cruise ports in the Turkish market are Ege Ports, Istanbul Salıpazarı Port and the Port of Izmir. These ports handled 71.20% of total calls and 81.79% of total passengers in Turkey in 2013, according to Undersecretariat of Maritime Affairs data. Turkey is among the destinations cruise ship tours increasingly favor and there has been a subsequent rise in both international and domestic demand. Cruise tourism has grown by 10% per annum, a trend confirming Turkey's overall rise in tourism. The 887 cruise ships that visited Turkey carried a total of 582,000 passengers, while 1,542 cruise ships transporting 2.3 million passengers docked at Turkish ports.

10%

Increase in cruise tourism per annum.

Port Infrastructure

Ege Ports (Port of Kuşadası)

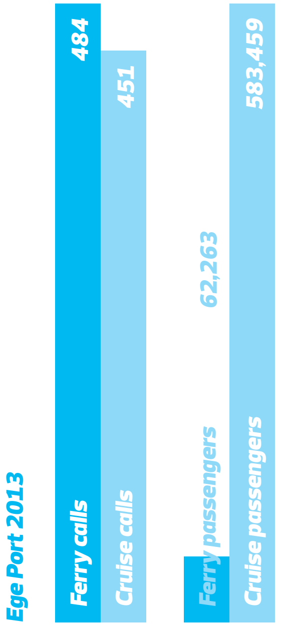
Most visited port

Ege Ports was the first Turkish port operator to be appointed as an Executive Member of the Cruise Lines International Association (CLIA) and the ECC (European Cruise Council).

Ege Ports, which celebrated its 10th year in 2013, is the most visited port of call in Turkey and ranked 16th in the Mediterranean, receiving 583,459 cruise passengers and 62,263 ferry passengers.

The contrast of the lively holiday life with the quiet of ancient ruins creates a very special atmosphere in Kuşadası. Situated on the west coast of Turkey– 90 km south of Izmir, Kuşadası, is one of the most alluring towns of the Aegean, as it is close to the most important historical sites. Owing to its fertile lands and its position as a gateway of trade between east and west, Ephesus which is only 20 minutes away, became one of the most important cities of antiquity and retained its value throughout the centuries. Trade ships and maritime commerce called to port directly into the harbor of Ephesus. The coastline has moved to the west, and now the bustling cruise ship port and beach resort town of Kuşadası is the gateway to Ephesus, which is one of the most visited ancient cities in the whole of the Mediterranean. Furthermore, Kuşadası has a typical Mediterranean climate with hot summers and mild winters, providing a long tourism season. The city is bathed in sunshine for 300 days of the year. Today, it is known as the home of the ultra-modern Ege Ports and its secure facilities. Kuşadası is one of Turkey's most sophisticated holiday centers; a perfect place for vacation with its sandy beaches, glassy water and access to Turkey's most prominent historical sites. According to G. P. Wild International, Ege Ports was the 16th most visited port of call in the Mediterranean, receiving 583,459 cruise passengers and 62,263 ferry passengers in 2013.

Ege Ports, operated by Ege Liman İşletmeleri A.Ş., can berth up to four large vessels, or up to four small and two large vessels. There are two roll-on/roll-off ramps and a quay to service ferry traffic.



The terminal building comprise the Scala Nuova retail complex, a duty-free shopping area, first-aid care facilities, and a passenger and crew center equipped with Internet and other communication facilities. The offices of ship and cruise operators and tour agencies are located within the terminal facility.

Ege Ports was GPH's first acquisition. In 2003, 30-year operating rights for Ege Ports were acquired by a consortium that includes Global Ports Holding with a 72.5% share and Miami-headquartered Royal Caribbean Cruise Lines Ltd., the world's second largest cruise operator, with a 27.5% share. Since its acquisition the Group has made significant investments in Ege Ports which led passenger arrivals to increase by 138% during the period.

Ege Ports generates revenues from cruise port and ferry operations, and duty free shopping, as well as rental income from retail tenants in the Scala Nuova complex.

As a result of the rise in passenger arrivals, combined with the strong performance of its retail business, Ege Ports had net revenues of US$ 16.4 million in 2013, with EBITDA of US$ 12.7 million.

1st

Ege Ports is the most visited port of call in Turkey.

Ege Ports has committed capital expenditure to further enhance the Port's infrastructure.

645.7 thousand

Total passengers visiting Ege Ports in 2013.

Since assuming control of the facility's operations in July 2003, Global Ports Holding has always given special emphasis to maritime and civil security at Ege Ports. In effect, Ege Ports was the first cruise port in Turkey to qualify as compliant with the International Ship and Port Facility Security Code (ISPS Code).

Ege Ports has committed capital expenditure to further enhancing the Port's infrastructure. To this end, the fenders at Ege Ports have been replaced with the Japanese brand Sumitamo, Hom– Hyper Omega type fenders. Its main feature is that the conical Hyper Omega type fender offers improved performance with prolonged deflection up to 70%.

Cruise tourism is becoming one of the hottest trends in tourism world-wide, and this fact has played a key role in the steady rise of cruise passenger traffic at Ege Ports; this alongside the rising popularity of Aegean and Mediterranean cruise destinations, and the introduction of larger cruise vessels that accommodate ever growing passenger numbers. For example, Ege Ports is now regularly hosting the Disney Cruise. The ship added Kuşadası to its 12 days itinerary for the first time. The Disney Cruise Line is focused on providing a family setting where children and adults can have the "Disney" experience.

Since 2007, Ege Ports has received various awards and accolades, including:

- Best Turkish Port of the Year by Skal, the international association of travel and tourism professionals, in 2007;
- First Port in Turkey to be fully compliant with the standards of the International Ship and Port Security, and one of the Best Ports in the World in Security and Safety Services from CLIA, in 2007;
- One of the fastest-growing ports from Lloyd's Cruise International Magazine, in 2007;
- Cruise Terminal of the Year in Lloyd's 2008 Turkish Shipping Awards;
- Ranked among the top 15 in the leading 30 European cruise ports by G. P. Wild International Ltd., in 2010;
- Nominated Best Cruise Port at the World Travel Group's 2010 World Travel Awards.

935

Total calls at Ege Ports in 2013.

	2009	2010	2011	2012	2013
Cruise Passengers (thousand)	568.1	491.7	662.7	564.5	583.5
Ferry Passengers (thousand)	67.3	62.8	62.0	58.9	62.3
Total Passengers (thousand)	636	554	724	623	646
Cruise Calls	616	536	574	487	451
Ferry Calls	714	680	607	484	484
Total Calls	**1,330**	**1,216**	**1,181**	**971**	**935**

PORT AKDENIZ (PORT OF ANTALYA)

Increasing service quality

Port Akdeniz is now a multi-functional facility that covers a total marine area of approximately 136,000 m². GPH acquired 40% of Port Akdeniz in 2006 and subsequently increased its share to 100% in July 2010.

Port Akdeniz is now a multi-functional facility that covers a total marine area of approximately 136,000 m².

Antalya is one of the fastest-growing cities in Turkey, and tourists from around the world are discovering its fabulous mix of great beaches and traditional Turkish culture. Known as the Turkish Riviera, Antalya and surrounding areas are packed with premier summer holiday destination and adrenalin spiked activities. The legendary Turkish baths, the Mediterranean cuisine, the colorful gift shops, the noisy streets and bars packed with euphoric tourists, the historical traces preserved into Hellenistic, Roman, Byzantine or Ottoman edifices and the Antalya festivals all are reasons why over 11 million tourists visited Antalya in 2013.

Ideally situated, Port Akdeniz is now a record breaking, multi-functional facility.

Port Akdeniz is both close to Antalya International Airport and numerous tourist and historic sites. In order to sustain a steady increase in both commercial and cruise operations, GPH has made significant investments in the capacity of the port. Initially operated as a commercial port, Port Akdeniz is now a multi-functional facility that covers a total marine area of approximately 136,000 m². GPH acquired 40% of Port Akdeniz in 2006 and subsequently increased its share to 100% in July 2010.

The Port has 10 berths, which can accommodate bulk, general and container cargo, as well as cruise vessels. Additionally, the Port also houses a marina with a 250 berth and a 150 yacht dry-dock capacity. In order to serve companies in the cement, clinker, coal, aluminum, marble, mining, chemicals and agricultural sectors, Port Akdeniz aims to expand its existing dry bulk-general cargo handling and container handling capacities as a commercial port. Since 2009, Port Akdeniz's container cargo volume has increased by a CAGR of 38.3%.

2013 was a year of records for Port Akdeniz. In January, the Port broke a record by doubling its cargo traffic and increased its cruise passenger traffic 10 times within the last five years. Handling over 22,000 TEU in May 2013, Port Akdeniz recorded the highest monthly container volume on record. Furthermore, the Port handled 217,384 TEU of container volume during 2013, breaking yet another record in its history. In 2013, Port Akdeniz posted total revenues of US$ 56.5 million, marking a 22% rise over the prior year.

217,384

Port Akdeniz handled 217,384 TEU of container volume.

Port Akdeniz named as the "Most Improved Terminal Facility"

In 2010, "Dream World Cruise Destinations Magazine" following its survey of key executives in the cruise sector among hundreds of ports and destinations in 15 separate categories awarded the prestigious "Most Improved Terminal Facilities" award to Port Akdeniz in March 2011, confirming the achievements of both port operations and management.

Seatrade Insider Cruise Awards is one of the prestigious annual awards in the cruise sector. As the only Turkish nomination that was considered by leading industry experts, Port of Akdeniz managed to get to the finals of the World Segment for the "Port of the Year" Category in 2011 due to its increasing service quality and its overall success.

Port Akdeniz (The Port of Antalya)

2013 was a year of records for Port Akdeniz. In January, the Port broke a record by doubling its cargo traffic and increasing its cruise passenger traffic 10 times within the last five years.

To improve the marketability of Antalya's farmers and exporters, Global Ports Holding pioneered the opening of the first direct marine lines connecting the Port of Antalya to Russia for the transportation of fresh fruit and vegetables in 2012.

Port Akdeniz makes it mark both in wireless technology and fresh produce exports.

New technology provides highly efficient coordination and handling of vessels, as well as movement of containers at Port Akdeniz. It uses Wi-Fi network access point technology in day-to-day port operations. The state of the art network enables real-time access between Port operators and to the main operations software at the operations center, which leads to a significant improvement in ROI. Real-time communication eliminates paperwork by allowing all task information to be communicated through wireless devices allowing an improvement of services to customers and for the Port to meet its turnaround targets.

To improve the marketability of Antalya's farmers and exporters the Company pioneered the opening of the first direct marine lines connecting the Port of Antalya to Russia for the transport of fresh fruit and vegetables in 2012. Transported in custom designed vehicles, the trucking required is thereby decreased, providing savings in fuel costs and emission levels impacting the environment positively.

Port Akdeniz 2009-2013

Total Volumes	2009	2010	2011	2012	2013
General Cargo (thousand tons)	1,603	1,544	1,243	1,340	1,111
Dry Bulk (thousand tons)	1,237	1,574	1,116	1,089	617
Container (thousand TEU)	63	125	169	186	217
Cruise Calls	25	61	77	60	70
Cruise Passengers (thousand)	13	138	139	159	168


www.aida.de

Bodrum Cruise Port

Most preferred port

Bodrum Cruise Port can accommodate two large-sized or four smaller cruise ships in a total area of 22,000 m^2.

BODRUM
CRUISE PORT

St. Peter's Castle, dominating the entire bay of Bodrum greets cruise ship passengers arriving at the chic resort town. Bodrum is an increasingly popular, yet relatively unknown destination and has many attractions to offer. Beyond the port is the Mausoleum of Halicarnassus, one of the seven wonders of the ancient world located on Turkey's shores. In recent times, Bodrum has become not only famous as the birthplace of Herodotus, the father of historical recording, but is also renowned today as the epicenter of Turkey's nightlife. International artists perform in Bodrum's evocative settings, giving concerts in its castles, amphitheater and Byzantine sites. Since 2008, when it began to operate as a privatized port, Bodrum Cruise Port has serviced traffic from cruise liners, ferries and mega-yachts both around the Bodrum peninsula and between Turkey and the Greek island of Kos.

Bodrum Cruise Port can accommodate two large-sized or four smaller cruise ships in a total area of 22,000 m^2. In particular, super and mega-yachts find a popular shelter at Bodrum Cruise Port. In addition to quays that harbor small boats, the Port also houses three roll-on/roll-off ramps for motorboats. The terminal building houses a duty-free shopping area, bank, foreign exchange office, travel agency, car rental office, restaurants and a lounge. In order to increase the length of the finger pier from 240 meters to 350 meters, enabling larger ships calling at the Port, an extension was completed. During 2013, the Port received 136 cruise ship and 495 motorboat calls with 29,085 and 88,399 passengers, respectively, generating total revenues of US$ 2.5 million for the year.

Bodrum Cruise Port was originally tendered by the State Railways, Ports and Airports Construction Administration in September 2003 through a 13 year build-operate-transfer (BOT) agreement. In April 2007, GPH acquired a 60% stake in the Port's operator. The other shareholders of Bodrum Cruise Port are Setur Turistik Servis A.Ş., a duty-free operator owned by the Koç Group of Turkey, and Yüksel Çağlar, a local entrepreneur, with shares of 10% and 30%, respectively. Bodrum Cruise Port has committed capital expenditure to further enhance Bodrum's appeal to both local tourists and cruise passengers. Bodrum Cruise Port has completed the installation of additional marine structures, including trim anchors for hydrofoils and mega-yachts. Two mooring dolphins have also been constructed to enable larger cruise vessels to call at Bodrum Cruise Port. Hence, since 2008 Bodrum Cruise Port has become the preferred port for super and mega-yachts, providing fresh water, power, duty-free fuel and provisions to yachting patrons.

60%

GPH acquired a 60% stake in the Port's operator.

Bodrum Cruise Port has completed the installation of additional marine structures, including trim anchors for hydrofoils and mega-yachts.

Bodrum Cruise Port has hosted a series of cultural events to attract both local and foreign tourists to its facilities and promote Bodrum as a desirable tourism destination. It also promotes sports tourism by sponsoring the Bodrum Global Run. Runners were welcomed to use its 15km racetrack on April 27, 2014.

In order to encourage Turkish tourism, Bodrum Cruise Port continues to bring innovations to the market. Accordingly, the World Travel Awards 2011 recognized Bodrum Cruise Port's excellence in the cruise tourism sector with a nomination in the "Europe's Leading Cruise Destination" category. Since acquisition by GPH, it has participated in international cruise events and leading tourism fairs. Bodrum Cruise Port has hosted a series of cultural events to attract both local and foreign tourists to its facilities and promote Bodrum as a desirable tourism destination. It also promotes sports tourism by sponsoring the Bodrum Global Run. Runners were welcomed to use its 15km racetrack on April 27, 2014. The race started and finished at Bodrum Cruise Port. GPH endeavors to make this run into an annual tradition in the years to come and also introduce it to other ports in Turkey and abroad.

Bodrum Global Run

The race center was at the Bodrum Cruise Port located about a mile away from the Bodrum town center. Some 933 runners joined the race in 2013, and all revenue was donated to the Community Volunteers Foundation (TOG).

Bodrum Cruise Port 2009-2013

	2009	2010	2011	2012	2013
Ferry Passengers (thousand)	4.8	67.9	73.1	87.7	88.4
Cruise Passengers (thousand)	37.7	31.6	45.9	53.4	29.1
Total Passengers (thousand)	42.5	99.6	119.0	141.1	117.5
Cruise Calls	92	98	86	132	136
Ferry Calls	26	363	641	684	495
Total Calls	118	461	727	816	631


mazda


722


Global Ports, Global Run
27 Nisan 2014 Bodrum
GLOBAL


NİLÜFER
BELEDİYESİ
99


Global Ports, Global Ru
Bodrum
2
1
3
Global Run


27 Nisan 2014
"Bodrum Hatırası"
Herkes Bodrum'a Koşuyor!
#GlobalRun

Creuers Del Port De Barcelona

The largest cruise port operator in Mediterranean

Barcelona has received several awards due to its efficient turnarounds, improved terminal facilities and overall destination experience.

Barcelona is today one of the world's leading tourist, economic, trade fair, exhibitions and cultural-sports centers. Its influence in commerce, education, entertainment, media, fashion, science, and the arts all contribute to its status as one of the world's major global cities. Barcelona is a major cultural and economic center in southwestern Europe and a financial center. The Port of Barcelona has a 2000-year history and great contemporary commercial importance.

GPH, a 100% subsidiary of Global Investment Holdings, initially acquired 23% of Creuers del Port de Barcelona, S.A. (Creuers) through Barcelona Port Investments in partnership with Royal Caribbean Cruises Ltd., one the world's leading cruise operators. In December 2013, BPI acquired an additional 20% of Creuers del Port de Barcelona, thus increased its stake to 43%. Creuers is the leading international cruise terminal operator in Europe and offers the international expertise and connection network with the key cruise line players.

Creuers del Port de Barcelona S.A. was founded in 1999 to operate five public cruise vessel terminals at the Port of Barcelona. Since then it has accumulated a high level of knowledge of the industry and has, with highly trained professionals and companies, developed and increased cruise passenger traffic from 562,397 in the year 2000 to become the largest cruise port operator in Europe with 2,408,000 passengers in 2013. It is also the majority shareholder of the Malaga Cruise Port and a minority shareholder of the Singapore Cruise Port.

In 2008, Creuers del Port de Barcelona created Cruceros Málaga S.A. to operate the two mega cruise ship terminals at the Port of Málaga. Passenger traffic reached 651,000 in 2013. In 2011, a joint venture Company - Sats-Creuers Cruise Services – was awarded by the Singapore Tourism Board the operation of the new Cruise Terminal Marina Bay Cruise Center, in Singapore. With a total investment of over EUR 350 million, the new Iconic Terminal can now accommodate two home port mega ships. It was inaugurated in May 2012.

Barcelona's achievements awarded, setting standards for the industry

Barcelona has received several awards due to its efficient turnaround, improved terminal facilities and overall destination experience. The management and operations of the Barcelona Cruise Terminals have become well known in the Cruise industry as a benchmark. The prestigious magazine "Dream World Cruise Destinations" during the annual industry fair in Miami awarded several prizes to Creuers in recognition of its experience and achievements.

Barcelona sets new benchmark in security, facilities and the environment

The operating needs of its clients is the driving force behind the management of the Port. Highly-trained personnel with maximum security in all operating procedures of ships as well as collaboration among the authorities and security forces are some of the factors that make the Port safe and reliable. Creuers is one of the leaders in security and specific logistics for cruise traffic. The Port follows strict guidelines to guarantee all cruise needs in terms of safety and security. The implementation of the ISPS Code to SOLAS is one of the Port's strengths. The Port has successfully exceeded the inspection of the new European Union Regulation (CE) 125/2004, which essentially states that European ports have to apply measures which were mere recommendations of the ISPS code, thus increasing the required level of security.

Creuers del Port de Barcelona–Passenger Figures

	2010	2011	2012	2013
Homeport passengers	1,020,552	1,135,768	1,113,835	1,153,557
Transit passengers	758,972	802,341	689,508	735,346
Total passengers	1,779,524	1,938,109	1,803,343	1,888,903

Creuers del Port de Barcelona–Financial Figures

(000 EUR)	2010	2011	2012	2013
Revenue	17,995	20,642	19,600	20,998
EBITDA	11,632	12,123	11,593	13,922

Port of Bar

Regaining the trade links

This acquisition is both the first investment of GPH abroad as well as the first ever purchase of a controlling stake in an overseas port operation by a Turkish company.

62%

GPH acquired a 62% stake in the Port of Bar.

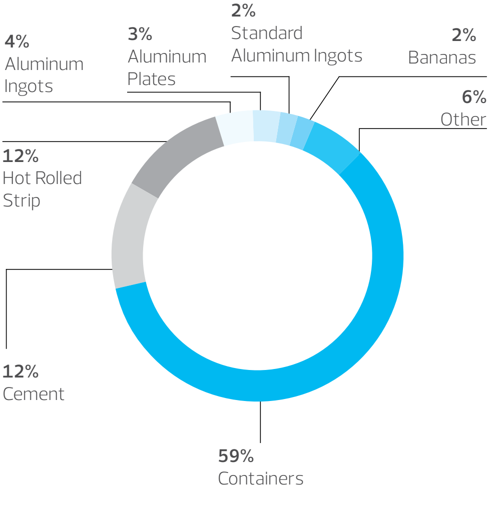
Besides being Montenegro's main seaport, Bar and its surroundings is also a major tourist destination. Today, Bar is a modern city, built almost entirely after World War II, with modern buildings and wide boulevards.

In December 2013, GPH brought 62% of the Port of Bar into its portfolio for a total cost of EUR 8 million as well as a commitment of EUR 21 million in capital expenditure for asset purchases and efficiency improvements. The acquisition is the first investment of GPH abroad as well as the first ever Turkish acquisition of a controlling stake in an overseas port operation. GPH has, through privatization, acquired the unlisted 62% share of the Port of Bar.

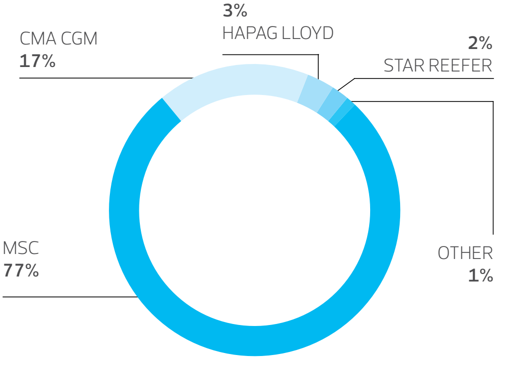
GPH has been awarded a concession agreement for 30 years to repair, finance, operate and maintain the general freight and cargo terminal in the city of Bar, as the winner of the tender held jointly by the Montenegro Ministry of Transport and Maritime Affairs and the Montenegro Port Authority.

The Port of Bar has a current maximum capacity of 1 million TEUs container and 6 million tons of general cargo; however, due to the lack of a proper highway, the underutilization of the railway network and insufficient infrastructure, the Port is currently not being used to its full potential. It used to be the main port of the former Federal Republic of Yugoslavia, and GPH's initial plan is to regain the trade links with Serbia, Kosovo, Albania, Macedonia and Bulgaria. GPH endeavors to attain the successes of the past and promote growth in the region.

Total Cargo Turnover 2013



Container Line Distribution



Giving form to stone requires energy.
You work night and day to create your art.
In order to achieve the shape in the stone,
you unleash a creative power.

Continuing to make investments in line with the country's increasing energy demand, **Global Energy** helps Turkey become stronger.

Global Energy

Investing in mid-to large-size power generation facilities.

While continuing its investments in natural gas and power generation, Global Energy makes further investments in the mining, energy efficiency, and renewable energy sectors.

Global Energy, a wholly owned subsidiary of Global Investment Holdings, was founded to create a robust platform for the energy sector investments of the Group.

Global Energy follows three key strategies in the energy sector:

- Investing in mid-to large-size power generation facilities.
- Providing energy solutions to small-to mid-size enterprises.
- Expanding investments in mining into further industrial minerals and metals.

Global Energy owns 80% of Naturelgaz, which is involved in the sale and distribution of compressed natural gas (CNG). Apart from expanding the scope of its energy operations with combined heat and power facilities (co-generation) and other renewable energy projects including solar, the mining of feldspar is another field where Global Energy has made investments and entered into the natural resources sector. Global Energy is also continuing the development of a thermal power generation plant, in southeastern Turkey.

80%

Global Energy owns 80% of Naturelgaz

Turkish industrial and commercial enterprises are the main customers of Naturelgaz. It is currently the leader in the Turkish CNG market, and by concentrating on its rapidly growing workforce, customer base and sales volumes, it plans to maintain its dominance ahead of potential competitors entering the market.

Naturelgaz also provides equipment and installation services tailored to its customers' requirements in addition to the sale and distribution of compressed natural gas (CNG). Naturelgaz targets to play a more important role in the wholesale CNG market and also expand its current CNG business into the transportation sector. Along with CNG conversion centers for trucks and buses, the Company plans to rapidly widen its existing station network. To these ends, Naturelgaz is currently building a nationwide station network and conducting the conversion of standard engines into CNG-powered vehicles.

Accordingly, the strategy of Naturelgaz is:

- To bring compressed natural gas to those industrial and commercial enterprises which are not currently served by the Turkish natural gas pipeline network,
- To bring a cost savings of 35% by converting and supplying CNG fuel to Turkey's nearly 1 million heavy duty diesel vehicle and bus fleet.

1 million

Naturelgaz's strategy is to bring a cost savings of 35% by converting and supplying CNG fuel to Turkey's nearly 1 million heavy duty diesel vehicle and bus fleet.

Global Energy

Global Energy has started to prioritize power generation and energy efficiency projects that benefit the industrial and commercial sectors.

75%

Global Energy also moved into the mining industry with the acquisition of a 75% stake in Straton Maden.

Small-to mid-size enterprises (SMEs) constitute a significant contributor to Turkey's economic growth. Even though SMEs make up the fastest-growing and most active group in Turkey, for various reasons, until recently, they, did not have access to reliable competitive energy solutions.

In accordance with its investment strategy, besides carrying on small-scale renewable energy projects, Global Energy has started to prioritize power generation and energy efficiency projects that benefit the industrial and commercial sectors. Global Energy's subsidiary Tres Energy is building and operating combined heat and power (cogeneration) facilities customized according to customer's requirements. Tres Energy not only undertakes and finances all capital expenditures but also offers significant savings to enterprise's energy costs on a long-term basis. In the next period, Global Energy plans to further focus on SMEs to expand its energy generation and service solutions.

Global Energy also moved into the mining industry with the acquisition of a 75% stake in Straton Maden. Straton Maden has substantial feldspar reserves, logistical mining operations and commercial teams based in the West Aegean region of Turkey. Straton Maden is one of the largest exporters of feldspar in the country and has initiated an investment campaign within 2013 to further increase production volumes as well as product quality through the establishment of new facilities. Once these are completed in 2014, Straton Maden will not only diversify its product range but export products to a wider range of sectors around the globe, also reinforcing its presence in the mining sector in Turkey.

Global Energy entered Turkey's mining sector through the acquisition of a 75% stake in Straton Maden in 2013.

The building of power plants that will increase national electricity generation based on local resources is one of the keystones of Global Energy's investment approach. The company plans to start construction of the Şırnak Thermal Power Plant in 2014. The Şırnak Thermal Power Plant will have an installed capacity of 2 x 135 MW, and is scheduled for completion in 30 months; it will generate on average 2.0 billion kWh of electricity per annum.

By using the region's rich asphaltite reserves, the Şırnak Thermal Power Plant will supply power to the energy-intensive industries in the area. It will thereby be an important model: a project generating energy from domestic fuel resources. The company's vast asphaltite mine has a capacity much more than the fuel requirements for the 2 x 135 MW power plants. The project stands out as a key generation facility in Southeast Turkey, and is also one of the major private sector investments in the region. When operational, the power plant will facilitate the export of electricity to Iraq and Syria.

Naturelgaz

Establishing a nationwide network

The sales volume of Naturelgaz reached 37.7 million m^3 in 2013, resulting in a compounded average annual growth rate of 63.1% since 2005.

Naturelgaz, a company established in 2004, is the market leader in the sale and distribution of compressed natural gas (CNG) in Turkey.

Global Energy acquired a 25% stake in Naturelgaz in 2011 and subsequently increased its share to 80% in 2013. The remaining 20% stake is owned by Aksel Goldenberg, Vice Chairman and CEO of Naturelgaz.

The three different classes of licenses issued by EMRA (Energy Market Regulatory Authority) and the Ministry of Industry under which Naturelgaz carries out its operations are:

- A CNG sales license for each of its retail sales locations,
- A CNG transmission and distribution license to transport CNG within Turkey without any regional limitations,
- A license for CNG conversion of motor vehicles.

Naturelgaz is also the first and the sole CNG distributor in Turkey to have both an R&D department dedicated to the conversion of diesel and gasoline vehicles into CNG, and also to have the authorization to register CNG vehicle licenses.

Further to being the leader in the Turkish CNG distribution market, Naturelgaz also broke ground in establishing a nationwide network in Turkey through its "mother stations," which have access to a natural gas pipeline network, as well as its "daughter stations," which are supplied by a company operated road transportation system.

Auto CNG

Autogas stations that provide logistics services and services for public buses were opened in the cities of Manisa and Düzce. Private autogas stations (daughter stations) were constructed for Reysas – the largest logistics company in the country - and for Albayrak - the largest garbage collecting company in the country. Autogas stations were leased to İstanbul Municipal Company, İstanbul Energy and Gaziantep Municipality. Naturelgaz got the only distributorship of Landi Renzo's Dual Fuel conversion kits in order to accelerate its auto activities. In 2013, autogas sales increased by more than 200% compared to the previous year while the price difference of CNG compared to LPG - used in one of every two petrol driven cars with a market of TL 11 billion/ year - resulted in a savings of more than 40%.

Naturelgaz is the first and sole CNG distributor with R&D department.

Bulk CNG

Bulk CNG sales increased by more than 100% compared to the previous year. Particularly as a result of the automatic pricing mechanism and recently rising prices of LNG (Liquid Natural Gas) – having a market of TL 1.2 billion/year in addition to the existing CNG market – used in locations where natural gas cannot reach through pipelines, the price difference between LNG and CNG was more than 25% in favor of CNG.

The existing customer portfolio of Naturelgaz consists mainly of well-established private institutions made up from the manufacturing and commercial sectors in the bulk CNG segment as well as municipal or private local transportation networks using auto-CNG.

A combination of company-owned and operated retail stations and dealer owned and operated stations makes up Naturelgaz's expanding network. The company distributes CNG both directly from the "mother stations" under its ownership and through secondary stations ("daughter stations") owned and operated either by the company, or by a third party dealer. CNG delivery from mother stations either to daughter stations, dealers, or directly to end-users, is carried out by using special purpose CNG trucks.

Since the beginning of 2014, CNG procurement contracts were signed with 24 new companies using LNG. Thus, these sales will be reflected as an additional 37 million cubic meters in 2014. Naturelgaz has almost completed constructing the İstanbul Asya Şekerpınar station and started the operation of the Karadeniz Rize Filling Plant, the largest capacity CNG filling station in the world.

Natural Gas Supply

BOTAŞ, a state owned company, is the main supplier of gas to Naturelgaz. Naturelgaz also procures gas from private gas import companies and private gas distribution companies which are increasing in number and size in conjunction with the liberalization of the natural gas wholesale market in Turkey.

Naturelgaz, in 2013, broke new ground in Turkey utilizing the unused local natural gas in the Thrace region. The project includes conversion of unused natural gas in the immediate vicinity of the wells into CNG and put 100 million m^3 local natural gas into use in the Turkish economy.

Turkish CNG Market

At present, the Turkish CNG market is mostly based on bulk CNG supplied to industrial facilities and commercial consumers such as hotels and shopping malls which do not have access to natural gas pipelines. The sales volume of Naturelgaz reached 37.7 million m^3 in 2013, resulting in a compounded average growth rate of 63.08% per annum since 2005. Some 90% of sales in 2013 were bulk CNG with 3,712,549 m^3 representing sales of auto-CNG. The existing customer portfolio of Naturelgaz consists mainly of well-established private institutions made up from the manufacturing and commercial sectors in the bulk CNG segment as well as municipal or private local transportation networks using auto-CNG.

Distribution Network

A combination of company-owned and operated retail stations and dealer owned and operated stations makes up Naturalgaz's expanding network. The Company distributes CNG both directly from the mother stations under its ownership and through secondary stations (daughter stations) owned and operated either by the Company, or by a third party dealer. CNG delivery from mother stations either to daughter stations, dealers, or directly to end-users, is carried out by using special purpose CNG trucks.

With the opening of Kayseri Station, Naturelgaz reached a total of 11 CNG stations. As a result, Naturelgaz started to introduce CNG, an efficient and affordable source of energy, to homes and commercial enterprises in Kayseri.

Due to its constantly growing industry and economy, Kayseri is considered a key market. As well as making significant investments in recent years, Naturelgaz will satisfy the entire fuel demand of public bus and light commercial vehicle fleet in Kayseri. In addition the, it will supply fuel to logistic companies operating in the region. Today, in Kayseri, 190 public buses that are running on CNG are targeted to be served by Naturelgaz. Naturelgaz plans to convert an additional 180 public buses with dual fuel (CNG, diesel) kits. As such, Naturelgaz, which also converts Saray Group's vehicles and tractors, aims to meet the entire fuel demand of Kayseri's public and private sector.

The company has another three stations under construction and endeavors to increase its number of stations to 15 by the end of 2014.

The number of new contracts in the first quarter of 2014 totaled 24, providing an additional volume of 37 million m^3 including the Çaykur tender of 23 million m^3.

The facilities and equipment established by the company conform to EU regulations.

New Vision for the Transportation Sector

The road transportation sector is the target for Naturelgaz to supplement its existing bulk CNG sales.

Compared to other energy sources, the use of CNG in road transportation provides two important advantages:

- Cost efficiency CNG provides savings on fuel costs up to 35%.
- Environmental sustainability: Fossil fuels such as oil, diesel, petroleum and LPG are more harmful to the environment than CNG. Compared to the other commonly used fuels, the emission values of CNG are very low and natural gas burns without residue, does not emit smoke and is non-poisonous because it does not contain carbon monoxide. When compared to oil derivatives and diesel, emissions are 25% less in carbon dioxide, 60% in ammonium oxide, 75% in hydrocarbon and 50-80% in acid and ozone formation.

15

Number of stations targeted by the end of 2014.

37.7 million m^3

Sales volume of Naturelgaz in 2013.

Naturelgaz has an exclusive agreement with an Italian technology supplier for diesel to CNG conversion of truck engines.

63.7
million m³
CNG sales volume in 2013.

The target customer segments in auto-CNG are:
- Intra-city transportation networks operated by municipalities or contracted private companies,
- Customers operating large heavy and mid-sized commercial vehicle fleets (logistics, cement), and
- Privately-owned heavy and mid-sized commercial vehicles operated on an individual or shared basis.

The development in the conversion of existing diesel engines into CNG is still an important element in the growth of CNG in road transportation, even though many heavy and mid-sized commercial vehicle manufacturers are introducing CNG OEM models. Therefore, Naturelgaz established a conversion center in Kurtköy, Istanbul, in January 2013 which has a capacity of converting 3,200 vehicles per annum.

In line with Reysaş's eco-friendly policies, Naturelgaz continues to strengthen its environmentally-friendly performance.

Naturelgaz has an exclusive agreement with an Italian technology supplier for diesel to CNG conversion of truck engines. The equipment is ECERIIO compliant in Italy, and truck brands such as Mercedes, BMC, Ford, and Iveco conveniently operate within this system. Naturelgaz has also acquired ISO 9001, ISO 14001, OHSAS 18001 certifications in 2012.

Reysaş Lojistik, is a company with local and international operations owning over 1,500 vehicles, won the "Green Logistics Award" at an international logistics project competition. Reysaş's CNG conversion cooperation with Naturelgaz was one of the critical factors in winning this prestigious award.

In line with Reysaş's eco-friendly policies, Naturelgaz continues to strengthen its environmentally-friendly performance. Under the CNG conversion and gas supply agreement between Naturelgaz and Reysaş Lojistik, the Project Conversion Target was set at 200 vehicles. According to the operational data from the first 30 converted trucks, Reysaş has achieved significant savings on fuel expenses as compared to diesel. Furthermore, the CNG conversion of 200 trucks has enabled an annual decrease of 33,725 tons in greenhouse gas emissions. Truck conversion will expand in parallel to the growth in CNG refueling station infrastructure with Naturelgaz expecting to convert 80 Reysaş trucks in the coming period.

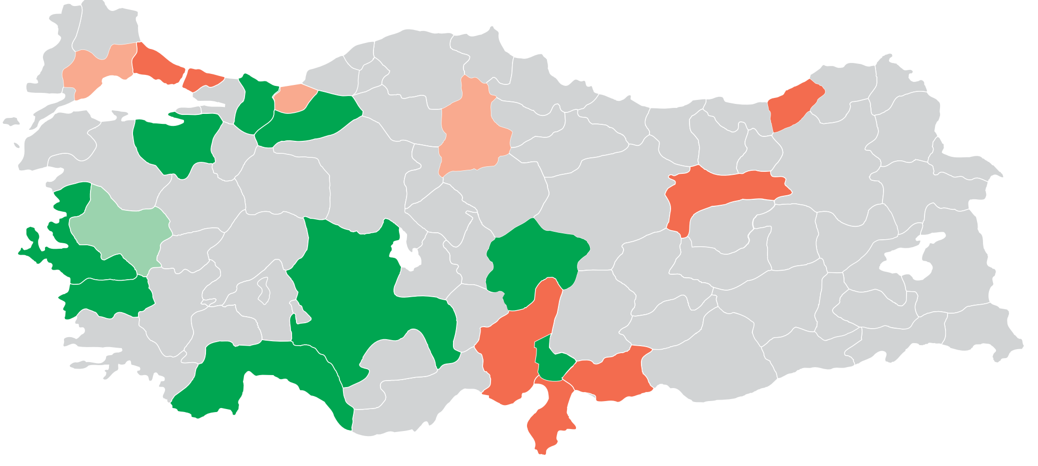
CNG Sales Volume 2007-2013 (million m^3)

Years	2007	2008	2009	2010	2011	2012	2013
Sales/m^3	29.1	36.5	33.9	46.2	55.5	54.9	63.7

Naturelgaz Sales Volume 2007-2013 (million m^3)

	2007	2008	2009	2010	2011	2012	2013
Sales/m^3	9.2	14.2	12.5	12.9	15.8	27.8	37.7

With the opening of Kayseri Station, Naturelgaz reached a total of 11 CNG stations. As a result of this successful bid, Naturelgaz started to introduce CNG, an efficient and affordable source of energy, to homes and commercial enterprises in Kayseri.



December 2013 in Operation:

- Mother: Adapazarı, İzmir, Bursa, Bolu, Aydın, Antalya, Afyon, Konya, Kayseri, Osmaniye
- Daughter: Manisa

2014 Projects Planned:

- Mother: Bursa II, Adana, İstanbul Avrupa, İstanbul Anadolu, İskenderun, Erzincan, Gaziantep, Rize
- Daughter: Çorum, Düzce Tekirdağ

Company Infrastructure

	Mother Stations		Daughter Stations		Well Head Stations	Mobile Stations	CNG Dist. Trucks	CNG Tanks (bottles)	Total Capacity (lt)
	I	II	I	II	1	5	38	44,600	5,472,000
	11	1	1	2					
Total	12		3						

I: Operating,
II: Under Construction

POWER GENERATION

In the last decade, Turkey's energy demand has increased the most rapidly among OECD countries.

Despite the global slowdown in recent years, Turkey has experienced significant growth in its electricity market driven by a growing economy at sustainable levels. The brisk economic growth and increase in income levels drive an instant increase in electricity demand.

Turkish electricity consumption reached 245 billion kWh in 2013, resulting on a compounded average growth rate of 6.2% per annum since 2002 as compared to a CAGR of 4.9% in GDP during the same period. Furthermore, according to the projections by the Turkish Ministry of Energy and Natural Resources, electricity demand will continue to rise in the medium term at an average rate of 6.5% - 7.5% per annum.

In the near future, the Turkish power sector will conclude its transformation into an efficient market dominated by the private sector. The installed power generation capacity in Turkey reached 57,071 MW at the end of year 2013. However, Turkey needs to double its existing installed capacity over the next decade to meet the existing forecasts of power demand. At present, 40% of total generation in Turkey is from state-owned power stations. As new investments by the private sector come on line and with the completion of the on going privatization of a significant portion of state-owned power stations, the share of the private sector in generation is projected to increase to 80% by 2015. Thus, there has been considerable advancement as regards to the privatization of the distribution network.

245
billion Kwh
Turkey electricity consumption.

TURKEY

Electricity Consumption

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Kwh billion	126	132	141	150	160	174	190	198	194	210	229	241	245
Growth	-1.1%	4.5%	6.5%	6.3%	7.2%	8.6%	8.8%	4.3%	-2.0%	8.4%	9.0%	5.5%	1.7%

Global Energy established Tres Energy in 2012 to provide power supply and energy efficiency solutions to industrial and commercial customers as well as to build and operate custom made generation facilities.

70
MW capacity

Tres Energy's target by the end of 2015.

Tres Energy

In Turkey, power is one of the most expensive commodities in the manufacturing industry. It also carries a high level of tax compared to other developed economies taking their purchasing power in account. Consequently, whether you are big or small company you must have a strategy as regard to power. Procurement and energy efficiency are the two sides of this coin. Tres Energy addresses both of these issues and offers unique solutions that will optimize one of the most important costs of any business. As the overall transformation of the power sector takes place, these relatively new concepts such as energy efficiency and carbon emission policies will continue to take center place. The need for energy efficiency will necessitate all commercial consumers, especially those more disposed to power costs, to develop and make new investments in infrastructure. The overall sustainable competitive advantage of the company depends on the management of these factors.

Tres Energy, established in 2012, provides power supply and energy efficiency solutions to industrial and commercial customers as well as builds and operates custom made generation facilities. Tres Energy is a company which will create measurable added-value to its customers with solid figures and comparisons.

The company`s main objective is to enable to Turkish corporate energy consumers to attain an advantage against their international competitors as regards to input costs and for them to have uninterrupted access to high-quality power at competitive prices by adapting a performance-boosting business model tested worldwide to fit Turkey's commercial and legal framework. Therefore, Tres is concerned not only with kWh, but how it is produced and how efficiently that kWh is used. The business model that will be used in the delivery and usage of that kWh is also key.

Tres designs, constructs and operates turn-key small to mid-size power plants for industrial and commercial customers and provides power generation solutions based mainly on combined heat and power generation facilities (cogeneration/trigeneration). Such customers often consume electricity besides additional energy for heating and cooling purposes.

Tres Energy bases it business model on identifying the optimal energy generation system and capacity specific to each customer and delivers solutions based on alternative business structures including build-operate models. The company completes the power generation facilities without any funding from its customers, thus relieving customers from the financial burden of capital expenditure in addition to offering professional energy management services.

The company has created a so called "one stop shop" for all its customers' energy needs. Drawing on its experienced workforce and robust financial structure, Tres Energy carries out a free-of-charge energy analysis of an enterprise, installs cogeneration/trigeneration facilities that suit its customers' needs to provide them with high-quality, reliable and cheap energy, operates these existing cogeneration/trigeneration facilities and also manages a customer's entire energy infrastructure. Tres Energy signed its first contract of 3.3MW capacity with a paper products company and initiated the construction process of the facility with generation expected to commence in Q2 2014. Additionally, Tres Energy currently holds contracts of 6.6MW capacity each, with a ceramic tile factory and forestry products company, bringing the total generation capacity to 16.6 MW. Tres Energy plans to conclude additional contracts with a number of industrial and commercial consumers shortly, and grow its cogeneration capacity throughout the country. Based on these projections, Tres Energy targets to exceed 70MW capacity by end of 2015.

Tres designs, constructs and operates turn-key small to mid-size power plants for industrial and commercial customers and provides power generation solutions based mainly on combined heat and power generation facilities (cogeneration/trigeneration).

Feldspar Mining

Feldspar is used widely in the glass, ceramics and paint industries. Sodium feldspar is mainly extracted in the Manisa, Kütahya, Aydın and Muğla provinces of Turkey. With overall reserves of 130 million tons, Turkey holds 10% of the world's known total feldspar resources and is currently the world leader in feldspar mining with 5 million tons of production annually. The feldspar extracted

Straton Maden aims to become a leading player in the global feldspar market, following GIH's successful investments in the energy, ports, real estate and finance sectors.

20

million tons

Straton maden total reserves.

in Turkey is known for its high quality, i.e. low iron and titanium content. Some 80% of annual production in Turkey is exported to a variety of countries, in particular Spain, Italy, Russia, Lebanon, Egypt, Germany, Poland, Israel, Algeria, Romania and countries in Asia.

Global Energy entered Turkey's mining sector through the acquisition of a 75% stake in Straton Maden in 2013. Straton Maden aims to become a leading player in the global, feldspar market, following GIH's successful investments in the energy, ports, real estate and finance sectors. Straton Maden aims to extract feldspar in the most efficient and environmentally responsible manner and is in the process of completing facility investments to produce higher value feldspar products.

At present, Straton Maden has substantial feldspar reserves, logistical mining operations and commercial teams based in the West Aegean region of Turkey. Straton has total reserves of 20 million tons in its licensed field of operation and currently produces 300,000 tons per annum, 70% of which is exported to Italy, Spain and Egypt for use in the glass and ceramics industries. The company already has a well-established customer base and it strives to ensure that every product offered fully meets the standards of European markets in terms of quality and service. Following the acquisition by Global Energy, the company continues to contribute to the Turkish economy by exporting natural resources, and on completion of planned investments in 2014, will increase production volumes, product quality and employment with the deployment of world class advanced technologies.

There is growing demand for feldspar in various industries. The use of feldspar increases the impermeability and durability of the final products in the ceramics industry, facilitating higher yields. The increased use of glass in packaging due to the detrimental effects of plastics on the environment and human health has led to growth in this demand for feldspar, which is used for insulation and clarity in the glass industry. In the future, Global Energy is planning further investments to mine and operate Turkey's underground natural resources.

Şırnak Thermal Power Plant Project

Galata Energy is developing a 2 x 135 (270) MW circulating fluidized bed boiler thermal power plant in Şırnak, in southeastern Turkey, under a 49-year power generation license issued by the Energy Market Regulatory Authority.

Galata Energy plans to source the required coal for the power plant from the asphaltite mine owned by another Global Energy subsidiary, Geliş mining, under a long-term supply agreement. Excavation in the field mining is carried out through open pit mining, which is a more economic form of mining.

Geliş mining currently holds a 30-year concession to operate eight known pylons in the region. The studies conducted at one of these pylons, Avgamasya, confirmed asphaltite reserves of 40 million tons, which is sufficient to supply the power plant for 30 years. The results also indicated that coal from the pylon has one of the highest calorific values found in Turkey reaching up to 4,000-4,500 kcal per kilogram of coal.

Reserve assessment studies for the remaining seven pylons in the license area are under way. Given the potential of the remaining seven pylons, the reserves in the mining field, subject to confirmation by detailed reserve studies, are considered to be sufficient to supply up to 2,000 MW of installed thermal power generation capacity. Global Energy is set to continue subsequent phases of the project to utilize full capacity over the coming years.

Global Energy signed an engineering, procurement and construction (EPC) contract for the construction of the power plant as well as an Operations and Maintenance (O&M) contract, with a Chinese company CNEEC (China National Electricity and Engineering Company).

The construction of the initial 270 MW thermal power plant, which once operational will generate 2.0 billion kWh of electricity per annum, is scheduled to take 30 months. The construction requires total investment of around US$ 400 million and is expected to provide employment for 2,500 people.

Share Structure of Şırnak Termal Power Plant Project

In order to obtain a Regional Investment Incentive Certificate for the Şırnak Power Plant, the company has applied to the Ministry of Economy General Directorate of Incentive Practices and Foreign Capital. The application has been approved and Galata Enerji was granted the Investment Incentive Certificate on 12/10/2013.

On October 03, 2013, Global Energy acquired an additional 25% share of Galata Energy. As a result, Global Energy's share in Galata Energy has increased from 60% to 85%. In addition, after obtaining the necessary permissions from the Competition Board, on October 3, 2013 Global Energy completed the acquisition of 85% of the shares of Geliş mining. As such, Global Energy's share in Geliş Mining currently stands at 85%.

Global Energy's goal is to become a market pioneer in solar power development in Turkey. In order to reach this goal, Global Energy, has partnered with a leading Europe-based investor and systems integrator.

25

Global Energy's solar power plant projects.

ENERGY DIVISION TARGET PROJECTS

Focus on Diversified Energy Resources

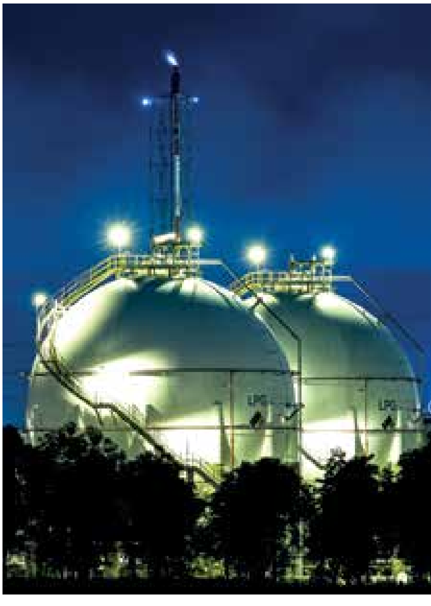
In the future, Global Energy's primary focus will be given to medium sized power generation facilities based on a diversified range of resources including renewables and various waste types.

The company is interested in any kind of renewable energy projects varying from hydro, wind, geothermal solar as well as waste-to-energy. It is also keen to pursue any project in this field regardless of where the project is positioned in the project development cycle.

Solar Projects

The company has focused on the development of solar projects in Turkey partly due to the terms and conditions that have been outlined by the government and Turkey's strategic geographic position with regards to solar power.

Turkey has set certain goals for the country's centenary celebrations in 2023. One of these goals is to initiate a major renewable energy and energy efficiency program. This initiative will draw on Turkey's excellent geographic conditions for generating wind, solar and geothermal power. This program targets increasing the country's clean energy share to 30% of its power supply by 2023.



Evaluations of the potential of solar energy made by EIE, and based on data collected by the State Meteorological Services from 1966 to 1982, indicate that Turkey has great potential with:

- Average annual insolation duration of 2,640 hours (7.2 hours/day),
- Average annual solar radiation of 1,311 kWh/m^2-year (3.6 kWh/m^2-day).

The Turkish Grand National Assembly on 3 January 2011 revised the law pertaining to renewable energy, governing the generation of energy from renewable resources. According to the law, renewable energy plants will be subject to guaranteed electricity sales prices of between US$ 7.3 and US$ 13.3 per kWh. Companies that use solar power will receive the most support with a Treasury guaranteed tariff rate of US$ 13.3 per kW/h. The law also provides additional support for companies with generation facilities that use equipment and components manufactured in the domestic market. These incentives for using local equipment may add US$ 0.4 to US$ 2.4 per kW/h to the tariff rate for a period of 10 years.

Global Energy's goal is to become a market pioneer in solar power development in Turkey. In order to reach this goal, Global Energy has partnered with a leading Europe-based investor and systems integrator. It identified several suitable project locations for solar power generation in Turkey and conducted the mandatory studies to obtain a generation license.

In conjunction with its partner, Global Energy has developed a portfolio of 25 solar power plant projects located mainly in eastern and southeastern Turkey - within the 1st and 2nd level regions; combined, the projects have a total generation capacity of 450 MW. Preliminary designs, yield calculations and initial lease agreements for the land parcels have mostly been completed.

As part of the project development initiatives, the company has also concluded the measurement processes at its respective project sites. As required by the tender process, license applications for pre-qualification in solar power generation for 80MW were completed in 2013. The tenders are expected to be announced in 2014.

A sculpture takes shape with masterful details. Dreams are masterfully carved out after choosing the appropriate tools and using them correctly. From now on, the piece has a basic form that is becoming an identifiable, manageable entity.

Pera REIT turns investments into income through real estate development projects that stand out with key details and that serve different purposes.

Global Real Estate

Attractive long-term economic growth

With its status boosted by Turkey's rapid growth and the country's young population, Istanbul attracts international property investors.

The real estate sector in Turkey has great prospects owing to demographic factors that are changing in parallel with the improving economic figures.

The Turkish real estate sector has gained prominence, coming into the limelight for both local and foreign companies, reflecting developments in the economy as a result of a high-performing growth economy and a robust banking system. In fact, 1,363,124 real estate properties were sold across the country, and the Turkish real estate sector's volume reached $35 billion in 2013. Increasing employment levels, industrialization, higher population growth, urbanization and social housing development projects by the state owned Housing Development Administration contributed to the real estate and construction sectors to attain growth exceeding the GDP growth rate. The real estate sector in Turkey also has great prospects owing to demographic factors that are changing in parallel with the improving economic figures.

Total housing sales (including mortgage sales) jumped significantly in fourth quarter 2013 compared to a year earlier. Overall, home sales in 2013 have increased 65% over the prior year. This is an indicator of health for the market, that there is no excess vacant housing inventory.

Turkey's economy expanded 4% in 2013, a rate exceeding that of 2012. Furthermore, the recent law easing restrictions on foreign property ownership has the potential to boost foreign demand for new real estate development projects in the country in coming years.

Istanbul is particularly important in terms of Turkey's prime real

estate sector. In terms of its commercial real estate value, owing to its development potential and favorable demographics, it compares well to other major European cities. With its status boosted by Turkey's rapid growth and the country's young population, Istanbul also takes advantage of its transformation into a regional financial center and the country's accommodating property laws which allow foreign property ownership to attract international property investors. Considering its attractive long-term economic growth outlook, it is no surprise that the Turkish property market has attracted huge interest from foreign investors lately.

Istanbul is particularly important in terms of Turkey's prime real estate sector. In terms of its commercial real estate value, owing to its development potential and favorable demographics, it compares well to other major European cities.

Turkey's rapid economic expansion, favorable demographics and accommodative investment environment have created a strong foundation for real estate investment. Also, enormous demand for infrastructure development, including power grids, transport infrastructure and housing further underpins strong domestic demand growth over the next few years. Over the last several years, Turkish retail has become increasingly attractive due to urbanization, increasing educational attainment, rising income levels, female labor force entry, globalization of attitudes and tastes, brand awareness through television and internet access and new socialization preferences. Retail channels all across the country should therefore develop quickly in support of this development as more consumers trade up from informal independent stores.

Pera REIT and Real Estate Projects

Long-term view in real estate investments

The Group primarily focuses on multi-use commercial real estate development projects.

Pera Reit is made up of a dedicated team of professionals with vast experience in the tourism and real estate sectors. They oversee the existing portfolio as well as continuously seek new business development opportunities regardless of size. The experience and ability of the Group allows them to team-up with local or international strategic partners and to pursue new development opportunities. Pera REIT is engaged in real estate development with a primary focus on commercial projects. Its current operating and ongoing investments portfolio include commercial, multi-use commercial and residential, and high-end summer residence and hotel development projects. The Group holds a long-term view in real estate investments and prioritizes greenfield development to the acquisition of completed projects. Real estate projects of the Group are primarily managed by Pera REIT, a real estate investment trust trading on Borsa İstanbul.

While being subject to rigorous corporate governance regulations under the regulations of the Turkish Capital Markets Board, Pera REIT offers an attractive real estate investment option for institutional and individual investors as a listed entity, and like all other real estate investment trusts, benefits from certain incentives, including exemption from corporate tax. Pera REIT had a TL 217.6 million in total assets as of 31 December 2013.

The historic Vakıfhan No. 6 building, and the Denizli Sümerpark Shopping Mall and housing projects are held solely through Pera REIT.

Vakıfhan No. 6

Vakıfhan No. 6 is located in Karaköy, near the Golden Horn, which is Istanbul's latest up and coming neighborhood. An active business center for centuries, Karaköy is an important commercial center of Istanbul hosting many new developments. The historic Vakıfhan No. 6 building faces Salıpazarı Port, which is the second busiest cruise port in Turkey in terms of passenger arrivals. The Salıpazarı Port project is an extensive urban renewal initiative, which in addition to redeveloping a modern cruise port includes tourism and recreation facilities. The Port extends 1.2 km along the Bosphorus Strait and comprises a total land area of 110,000 m^2. Salıpazarı Port is nearby the historic peninsula of Istanbul with its plethora of monuments and cultural edifices. The Salıpazarı Port has been privatized for a period of 30 years and was granted operation rights in May 2013.

In February 2005, The Vakıfhan No. 6 building was leased through a restore-operate-transfer (ROT) agreement signed with the General Directorate of Foundations for a period of 15 years. The six-story building, with a total indoor area of 1,700 m^2 is fully leased for use as office, restaurant and a boutique hotel. The project was the first real estate project in this historic district and it has been influential in many other nearby developments.

1,700 m^2

Fully leased area of Vakıfhan No.6.

Global Real Estate's development project in Van will be a landmark due to its conceptual design and location.

4 million

Sümerbank Shopping Mall visitors in 2013.

Denizli Sümerpark

Denizli, located in Turkey's Aegean region, is a growing industrial city in southwestern Turkey. It is the second most important city following Izmir and has a strong economic structure and increasing population close to 1 million (2013). Denizli, which has become one of the most important centers of export and industry, plays an important role share in the textile sector of Turkey. Furthermore, it is an important tourism center with a rich history and culture. It is near the ancient cities of Hierapolis, Laodikeia and Tripolis, and the thermal springs of Pamukkale. Denizli is an up and coming tourist destination and also has a developing health and spa sector.

The Denizli project is a mixed-use development on 98,418 m^2 of freehold land conveniently located along the İzmir – Denizli highway owned solely by the Group and includes a shopping mall, 608 residential units, a private school and a hospital. This development is the district's biggest and most popular social center. The star of the development, Sümerpark Shopping Mall has 35,500 m^2 of gross leasable area and opened in March 2011. The Mall received 4 million visitors in 2013. It is currently occupied by leading brands as anchor tenants including Tesco Kipa, Electroworld and Tekzen with long-term leases up to 25 years. The Mall has a 90% occupancy rate and also houses fashion retailers and food court tenants.

The first phase of the "Sümerpark Evleri" housing project comprising 154 units in two blocks was completed and delivered to owners in June 2012. The third block will be completed and delivered to owners in December 2014. The construction of the fourth and the fifth blocks is planned to start in the coming period. The whole project comprising 608 units is to be completed within three years.

The 18th branch of Final Schools is the most recent tenant of the Sümerpark project. The construction of the school building with a total land area of 5,545 m^2 which is in progress will be completed in August 2014 and the school will be opened in the 2014-2015 educational year. According to the contract signed with Final Schools for a 15 year period, the lease liability of the school will begin in August 2014.

The Denizli development projects also include construction of a hospital on another 10,745 m^2 plot. The Group is in the process of selecting the operators of the hospital as this annual report goes to print.

The Denizli development projects also include construction of a hospital on another 10,745 m^2 plot. The Group is in the process of selecting the operators of the hospital as this annual report goes to print.

The Group envisages a mixed-use project that includes a high school and a shopping center on a 16,611 m² freehold property located at the intersection of the busiest main streets in the city center.

The mall will also include shops, a family entertainment center, cinema complex and a food court. This project will, due to its design and location, become a new landmark in Van. The development, for which the architectural work and leasing process is, underway is planned to start in 2014.

Van Shopping Mall Development
Van lies on the eastern shore of a beautiful lake with the same name. It has an ancient citadel set atop a dramatic limestone outcrop, overlooking the atmospheric old town. Rapidly expanding and modernizing, Van is a welcoming center for exploration. Beautifully positioned near the lake that it takes its name from, Van is home to striking monuments such as Van Castle, the mountain fortress of Hoşap and the remote village of Bahçesaray, as well as the Church of the Holy Cross. The city is an engaging and liberal urban center in eastern Anatolia, as well as an important commercial center and a transportation point for animal hides, grains, fruits, vegetables and other products, both regionally and with neighboring countries, including Iran, Iraq and Armenia. Furthermore, the city is an air and ground transportation hub for the country's southeastern cities such as Bitlis, Hakkari, Siirt and Muş. The city was victim to a massive earthquake in 2011 and is going through massive urbanization.

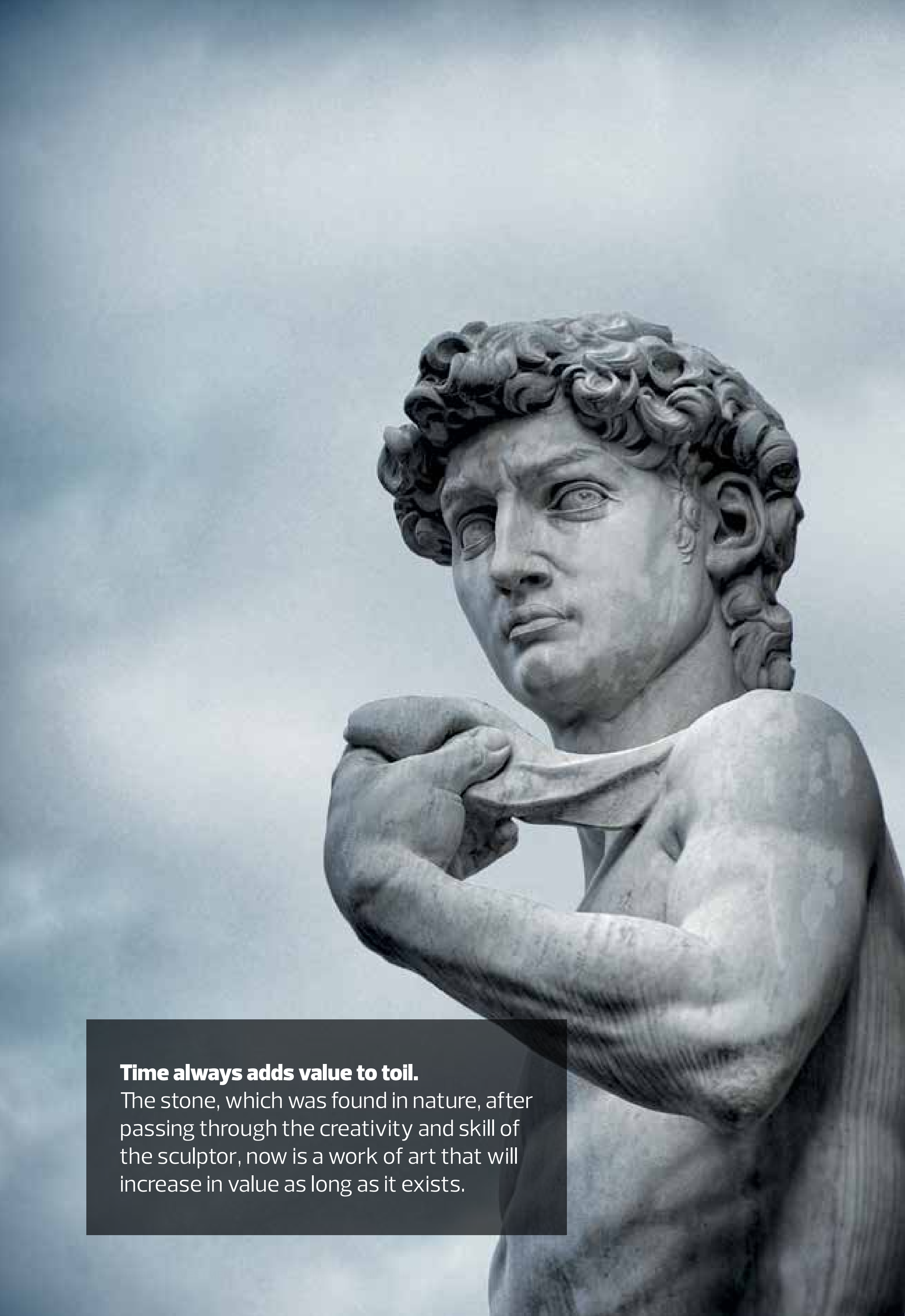
The Group envisages a shopping center on a 16,611 m² freehold property located at the intersection of the busiest main streets in the city center. The shopping mall project entails a gross construction area of 48,800 m²; and an approximate gross leasable area of 27,270 m²; and an underground parking garage with a 360-car capacity. The planned shopping center is a supermarket-anchored mall, reflecting the local economic dynamics of potential retail tenants and customers. The mall will also include shops, a family entertainment center, cinema complex and a food court. This project will, due to its design and location, become a new landmark in Van. The project, for which the architectural work and leasing process is underway, is planned to start in 2014.

Aqua Dolce Resort
Due to the island's strategic placement within the Mediterranean, Cyprus has been used as a main meeting location for traders for many centuries. Cyprus has been seized and ruled by a great number of different civilizations such as the Phoenicians, Assyrians, Romans, Persians and Byzantines, which have in turn each left their own distinctive mark upon the island. More and more tourists are discovering the rare beauty and peaceful settings that the less developed North Cyprus has to offer.

Aqua Dolce Tourism & Recreation World, aiming to attract vacationers seeking a unique Mediterranean experience, will bring a new dimension to the luxury holiday concept. It is named after the nearby natural springs and will be developed on a 260,000 m^2 land tract located on the coast of Tatlısu, Kyrenia.

An area of approximately 60,000 m^2 is to include a 5-star hotel with 300 rooms. The hotel will have extensive facilities offering a variety of options for a holiday of a life time. A casino will be at the heart of the resort, offering a wide-range of gaming opportunities. The resort will also have conference facilities of varying sizes designed to host seminars and business meetings; as well as a spa center, a sports center, and swimming pools; cafes, restaurants, bars; and outdoor sports facilities. The Group believes that the relatively less populated and lower-priced tourism and real estate markets of the TRNC, as compared to the southern part of the island, offer highly attractive investment opportunities, particularly as efforts to resolve political issues relating to Cyprus further progress.

The Group believes that the relatively less populated and lower-priced tourism and real estate markets of the Turkish Republic of Northern Cyprus, as compared to the southern part of the island, offer highly attractive investment opportunities, particularly as efforts to resolve political issues relating to Cyprus further progress.



Time always adds value to toil.
The stone, which was found in nature, after passing through the creativity and skill of the sculptor, now is a work of art that will increase in value as long as it exists.

Thanks to its customer oriented services and high quality market positioning, **AZ Global Asset Management,** operates as an intermediary between investment and income with extensive knowhow and industry experience.

Global Finance

Partnerships with reputable international institutions.

The Turkish financial sector maintains its robust structure with capital adequacy ratios well above international norms.

The Turkish financial sector has in recent times maintained its strong capital structure, and consequently outperformed those of both developed and developing countries. The Turkish economy bounced back following the global crisis owing to the successful economic policies as well as the reforms instituted. This includes the restructuring of its financial sector. Developing countries like Turkey still continued to stoke the engine of the world economy, but their growth in 2013 was well below the pace achieved in 2010 and 2011. Focusing on high level research and customer service, the Group now proceeds forward expanding its service range in the financial sector by establishing partnerships with reputable international institutions. Although competition increases each year in the Turkish financial services market, the Group draws strength from its reputation for quality and a well-established brand name.


USD
EUR
1.2855
0.7779
121.4700
0.6598
0.8483
1.2191
1.3069
0.0100
0.0108

Cross-border transactions and structured financing.

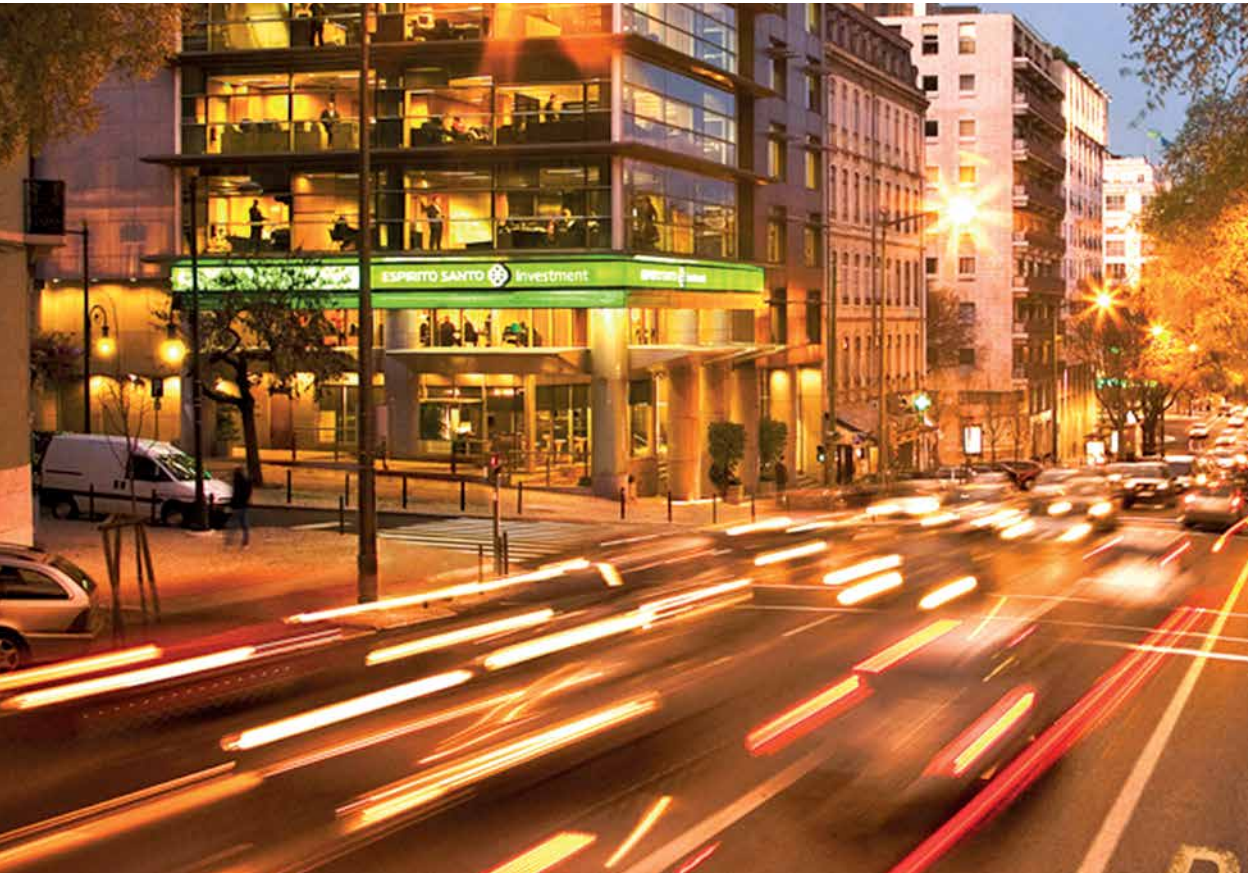
In 2013, Global Securities and Espirito Santo Investment Bank in Portugal signed a strategic cooperation agreement.

ESPIRITO SANTO INVESTMENT BANK

Founded in 1990, Global Securities is a BIST-listed company which provides brokerage, financial advisory as well as corporate finance and research services. More specifically, it provides securities, portfolio management and derivatives trading services to its international and domestic clients. Following a public offering of its shares in 2011, Global Securities became listed on the Istanbul Stock Exchange (BIST). In 2004, when Global Investment Holdings became an investment holding company, it spun off its brokerage and related businesses to a new, wholly-owned subsidiary, Global Securities. Global Securities facilitates transactions on the NYSE and NASDAQ for the domestic investors.

In 2013, Global Securities and Espirito Santo Investment Bank in Portugal signed a strategic cooperation agreement. According to the cooperation agreement, Espirito Santo will share Global Securities Research Reports with its international customers and business partners and Global Securities will be the only authorized investment institution of Espirito Santo Investment Bank in Turkey.

In 2013, Global Securities ranked 20th among all brokerage firms, with a market share of 1.7% and equity trading volume of TL27.4 billion .



IEG Global Advisory

Global Securities established a joint venture partnership with IEG – Investment Banking Group, one of the leading international investment banking advisory companies in Europe. The joint venture provides professional advisory services for merger, acquisition, debt financing, financial structuring and privatization transactions in Turkey.

Founded in 1990, Global Securities is one of the leading financial institutions in Turkey offering exchange brokerage, investment consultancy, corporate finance and fund management services to local and foreign investors. On the other hand, IEG's services include advisory on mergers & acquisitions, financing and financial strategy as well as the placement of equity, debt and hybrid capital. IEG has an execution team of 125 professionals in Berlin and its international offices. Established in 1999, IEG-Investment Banking Group is an independent, international investment bank, headquartered in Berlin with branches and associated offices in Amsterdam, Buenos Aires, Istanbul, Johannesburg, Mumbai, Sao Paulo, Shanghai, Tunis, Warsaw and Zurich.

With its experienced, multidisciplinary and international team based in Istanbul, the focus is on cross-border transactions and structured financing.

125

IEG has an execution team of 125 professionals in Berlin and its international offices.

AZ Global

Unmatched advantages of investing

Azimut aims to further develop its asset management platform allowing its customers around the world to access global investment products.

Azimut is an Italian asset management company, based in Milan, Italy, with branches in Luxembourg and Ireland. Traded on the Borsa Italiana, the company specializes in investment management. Azimut has since become one of Europe's leading independent asset management institutions. Azimut has more than 160,000 clients, with the support of more than 1,500 financial advisors. The group has assets under management of over EUR 25 billion across more than 60 investment instruments in Italy, Luxembourg, Ireland, Switzerland, Monaco, Hong Kong, China, Brazil, Singapore, Taiwan and Turkey. Established in Italy in 1986 and continuously supported by its global and unique reputation, Azimut aims to further develop its asset management platform allowing its customers around the world to access global investment products through a tailor made, local-market oriented financial advisory business model.

The Azimut Group, the leading European independent asset manager, and Global Investment Holdings combined strength, expertise and know-how to form AZ Global in 2012 with the purpose of redefining asset management in Turkey. AZ Global is owned 60% by Azimut and 40% by Global Securities.

AZ Global has brought a new kind of mutual fund to Turkey which offers the unmatched advantages of investing in multiple asset classes with daily liquidity, periodic coupon payments, differentiated unit classes, exposure to international markets and active risk management. AZ Global draws on the strength of a new financial advisory model introduced by Azimut and Global Securities, a brokerage house with many years of experience in corporate finance, research and capital markets advisory services in Turkey. It is currently among the largest independent asset managers in the Country.

In addition, Global Securities provides financial advisory based on Azimut Group's worldwide expertise. It advises its clients focusing on the following.

TL million
435
AZ Global manages TL 435 million.

Absolute Return Flexible Mutual Funds
AZ Global aims to deliver absolute returns on its products without being constrained by any benchmark tracking strategy.

Coupon Payments
For the first time in Turkey, AZ Global offers mutual funds with periodic coupon payments, thus providing solid cash flow throughout the investment period.

Daily Liquidity
AZ Global provides daily liquidity, which helps its clients to freely dispose of their assets without any maturity constraints.

Efficient Investment Products
AZ Global investment funds, with one of the lowest expense ratios in the industry, seek to offer profitable long term financial solutions for both individual and corporate investors.

Active Risk Management
Using portfolio compositions that employ active risk management techniques and diversified financial instruments by maturity and currency, AZ Global offers its clients preservation of capital for long-term wealth accumulation.

Discretionary Portfolio Management
AZ Global is able to design its financial advisory service based on discretionary portfolio management, thereby maximizing the potential to meet personal requirements and risk profiles through a dynamic wealth management style.

Timely communications...

The Group is committed to increasing both shareholder and customer satisfaction by adopting and adhering to world class corporate governance and investor relations guidelines.

In 2013, the Group's Investor Relations Department responded to numerous investor requests via phone, email, social media and postal services; additionally, the IR Department proactively contacted relevant financial institutions with related and important news updates.

The Global Investment Holdings Group has a transparent relationship with its investors and provides them with timely communications. The Group is committed to increasing both shareholder and customer satisfaction by adopting and adhering to world class corporate governance and investor relations guidelines.

In line with the Group's commitment to timely public disclosure and transparency, investor relations are managed by a dedicated Investor Relations Department, which handles the daily information flow to the investment community.

In 2013, the Group's Investor Relations Department responded to numerous investor requests via phone, email, social media and postal services; additionally, the IR Department proactively contacted relevant financial institutions with related and important news updates. The Department also has an investor relations micro website, to expedite the handling of investor queries addressed to the Group.

All current and potential investors are encouraged to contact the Group at investor@global.com.tr and to visit the new IR website at ir.globalyatirim.com.tr.

In 2013, Global Investment Holdings was presented with following the:

- iNOVA Awards, which honors overall excellence and innovation for corporate websites, receiving the Bronze award in the Online Reports – Multi & General Industry category.
- Galaxy Awards, Gold, Silver and Bronze in different categories. Global Investment Holdings won the Gold award in the Online Annual Reports, and Non-Traditional Annual Reports categories, the Silver in the Annual Reports-Diverse Business category, and the Bronze in the Covers-Annual Reports- Artistic/Illustrations category.
- Creativity International Awards - receiving the Silver award in the category of Annual Reports at the Creativity International Awards, one of the longest running independent international advertising and graphic design competitions.
- LACP Spotlight Awards, ranked as the 4th Annual Report among the Top 100 reports at the LACP Spotlight Awards in 2013. Global Investment Holdings also won the Platinum award in the category of Print: Annual Reports.

Global Investment Holdings won the Gold award in the Online Annual Reports, and Non-Traditional Annual Reports categories, the Silver in the Annual Reports-Diverse Business category, and the Bronze in the Covers-Annual Reports- Artistic/ Illustrations category.

Global Investment Holdings Group
Corporate Citizenship

Education is most important

Global Investment Holdings has continued to further its contribution to educational, charitable, cultural, social and sporting causes, as well as related projects and events.

4,000

Donated 4,000 school kits consisting of school supplies to students.

Global Investment Holdings and its subsidiaries are committed to putting in place processes that integrate social, environmental, and ethical and human rights concerns into their business operations and core strategy in close collaboration with its stakeholders and the communities it operates in. To this end, the Company's sponsorship activities continued in 2013 to further educational, charitable, cultural, social and sporting causes, this in addition to focusing on related projects and events.

Singling out contributions to education as the most important among its corporate social responsibility initiatives, the Group:

- Sponsored a nationwide Elementary Schools Study Books Support Campaign organized by a national newspaper in 2007, and contributed to a project run jointly by UNICEF and the Ministry of Education to construct two classrooms in Şanlıurfa-Harran.

- Completed the construction of dormitories at Erzincan University Refahiye Occupational High School in 2009. The İzzet Y. Akçal Refahiye Student Dormitories comprise 40 separate units in three blocks.
- Completed construction of Adnan Menderes University Tourism and Hotel Management College Group in collaboration with the Ministry of Education. The College, since opening its doors in 2009, has produced qualified human resources for the Turkish hospitality industry, while contributing to the cultural richness of Kuşadası and its environs.
- Completed construction of a 32 classroom elementary school in the town of Denizli in December 2010. In the same period, it donated clothing, text books and supplies to the elementary school of the Muş Beşçetak village and also donated computers to numerous schools.
- Awarded scholarship to students in Şırnak.
- Established the library of Şırnak İpekyolu Primary School in 2012, with the aim of contributing to children's personal and educational development. Furthermore, the Group donated computers to Istanbul Dumlupınar Primary School, in parallel to its corporate citizenship commitment.
- Undertook numerous initiatives to benefit the community in the Group's home city of Kuşadası and the area surrounding the Port; and since 2003 in particular contributed to the community and the Adnan Menderes University Tourism and Hotel Management College. This has included the donation of computers and other equipment to local schools, as well as funding to rehabilitate local beaches, and technical assistance to Turkish state-run institutions. In addition to providing donations to various charities and regular support of those in need, Ege Ports also sponsored local motor sports clubs and provided financial support for the replanting of forest land damaged by fire.
- Donated all the revenues of Bodrum Global Run, which Bodrum Cruise Port hosted, to Community Volunteers Foundation.
- Organized various public concerts and made Ege Ports piers and other facilities available for other social, sporting and cultural events. These include celebrations during the holy month of Ramadan, and Mother's and Father's Day, as well as traditional events such as camel rides and an annual fishing derby.
- Donated 4,000 school kits consisting of school supplies to students, especially in the highly damaged areas of the city following the Van earthquake of October 2011.

Global Investment Holdings values engaging in philanthropic undertakings that make a valuable contribution to promoting Turkey and improving, and fostering the growth of the local and national social, cultural and economic environment for the benefit of the country and its citizens.

2

Sponsored a nationwide Elementary Schools Study Books Support Campaign organized by a national newspaper in 2007, and contributed to a project run jointly by UNICEF and the Ministry of Education to construct two classrooms in Şanlıurfa-Harran.

32

Completed construction of a 32 classroom elementary school in the town of Denizli.

Embracing corporate governance principles

GIH made significant headway with regards to public disclosure in 2013; the Company updated and revised its public disclosure policies.

While GIH continues to submit annual reports on corporate governance compliance to its General Assembly and the Capital Markets Board (CMB), the Corporate Governance Committee, assisted by legal counsel, has been mandated to prepare a comprehensive corporate governance policy to be formally adopted in due course by the Board.

Global Investment Holdings Group continues to pursue its corporate governance initiative implemented in 2006 to further formalize and institutionalize the governing principles of the Company and the Group.

Furthermore, action was initially taken to strengthen the independence of the Board of Directors by increasing its complement of non-executive members.

While the Company continues to submit annual reports on corporate governance compliance to its General Assembly and to the Capital Markets Board (CMB), the Corporate Governance Committee, assisted by legal counsel, has been mandated to prepare a comprehensive corporate governance policy to be formally adopted in due course by the Board. The members of the Corporate Governance Committee are Jérôme Bayle (Chairman of the Committee), Ayşegül Bensel (Member of the Committee), and Adnan Nas (Member of the Committee).

In addition to the Corporate Governance Committee, the Audit Committee and Early Risk Assessment Committee, also, function efficiently. The members of the Audit Committee are Oğuz Satıcı (Chairman of the Committee) and Jérôme Bayle (Member of the Committee). The members of the Early Risk Assessment Committee are Jérôme Bayle (Chairman of the Committee), Oğuz Satıcı (Member of the Committee) and Adnan Nas (Member of the Committee).

Dynamic process

JCR Eurasia Rating has affirmed the long term national local rating of 'BBB (Trk)' along with 'stable' outlooks for all notes of GIH.

CORPORATE GOVERNANCE RATINGS

Based on the Capital Markets Board's Corporate Governance principles of February 2013, GIH was rated 8.84 out of 10 and, as such, remained in the BIST Corporate Governance Index.

The corporate governance rating is assigned in line with the Capital Markets Board's "Corporate Governance Principles," which cover the four main categories of Shareholders, Public Disclosure and Transparency, Stakeholders, and Board of Directors. As a result of the emphasis that GIH places on corporate governance principles, and the Company's commitment to managing these through a continuous and dynamic process, the rating was upgraded significantly due to the improvements undertaken in the 12 months since the assignment of the first rating.

Sub-Sections Rating
Shareholders 86.89
Public Disclosure and Transparency 91.89
Stakeholders 88.42
Board of Directors 87.12
Overall 8.84

As a result of the emphasis that GIH places on corporate governance principles, and the Company's commitment to managing these through a continuous and dynamic process, the rating was upgraded due to the improvements undertaken in the 12 months since the assignment of the first rating.

Global Investment Holdings' total gross revenue and cash generating capacity continues its upward trend stemming from higher operational performance in all business units of GIH in 2013.

Global Investment Holdings' total gross revenue and cash generating capacity continues its upward trend stemming from higher operational performance in all business units of GIH in 2013; in particular, those of its port activities, mainly driven by Akdeniz Port and investments in the fields of energy supported by compressed natural gas (CNG) and mining operations, the REIT portfolio and the financial sector.

CREDIT RATINGS

JCR Rating

JCR Eurasia Rating has affirmed the long term national local rating of 'BBB (Trk)' along with 'stable' outlooks for all notes of GIH in November 2013.

The Company's total gross revenue and cash generating capacity continues its upward trend stemming from higher operational performance in all business units of GIH in 2013; in particular those, of its port activities, mainly driven by Akdeniz Port and investments in the fields of energy supported by compressed natural gas (CNG) and mining operations, the REIT portfolio and the financial sector. Global Liman İşletmeleri A.Ş. (Global Ports Holding)'s increased debt burden suppresses its ability to distribute dividends, which has a major contribution in the Holding's consolidated revenue. However, this adversity is expected to be eliminated through increased market share, net sales and additional contributions of newly purchased ports.

Cash generation strategies aiming to include monetary measurement of such operations in its assets through their transformation into cash in appropriate market conditions by creating value in the process of purchase and sale are a decoupling factor for the Holding.

Due to pressure on its funding mix exerted by an upsurge in the long-term indebtedness in the nine-month period of 2013, the soon to be completed share repurchase program, reduction in the equity level due to dividend payments during the year and a significant portion of balance sheet assets being composed of intangible assets as a result of valuations depending on different cash generation stages of projects, profitability indicators became exposed to market risks and volatility due to the transience of some of the income streams as mentioned in the previous announcements by JCR Eurasia Rating. The Group's performance was negatively affected due to the deterioration in the structure of this net financial position as a result of borrowing needs and open positions.

Global Investment Holdings' 'BBB (Trk)' note on the long term national scale assigned by JCR Eurasia Rating on October 1, 2013 is assessed to be within the tolerance level referred by the assigned note and risk levels, and 'BBB-'note on the long term international scale.

On the other hand, taking into consideration the ever-growing structure of revenues from the sale of natural gas and the support by increasing cash generation potential for growth through the acquisition of a portion of the shares of the Ports of Montenegro, Singapore, Barcelona and Malaga within the scope of "private equity" function along with liquidity that can be supplied from national and international markets, GIH's 'BBB (Trk)' note on the long term national scale assigned by JCR Eurasia Rating on October 1, 2013 is assessed to be within the tolerance level referred by the assigned note and risk levels, and 'BBB-'note on the long term international scale to be within the country ceiling note assigned for the Republic of Turkey in the sovereign rating category.

The details of the revised ratings in this regard are given below:

Long Term International Foreign Currency:
BBB- / (Stable Outlook)

Long Term International Local Currency:
BBB-/ (Stable Outlook)

Long Term National Local Rating:
BBB (Trk) / (Stable Outlook)

Short Term International Foreign Currency:
A-3 / (Stable Outlook)

Short Term International Local Currency:
A-3 / (Stable Outlook)

Short Term National Local Rating:
A-3 (Trk) / (Stable Outlook)

Sponsor Support: 2

Stand Alone: B

Global Investment Holdings Corporate Governance Principles Compliance Report

1. Statement of Compliance with Corporate Governance Principles

Global Investment Holdings ("GIH") accommodates and pays utmost attention for executing the Corporate Governance Principles published by the Capital Markets Board of Turkey ("CMB"). With the aim of adopting this approach, the Company conducts studies at the Board of Directors level.

In line with this, a Committee, including three Board of Directors, was established to carry out the necessary restructuring studies in the organizational structure and the Articles of Association of the Company. The requirement of incorporating at least two Independent Members in the Board of Directors, which is stipulated by the Company's Corporate Governance Principles, has been fulfilled.

Shareholders can find the comprehensive and updated information on GIH's website; also, they can pose their questions to the Investor Relations Department by phone, e-mail and through social media.

GIH continues to necessary revisions by examining the website and the annual report in more detail in terms of Corporate Governance Principles. The Board of Directors, senior management and all employees of GIH have always supported the adoption of the Corporate Governance Principles within the Company at every stage of the process.

Our Corporate Governance Rating has been determined as a result of an evaluation made under four main topics (Shareholders, Public Disclosure and Transparency, Stakeholders, Board of Directors) weighted based on CMB's Corporate Governance Principles and current distribution based on main topics are provided below:

Sections	Weight (%)	Rating
Shareholders	25	86.89
Public Disclosure and Transparency	25	91.89
Stakeholders	15	88.42
Board of Directors	35	87.12
Total	**100**	**8.84**

The report, which has been prepared by Kobirate related to the corporate governance rating, shows that Company is compliant with the corporate governance principles and applies the necessary policies and measures to its practices.

Reasons for Non-complied Corporate Governance Principles

The Company continues its efforts for full compliance with the corporate governance principles. Principles other than implemented presently or not implemented yet have not caused a conflict of interests among the stakeholders.

The Company's Articles of Association contain no provisions stipulating that material decisions such as "demergers and share exchanges, buying, selling, or leasing substantial amounts of tangible/intangible assets, or donation and grants, or giving guarantees such as suretyship, mortgage in favor of third parties" are required to be taken at a General Meeting. The underlying reason is that the nature of the business in which the Company is involved requires it to buy, sell, and lease quite frequently. Having to hold a General Meeting every time such a transaction takes place is considered to be impossible and thus no such article has been included in the Articles of Association. This practice is refrained from in order to ensure that deals are made quickly and to prevent opportunities from being missed.

The preferred stock groups in our Company's Articles of Association were created before its IPO and our Company is not authorized to amend these privileges. Our privileged shareholders made an application to CMB in July 2010 in order to abrogate these privileges which was not approved.

That the Articles of Association entitle shareholders to appoint a special auditor, and that there is no additional provision on minority rights: Regarding this matter, our Company is of the conviction that the framework provided for by the Turkish Commercial Code and the CMB regulations is sufficient.

The Company has not established a policy concerning stake holders' involvement to the board. However, independent members of the board enable the representation of all the stakeholders along with the Company and the shareholders. The Company respects the opinions and suggestions of all its employees, suppliers, non governmental organizations and customer satisfaction surveys. Some of the board members serve more than one committee because of the structure of the shareholding structure of the Company.

In accordance with article 4.6.5 of Corporate Governance Principles, all the remunerations and interests provided to the board members and top managers has been disclosed to the public by the annual report. But the disclosure is made not by personal basis but by featuring the separation of board members and top managers.

GLOBAL INVESTMENT HOLDINGS

I. Shareholders

2. Investor Relations Unit

2.1 Structured as a holding on 01.10.2004, our Company complies with the legislation, Articles of Association and other Company regulations on the matter of exercise of shareholder rights and takes necessary measures to facilitate the exercise of these rights.

2.2 During the process of our Company's becoming a holding company in October 2004, "Investor Relations" subject was a priority; for this reason the Investor Relations Unit was established in the Organization Structure.

Information on the department that handles GIH's relations with shareholders is presented below:

Investor Relations Department:
Selran Çakır Baydar/Director
Begüm Döşlüoğlu/Specialist
Esra Gündüz/Junior Specialist

Address: Rıhtım Cad. No: 51 Karaköy 34425 Istanbul
Phone: +90 212 244 60 00
Fax: +90 212 244 61 61
E-mail: investor@global.com.tr

The main activities carried out by the Investor Relations Unit are summarized below:

- Ensuring that shareholder records are kept accurately, reliably and up-to-date;
- Responding to written information requests from shareholders, unless the requested information is publicly unavailable, confidential or a trade secret;
- Taking necessary measures to ensure that the General Assembly meetings are held in compliance with legislation in force, the Company's Articles of Association and other Company regulations;
- Preparing the documents that will be beneficial to shareholders for General Assembly meetings;
- Ensuring that meeting minutes are sent to shareholders;
- Monitoring and overseeing every aspect of the public disclosure process for compliance with legislation.

2.3 In addition to the foregoing, the tasks below, performed within the structure established in 2005, will be carried on by the Investor Relations Unit in tandem with the Financial Affairs and the Finance and Law Unit.

- Responding to written or verbal information requests from shareholders,
- Preparing the Company's investor presentation and updating regularly,
- Updating the Investor Relations section in the Holding's website,
- Arranging investor information meetings abroad,
- Managing investor visits in six month periods,
- Announcing quarterly financial reports to investors via teleconference or e-mailing,
- Organizing analyst meetings in parallel with the Public Disclosures Platform made to Borsa Istanbul.

2.4 Since August 2005, consequent to the roadshows realized with different brokerage houses, meetings are organized with investors, either by visiting or hosting at the headquarters of the Company.

3. Exercise of Shareholders' Right to Obtain Information

3.1 Queries, other than those relating to trade secrets and undisclosed information, received from shareholders and analysts by the Capital Markets and Investor Relations Department by letter, phone, email and other means are answered in the fastest and most effective way possible upon contacting the relevant person with the highest authority on the related matter. Furthermore, current and retrospective information and developments relating to GIH that are of interest to shareholders are regularly communicated to the concerned parties via the corporate website both in Turkish and English. They are also regularly communicated to those registered to our database via email.

A total of 271 information requests received by GIH in the relevant period were answered.

3.2 The related Board Member works in coordination with the responsible units regularly to inform the shareholders.

3.3 Concerning the use of the rights of shareholders in 2013, no complaint was conveyed to our Company or there was not any examination/investigation about our Company including the request for the appointment of a special auditor.

4. Information on General Assembly

4.1 The Ordinary General Assembly meeting of shareholders regarding the Company's 2012 activities was held on 23 May 2013. The Company's share capital as of the date of the meeting, 38.22% was represented at the Ordinary General Assembly meeting.

4.2 Pursuant to applicable legislation, the invitation for the General Assembly Meeting was published in the Trade Registry Gazette, Borsa Istanbul's Public Disclosure Platform system, and the Company's web site. There is no timeframe specified for the participation in General Assembly meetings of the holders of registered shares entered in the stock ledger. At the General Assembly Meetings to be held in 2014, the holders of shares traded on the Borsa Istanbul will be required to communicate their attendance to the General Assembly no later than one day prior to the date of meeting and obtain their passes, pursuant to Article 415/3 of the Turkish Commercial Code. Secondary legislation issued as per the New TCC, lays out the principles of the Electronic General Assembly, which provides shareholders an alternative to being physically present at the General Assembly.

4.3 Before the General Meeting, the annual report and financial statements and reports, independent audit reports, profit distribution proposal, information document about General Assembly agenda articles and other documents, final version of Articles of Association, Amendments to the Articles of Association –in case there is change in the Articles of Association- were made available for the inspection of shareholders at the Company's headquarters. Agenda and Amendments to the Articles of Association are announced by the method mentioned in 4.2.

4.4 At the General Assembly meeting, shareholders exercised their rights to ask questions and all questions were answered by Board of Directors. No proposal was made to add an article to the agenda.

4.5 The General Assembly included a separate agenda item concerning the sums and beneficiaries of any donations and assistance made by the Company during the year, as well as the donation policy, and thus information was provided to the shareholders.

5. Voting Rights and Minority Rights

5.1 There are four different types of shareholders in our Company's capital, (A), (D), (E) and (C). Shares in Groups (A), (D) and (E) have privileges, and shares in Group (C) have no privilege. It has been stipulated that the Company's Board of Directors consists of seven members. All shareholders are entitled to nominate candidates for three Board Members. It is stipulated that only one of these three candidates shall be approved by the shareholders of Group (A) shares.

For adoption of a range of Board resolutions specified in the Articles of Association, the shareholders of Group (D) and Group (E) shares are required to participate in the Board meeting and it is required that the resolution be approved by the Board members nominated by the shareholders of Group (A) shares.

5.2 The share capital of the Company does not involve any cross-shareholdings.

6. Dividend Policy and Timing of Distribution

6.1 The Profit Distribution
Policy will be determined by the General Assembly of Shareholders upon proposals of the Board of Directors in accordance with the provisions of the Capital Markets Law and communiqués of the Capital Markets Board. For dividend distribution, the policy adopted by the Company is designed to be a consistent policy balancing the shareholders' and the Company's benefits, in accordance with the Corporate Governance Principles.

6.2 The Company makes dividend distribution in accordance with the Turkish Commercial Code and the CMB and within statutory periods. Under the Articles of Association, no privileges are granted on the Company's profit sharing. Dividend distribution is made within the statutory periods, as stipulated in the legislation, within the shortest time following the General Assembly meeting.

At the General Assembly meeting held on the 23rd of May 2013, a decision was taken to distribute – from the net period profit of TL 108,074,628 specified in the 2012 consolidated financial statements – a gross dividend amount of TL 13,365,000 (gross 5,93990 kuruş per share of 1.- Turkish Lira each) until the 31st of May 2013, which will be covered from the legal records after setting aside legal reserves within the framework of the provisions of Corporate Income Tax Law and Turkish Code of Commerce.

7. Transfer of Shares

The Company's Articles of Association do not contain any provisions that make it difficult for the shareholders to freely transfer their shares.

II. Public Disclosure and Transparency

8. Information Disclosure Policy of the Company

8.1 At the General Assembly, shareholders were provided with information about the Information Disclosure Policy of the Company, which was also published on the corporate web site.

The Board of Directors is responsible for overseeing, monitoring and developing the Information Disclosure Policy. The Investor Relations Unit Director, CFO and Chief Legal Advisor are the executives in charge of implementing the Information Disclosure Policy.

8.2 Together with the Investor Relations Unit, the Corporate Communications Department is responsible for overseeing and monitoring all issues related to public disclosures. Questions received from outside the Company are responded to in the shortest amount of time possible by the CEO, CFO, and Legal Advisor or within the knowledge of and authorization limits set by the CEO, the CFO and Legal Advisor, by the Investor Relations Unit. Equality for social stakeholders in obtaining information is strictly observed when responding to the inquiries.

8.3 In quarterly periods, following public disclosure of financial statements of the relevant period, a press statement summarizing the financial situation of the GIH will be issued and published. The Company's annual report is regularly prepared every year and delivered to the investors as well as relevant institutions and establishments by the Investor Relations Unit.

8.4 Public disclosures are delivered by either the Chairman (Mehmet Kutman), individual Board Members, Financial Affairs and Finance Group Head (Kerem Eser) or Chief Legal Advisor (Uğur Aydın) depending on the content of the disclosure, or by the Investor Relations Unit according to the authority to which the disclosure will be made.

9. Material Disclosures

9.1 For public disclosures, the Company acts in compliance with the Capital Market Law, Capital Markets Board and Stock Exchange regulations and the CMB Principles. Public disclosures are announced on the Company's corporate website both in Turkish and English.

10. Company Website and its Contents

10.1 As stipulated by CMB's Corporate Governance Principles, the Company website is actively used in public disclosures.

10.2 All matters related to the Investors Relations Unit are posted on the www.globalyatirim.com.tr website.

10.3 Our Company's website is clearly indicated on all corporate identity documents and promotional materials. The Company's website meets international standards in terms of informational content and layout. It is administered by the Investor Relations Unit. The main headings on the website are listed below:

- Detailed information on corporate identity,
- Vision and mission,
- Information on the members of the Board of Directors and Company's senior management,
- Company ownership structure,
- The Company's Articles of Association,
- Trade registration data,
- Financial data, annual and interim activity reports,
- Press releases,
- Regulatory disclosure of material events,
- Share performance and calculator,
- Investor presentations,
- Date and agenda for the General Assembly meeting and General Assembly information document,
- Minutes and attendance sheet of the General Assembly meeting,
- Proxy sample,
- Corporate Governance Principles, Compliance Report,
- Dividend policy,
- Information Disclosure policy,
- Frequently asked questions,
- Corporate Social Responsibility.

11. Disclosure of the Company's Ultimate Controlling Shareholders

Changes in capital structure and in the capital structure of the Company are publicly disclosed in accordance with relevant legislation. The Company's shareholder structure can be reviewed on the website.

12. Public Disclosure of Insiders

GIH is in complete compliance with rules governing insider trading as per capital market and related laws, regulations and administrative provisions and takes all necessary measures to fulfill its responsibilities thereunder. For this purpose, GIH formulated an "Insider Trading Policy". The list of insiders has also been publicly disclosed on the corporate website.

III. Stakeholders

As a holding company, our shareholders and strategic business partners are our primary stakeholders. The information flow of all subsidiaries and the holding company is realized at a central location in order to maintain coordinated relations with stakeholders.

Besides, the personal experience and educational level of our employees directly affect the services offered by our Company and its subsidiaries being involved in the service industry, accordingly, the Company's human resources policy plays a vital role in this respect. The Company's human resources policy is specified with the "Personnel Regulations" and the recruitments are announced on the Company's website. The feedback system based on the employees' performance system has been initiated at our subsidiaries, and it is aimed to apply the system across the Company.

13. Informing Stakeholders

When the stakeholders are classified together with the investors, business partners and employees, the disclosures to inform investors are explained in detail under heading "Informing Shareholders". The intranet system, established to provide detailed information to the Company employees, is also utilized to carry on in-company operational activities as well as to keep the Company employees informed about public disclosures and managerial issues that would affect the Company's business.

14. Participation of Stakeholders in Management

The members of the Audit Committee and Corporate Governance Committee participate in the weekly assessment meetings held by the unit managers, who can thus communicate to the senior management their opinions about the units and subsidiaries under their responsibility. Unit managers pose questions to committee members as they fulfill their duties. As such, the information flow mechanism between stakeholders and the committees passes through the unit managers.

15. Human Resources Policy

Global Investment Holdings maintains a forward-looking strategy in parallel with the fundamental changes in the national economic and political arena.

Backed by its expanding organization and professional teams, our Company offers opportunities for prospective managers regarding personal talent and career development.

At the recruitment stage, the Company offers equal conditions and job opportunities to candidates who hold documented university degrees and have relevant academic background, are fluent in English as well as speak other foreign languages and are successful individuals in their respective fields.

Yasemin Çakar is the Human Resources Director in charge of managing relations with employees. In the year 2013, no complaints were made by employees.

15.1 The Company's human resources policy has been defined in writing and announced on the intranet under heading "Personnel Regulation" both in Turkish and English. According to this regulation, the Company recruits individuals with superior knowledge and skills, easily adaptable to the corporate culture and open-minded for changes and development.

15.2 According to the human resources policy, the Company has adopted the principle of providing equal opportunities to employees of equal conditions with regard to recruitment and career planning. Thus, the positions are announced on easily accessible website and job applications are received via email.

15.3 Opportunities offered to employees and developments within the Company that may affect employees are shared by top management via email as well as through the intranet.

16. Information about Relations with Customers and Suppliers

Our Company is a holding company that does not have a direct relationship with customers and suppliers.

17. Social Responsibility

Global Investment Holdings and its subsidiaries consider their customers, shareholders, employees and the community in general as their basic social stakeholders they work for. At the Global Investment Holdings level as well as through its subsidiaries, the Group is deeply committed to its aim to ensure a better life for various communities we are a part of and operate in. In line with its aim, Global Investment Holdings Group makes contributions to and sponsors various educational, charity, social and sports activities and projects.

In the year 2013, Global Investment Holdings continued to give support to education within the framework of its social responsibility activities.

IV. Board of Directors

18. Structure and Formation of the Board of Directors and Independent Members

18.1 The Company is managed by seven members elected by the General Assembly. The names of the members of the Board of Directors who were appointed in accordance with the Company's Articles of Association are presented below:

Mehmet Kutman – Chairman – Executive Member
Erol Göker – Vice Chairman – Executive Member
Ayşegül Bensel – Member – Non Executive Member
Serdar Kırmaz – Member – Executive Member
Adnan Nas – Member – Non Executive Member
Jérôme Bernard Jean Auguste Bayle – Independent Board Member
Oğuz Satıcı – Independent Board Member

An up-to-date list of the Company's Board Members and their résumés are presented in the Annual Report and on the corporate web site.

In consideration of the Chairman Mehmet Kutman's investment banking career and his experience in business development and project management, the Board of Directors has decided to also appoint him as CEO.

18.2 Two independent members of Board of Directors satisfy CMB corporate governance principles pertaining to independence criteria.

18.3 There are no rules and/or limitations imposed upon the members of the Board of Directors with regards to their employment outside the Company. It is always taken into account that this is a holding company and being represented in the management of the associated companies is for our Company's benefit.

18.4 The duties of the Remuneration Committee were assigned to the Corporate Governance Committee, which, on 29 April 2013, submitted the names of two candidates meeting independence criteria to the Board of Directors.

18.5 In case a situation compromising the independence of a Board Member arises, the concerned independent member immediately informs the Board of Directors about this development, for an eventual disclosure to the public. In principle, Board Members who lose independence submit their resignation.

Following the resignation of the independent member, in order to meet the quota of independent members, the Corporate Governance Committee makes an evaluation regarding the selection of a new independent member to serve until the next General Assembly, and submits its decision to the Board of Directors in written form.

19. Qualifications of Board Members

19.1 The resumes of the members of the Board of Directors are available on our website at www.globalyatirim.com.tr.

19.2 Board members are elected from among individuals who have basic knowledge of the Company's line of business and high level managerial skills.

20. Mission, Vision, and Strategic Goals of the Company

GIH's mission, vision, objectives, and values are publicly disclosed on the corporate website.

Vision: Global Investment Holdings aims to become a leader in its operations, to initiate new and innovative projects with growth potential and to become a pioneer in developing and evolving the business environment in Turkey.

Mission: The Holding is committed to developing portfolio of competitive companies, within the sectors in which it operates, with strong and healthy growth prospects in conformity with global standards. The Holding is also responsible for updating strategies for its subsidiaries, along the lines of the changing local and global environment, as to ensure their quick adaptations to changing business conditions and help their continuous growth.

21. Risk Management and Internal Audit Mechanism

The Company has established a risk management and internal control unit, under the chairmanship of Hakan Murat Akın. Studies in this regard are carried on under coordination of the Board members Jérôme Bayle and Oğuz Satıcı. The Internal Control Department reports directly to the Audit Committee of the Board of Directors.

22. Authorities and Responsibilities of Board Members and Executives

The authorities and responsibilities of the Board of Directors are defined in the Company's Articles of Association in a manner that is consistent with the Board's functions, that does not leave room for any doubt and that is clearly distinguishable and identifiable from the authorities and responsibilities of the General Assembly.

Besides the functions set forth in the Articles of Association, the Board of Directors also fulfills the following functions listed among the functions of the Board of Directors in the Corporate Governance Principles of the Capital Markets Board:

- The Board of Directors continuously and efficiently revises the degree of achievement of the objectives by the Company, activities and past performance of the Company. While revising the same, the Company tries to comply with international standards on any matter. If required, the Board of Directors takes measures without any delay and problem. Effective revision refers to detection of compliance with the applicable laws and regulations and international accounting standards in reflection of the Company's activities, degree of achievement of the objectives by the Company; financial status and activity results in the accounting records and the degree of accuracy of the financial information regarding the Company.

- The Board of Directors establishes a risk management and internal control mechanism, minimizing the risks which may adversely affect the interest holders of the Company particularly the shareholders and the Company may encounter; and takes necessary measures for effective operation of such a system.
- The Board of Directors forms committees in order to fulfill its functions and responsibilities in a sound manner.
- The Board of Directors takes measures and applies incentives to ensure that qualified personnel would serve the Company for a long term. If required, the Board of Directors removes the managers from office without any delay and appoints appropriate and qualified managers in lieu of the removed ones.
- The Board of Directors acts as a leader in elimination and settlement of the disputes which may arise between the Company and the shareholders.
- The Board of Directors shall ensure full compliance with the laws, regulations, and provisions of the Articles of Association, intra-company arrangements and the policies established in exercising the shareholders' rights; and for this purpose, the Board of Directors shall act in close cooperation with the Corporate Governance Committee and Investor Relations Unit established in the body of this committee.

23. Operating Principles of the Board of Directors

Members of the Board of Directors are promptly provided with all information they may need to adequately perform their duties. The agendas for the meetings and related documents are delivered by the Board of Director's Secretariat Office no later than three (3) days prior the Board meeting. The Board of Directors meets when it is deemed necessary, and at least once a month. In 2013, the Board of Directors adopted 28 written resolutions. All resolutions have been unanimously adopted. The agenda of the Board meeting is prepared by the Board member in accordance with business and operations of the Company. The members of the Board of Directors are not entitled to weighted votes; all members and the chairperson are entitled to equal votes. During the meetings, the questions posed by Board Members, and detailed and reasonable explanations of any dissident votes are recorded in the meeting minutes.

24. Prohibition on Doing Business or Competing with the Company

As required by corporate governance principles, in the event of any violation of the prohibition on board members' doing business or competing with the Company, the potential conflicts of interest will be publicly disclosed.

25. Code of Ethics

GIH's code of ethics has been formulated and published on the corporate website within the framework of its public disclosure policy. The utmost care is given to ensure that the code of ethics formulated for the Company, its Board members, and its employees is complied with.

26. Number, Structure, and Independency of Committees Established by the Board of Directors

The Board of Directors of GIH has set up a Corporate Governance Committee and an Audit Committee in line with Capital Markets Board corporate governance principles. The Board members are kept informed regularly on the studies of the Committee. Based on the resolution adopted by the Board of Directors on 24 June 2013, Jerome Bernard Jean Auguste Bayle, Independent member, Ayşegül Bensel, Non-executive Board member, Adnan Nas, Non-executive board member have been elected as members of the Corporate Governance Committee. Based on Board resolution dated 24 June 2013, Oğuz Satıcı, Independent member and Jérôme Bernard Jean Auguste Bayle, Independent member, have been elected as members of the Audit Committee. Based on Board resolution dated 24 June 2013, Jérôme Bernard Jean Auguste Bayle, Independent member, Oğuz Satıcı, Independent member and Adnan Nas, Non-executive board member have been elected as members of the Early Risk Assessment Committee. In the year 2012, the Corporate Governance Committee convened five times and the Audit Committee convened four times. The committees are serving as advisory to the Board and make recommendations. All committees carry out their operations in line with their charters. The Chairpersons of the committees are non-executive independent Board members. Since all Audit Committee members need to be independent Board members and as committee chairmen need to be chosen from among independent members, the independent member Jérôme Bernard Jean Auguste Bayle sits on both committees.

Duties and Working Rules of the Corporate Governance Committee:

1. PURPOSE

To determine whether the corporate governance principles are applied in the Company and if not to find out the grounds as well as the conflicts of interest resulting from such non-compliance precisely, to carry out improvement actions on that issue and present the same to the Board and supervise the work carried out by the Investor Relations Unit.

2. POWERS AND SCOPE

The Corporate Governance Committee:

a) The field of duty of the Corporate Governance Committee covers the aspects set out by the Capital Market legislation for the Candidate Nomination Committee, Early Risk Assessment Committee, Remuneration Committee and Corporate Governance Committee.

b) To develop the Corporate Governance principles in the Company and ensure their adoption and application.

c) To evaluate the annual Corporate Governance transactions of the Board of Directors and submit the same to the Board.

d) To regulate the operations of the Investor Relations Unit.

e) To offer recommendations on the operation, structure and effectiveness of the Board and the attached committees.

f) To work on developing policies and strategies on the issues of determining and evaluating the appropriate candidates for the Board.

g) To make regular assessments on the structure and effectiveness of the Board members and submit any recommendations on possible changes to made regarding such issues to the Board.

h) To determine the approach, principles and applications regarding the performance assessment and career planning of the Board members and high level managers and supervises them.

i) To provide effective internal control systems in order to identify, evaluate, monitor and manage the risky issues that could affect the achievement of the Company's targets according their influence and possibility.

j) To monitor the integration of the risk management and internal control systems to the institutional structure of the Company and their effectiveness.

k) To work on the issues of measurement, reporting and the utilization of the decision-making mechanisms of the risks by the risk management and internal control systems of the Company keeping the appropriate checks required in view.

l) To review the committee's operations regularly and submit the proposals for changes to the Board for approval as necessary, but the responsibility of final decision always lies with the Board.

m) To determine the recommendation on the remuneration rules for the Board members and high level managers taking the long-term targets of the Company in to account.

n) To set out the criteria to be used for determining the salaries commensurate with the performance of the Company and member.

o) To reviews the committee's operations regularly and submit the proposals for changes to the Board for approval as necessary, but the responsibility of final decision always lies with the Board.

3. STRUCTURE OF THE COMMITTEE

a) The committee is formed in compliance with the Articles of Association of the Company.

b) The committee is comprised of at least two members.

c) The chairperson of the committee is elected out of the independent Board members.

d) If the committee is comprised of two members only, both members and if the committee is comprised of more than two members, the majority of the members are elected out of the individuals, who are not included in the executive staff. The CEO of the Company, General Manager and the Deputy Chairman responsible for Financial Affairs may not serve on the committee

e) When deemed necessary, the committee may seek the opinion of experts in their fields.

f) The committee is re-elected during the first meeting of the Board after the ordinary shareholders assembly meeting each year.

g) The committee convenes with the participation of half the members plus one and the resolutions are adopted upon majority decision.

h) The secretarial work of the committee is performed by the Board secretariat.

4. COMMITTEE MEETINGS AND REPORTING

a) The Corporate Governance Committee meetings are held at least every three months.

b) The resolutions adopted during the committee meetings are transcribed and archived by the Board secretariat

c) The committee informs the Board on the issues falling within its authority and responsibility.

5. RESPONSIBILITIES

a) Compliance with the Corporate Governance Principles

- Ensures the development of the Corporate Governance principles in the Company and their adoption.
- Determines whether the corporate governance principles are applied in the Company and if not finds out the grounds as well as the conflicts of interest resulting from such non-compliance; submits recommendations on improving the foregoing to the Board.
- Examines the complaints received by the Company regarding the shareholders, ensures their resolution and makes sure that any information from the employees on such issues is notified to the Board within the framework of the confidentiality principle.
- Performs other activities requested by the Board, which can be assessed within the scope of corporate governance.

b) Disclosures to the Public

- The committee reviews the activity report to be disclosed to the public.
- The committee develops the recommendations designed for making sure that the public disclosures and analyst presentations are made in compliance with the "Information Disclosure Policy" of the Company.

c) Investor Relations

The "Investor Relations Unit" is established for monitoring all the relations between the shareholders and investors for making sure that the requirements related to their right of being informed are respected in full.

Investor Relations Unit

- Consists of an adequate number of expert personnel.
- Fulfills the requests of the shareholders and investors for information, within the framework of the legislation, Articles of Association, corporate governance principles and the Information Disclosure Policy.
- Organizes periodic investor informational meetings in the country and abroad within the framework of the legislation, Articles of Association, corporate governance principles and the Information Disclosure Policy or attends such meetings organized.
- Carries out the work for ensuring active communications with domestic and foreign investors through the web site.
- Supervises and monitors the process of informing the public in compliance with the relevant legislation.
- Makes sure that the records related to the shareholders are kept in a sound, secure and updated manner.
- Makes sure that the activity reports are prepared as prescribed by the legislation and Capital Markets Board's Corporate Governance Principles.
- Follows up that the General Assembly meetings are convened in compliance with the procedures.
- Ensures the preparation of the documents to be submitted to the shareholders at the General Assembly meetings.
- Ensures the development of the system required for drawing up the meeting minutes in compliance with the procedures.

d) Responsibility of Reporting

- The committee makes sure that the Board is informed on the issues falling within its authority and responsibility.
- The committee transcribes all of its operations and keeps their records.
- The committee compiles its operations in a report and submits to the Board.

e) Nominating Candidates of the Board

- Develops a transparent system for determining the proper candidates for the Board, their assessment, training and remuneration as well as develops policies and strategies regarding those issues.
- Develops recommendations on the numbers of the Board members and managers.
- Forms a candidacy pool for the Board members and keeping the opinion and recommendations of the shareholders regarding the formation.
- Reviews and approves the appointment and promotion philosophy, principles and practices of the Company regularly.
- Determines the candidacy criteria, reviewing the same regularly and recommends the candidates nominated to the Board.

f) Remuneration

- To determine the approach, principles and applications regarding the performance assessment, career planning and remuneration of the Board members and high level managers, to supervise them ensure that such applications are put in to writing.
- To review and approve the remuneration philosophy, principals and practices of the company regularly.
- To ensure the conformity of the rules of remuneration for the Board members and high-level managers of the company with the risk management principles and practices of the company.
- To ensure the conformity of the remuneration policy with the interests of the shareholders.
- To take the measures required for preventing the Board members and high-level managers from setting their own salaries themselves.

Duties and Working Rules of the Audit Committee:

1. PURPOSE

Supervision of the company's accounting system and financial information, their disclosure to the public as well as the supervision of the operation and effectiveness of the internal control system.

2. POWERS AND SCOPE

The Audit Committee:

a) Verifies the accuracy, transparency and compliance of the financial tables, foot notes and financial information with the legislation and the international accounting standards and reports the results to the Board in writing taking the comments of the independent auditing company.

b) Examines the presence of any issues that could damage the independence of the independent auditing company and its employees and its adequacy on behalf of the Board.

c) Supervises the company's accounting system and financial information, their disclosure to the public as well as the operations and effectiveness of the independent auditing company at every stage.

d) Supervises the selection of the independent auditing company, initiation of the independent auditing process by preparing audit agreements and the operations of the independent auditing company at every stage.

e) Investigates the internal and external complaints received in connection with the company's accounting, internal control system and independent audits within the framework the principle of confidentiality and concludes the same.

f) Supervises the compliance with the legal regulations and in-house arrangements.

g) Reviews the committee's operations regularly and submits the proposals for changes to the Board for approval as necessary, but the responsibility of final decision always lies with the Board.

3. STRUCTURE OF THE COMMITTEE

a) The committee is formed in compliance with the articles of association of the company.

b) The committee is comprised of at least two members. Selection of all the members out of the independent members is essential.

c) The CEO of the company, General Manager and the Deputy Chairman responsible for Financial Affairs may not serve in the committee.

d) The persons, who have worked as consultants for the company before, may not be elected as the members of the Audit Committee

e) When deemed necessary, the opinion of experts on committee issues may be sought.

f) The committee is re-elected during the first meeting of the Board after the ordinary shareholders assembly meeting each year.

g) The committee convenes with the participation of half the members plus one and the resolutions are adopted upon majority decision.

h) The secretarial work of the committee is performed by the Board secretariat.

4. COMMITTEE MEETINGS AND REPORTING

a) The Audit Committee meets at least once a quarter and presents the results of the meeting to the Board.

b) The committee informs the Board on the issues falling within its authority and responsibility.

c) The resolutions adopted during the committee meetings are written down and archived by the Board secretariat.

5. RESPONSIBILITIES

a) Financial Tables and Announcements

- Takes the opinion of the responsible managers of the company and independent auditors regarding the conformity of the financial tables and foot notes to be disclosed to the public to the accounting principles followed by the company as well as their accuracy and reports to the Board in writing, including its own assessments.
- Reviews the activity report to be disclosed to the public and examines the consistency of the information contained therein with the information possessed by the committee.
- Reports the changes in the accounting policies, internal control system and legislation that could affect the preparation of the financial tables of the company to a large extent to the Board.
- Reviews the important accounting and reporting issues and studies their impact on the financial tables.

- Investigates and concludes the complaints received from the shareholders and stakeholders that are important enough to have an impact on the financial tables.
- Reviews the transactions left to the assessment and decision of the management in transferring to the accounting records such as the evaluation of the assets and resources, guarantees and collaterals, performance of the social responsibilities as well as any other obligations and conditional events.

b) Independent Auditing Company

- The selection of the independent auditing company, changing the same, initiating the audit process, monitoring and evaluating the activities are carried out under the supervision of the Audit Committee.
- The committee examines the audit scope and audit process proposed by the external auditors and informs the Board about the issues that could hinder their work.
- The committee evaluates the independence of the independent auditors' performance.
- The committee makes sure that the important problems discovered by the independent auditors as well as the recommendations offered for solving such problems are notified to the committee on time and discussed.
- Examines and approves all types of fees and compensation of the independent audit company.

c) Internal Audit and Internal Checks

- The Audit Committee conducts studies on the effectiveness and adequacy of the internal control system and reports to the Board.
- Makes sure that the measures required for conducting the internal audit transparently are taken.
- The committee reviews the operations of the Internal Audit Unit, its organizational structure and its duties and working principles and informs the Board about any issues that restrict or obstruct the independent auditors' work as well as the efficacy of the activities and makes recommendations.
- The committee makes sure that the problems set out in the audit report of the Internal Audit Unit as well as the recommendations offered for solving such problems are notified to the committee on time, discussed and answered.

d) Compliance with the Regulations Imposed by the Laws

- Monitors whether the company activities are carried out in compliance with the legislation and the company's internal regulations. Sets out the rules to be applied in case of any actions contradictory to the regulations.
- Makes sure that the complaints received in connection with the accounting, internal checks and independent audit are investigated within the framework of the confidentiality principles.

DUTIES AND WORKING RULES OF THE EARLY RISK ASSESSMENT COMMITTEE

1. PURPOSE

The purpose of the Early Risk Assessment Committee is to early diagnosis of the risks that would endanger the existence, development and continuity of the company, implementing the measures and remedies required in this respect, and to manage and report these risks in parallel with the company's corporate risk -taking profile, to apply necessary precautions relevant to recognized risks, to consider while making decision and to make suggestions to the board about developing and integrating internal control systems.

2. POWERS AND SCOPE

Early Risk Assessment Committee:

a) Provides effective internal control systems in order to identify, evaluate, monitor and manage the risky issues that could affect the achievement of the company's targets according their influence and possibility.

b) Monitors the integration of the risk management and internal control systems to the institutional structure of the company and their effectiveness,

c) Works on the issues of measurement, reporting and the utilization of the decision-making mechanisms of the risks by the risk management and internal control systems of the company keeping the appropriate checks required in view.

d) Reviews the committee's operations regularly and submits the proposals for changes to the Board for approval as necessary, but the responsibility of final decision always lies with the Board.

3. STRUCTURE OF THE COMMITTEE

a) The committee is formed in compliance with the articles of association of the company.

b) The committee is comprised of at least two members. The chairman of the committee is elected out of the independent Board members.

c) When deemed necessary, the committee may seek the opinion of the experts in their fields.

d) The committee is re-elected during the first meeting of the Board after the ordinary shareholders assembly meeting each year.

e) The committee convenes with the participation of half the members plus one and the resolutions are adopted upon majority decision.

f) The secretarial work of the committee is performed by the Board secretariat.

4. COMMITTEE MEETINGS AND REPORTING

a) The Early Risk Assessment Committee meetings are held at least every 3 months.

b) The committee informs the Board on the issues falling within its authority and responsibility.

c) The resolutions adopted during the committee meetings are written down and archived by the Board secretariat

5. RESPONSIBILITIES

a) To identify, analyze, measure, monitor and report the risks faced by the company and issue warnings in order to reduce the controllable and uncontrollable risks.

b) To determine the risk management policies in line with the opinion of the Board based on the risk management strategies, to determine the implementation procedures and ensuring their application and compliance with them.

c) To participate in the processes of design, selection, implementation and preliminary approval of the risk management models as essential tools for risk management, to review the models regularly and to make the changes required by conducting scenario analyses.

d) To request information, opinion and reports from the relevant units where deemed necessary in order to ensure the effective application of the risk monitoring function.

27. Remuneration of the Board of Directors

At the General Assembly Meeting held on 23 May 2013, it was resolved that the Members of the Board of Directors be paid a monthly net stipend of TL 8,000. The Remuneration Policy for senior executives and the attendance fee of Board Members were published on the web site. During the year 2013, the Company did not lend money or extend credit to any Board Member or senior executives, except those indicated in the consolidated financial statements.

Mehmet Kutman	**Serdar Kırmaz**
Chairman	Executive Board Member

Declaration of Responsibility

Of the Board Resolution on the Approval of Financial Statements

Date: 11 March 2014

Number: 835

STATEMENT OF RESPONSIBILITY AS PER ARTICLE 9 OF THE CAPITAL MARKETS BOARD COMMUNIQUÉ NO: II-14.1

a) We have examined the Company's consolidated financial statements for the period between 1 January and 31 December 2013.

b) According to the information we obtained within the scope of our duty and responsibility, the report does not contain any misstatement on material events or any deficiency which might be misleading as of the date of our statement.

c) According to the information we obtained within the scope of our duty and responsibility, we hereby declare that the financial statements, prepared in accordance with the financial reporting standards in force, as of the period concerned, present correctly and fairly the actual situation of our Company as regards to its assets, liabilities, financial position and profit/loss and that the annual report present correctly and fairly the development and performance of business, the Company's financial position, the Company's financial situation together with the important risks and uncertainties it is exposed to and the truth regarding the results of its operations.

Sincerely,

GLOBAL YATIRIM HOLDİNGS A.Ş.

Kerem ESER
Finance Director

Mehmet KUTMAN
Chairman

Declaration of Independency

I hereby declare that during my office term at Global Yatırım Holdings A.Ş.

- I have not served as a Board Member for a period longer than six years,

- No employment, capital or significant commercial relationship between the Company, any of the related parties or legal persons with whom the shareholders controlling, directly or indirectly, 5% or more of the Company's capital have relations in terms of management or capital, and myself, my spouse and my relatives by blood and by marriage up to third degree has been established, directly or indirectly, during the last five years,

- During last five years, I was not employed and did not serve as a Board Member at companies who conduct the Company's operations and organization, completely or partially, pursuant the agreements signed, particularly the companies carrying out the auditing, rating and consulting services for the Company,

- During last five years, I did not serve as partner, employee or Board Member at any of the companies providing goods and services to the Company at a considerable extent,

- If I am a shareholder of the Company by virtue of my position as a Board member, my participation rate is less than 1% and there is no privilege rights in such shares,

- I have acquired professional training, knowledge and experience required to perform the tasks I will take as an Independent Board Member,

- I am not serving on full-time basis at public institutions and establishments, as of the date of my nomination and during my office term, upon my appointment,

- As per the Income Tax Law, I am considered to be settled in Turkey,

- I possess strong ethical standards, professional reputation and experience to make positive contribution to the Company's operations, to maintain objectivity during conflict of interest that will arise between Company shareholders and to be able to decide freely taking into account the stakeholders' benefits;

And consequently I will perform my duties, being a Board Member, as an Independent Board Member.

Jerome Bayle
Independent Board Member

Oğuz Satıcı
Independent Board Member

The Global Investment Holdings Group Internal Controls: Rationalization

During 2013, Global Investment Holdings continued to follow Group-wide risk management and internal control policies. The previously applied corporate codes of conduct were systematically followed, including the internet usage restrictions, proprietary trading limits and guidelines and management reporting systems. An organization-wide company assets security awareness initiative, that included information and information systems, was provided.

Furthermore, the current internal control system, particularly increasing the efficiency and productivity of Group operations, maintaining reliability in financial reporting and compliance with the law and legislation, is being audited by the Internal Audit Team in accordance with the annual internal audit plan, and the outcome of the audit findings are reported to the Board of Directors. Those risks that prove to be crucial within the framework of corporate risk management in the aforementioned annual internal audit plan are prioritized.

At the request of the Board, the Internal Audit Team has coordinated and performed different audit engagements in 2013 in order to detect potential risks within the Group companies and Head Office Departments as well. The Internal Audit team has taken the necessary measures both at the holding level and at the individual company level to implement efficient risk management tools through its internal audit technical implementations. The Team is going to accomplish a broad range of internal audit assignments during 2014 according to the annual audit plan.

Financial Overview

Global Investment Holdings' net revenues reached TL 247.3 million compared to TL 166.3 million last year, representing an increase of 49%. This increase is due to a robust operating performance of all business divisions in the Group with the Port and Energy Divisions specifically being the largest contributors to consolidated revenues.

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) amounted to TL 190.0 million, including TL 109.7 million in goodwill gain from the acquisitions of the Port of Bar, Naturelgaz and Straton Maden. The comparable figure for 2012 was TL 208.3 million incorporating TL 163.0 million gain from asset sales and acquisitions.

On a divisional basis, the Group's Port Division revenues reached TL 143.5 million in 2013 compared to TL 122.4 million in 2012, representing an improvement of 17%. Commercial port activities, and, in particular, the operational performance of the Port of Antalya were instrumental in the increase. The division's normalized EBITDA was TL 93.9 million compared to an EBITDA of TL 80.2 million in 2012.

The Group's Energy Division revenues in 2013 consisted of sales of CNG and feldspar amounting to TL 63.3 million in total. EBITDA of the Division stood at TL 53.1 million for 2013 compared to TL 3.1 million for the same period last year. 2013 EBITDA included negative goodwill gain of TL 54.5 million arising from energy asset acquisitions, whereas this figure was TL 12.8 million in 2012.

Finally, GIH reported consolidated net profit of TL 29.1 million in 2013, compared to net profit of TL 108.4 million in the previous year. The main reasons behind the decrease were foreign exchange differences amounting to TL 46.9 million incurred on the Group's long term loans, and depreciation and amortization charges of TL 60.0 million , triggered by asset acquisitions. Also, as a result of the dividend distribution, deferred tax assets decreased by TL 15.4 million in 2013.

The Share Repurchase Program was completed in late 2013 and 20,791,765 shares, representing 9.24% of the Company's share capital were repurchased. As such, GIH has distributed TL 0.1443/share of 'dividend equivalent' to its investors in addition to TL 0.05940/share cash dividend paid in 2013.

All business segments were cash positive in 2013. The focus on maintaining Group profitability and building on dividend streams from energy, mining and real estate investments will continue to be the driving force of the Group's operations.

Disclaimer

The projects and activities described in this Annual Report are undertaken through a number of different companies ("Affiliates") affiliated with Global Investment Holdings A.Ş. (the "Global Investment Holdings Group" or the "Company"), also referred to herein, together with such Affiliates, as the "Group."

Unless otherwise specified, the information in this Annual Report is given as of 31 December 2013. The terms "current" and "currently," respectively, denote the status of the related information as of the time this Annual Report goes to print.

The currency of the Republic of Turkey ("Turkey") is Turkish Lira ("TL"), which was introduced as of 1 January 2009 upon the conversion of the New Turkish Lira ("YTL") on a one-to-one basis. Solely for convenience, certain Turkish Lira amounts herein have been converted into US Dollars ("US$") based on the official US$/TL exchange rate announced by the Central Bank of Turkey as of such relevant date or the average official US$/TL exchange rate for the respective period, except where otherwise specified. No representation is being made that any such TL amount was, or could have been, converted into US$ at such rate or otherwise.

This Annual Report contains certain forward-looking statements, which typically include words such as "intend," "expect," "anticipate," "plan," "project," "target," and "scheduled." Such statements are based on the expectations of Company management as this Annual Report goes to print, and such statements are inherently subject to operating risks, including factors beyond our control, such as general economic and political conditions; the volatility of market prices, rates and indices; legislative and regulatory developments; and to our own ability to attract and retain skilled personnel; to source, structure and procure financing for projects; to implement optimal technology and information systems; and otherwise to operate successfully in a competitive marketplace. Consequently, our results may vary significantly from time to time and we may not be able to achieve our strategic objectives.

Global Investment Holdings is incorporated in Istanbul, Turkey. The registered address of the company's headquarters of the is Rıhtım Caddesi No: 51, Karaköy 34425, Istanbul, Turkey. Global Investment Holdings is subject to regulation by the Turkish Capital Markets Board ("CMB") and the Borsa Istanbul. Other Group companies are subject to the regulations of the capital markets or other regulatory authorities having jurisdiction over them.

Global Yatırım Holding A.Ş. and its Subsidiaries

Convenience Translation into English of Consolidated Financial Statements as at and for the Year Ended 31 December 2013 with Independent Auditors' Report Thereon

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
11 March 2014
This report includes 2 pages of independent auditors' report and 149 pages of consolidated financial statements together with their explanatory notes.

Global Yatırım Holding Anonim Şirketi and its Subsidiaries

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CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT
ORIGINALLY ISSUED IN TURKISH

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of Global Yatırım Holding Anonim Şirketi,

Introduction

We have audited the accompanying consolidated statement of financial position (balance sheet) of Global Yatırım Holding Anonim Şirketi (the "Company") and its Subsidiaries (collectively referred to as the ("Group") as at 31 December 2013 and the related consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and explanatory notes.

Group Management's responsibility for the consolidated financial statements

The Group's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Turkish Accounting Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA") and for such internal controls as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to error and/or fraud.

Independent auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our audit was conducted in accordance with standards on auditing issued by the Capital Markets Board of Turkey. Those standards require that ethical requirements are complied with and that the independent audit is planned and performed to obtain reasonable assurance whether the financial statements provide a true and fair view of the Group.

An audit involves performing independent audit procedures to obtain independent audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error and/or fraud. In making those risk assessments, the Group's internal control system is taken into consideration. Our purpose, however, is not to express an opinion on the effectiveness of internal control system, but to design procedures that are appropriate for the circumstances in order to identify the relation between the consolidated financial statements prepared by the Group and its internal control system. An audit includes also evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Group's management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained during our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly the consolidated financial position of Global Yatırım Holding Anonim Şirketi and its Subsidiaries as at 31 December 2013 and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with the Turkish Accounting Standards (Note 2).

Reports on independent auditor's responsibilities arising from other regulatory requirements

In accordance with Article 402 of the Turkish Commercial Code ("TCC"); the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit, additionally, no significant matter has come to our attention that causes us to believe that the Group's bookkeeping activities for the period 1 January – 31 December 2013 is not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.

Pursuant to Article 378 of Turkish Commercial Code no. 6102, Board of Directors of publicly traded companies are required to form an expert committee, and to run and to develop the necessary system for the purposes of: early identification of causes that jeopardize the existence, development and continuity of the company; applying the necessary measures and remedies in this regard; and, managing the related risks. According to subparagraph 4, Article 398 of the code, the auditor is required to prepare a separate report explaining whether the Board of Directors has established the system and authorized committee stipulated under Article 378 to identify risks that threaten or may threaten the Company and to provide risk management, and, if such a system exists, the report, the principles of which shall be announced by the POA, shall describe the structure of the system and the practices of the committee. This report shall be submitted to the Board of Directors along with the auditor's report. Our audit does not include evaluating the operational efficiency and adequacy of the operations carried out by the management of the Company in order to manage these risks. As of the balance sheet date, POA has not announced the principles of this report yet so no separate report has been drawn up relating to it. On the other hand, the Company formed the mentioned committee on 24 June 2013 and it is comprised of 3 members. The committee has met one time since its formation to the reporting date for the purposes of early identification of risks that jeopardize the existence of the company and its development, applying the necessary measures and remedies in this regard, and managing the risks, and has submitted the relevant report to the Board of Directors.

Emphasis of Matter

Without qualifying our opinion, we draw your attention to the following litigation matters:

As explained in detail in Note 19.2, on 26 February 2013 the court case which continues as at the date of reporting period between Ankara Metropolitan Municipality ("the Municipality") and Joint Venture Group ("JVG"), comprising the Company, regarding the cancellation of the injunction of liquidation of Letter of Guarantee amounting to USD 50 million given by the Group in favor of Municipality in accordance with the specifications of the privatization tender of Başkent Doğalgaz Dağıtım A.Ş. by the method of block sale, has been resulted against the JVG. The Group appealed the file as the reasoned decision of the court is complete and received by the Group and accounted its obligations arising from the decision of the court of first instance in its consolidated financial statements as at 31 December 2012. As at the date of reporting period, the Letter of Guarantee amounting to USD 50,000,000 has been liquidated and paid in cash by the Group and legal proceedings with regard to collection of share of the members of the JVG which is recognized as other receivables have been initiated. On the other hand, the Municipality filed a lawsuit against the Group before 4th Ankara Commercial Court in request for the compensation for unlawful preliminary injunction and lawsuit petition. The interim decision related to the lawsuit has been received by the Group. In the rebuttal petition, the Group's lawyers claimed for nonsuit and requested for awaiting the finalization of the decision of the superior court, evidencing of tangible damages of plaintiff by the Municipality and determining of the scope of compensation in accordance with the Code of Obligation Article 51.

At the preliminary examination hearing dated 21 November 2013 at 4th Ankara Commercial Court, the appeal lawsuit regarding restitution of the Letter of Guarantee before 11th Chamber of Supreme Court has been accepted as prejudicial issue.

As explained in detail in Note 19.2, the Water Utilization Rights Agreement which should had been signed between a subsidiary of the Group engaged in hydroelectric power plant investments and the General Directorate of State Water Works ("DSİ") has not been put in signature due to the cancellation of the project by DSİ. The Group lawyers have filed a lawsuit at the 16th Administrative Court of Ankara to cancel the decision given by DSİ which was further rejected by the Court. The Group lawyers appealed the verdict of the decision at the Council of State and requested an injunction.

As at the date the consolidated financial statements were authorized for issue, the litigations mentioned above are being held at different stages of the judicial proceedings and include uncertainty regarding the ultimate outcome of the resolutions. The Group management, based on consultation with the Group legal attorneys, has not provided any provision with respect to aforementioned litigation matters in the accompanying consolidated financial statements.

Additional Paragraph for Convenience Translation to English

As explained in Note 2.1(a), the accompanying consolidated financial statements are not intended to present the consolidated financial position and the consolidated results of operations of the Group in accordance with the accounting principles and practices generally accepted in countries and jurisdictions other than Turkey and International Financial Reporting Standards.

Istanbul, 11 March 2014
Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Orhan Akova, SMMM
Partner
Istanbul, Turkey

GLOBAL YATIRIM HOLDING A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
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Global Yatırım Holding A.Ş. And its Subsidiaries
Consolidated Financial Position
(Balance Sheet) as at 31 December 2013
Cuurency Turkish Lira (“TL”) unless otherwise stated

	Notes	Audited 31 December 2013	Audited (Restated) (*) 31 December 2012
ASSETS			
Current assets		**386.385.802**	**259.188.610**
Cash and cash equivalents	7	74.333.643	48.868.879
Financial assets	8	23.028.330	9.738.924
Trade receivables		36.873.195	13.017.832
– Other trade receivables	*10*	*36.873.195*	*13.017.832*
Other receivables		31.593.215	65.979.971
– Due from related parties	*6*	*26.513.110*	*29.028.678*
– Other receivables	*11*	*5.080.105*	*36.951.293*
Receivables from operations in finance sector		44.663.535	63.213.340
– Due from related parties	*6*	*11.074.620*	*10.981.046*
– Other receivables	*12*	*33.588.915*	*52.232.294*
Inventories	13	27.760.220	26.338.469
Prepayments	14	16.259.454	2.168.837
Current income tax assets	31	2.141.787	3.108.055
Other current assets	22	18.687.002	25.891.552
(Subtotal)		*275.340.381*	*258.325.859*
Assets classified as held for sale	36	111.045.421	862.751
Non-current assets		**1.591.217.416**	**1.074.715.919**
Other receivables		63.510.338	55.673.742
– Due from related parties	*6*	*5.029.659*	*5.029.659*
– Other receivables	*11*	*58.480.679*	*50.644.083*
Financial assets	8	5.164.987	3.083.737
Equity accounted investees	18	46.870.242	45.829.232
Investment property	15	223.510.000	197.915.245
Property, plant and equipment, net	16	317.369.431	118.811.928
Intangible assets, net		861.554.303	594.809.183
– Goodwill	*17*	*44.178.992*	*41.243.581*
– Other intangible assets	*17*	*817.375.311*	*553.565.602*
Prepayments	14	17.241.027	26.184.804
Deferred tax assets	31	34.967.122	28.332.356
Other non-current assets	22	21.029.966	4.075.692
TOTAL ASSETS		**1.977.603.218**	**1.333.904.529**

(*) See Note 2.3.e for restatements.

Accompanying notes are an integral part of these consolidated financial statements.

Global Yatırım Holding A.Ş. And its Subsidiaries
Consolidated Financial Position
(Balance Sheet) as at 31 December 2013
Cuurency Turkish Lira ("TL") unless otherwise stated

	Notes	Audited 31 December 2013	Audited (Restated) (*) 31 December 2012
LIABILITIES			
Short term liabilities		**423.279.577**	**305.425.524**
Short-term borrowings	9	114.317.515	22.339.619
Short portion of long-term borrowings	9	133.714.789	84.235.729
Trade Payables		28.725.646	4.184.386
- Due to related parties	*6*	*-*	*-*
- Other trade payables	*10*	*28.725.646*	*4.184.386*
Payables related to employee benefits	21	3.903.294	1.774.465
Other payables		39.285.206	46.124.930
- Due to related parties	*6*	*122.653*	*166.748*
- Other payables	*11*	*39.162.553*	*45.958.182*
Liabilities due to operations in finance sector		39.489.658	49.260.566
- Due to related parties	*6*	*302.770*	*20.910*
- Other payables	*12*	*39.186.888*	*49.239.656*
Derivative instruments	33	-	47.835
Deferred income	14	7.437.721	326.717
Current tax liabilities		5.016.673	3.502.554
Provisions		3.301.130	92.062.782
- Short term employee benefits	*21*	*1.127.571*	*966.712*
- Other provisions	*19*	*2.173.559*	*91.096.070*
Other short-term liabilities	22	9.671.609	1.565.941
(Subtotal)		*384.863.241*	*305.425.524*
Liabilities directly associated with assets held for sale	36	38.416.336	-
Long term liabilities		**828.421.052**	**291.147.545**
Long term borrowings	9	607.948.170	176.273.277
Trade payables		767.976	-
- Other trade payables		*767.976*	*-*
Other payables		46.471.920	1.004.929
- Due to related parties	*6*	*16.220*	*16.220*
- Other payables	*11*	*46.455.700*	*988.709*
Liabilities arising from equity accounted investees	18	735.735	-
Deferred Income	14	863.325	-
Provisions		5.541.781	2.763.274
- Long term employee benefits	*21*	*5.541.781*	*2.763.274*
Deferred tax liabilities	31	166.092.145	111.106.065
EQUITY	**23**	**725.902.589**	**737.331.460**
Total equity attributable to equity holders of the company		**515.252.194**	**516.924.660**
Paid-in capital		225.003.687	225.003.687
Inflation adjustment on capital		34.659.630	34.659.630
Tresury shares owned by the Company		(29.985.681)	(10.237.242)
Tresury shares owned by the subsidiaries		(53.731.622)	(59.783.630)
Share premium		4.893.906	4.893.906
Accumulated other comprehensive income/expense not to be reclassified toprofit or loss		13.726.331	13.885.308
- Special Funds		*14.497.128*	*14.497.128*
- Actuarial gain / (loss) on employee benefits		*(770.797)*	*(611.820)*
Accumulated other comprehensive income/expense to be reclassified to profit or loss		104.423.733	42.412.221
- Foreign Currency translation differences		*116.923.599*	*41.798.476*
- Gain/loss on revaluation and remeasurement		*281.339*	*613.745*
- Gain/loss arising from net investment hedges		*(12.781.205)*	*-*
Restricted reserves		79.706.826	86.393.932
Retained earnings		107.443.791	71.320.624
Net profit/(loss) for the peirod		29.111.593	108.376.224
Non-controlling interests		**210.650.395**	**220.406.800**
TOTAL EQUITY AND LIABILITIES		**1.977.603.218**	**1.333.904.529**

(*) See Note 2.3.e for restatements.

Accompanying notes are an integral part of these consolidated financial statements.

Global Yatırım Holding A.Ş. And its Subsidiaries
Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 December 2013
Cuurency Turkish Lira ("TL") unless otherwise stated

	Notes	Audited 1 January– 31 December 2013	Audited (Restated) (*) 1 January– 31 December 2012
PROFIT OR LOSS			
Revenue	24	224.216.840	143.156.841
Cost of revenues (-)	24	(148.634.186)	(86.491.224)
Gross profit from trade operations		**75.582.654**	**56.665.617**
Revenues from finance operations	24	23.132.084	23.211.103
Cost of revenues from finance operations (-)	24	(2.987.123)	(4.014.076)
Gross profit from operations in finance sector		**20.144.961**	**19.197.027**
GROSS PROFIT		**95.727.615**	**75.862.644**
Marketing expenses (-)	25	(16.895.478)	(3.623.536)
General administrative expenses (-)	25	(78.082.749)	(72.380.586)
Other operating income	27	123.578.482	167.882.762
Other operating expense (-)	27	(11.070.117)	(3.873.537)
Share of profit/(loss) of equity accounted investees	18	(775.467)	(7.152.794)
OPERATING PROFIT/(LOSS)		**112.482.286**	**156.714.953**
Income from investing activities	28	16.908.658	7.427.124
Expense from investing activities (-)	28	(897.324)	(557.948)
PROFIT/(LOSS) BEFORE FINANCE INCOME/EXPENSE		**128.493.620**	**163.584.129**
Finance income	29	22.153.260	25.328.547
Finance expenses (-)	30	(120.978.714)	(84.240.312)
PROFIT/(LOSS) BEFORE TAX		**29.668.166**	**104.672.364**
Income tax credit /(expense)		**(3.168.836)**	**12.303.770**
- Current tax benefit/(expense)	31	(10.448.284)	(10.354.451)
- Deferred tax benefit /(expense)	31	7.279.448	22.658.221
NET OPERATING PROFIT/(LOSS) FOR THE PERIOD		**26.499.330**	**116.976.134**
Net profit/(loss) from discontinued operations		-	-
NET PROFIT/(LOSS) FOR THE PERIOD		**26.499.330**	**116.976.134**
Profit/(loss) attributable to		**26.499.330**	**116.976.134**
Non-controlling interests		(2.612.263)	8.599.910
Owners of the company	32	29.111.593	108.376.224
Earnings per share			
-Earnings per share from continuing operations	32	0,1830	0,6587
Diluted earnings per share			
-Diluted earnings per share from continuing operations	32	0,1830	0,6587
OTHER COMPREHENSIVE INCOME			
Other Comprehensive Income/Expense not to be Reclassified to Profit or Loss		**(158.977)**	**(301.596)**
Actuarial loss on employee benefits		(158.977)	(301.596)
Other Comprehensive Income/Expense to be Reclassified to Profit or Loss		**65.301.771**	**(35.739.428)**
Change in revaluation fund of financial assets		(461.041)	(3.094)
Change in foreign currency translation differences		78.451.809	(35.736.953)
Gain/loss arising from net investment hedges	30	(12.781.205)	-
Tax income/expense related with revaluation fund of financial assets		92.208	619
OTHER COMPREHENSIVE INCOME / (LOSS)		**65.142.794**	**(36.041.024)**
TOTAL COMPREHENSIVE INCOME		**91.642.124**	**80.935.110**
Total comprehensive income attributable to		**91.642.124**	**80.935.110**
Non-controlling interests		702.150	59.572
Owners of the company		90.939.974	80.875.538

(*) See Note 2.3.e for restatements.

Accompanying notes are an integral part of these consolidated financial statements.

Global Yatırım Holding A.Ş. And its Subsidiaries
Consolidated Statement of Changes in Shareholders' Equity for the Year Ended 31 December 2013
Cuurency Turkish Lira ("TL") unless otherwise stated

						Other Comprehensive Income/Expense not to be Reclassified to Profit or Loss		Other Comprehensive Income/Expense to be Reclassified to Profit or Loss								
	Paid in Capital	Inflation Adjustment on Capital	Treasury Shares Owned by the Company	Treasury Shares Owned by the Subsidiaries	Share Premium/Allowance	Actuarial Loss on Employee Benefits	Special Funds	Gain/loss on revaluation and remeasurement	Gain/Loss Arising From Net Investment Hedges	Foreign Currency Translation Differences	Restricted Reserves	Net Profit / (Loss) For the Period	Retained Earnings / Accumulated Losses	Equity Attributable to the Owners of the Company	Non-Controlling Interest	Total
Balance at 1 January 2012	225.003.687	34.659.630	-	(72.751.722)	4.966.894	-	14.357.900	407.034	-	68.992.970	77.568.827	(81.954.759)	164.040.947	435.291.408	239.695.119	674.986.527
Change in accounting standards (Note 2.3.e)	-	-		-	-	(310.224)	-	-	-	-	-	310.224	-	-	-	-
Balance at 1 January 2012-restated	225.003.687	34.659.630	-	(72.751.722)	4.966.894	(310.224)	14.357.900	407.034	-	68.992.970	77.568.827	(81.644.535)	164.040.947	435.291.408	239.695.119	674.986.527
Total comprehensive income																
Change in revaluation reserve, net of deferred tax	-	-	-	-	-	-	-	(2.475)	-	-	-	-	-	(2.475)	-	(2.475)
Actuarial loss on employee benefits	-	-	-	-	-	(301.596)	-	-	-	-	-	-	-	(301.596)	-	(301.596)
Foreign currency translation differences	-	-	-	-	-	-	-	-	-	(27.196.615)	-	-	-	(27.196.615)	(8.540.338)	(35.736.953)
Net profit/loss for the period	-	-	-	-	-	-	-	-	-	-	-	108.376.224	-	108.376.224	8.599.910	116.976.134
Total comprehensive income for the period	-	-	-	-	-	(301.596)	-	(2.475)	-	(27.196.615)	-	108.376.224	-	80.875.538	59.572	80.935.110
Transactions with owners of the Company, recognized directly in equity									-							
Own shares acquired and sold	-	-	(10.237.242)	12.968.092	-	-	-	-	-	-	-	-	785.913	3.516.763	(9.933)	3.506.830
Sale of subsidiary	-	-	-	-	-	-	-	(715)	-	-	(147.902)	-	148.617	-	(2.255)	(2.255)
Transfer	-	-	-	-	-	-	-	-	-	-	9.333.621	81.644.535	(90.978.156)	-	-	-
Purchase and sale of a joint venture	-	-	-	-	-	-	-	-	-	-	(334.921)	-	(2.496.726)	(2.831.647)	1.186.085	(1.645.562)
Dividend distribution by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(17.879.989)	(17.879.989)
Change in non-controlling interest without loss in control	-	-	-	-	(72.988)	-	139.228	209.901	-	2.121	(25.693)	-	(179.971)	72.598	(2.641.798)	(2.569.200)
Balance at (31 December 2012)	225.003.687	34.659.630	(10.237.242)	(59.783.630)	4.893.906	(611.820)	14.497.128	613.745	-	41.798.476	86.393.932	108.376.224	71.320.624	516.924.660	220.406.801	737.331.460
Balance at 1 January 2013	225.003.687	34.659.630	(10.237.242)	(59.783.630)	4.893.906	(611.820)	14.497.128	613.745	-	41.798.476	86.393.932	108.376.224	71.320.624	516.924.660	220.406.800	737.331.460
Change in accounting standards (Note 2.3.e)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 1 January 2013-restated	225.003.687	34.659.630	(10.237.242)	(59.783.630)	4.893.906	(611.820)	14.497.128	613.745	-	41.798.476	86.393.932	108.376.224	71.320.624	516.924.660	220.406.800	737.331.460
Total comprehensive income																
Change in revaluation reserve, net of deferred tax	-	-	-	-	-	-	-	(368.833)	-	-	-	-	-	(368.833)	-	(368.833)
Actuarial loss on employee benefits	-	-	-	-	-	(158.977)	-	-	-	-	-	-	-	(158.977)	-	(158.977)
Losses arising from net investment hedges	-	-	-	-	-	-	-	-	(12.781.205)	-	-	-	-	(12.781.205)	-	(12.781.205)
Foreign currency translation differences	-	-	-	-	-	-	-	-	-	75.137.396	-	-	-	75.137.396	3.314.413	78.451.809
Net profit/loss for the period	-	-	-	-	-	-	-	-	-	-	-	29.111.593	-	29.111.593	(2.612.263)	26.499.330
Total comprehensive income for the period	-	-	-	-	-	(158.977)	-	(368.833)	(12.781.205)	75.137.396	-	29.111.593	-	90.939.974	702.150	91.642.124
Transactions with owners of the Company, recognized directly in equity																
Own shares acquired and sold	-	-	(19.748.439)	6.052.008	-	-	-	-	-	-	-	-	-	(13.696.431)	-	(13.696.431)
Transfer	-	-	-	-	-	-	-	-	-	-	(6.839.926)	(108.376.224)	115.216.150	-	-	-
Dividend payment	-	-	-	-	-	-	-	-	-	-	-	-	(9.763.633)	(9.763.633)	-	(9.763.633)
Change in non-controlling interest without loss in control	-	-	-	-	-	-	-	36.427	-	(12.273)	152.820	-	(69.329.350)	(69.152.376)	(91.711.741)	(160.864.117)
Dividend distribution by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6.355.152)	(6.355.152)
Acquisiton through business combination	-	-	-	-	-	-	-	-	-	-	-	-	-	-	87.608.338	87.608.338
Balance at (31 December 2013)	225.003.687	34.659.630	(29.985.681)	(53.731.622)	4.893.906	(770.797)	14.497.128	281.339	(12.781.205)	116.923.599	79.706.826	29.111.593	107.443.791	515.252.194	210.650.395	725.902.589

The detailed explanations related to equity items are presented in Note 23.

Accompanying notes are an integral part of these consolidated financial statements.

Global Yatırım Holding A.Ş. And its Subsidiaries
Consolidated Statement of Cash Flows for the year ended 31 December 2013
Cuurency Turkish Lira ("TL") unless otherwise stated

	Notes	Audited 1 January– 31 December 2013	Audited– Restated (*) 1 January– 31 December 2012
Cash flows from operating activities			
Net profit/(loss)		26.499.330	116.976.134
Adjustment to reconcile net profit/ (loss) before tax and net cash provided by operating activities			
Depreciation and amortization expense	26	59.915.277	44.056.752
Tax (income)/expense		3.168.836	(12.303.770)
Bargain purchase gain	27	(109.670.862)	(12.807.961)
Gain on sale of joint ventures		–	(150.185.136)
Change in provision for employment termination indemnities		633.224	606.867
Net gain / (loss) from sale of non-current assets		59.222	(162.655)
Change in fair value of derivatives	29	(47.835)	(877.131)
Interest income from operations in finance sector	24	(7.499.485)	(7.904.215)
Foreign exchange (gain)/loss on bank borrowings		68.790.133	(4.689.862)
Other provisions		360.799	44.487.152
Interest income from non-financial activities	29	(8.555.610)	(6.460.859)
Impairment loss on goodwill		1.587.600	–
Interest charges from loans extended to customers	24	2.071.783	2.959.437
Dividend income	27,28	(1.022.476)	(933.483)
Letter of guarantee commissions and other financial expenses	30	700.000	7.072.365
Interest expense from other than in finance sector		56.301.333	26.425.724
Gain on sale of associates		–	(1.546.042)
(Gain) / loss on sale of investment properties		(25.286.372)	(4.467.095)
Loss / (gain) from equity accounted investees		775.467	7.152.794
Gain on sale of subsidiary	27	–	(1.745.775)
Change in restricted cash deposits	7	275.507	(8.868.366)
Change in allowance of doubtful receivables		219.892	489.075
Operating cash flow before changes in operating assets and liabilities		**69.275.763**	**37.273.950**
Taxes paid		(7.967.897)	(7.694.815)
Interest received from financial sector activities		7.499.485	7.904.215
Interest paid related to loans extended to customers		(2.071.783)	(2.959.437)
Dividend received		1.022.476	933.483
Employment termination indemnity paid		(259.222)	(96.485)
Change in trade receivables from operations in finance and non-finance sectors		1.108.351	(21.485.808)
Change in other receivables		27.135.256	(1.444.228)
Change in other current assets and prepaid expenses		5.625.283	(7.064.872)
Change in other non-current assets		(14.384.808)	939.229
Change in inventories		1.819.695	5.521.040
Change in trade payables due to operations in finance and non-finance sectors		(2.312.078)	(4.257.016)
Change in other payables		(41.429.342)	29.924.330
Change in other current liabilities		14.143.666	(3.705.147)
Change in other non-current liabilities		(153.289)	524.876
Net cash from operating activities		**59.051.556**	**34.313.315**
Investing activities			
Addition to investment property	15	(308.383)	(559.073)
Acquisition of property, plant and equipment	16	(57.953.514)	(12.545.028)
Acquisition of intangible assets	17	(931.884)	(126.863)
Acquisition of inventories		(1.521.589)	–
Initial public offer and purchase and sale of shares in a subsidiary in the finance segment without loss of control		–	1.148.079
Purchase of equity accounted investees		(41.891.792)	–
Purchase of non-controlling interest without loss in control		(160.864.117)	–
Change in financial investments		(13.887.139)	8.719.311
Cash paid for purchase of subsidiary, net		(30.028.387)	–
Cash obtianed from sale of joint ventures, net		–	101.024.350
Cash paid for purchase of joint venture, net		(761.440)	(5.390.745)
Interest received from other than in finance sector		8.280.103	6.132.382
Proceeds from sale of property, plant and equipment and intangible assets		840.809	3.394.267
Net cash from / (used in) investing activities		**(299.027.333)**	**101.796.680**
Financing activities			
Interest paid for financing activities		(46.511.988)	(31.235.352)
Change in treasury shares		(13.696.431)	3.497.800
Cash paid for letter of guarantee commisions and other financing activities		–	(5.788.886)
Cash paid for letters of guarantee	19	(89.130.000)	–
Dividend distribution		(9.763.633)	–
Dividend distribution to non controlling interest		(6.355.152)	(17.879.990)
Proceeds from borrowings		878.863.109	118.367.735
Repayments of borrowings		(424.079.513)	(205.860.631)
Net cash from / (used in) financing activities		**289.326.392**	**(138.899.324)**
Effect of foreign currency translation		(23.610.344)	(15.952.821)
Net increase/(decrease) in cash and cash equivalents		**25.740.271**	**(18.742.150)**
Transfer to assets held for sale		–	–
Cash and cash equivalents at 1 January	7	**35.906.936**	**54.649.086**
Cash and cash equivalents at 31 December	7	**61.647.207**	**35.906.936**

(*)See Note 2.3.e for restatements.

Accompanying notes are an integral part of these consolidated financial statements.

1 ORGANIZATION AND NATURE OF BUSINESS

Global Yatırım Holding A.Ş. (''Global Yatırım Holding'', ''Global Holding'', ''GYH'' or ''the Company'') was established in 1990 with the trade name Global Menkul Değerler A.Ş. as a brokerage company in İstanbul, Turkey. On 6 October 2004, the Company changed its trade name to Global Yatırım Holding A.Ş and its field of activity to restructured itself as a holding company. As part of its restructuring, on 2 October 2004, a new company, named Global Menkul Değerler A.Ş. was established by through a partial de-merger in accordance withunder Turkish legislation law and 99,99% of its shares were owned by the Company. All of the Company's brokerage activities were transferred to this new company. The main operation of the Company's primary purpose is to participate invest in the capital and participate in the management of companies that operate or will operate in the fields of financial services, energy, infrastructure and real estate development sectors, and to minimize the volatility of its investments against economic fluctuations by handling managing the capital expenditure, financing, organization and administration of those its investment companies within portfolio, while contributing to such companies the achievingement of sustainable growth and ensuring the going concern of those such companies to the benefit of the national economy, and to engage in commercial, industrial and financial activities in line with these goals.

Global Yatırım Holding, its subsidiaries, its joint ventures and its associates are together referred to as ''the Group''. As at 31 December 2013, the number of employees of the Group is 1.415 (31 December 2012: 630)

The Group is registered with the Capital Market Board (''CMB'') and its shares have been traded on the Borsa İstanbul (''BIST'') since May 1995 (from May 1995 to 1 October 2004, the company traded as ''Global Menkul Değerler A.Ş.'').

The registered office of the Company is ''Rıhtım Caddesi No: 51 Karaköy / Istanbul''.

99,99% of the shares of the Company are listed on the BIST.

The Company's shareholding structure is presented in Note 23.

1 ORGANIZATION AND NATURE OF BUSINESS (continued)

The nature of the operations and the locations of the "Subsidiaries" of the Group are listed below:

Subsidiaries	Location	Operations
Global Menkul Değerler A.Ş. (Global Menkul) (1)	Turkey	Brokerage
Global Financial Products Ltd. (GFP)	Cayman Islands	Financial Investments
Global Sigorta Aracılık Hizmetleri A.Ş. (Global Sigorta)	Turkey	Insurance Agency
Global Liman İşletmeleri A.Ş. (Global Liman) (15)	Turkey	Infrastructure
Ege Global Madencilik San. ve Tic. A.Ş. (Ege Global)	Turkey	Mining Investments
Mavi Bayrak Tehlikeli Atık İmha Sistemleri San. ve Tic. A.Ş. (Mavi Bayrak)	Turkey	Waste Disposal Systems
Salıpazarı İnşaat Taahhüt Bina Yönetim ve Servis Hizmetleri Sanayi ve Ticaret A.Ş. (Salıpazarı) (2)	Turkey	Construction Investments
Güney Madencilik İşletmeleri A.Ş. (Güney)	Turkey	Mining
Neptune Denizcilik Yatırımları ve İşletmeciliği A.Ş. (Neptune) (3)	Turkey	Maritime Investments
Nesa Madencilik San. ve Tic. A.Ş. (Nesa)	Turkey	Mining
Vespa Enterprises (Malta) Ltd. (Vespa)	Malta	Tourism Investments
Pera Gayrimenkul Yatırım Ortaklığı A.Ş. (Pera)	Turkey	Real Estate Investments
Tora Yayıncılık A.Ş. (Tora)	Turkey	Publishing
Global Enerji Hizmetleri ve İşletmeciliği A.Ş. (Global Enerji)	Turkey	Electricity Generation
Dağören Enerji A.Ş. (Dağören) (4)	Turkey	Electricity Generation
Global Securities (USA) Inc. (12)(5)	USA	Brokerage
CJSC Global Securities Kazakhstan (12)(5)	Kazakhstan	Brokerage
Ege Liman İşletmeleri A.Ş. (Ege Liman) (6)	Turkey	Port Operations
Bodrum Yolcu Limanı İşletmeleri A.Ş. (Bodrum Liman) (6)	Turkey	Port Operations
Ortadoğu Antalya Liman İşletmeleri A.Ş. (Ortadoğu Liman) (6)	Turkey	Port Operations
İzmir Liman İşletmeciliği A.Ş (İzmir Liman) (6)	Turkey	Port Operations
Sem Yayıncılık A.Ş. (Sem) (7)	Turkey	Publishing
Maya Turizm Ltd. (Maya Turizm) (8)	Cyprus	Tourism Investments
Galata Enerji Üretim San. ve Tic. A.Ş. (Galata Enerji) (4) (19)	Turkey	Electricity Generation
Doğal Enerji Hizmetleri ve İşletmeciliği A.Ş. (Doğal Enerji)	Turkey	Electricity Generation
Global Depolama A.Ş. (6)	Turkey	Storage
Torba İnşaat ve Turistik A.Ş. (Torba) (9)	Turkey	Real Estate Investments
GES Enerji A.Ş.	Turkey	Electricity Generation
Sümerpark Gıda İşletmeciliği A.Ş. (10)	Turkey	Food Management
Randa Denizcilik San. ve Tic. Ltd. Şti. (Randa) (11)	Turkey	Marine Vehicle Trade
Ra Güneş Enerjisi Üretim San. ve Tic. A.Ş. (Ra Güneş) (4) (13)	Turkey	Electricity Generation
Tres Enerji Hizmetleri Sanayi ve Ticaret A.Ş (Tres Enerji) (4)	Turkey	Energy Generation
Straton Maden Yatırımları ve İşletmeciliği A.Ş. (Straton) (16)	Turkey	Mining
Adonia Shipping Limited	Malta	Ship Management
Naturelgaz Sanayi ve Tic. A.Ş. (Naturelgaz) (14)	Turkey	Compressed Natural Gas Sales
Container Terminal and General Cargo – Bar (Port of Bar) (17)	Montenegro	Port Operations
Geliş Madencilik Enerji İnşaat Ticaret A.Ş. (Geliş Madencilik) (18) (19)	Turkey	Mining

1 ORGANIZATION AND NATURE OF BUSINESS (continued)

(1) In 2011 as a result of the sale of its shares through an initial public offering and direct sale and subsequent purchase of some of its publicly traded shares the Group's effective ownership rate in this company decreased to 76,85% as at 31 December 2011 and 75,67 % as at 31 December 2012. As at 31 December 2013, the Group's effective ownership rate in this company is 67,43%.
(2) This company's corporate name was changed to Salıpazarı İnşaat Taahhüt Bina Yönetim ve Servis Hizmetleri Sanayi ve Ticaret A.Ş. in 25 May 2012. The company's core business was changed to "construction services, commitment services, real estate brokerage, real estate management, cleaning and security services
(3) This company's corporate name was changed to Neptune Denizcilik Yatırımları ve İşletmeciliği A.Ş. in 16 July 2012. The company's core business was changed from mining investments to maritime investments and management.
(4) This company is consolidated to Global Enerji.
(5) These companies are consolidated to Global Menkul
(6) These companies are consolidated to Global Liman.
(7) This company is consolidated to Tora.
(8) The control of this company, the joint venture of Pera and Vespa, belongs to the Group and is consolidated to the Group.
(9) This company has not been consolidated starting from 4 January 2008 due to assignment of the Group's shares in the company to a trustee and the resulting loss of control (Note 2.1.f.(vii)).
(10) This company's corporate name was changed firstly to "Sağlam Enerji Yatırımları A.Ş." in April 2011 and then to "Sümerpark Gıda İşletmeciliği A.Ş." in May 2011. The company's core business was changed from energy investments to food management
(11) This company was purchased by Global Liman, a subsidiary of the Group, on 17 February 2011 for a price amounting to Euro 10.000. This company is inactive and its financial statements are immaterial in the consolidated financial statements, so as at 31 December 2012 and 31 December 2013 it is excluded from the scope of consolidation (Note 2.1.f.(vii)).
(12) The Group has resolved to liquidate these companies.
(13) This company was established in 27 November 2012 and consolidated to Global Enerji. As at the balance sheet date, it is included from the scope of consolidation since its financial statements are material in the consolidated financial statements.
(14) As explained in detail in Note 3, on 23 May 2011, EYH, a joint venture of the Group, acquired 50% of Naturelgaz shares. Starting from that date Naturelgaz was consolidated to the Group with 25% proportionate accounting method. It was excluded from the scope of sales of EYH on 10 July 2012 and its shares' have been transferred to Global Enerji. Global Enerji has been purchased 30% of shares of Naturelgaz from the other shareholders on 12 December 2012 and since then the Group's ownership rate has increased to 55%. However as at 31 December 2012, after the assessments of the Group management and the lawyers, the Group decided that the new shareholding rates is not sufficient to take control of Naturelgaz. Therefore it is treated as a joint venture at that date and the Group continued to consolidate with 55% rate. As explained in detail in Note 2.1.f, the Company has restated the financial statements as of 31 December 2012 and 30 June 2012, and has recognised Naturelgaz, which previously had been recognised as joint venture using proportionate consolidation, as a joint venture consolidated by equity accounting method. As of 18 January 2013 Global Enerji has increased its shares to 80% by buying 25% of Naturelgaz shares owned by STFA Yatırım Holding. Since then, the Group has started to control Naturelgaz solely and consolidate as subsidiary (Note 3).

1 ORGANIZATION AND NATURE OF BUSINESS (continued)

(15) As at 3 February 2013, the Group purchased 22,114% shares of its subsidiary Global Liman from Savina Holding with a consideration (except dividends distributed) of USD 91.724.063. After the completion of the transfer of the shares, the Group's shares in Global Liman increased to 100% (Note 23).

(16) The corporate name of Hades Maden has changed as Straton Maden Yatırımları ve İşletmeciliği A.Ş. on 8 May 2013 and has been included in the scope of consolidation starting from 1 June 2013 (Note 3).

(17) Global Liman, a subsidiary of the Group with 100% shareholding rate, won the tender for the privatization of Port of Bar which is controlled by Ministry of Transportation and Maritime and Port Administration of Montenegro. The tender comprises the repair and maintenance, financing, construction and operating the Port for 30 years. The contract for the privatization of Port of Bar has been signed on 15 November 2013. On 30 December 2013, Global Liman completed the acquisition of 62,09% shares of Port of Bar for a total consideration of Euro 8.071.000 and since then Port of Bar has been included to scope of consolidation (Note 3).

(18) As of 3 October 2013, Global Enerji, a subsidiary of the Group, completed the acquisition of 85% of the shares of Geliş Madencilik Enerji İnşaat Ticaret A.Ş (Geliş Madencilik), a company operating in the scope of business license numbered IR-2505 in Şırnak, with respect to the transaction Geliş Madencilik has been included in the scope of consolidation (Note 3).

(19) As explained in Note 32, the Group has made pre-interviews for selling of 85% of shares of Galata Enerji and Geliş Madencilik and those companies has been classified to assets held for sale as at 31 December 2013.

Investments in associates	Location	Operations
Global Portföy Yönetimi A.Ş. (Global Portföy) (1)	Turkey	Portfolio Management
IEG Kurumsal Finansman Danışmanlık A.Ş. (IEG) (2)	Turkey	Corporate Fin. Consulting
Barcelona Port Investments, S.L ("BPI") (3)	Spain	Port Operations
Creuers del Port de Barcelona, S.A. ("Barselona Port") (3)	Spain	Port Operations

(1) As at 28 February 2012, this company has been changed from a subsidiary to an equity accounted investees as a result of the transfer of 60% of the shares to AZ International Holdings SA based on Luxembourg, a subsidiary of Azimut (Note 18).
(2) This company has been established on 17 May 2011 with a 50 %- 50 % shareholdering structure by Global Menkul, a subsidiary of the Group, and IEG (Deutschland) GmbH, as a prominent company in corporate finance sector in Europe. As at the balance sheet date, this company was consolidated by equity accounting method.
(3) Barcelona Port Investments, S.L ("BPI") was established in 2013 in partnership with Global Liman and Royal Caribbean Cruises Ltd., one of the world's leading cruise operators. BPI, acquired 43% of shares of Creuers del Port de Barcelona S.A ("Creuers") through BPI. Creuers is operating Port of Barcelona, owned the majority shareholder of the Malaga Cruise Port and owned the minority shareholder of the Singapore Cruise Port. As at 31 December 2013, BPI has been consolidated by equity accounting method to the Group (Note 18).

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES

2.1 Basis of Preparation

(a) Basis of Preparation of Financial Statements

As at 31 December 2013, the accompanying consolidated financial statements are prepared in accordance with Capital Market Board's ("CMB") Communique "Principles of Financial Reporting in Capital Markets" ("Communique") which was published in the Official Gazette dated 13 June 2013 and numbered 28676 Series II, No. 14.1.

Also, the consolidated accompanying financial statements of the Group are prepared in compliance with the illustrative financial statements and instructions manual issued by CMB on 7 June 2013. In the current period, the Group has made some reclassifications on prior year's consolidated financial statements to comply with the announcement dated 7 June 2013 (Note 2.3.(e)).

Additional paragraph for convenience translation into English:

The differences between the accounting principles promulgated by CMB, accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and IFRS have influence on the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the consolidated financial position and consolidated results of operations in accordance with the accounting principles generally accepted in such countries and IFRS.

(b) Preparation of Financial Statements in Hyperinflationary Economies

With the resolution taken on 17 March 2005, the CMB has announced that, effective from 1 January 2005, the application of TAS 29 "Financial Reporting in Hyperinflationary Economies" issued is no longer required for companies operating in Turkey and accordingly effective from 1 January 2005, TAS 29 has not been applied in preparing the Group's consolidated financial statements.

(c) Basis of measurement

The consolidated financial statements are prepared in TL based on historical cost except for financial instruments, investment property and derivatives measured at fair value.

The methods used for measuring fair value are explained in Note 2.5 (ad).

(d) Functional and Presentation Currency

The presentation and functional currency of the Company is Turkish Lira (TL). Transactions in foreign currencies are translated to the respective functional currencies of the Group entities by using exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency differences arising on retranslation are recognized in profit or loss.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.1 Basis of Preparation (continued)

(d) Functional and Presentation Currency (continued

US Dollar is significantly used in the operations of the subsidiaries, Ege Liman, GFP, Vespa, Bodrum Liman and Ortadoğu Liman, and has a significant effect on the operations. Therefore, US Dollar has been determined as the functional currency of these companies in line with TAS 21 – The Effects of Changes in Foreign Exchange Rates.

Euro is significantly used in the operations of the subsidiaries; Adonia Shipping, Port of Bar, BPI and Barselona Port. Therefore, Euro has been determined as the functional currency of these companies in line with TAS 21 – The Effects of Changes in Foreign Exchange Rates.

(e) Netting/Offsetting

The Group's financial assets and liabilities are offset and the net amount is presented in the consolidated balance sheet if and only if there is a legally enforceable right to set off the amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

(f) Basis of Consolidation

As at 31 December 2013 and 2012, the consolidated financial statements include the financial statements of the subsidiaries and associates of Global Yatırım Holding A.Ş.

(i) Business combination

Business combinations are accounted for using the acquisition method as at the acquisition date when control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The Group measures goodwill at the acquisition date as:
- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Transactions costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.1 Basis of Preparation (continued)

(f) Basis of Consolidation (continued)

(ii) Subsidiaries

Subsidiaries are those entities on which the Group has the power to control. The Group controls the companies when it is incurred changeable returns due to relations of any companies or has a right to own these returns and has a power to affect these returns. The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Group to the date on which control is transferred out from the Group. The Group has made adjustments on the financial statements of the subsidiaries to be inconsistent with the basis of applied accounting standards if it is necessary.

For each business combination, the Group elects to measure any non-controlling interests in the acquire either:

- At fair value; or
- At their proportionate share of the acquiree's identifiable net assets, which are generally at fair value

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognized in profit or loss.

Losses in non-controlling interest of subsidiaries are transferred to non controlling interest even if the result is negative.

On the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus of deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently that retained interest is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.1 Basis of Preparation (continued)

(f) Basis of Consolidation (continued)

(ii) Subsidiaries (continued)

The table below demonstrates the rates of the effective ownership and the voting power held in terms of percentages (%) as of 31 December 2013 and 2012 for all subsidiaries directly or indirectly controlled by the Group and included in the scope of consolidation:

	Effective ownership rates		Voting power held	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Global Menkul Değerler A.Ş. (*)	67,43	75,67	75,67	76,85
Global Portföy Yönetimi A.Ş.	39,97	39,97	40,00	40,00
Global Financial Products Ltd.	100,00	100,00	100,00	100,00
Global Sigorta Aracılık Hizmetleri A.Ş.	100,00	100,00	100,00	100,00
Global Liman İşletmeleri A.Ş. (Note 24)	100,00	77,89	100,00	77,89
Global Securities (USA) Inc.	67,43	75,67	67,43	75,67
CJSC Global Securities Kazakhstan	67,43	75,67	67,43	75,67
Ege Liman İşletmeleri A.Ş.	72,50	56,47	72,50	72,50
Bodrum Liman İşletmeleri A.Ş	60,00	46,73	60,00	60,00
Ortadoğu Antalya Liman İşletmeleri A.Ş.	100,00	77,73	100,00	100,00
Ege Global Madencilik San.ve Tic. A.Ş.	84,99	84,99	85,00	85,00
Mavi Bayrak Tehlikeli Atık İmha Sistemleri San.ve Tic.A.Ş.	100,00	100,00	100,00	100,00
Salıpazarı İnşaat Sanayi ve Ticaret A.Ş.	100,00	100,00	100,00	100,00
Güney Maden İşletmeciliği A.Ş.	100,00	100,00	100,00	100,00
Doğu Maden İşletmeciliği A.Ş.	100,00	100,00	100,00	100,00
Nesa Madencilik San.ve Tic.A.Ş.	100,00	100,00	100,00	100,00
Vespa Enterprises (Malta) Ltd.	99,93	99,93	100,00	100,00
Maya Turizm Ltd.	74,96	74,96	80,00	80,00
Galata Enerji Üretim ve Ticaret A.Ş.	84,99	59,99	60,00	60,00
Global Enerji Hizmetleri ve İşletmeciliği A.Ş.	100,00	100,00	100,00	100,00
Tora Yayıncılık A.Ş.	96,00	96,00	100,00	100,00
Sem Yayıncılık A.Ş.	65,00	62,40	65,00	65,00
Pera Gayrimenkul Yatırım Ortaklığı A.Ş. (*)	49,99	49,99	60,00	60,00
Doğal Enerji Hizmetleri ve İşletmeciliği A.Ş.	100,00	100,00	100,00	100,00
Dağören Enerji A.Ş.	70,00	70,00	70,00	70,00
Global Depolama A.Ş.	100,00	77,88	100,00	100,00
GES Enerji A.Ş.	100,00	100,00	100,00	100,00
Sümerpark Gıda İşletmeciliği A.Ş.	100,00	100,00	100,00	100,00
İzmir Liman İşletmeciliği A.Ş.	100,00	82,53	100,00	100,00
Naturelgaz Sanayi ve Tic. A.Ş. (Note 3)	80,00	55,00		80,00
Adonia Shipping Limited	100,00	0,00	100,00	0,00
Geliş Madencilik Enerji İnşaat Ticaret A.Ş. (Note 3)	85,00	0,00	85,00	0,00
Container Terminal and General Cargo – Bar (Note 3)	62,09	0,00	62,09	0,00

(*) As at 31 December 2013, the Group was made sale and purchase transactions in respect of the shares of the subsidiaries were listed on the BIST and operated in real estate and finance sector (Global Menkul and Pera). As a result of these transactions, the Group's share of Pera and Global Menkul was 49,99% and 67,43%, respectively (31 December 2012: 49,99% and 75,67%). They were shown in the consolidated statement of changes in equity under the line "Change in non-controlling interest without loss in control".

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.1 Basis of Preparation (continued)

(f) Basis of Consolidation (continued)

(iii) Non controlling interest (continued)

For each business combination, the Group elects to measure any non-controlling interests in the acquire either:

- At fair value; or
- At their proportionate share of the acquiree's identifiable net assets, which are generally at fair value

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognized in profit or loss.

(iv) Under common control transactions

Transactions arising from transferring or acquisition shares of entities under the common control are recognised as at the beginning of the period in which the transaction accrued. Comparative periods are restated for that purpose. Acquired assets and liabilities are recognised at book value which is the same as recorded book value in under common control entity's financial statements. Shareholder's equity items of entities under common control are recognized in equity of the Group except for capital and current profit or loss is recognised in equity.

(v) Transactions with non-controlling interest

The Group applies a policy of treating transactions with minority interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is deducted from equity. Gains or losses on disposals to non-controlling interests are also recorded in equity. For disposals to non-controlling interests, differences between any proceeds received and the relevant share of non-controlling interests are also recorded in equity.

Associates are those entities, in which the Group has significant influence, but not control, over the financial and operating policies. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Joint ventures are accounted for using the equity accounting method.

The Group's associates are accounted under equity accounting method in the accompanying consolidated financial statements. Under the equity accounting method, the investment in an associate is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of net assets in the associate.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.1 Basis of Preparation (continued)

(f) Basis of Consolidation (continued)

(v) Transactions with non-controlling interest (continued)

When the Group's share of losses exceeds its interest in an associate or joint venture, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee. If the associate or joint venture subsequently reports profits, the share of the profits, only after its share of losses not recognized, is recognized in the financial statements.

The table below demonstrates the rates of the effective ownership and the voting power held in terms of percentages (%) as of 31 December 2013 and 2012 for all the joint ventures which are under the direct or indirect joint control of the Group and included in the scope of consolidation:

	Effective ownership rates		Voting power held	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	(%)	(%)	(%)	(%)
Naturelgaz (*)	80,00	55,00	80,00	55,00
BPI	49,00	–	50,00	–

(*) As of 18 January 2013, the Group has increased its percentage of shares to 80% by buying Naturelgaz shares of STFA Yatırım Holding of 25%. Since then, the Group has started to control Naturelgaz solely and consolidate as subsidiary.

The table below demonstrates the rates of the effective ownership and the voting power held in terms of percentages (%) as of 31 December 2013 and 2012 for the associates:

	Effective ownership rates		Voting power held	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
IEG	0,34	0,38	0,34	0,38
Global Portföy	39,97	39,97	39,97	39,97
Barselona Limanı	21,07	–	21,07	–

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.1 Basis of Preparation (continued)

(f) Basis of Consolidation (continued)

(vii) Equity Securities (continued)

Equity securities in which the Group owns either directly or indirectly less than 20% of the shares, that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are carried at cost, less permanent impairment losses disclosed as available for sale financial assets at consolidated financial statements.

As at 31 December 2013 Randa in which the Group has effective ownership interests of 99,9% respectively and which are immaterial to the consolidated financial statements and Torba İnşaat ve Turistik A.Ş. in which the Group has an ownership interest of 80% but has no control are not consolidated and are disclosed as available for sale financial assets carried at cost less any impairment losses. For the same reasons, as at 31 December 2012, Ra Güneş, Tres Enerji, IEG Kurumsal, Randa and Torba are disclosed as available for sale financial assets, carried at cost less any impairment losses.

(viii) Consolidation adjustments

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. Carrying value of shares owned by the Group and dividends arising from these shares has been eliminated in equity and profit or loss statements. In consolidation of operating results and financial positions of subsidiaries whose functional currency is other than TL, main consolidation transactions are made such as elimination of related party balances and transactions. But, a monetary asset (or liability) of related parties regardless of short-term or long-term (except for monetary items which are part of net investment of the Group in its subsidiaries whose functional currency is more than TL) can not be eliminated with related party liability (or related party asset) without presenting results of fluctuation of foreign currencies in consolidated financial statements. Because, a monetary item provides obligation of translation of any currency to other currency and makes the Group exposed to gain or losses arising from fluctuation of foreign currencies. Correspondingly, these kind of foreign exchange differences are recognized in profit or loss of consolidated financial statements of the Group.

(ix) Functional and Presentation Currency

All items in the financial statements of Group companies has been accounted in the currency of the primary economic environment in which they operate. The consolidated financial statments are presented under Turkish Lira ("TL") which is Company's functional currency.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.2 Statement of Compliance

Group and its subsidiaries operating in Turkey maintain their books of account and prepare their statutory financial statements in Turkish Lira ("TL") in accordance with the accounting principles as promulgated by the Turkish Commercial Code and tax legislation. The foreign subsidiaries, joint ventures and associates maintain their books of account and prepare their statutory financial statements in their local currencies in accordance with the laws and regulations in force in the countries in which they are registered.

The accompanying financial statements are prepared in accordance with "Principles of Financial Reporting in Capital Markets" ("Communique") which was published in the Official Gazette dated 13 June 2013 and numbered 28676 Series II, No. 14.1.

In accordance with article 5 of the Communique, the Companies which are reporting under CMB legislation are required to apply Turkish Accounting Standards / Turkish Financial Reporting Standarts ("TAS" / "TFRS") which is published by Public Oversight of Accounting and Auditing Standards Board.

The consolidated financial statements of the Company as at and for the year ended 31 December 2013 have been approved for issue by the Board of Directors on 11 March 2014. The General Assembly of the Company have the right to modify the issued financial statements.

2.3 Changes in Accounting Policies

The Group adopted TAS 19 Employee Benefits (2011) with a date of initial application of 1 January 2013 and changed its basis for determining the expense related to defined benefit obligations.

The Group has adopted TFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, as well as the consequential amendments to IAS 28 Investments in Associates and Joint Ventures (2011), with a date of initial application of 1 January 2013.

The monetary effects of the changes in accounting standards is shown in the following notes.

(a) Employee benefits

As a result of the adoption of TAS 19 (2011), all actuarial gains and losses are recognised immediately in other comprehensive income. Actuarial gains and losses were previously recognised in profit or loss before the change in the accounting standard. The change in accounting standard has been applied retrospectively. It reduced the employee severance indemnity expense recognised in profit or loss and correspondingly increased the defined benefit obligation through actuarial differences recognised in other comprehensive income by TL 158.977 for the period ended 31 December 2013 (31 December 2012: TL 301.596).

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.3 Changes in Accounting Policies (continued)

(b) Subsidiaries

As a result of the adoption of TFRS 10, the Group has adopted its accounting policy with respect to determining whether it has control over and consequently whether it consolidates its investees.

In accordance with the transitional provisions of TFRS 10, the Group re-assessed the control conclusion for its investees at 1 January 2013. As a consequence, the Group's control conclusion in respect of its investment in other entities has not changed and there has been no impact on the recognised assets, liabilities and comprehensive income of the Group.

(c) Joint ventures and associates

As a result of the adoption of TFRS 11, the Group has changed its accounting policy with respect to its interests in joint arrangements. The change in accounting policy has been applied retrospectively. Under TFRS 11, the Group classifies its interests in joint arrangements as either joint operations or joint ventures depending on the Group's rights to the assets and obligations for the liabilities of the arrangements. When making this assessment, the Group considers the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances. Previously, the structure of the arrangement was the sole focus of classification. The Group has re-evaluated its involvement in its joint arrangements. As a result, Group's joint arrangements, which were classified as jointly controlled entities before the change in accounting policy, were classified as joint ventures. According to this classification, the joint ventures are recognised by applying the equity accounting method effective from 1 January 2012 which were previously proportionately consolidated. Therefore, together with the restatement of the financial statements on 31 December 2012 and 31 December 2013, the Group has recognized Naturelgaz and Enerji Yatırım Holding ("EYH") as joint venture accounted by equity accounting method as of 31 December 2012 and 30 June 2012 respectively (Note 2.3.e).

(d) Fair value measurement

TFRS 13 "Fair Value Measurement" redefines fair value, measurement TFRS 13 requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except in specified circumstances.

Fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market. Also TFRS 13 "Fair Value Measurement" is replaced to TFRS 7 "Financial Instruments: Disclosures" for disclosure requirements and expands those disclosure requirements.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.3 Changes in Accounting Policies (continued)

(e) Comparatives and restatement of prior periods' financial statements

The consolidated financial statements of the Group include comparative financial information to enable the determination of the financial position and performance. Comperative figures are reclassified, where necessary, to conform to changes in presentation in the current period consolidated financial statements.

With the resolution dated 7 June 2013 and numbered 20/670, the CMB has published an announcement comprising illustrative financial statements and instructions manual which is effective for the periods ended after 31 March 2013 for the companies which are reporting in accordance with the Communique. Accordingly, reclassifications are made on consolidated financial statements.

Reclassifications made on consolidated balance sheet as at 31 December 2012 are as follows

- Prepayments for the following months amounting to TL 2.168.837 which is comprised of advances given for inventory amounting to TL 1.608.771 in total, is reclassified from other current assets to prepayments,
- Prepaid taxes and funds amounting to TL 3.108.055 is reclassified from other current assets to current income tax assets as a seperate line in current period,
- Other receivables amounting to TL 43.085.442 is reclassified from current other receivables to non-current other receivables,
- Prepaid expenses amounting to TL 812.246 and advances given amounting to TL 25.372.558 are reclassified from other non-current assets to prepayments as a seperate line in current period,

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.3 Changes in Accounting Policies (continued)

(e) Comparatives and restatement of prior periods' financial statements (continued)

- Short term portion of long term borrowings amounting to TL 84.235.729 that is recorded in short term borrowings in previous periods is recorded as a seperate line in current period,
- Total of due to personnel and social security premiums payables amounting to TL 1.774.465 is reclassified from other liabilities to payables related to employee benefits as a seperate line in current period,
- Derivative instruments amounting to TL 47.835 that is recorded in other financial liabilities in previous periods, is recorded as a seperate line in current period
- Total of deferred income and advances received amounting to TL 326.717 is reclassified from other short term liabilities to deferred income as a seperate line in current period,
- Total of provisions for notice pay and unused vacations and provisions for personnel premiums amounting to TL 966.712 is reclassified from provisions to short term provision for employee benefits,
- Treasury shares owned by the Company amounting to TL 10.237.242 that were recorded in treasury shares in previous periods, is recorded as a seperate line in current period.

Reclassifications made on consolidated statement of profit or loss for the year ended 31 December 2012 are as follows:

- Dividend income amounting to TL 672.113, gain on sale of property and equipments amounting to TL 133.066, gain on sale of real estates amounting to TL 49.505 and fair value gain on investment property amounting to TL 4.467.096 recorded in other operating income in previous periods, is recorded as income from investing activities.
- Loss from sale of property and equipments amounting to TL 19.916 is reclassified from other operating expenses to expense from investing activities.
- Gain on sale of financial assets amounting to TL 2.370.283 and valuation differences on financial assets amounting to TL 145.804 is reclassified from finance income to income from investing activities.
- Valuation difference on financial assets amounting to TL 538.032 which is recorded as finance expense in previous periods is reclassified to expense from investing activities from finance expense.

Above classifications were taken into account in preparing consolidated cash flow statements.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.3 Changes in Accounting Policies (continued)

(e) Comparatives and restatement of prior periods' financial statements (continued)

The following table summarises the adjustments made to the Group's consolidated statements of financial position and consolidated statements of profit or loss and other comprehensive income for the period ended 31 December 2012 .

	31 December 2012				
	Previously Reported	Adjustments (Changes in accounting standards)	Adjusted	Reclassifications (Changes in the CMB Format)	Restated
ASSETS					
Current Assets	**312.447.838**	**(53.259.228)**	**259.188.610**	**–**	**259.188.610**
Cash and cash equivalents	49.079.630	(210.751)	48.868.879	–	48.868.879
Investments	9.738.924	–	9.738.924	–	9.738.924
Trade receivables	15.132.390	(2.114.558)	13.017.832	–	13.017.832
– Other trade receivables	15.132.390	(2.114.558)	13.017.832	–	13.017.832
Other receivables	113.864.239	(47.884.268)	65.979.971	–	65.979.971
– Due from related parties	33.820.418	(4.791.740)	29.028.678	–	29.028.678
– Other receivables	80.043.821	(43.092.528)	36.951.293	–	36.951.293
Receivables from operations in finance sector	63.213.340	–	63.213.340	–	63.213.340
– Due from related parties	10.981.046	–	10.981.046	–	10.981.046
– Other receivables	52.232.294	–	52.232.294	–	52.232.294
Inventories	27.923.099	(1.584.630)	26.338.469	–	26.338.469
Prepayments	–	–	–	2.168.837	2.168.837
Current income tax assets	–	–	3.108.055	3.108.055	
Other current assets	32.633.465	(1.465.021)	31.168.444	(5.276.892)	25.891.552
(Subtotal)	**311.585.087**	**(10.173.791)**	**258.325.859**	**–**	**258.325.859**
Assets classified as held for sale	862.751	–	862.751	–	862.751
Non-current assets	**1.054.455.090**	**20.260.829**	**1.074.715.919**	**–**	**1.074.715.919**
Other receivables	12.588.300	–	55.673.742	–	55.673.742
– Due from related parties	5.029.659	–	5.029.659	–	5.029.659
– Other receivables	7.558.641	43.085.442	50.644.083	–	50.644.083
Investments	3.083.737	–	3.083.737	–	3.083.737
Equity accounted investees	1.211.672	44.617.560	45.829.232	–	45.829.232
Investment property	197.915.245	–	197.915.245	–	197.915.245
Property, plant and equipment, net	146.054.895	(27.242.967)	118.811.928	–	118.811.928
Intangible assets, net	634.020.342	(39.211.159)	594.809.183	–	594.809.183
– Goodwill	41.243.581	–	41.243.581	–	41.243.581
– Other intangible assets	592.776.761	(39.211.159)	553.565.602	–	553.565.602
Prepayments	–	–	–	26.184.804	26.184.804
Deferred tax assets	28.332.356	–	28.332.356	–	28.332.356
Other non-current assets	31.248.543	(988.047)	30.260.496	(26.184.804)	4.075.692
TOTAL ASSETS	**1.366.902.928**	**(32.998.399)**	**1.333.904.529**	**–**	**1.333.904.529**

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.3 Changes in Accounting Policies (continued)

(e) Comparatives and restatement of prior periods' financial statements (continued)

	Previously Reported	Adjustments (Changes in accounting standards)	Adjusted	Reclassifications (Changes in the CMB Format)	Restated
Revenue	305.199.073	(162.042.232)	143.156.841	–	143.156.841
Cost of sales (–)	(248.232.204)	161.740.980	(86.491.224)	–	(86.491.224)
Gross profit/(loss) from trade operations	**56.966.869**	**(301.252)**	**56.665.617**	**–**	**56.665.617**
Revenues from finance operations	23.211.103	–	23.211.103	–	23.211.103
Cost of revenues from finance operations (–)	(4.014.076)	–	(4.014.076)	–	(4.014.076)
Gross profit from operations in finance sector	**19.197.027**	**–**	**19.197.027**	**–**	**19.197.027**
GROSS PROFIT	**76.163.896**	**(301.252)**	**75.862.644**	**–**	**75.862.644**
Marketing expenses (–)	(5.955.664)	2.332.128	(3.623.536)	–	(3.623.536)
General administrative expenses (–)	(77.767.396)	5.386.810	(72.380.586)	–	(72.380.586)
Other operating income	174.508.173	(1.714.375)	172.793.798	(4.911.037)	167.882.762
Other operating expenses (–)	(2.746.107)	905.395	(1.840.712)	2.032.825	(1.820.796)
Share of profit/(loss) of equity accounted investees	(630.576)	(6.522.218)	(7.152.794)	–	(7.152.794)
OPERATING PROFIT/(LOSS)	**163.572.326**	**86.488**	**163.658.814**	**(6.943.862)**	**156.714.953**
Income from investing activities	–	–	–	7.427.124	7.427.124
Expense from investing activities (–)	–	–	–	(557.948)	(557.948)
PROFIT/(LOSS) BEFORE FINANCIAL INCOME/EXPENSE	**163.572.326**	**86.488**	**163.658.814**	**(74.685)**	**163.584.129**
Finance income	63.833.813	(7.736.481)	56.097.332	(30.768.785)	53.581.245
Finance expenses (–)	(124.875.189)	9.791.406	(115.083.783)	30.843.471	(114.545.751)
PROFIT/(LOSS) BEFORE TAX	**102.530.950**	**2.141.414**	**104.672.364**	**–**	**104.672.364**
Tax income/(expense) from continued operations	**14.143.587**	**(1.839.817)**	**12.303.770**	**–**	**12.303.770**
– Current tax benefit/(expense)	(10.354.451)	–	(10.354.451)	–	(10.354.451)
– Deferred tax benefit /(expense)	24.498.038	(1.839.817)	22.658.221	–	22.658.221
NET OPERATING PROFIT/(LOSS) FOR THE PERIOD	**116.674.537**	**301.596**	**116.976.133**	**–**	**116.976.133**
OTHER COMPREHENSIVE INCOME					
Other Comprehensive Income/Expense not to be Reclassified to Profit or Loss	**–**	**(301.596)**	**(301.596)**	**–**	**(301.596)**
Actuarial loss on employee benefits	–	(301.596)	(301.596)	–	(301.596)
Other Comprehensive Income/Expense to be Reclassified to Profit or Loss	**(35.739.428)**	**–**	**(35.739.428)**	**–**	**(35.739.428)**
Change in revaluation fund of financial assets	(3.094)	–	(3.094)	–	(3.094)
Change in foreign currency translation differences	(35.736.953)	–	(35.736.953)	–	(35.736.953)
Tax income/expense related with revaluation fund of financial assets	619	–	619	–	619
OTHER COMPREHENSIVE INCOME	**(35.739.428)**	**(301.596)**	**(36.041.024)**	**–**	**(36.041.024)**
TOTAL COMPREHENSIVE INCOME	**80.935.109**	**–**	**80.935.109**	**–**	**80.935.109**

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.3 Changes in Accounting Policies (continued)

(f) Standards, amendments and interpretations to existing standards that are not yet effective as at 31 December 2013 and have not been early adopted by the Group

TFRS 9, "Financial Instruments: Classification and Measurement"

TFRS 9 (2009) contains new requirements for classification and measurement of financial assets and liabilities. Financial assets are classified and measured according to business model and contractual cash flow features on basis of TFRS 9 (2009). TFRS 9 (2010) provides additional changes for financial liabilities. TFRS has an active plan providing limited changes about classification and measurement requirements in TFRS 9 and new requirements about impairment of financial assets. TFRS 9 (2013) represents a new model for avoiding financial risk on accounting. The new model provides a familiar relationship between financial risk avoidance accounting policy applied for avoiding financial and non financial risks incurred by companies and risk management activities. The Group does not plan to adopt these standards before their effective date and the extent of their impact has not been determined yet.

TAS 32, "Financial Instruments: Presentation– Offsetting Financial Assets and Liabilities (Change)"

The amendments clarify the meaning of currently has a legally enforceable right to set-off and also clarify the application of the TAS 32 offsetting criteria to settlement systems which apply gross settlement mechanisms that are not simultaneous. These amendments are to be retrospectively applied for annual periods beginning on or after 1 January 2014.

The Group does not plan to adopt these standards before their effective date and the extent of their impact has not been determined yet at the consolidated financial statements is not expected to be significant.

2.4 Changes in Accounting Estimates and Errors

The changes in accounting policies resulting from the initial application of a new TAS/TFRS are applied in accordance with the transition clauses of the related TAS/TFRS, if any, retrospectively or prospectively. The changes for which no transition clauses exist, the significant optional changes in accounting policies or the identified accounting errors are applied retrospectively and the financial statements for the prior periods are restated. Changes in accounting estimates are applied in the current period if the change is related with only one period. They are applied in the current period and prospectively if they are related to the future periods. The Group has no significant change in its accounting policies and estimates.

The Company, has transferred the part of exemption gain on sale of participations amounting to TL 35.000.000 and recorded in restricted reserves in legal financial statements to previous years' profit/loss . In addition, the Company has transferred gain on sale of participations amounting to TL 24.702.769 in legal financial statements in the year of 2012 to restricted reserves based on related article of Corporate Income Tax and made required adjustments on Corporate Income Tax Return.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.4 Changes in Accounting Estimates and Errors (continued)

The Group has made adjustments on Corporate Income Tax Return for the years of 2011 and 2012 and after the adjustments, the amount of TL 13.471.979 which was recognised in previous years' loss in Fourth Period Provisional Tax Return has been taken into consideration for deferred tax calculations. The adjustments have an increasing effect on current year's effective tax rate.

2.5 Summary of Significant Accounting Policies

(a) Revenues

(i) Service and commission revenue

The Group receives commissions for providing services with brokerage services and asset management services, and recognizes in profit or loss by taking into account the completion stage at the end of the reporting period. Other service and commission revenues comprised of interest received from customers, portfolio management commissions and other commissions and consultancy services and recognizes in profit or loss by taking into account the completion stage at the end of the reporting period.

(ii) Portfolio management fees

Fees charged for management of customer portfolios at capital markets are recognized as income at the end of each month.

(iii) Gain on trading of securities

Gains / losses on trading of securities are recognized in profit or loss at the date of the related purchase/sale order.

(iv) Natural gas sales

Revenues from the sales of natural gas comprise the revenues from the sales to individual and corporate subscribers. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the subscribers and natural gas has been consumed by the related subscriber. In addition, natural gas distributed but not billed is accrued at each reporting period. The Group accounts prepaid sales which part is not used by the subscribers as deferred natural gas revenue in other current liabilities. Deferred prepaid sales are recognized as revenue as natural gas is consumed by the subscriber. Transfer of risk and rewards changes as to the periods of the consumption of natural gas by subscribers. Net sales revenue is disclosed less sales returns.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.5 Summary of Significant Accounting Policies (continued)

(a) Revenues (continued)

(v) Port administration revenues and port rent income

Port administration revenues comprise revenues from services provided to ships and motorboats (pilotage, tugboat rents, passenger landing fee, etc.), and cargo handling fees (general cargo, bulk cargo, container) recognized on accrual basis.

Rent income comprises rental income from marina, shopping centers and duty-free stores. Rent income is recognized in profit or loss on a straight line basis over the term of the lease.

(vi) Goods sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

(ix) Other service revenues

Rent income is accounted for on accrual basis, interest income is accounted for using effective interest method and dividend income is recognized on the date the Group's right to receive the payment is established.

Other service incomes and other sales are transferred to consolidated statements of profit or loss and other comprehensive income on accrual basis.

Gain on sale of real estates and loss on investment properties obtained from reflecting renters are recorded as rent and service income of real estates in consolidated statements of profit or loss and other comprehensive income.

Incomes from mining activities are recorded as mining income in consolidated statements of profit or loss and other comprehensive income.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.5 Summary of Significant Accounting Policies (continued)

(b) Expenses (continued)

Expenses are accounted for on accrual basis. Operational lease expenses are recognized in profit or loss on a straight line basis over the lease term.

Interest expenses
Interest expenses are accrued by using the effective interest method or applicable variable interest rate. Interest expenses arise from the difference between the initial cost of an interest bearing financial instrument and the value of the instrument discounted to its present value at the date of the maturity or the premium or discount, discounted to present value. The financial costs that are directly attributable to the acquisition, construction or production of a qualified asset are capitalized.

(c) Inventories

(i) Inventories
Inventories are valued by using the weighted average method. Inventories are stated at the lower of cost and net realizable value. Cost incurred in bringing each product to its present location and conditions are included in the cost of inventory. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Trading property
Trading properties held by subsidiaries that operate in real estate sector are classified as inventories. Trading property is stated at the lower of cost at balance sheet date and net realizable value. Net realizable value represents the fair value less costs to sell. Borrowing costs directly attributable to the trading properties in progress are included in the cost of the trading property. Expenses are capitalized from the date they have been incurred to the date the asset is available for use. The duration of the completion of these trading properties is over one year and it varies from project to project.

(d) Investment Property

Investment property is a land, building or part of a building or both held (by the owner or by the lessee under a finance lease) to earn rentals of for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

Investment properties are measured initially at cost. Transaction costs are included in the initial measurement. Investment properties are measured in accordance with fair value model. Related changes are recognized in profit or loss in the period.

The fair value of investment property is the price at which the property could be exchanged or liability is paid between knowledgeable, willing parties in an arm's length transaction. It is applied to all investment properties.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.5 Summary of Significant Accounting Policies (continued)

(d) Investment Property (continued)

The investment property under construction is the investment property which is being constructed for earning rentals or for capital appreciation, or both. This property is classified as construction in progress under the investment property.

If the Group determines that the fair value of an investment property under construction is not reliably determinable but expects that the fair value of the property to be reliably determinable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). Costs incurred during the acquisition and construction of these assets and subsequent expenditures are capitalized if it is probable that they will increase the future economic benefits obtained from that asset.

Expenses and costs are capitalized if the costs directly attributable to the investment properties in progress and expenses made for these assets have an additional value for the fair value of the investment property in the future.

Borrowing costs directly attributable to the investment properties in progress are included in the cost of the investment property. Expenses are capitalized from the date they have been incurred to the date the asset is available for use. If the cost of the investment property in progress is lower than its recoverable value, an impairment loss is provided. Capitalization rate is the average of the current interest rates of the financial liabilities attributable to the investment properties in progress and the general funding made for these assets.

Once the Group becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, that property is measured at fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably.

An investment property under construction is measured at the fair value to be determined once its construction is complete less the construction and borrowing costs estimated to be realized until the construction is complete.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.5 Summary of Significant Accounting Policies (continued)

(e) Property, Plant and Equipment

(i) Recognition and measurement
Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- Capitalised borrowing costs.

Cost also includes transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Property, plant and equipment of the subsidiaries and joint ventures that operate in Turkey and acquired before 1 January 2005 are stated at restated cost until 31 December 2004 less accumulated depreciation and permanent impairment losses. Property, plant and equipment of such entities acquired after 1 January 2005 are stated at cost, less accumulated depreciation and permanent impairment losses.

Property, plant and equipment of companies, whose functional currencies are not TL, are denominated in the original currencies, stated at cost, less accumulated depreciation and accumulated impairment losses and are translated to TL by using the exchange rate ruling at the reporting date. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.5 Summary of Significant Accounting Policies (continued)

(e) Property, Plant and Equipment

(ii) Subsequent costs
Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation
Items of property, plant and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use. Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognised in profit or loss, unless the amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated. The depreciation rates used by the Group are as follows:

Buildings	2%-25%
Land improvements	3,38%-4,49%
Machinery and equipment	5%-25%
Motor vehicles	5,56%-25%
Furniture and fixtures	2%-33,33%
Leasehold improvements	3,33%-33,33%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(f) Intangible Assets

(i) Recognition and measurement
Intangible assets comprise port operation rights, royalty and natural gas selling and transmission licenses, contract-based customer relationships, development costs, computer software, and the hydroelectric power plant ("HEPP") license, Vakıf Han building usage rights, other rights and other intangible assets.

Intangible assets related to operations whose functional currency is TL and which were acquired before 1 January 2005 are restated for the effects of inflation in TL units current at 31 December 2004, less accumulated amortization and accumulated impairment losses. Intangible assets acquired after 1 January 2005 are stated at cost less accumulated amortization and permanent impairment losses.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.5 Summary of Significant Accounting Policies (continued)

(f) Intangible Assets (continued)

(i) Recognition and measurement (continued)

Intangible assets related to operations whose functional currencies are not TL, are denominated in the original currencies, stated at cost, less accumulated amortization and accumulated impairment losses and are translated to TL by using the exchange rate ruling at the reporting date.

In a business combination or acquisition, the acquirer recognizes separately an intangible asset of the acquiree at the acquisition date only if it meets the definition of an intangible asset in IAS 38 Intangible Assets and its fair value can be measured reliably.

Development activities involve a plan or design for the production of new or substantively improved products and processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset.

(ii) Amortization
Amortization is recognized in profit or loss on a straight line basis over the estimated useful lives of intangible assets.

The amortization rates applied by the Group are as follows:

Port operation rights (*)	3,33%-8,33%
Customer relationship	8,33%
Rights	2,22%-33,33%
Software	10%-33,33%
HEPP license	2,01%
Natural gas selling and transmission license (**)	3,33%
Royalty licence (***)	10%

(*) Port operation rights will expire by 2028 for Ortadoğu Liman, by 2033 for Ege Liman, by 2019 for Bodrum Liman, by 2043 for Port of Bar.
(**) The licenses of Naturalgaz include the compressed natural gas (CNG) sales licences in İzmir, Bursa, Antalya and Adapazarı regions as well as the CNG transmission license. The CNG transmission license and the CNG sales licenses in Bursa, Antalya and Adapazarı have been obtained by Naturelgaz in 2005 whereas the CNG sales license in İzmir has been obtained in 2006. The licenses are valid for 30 years.
(***) Royalty licence will expire by 2023 for Straton Maden.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.5 Summary of Significant Accounting Policies (continued)

(g) Goodwill

According to TFRS 3 ''Business Combinations'', the excess of cost of the total consideration over the fair value of the identifiable assets, liabilities and contingent liabilities acquired in a business combination is recognized as goodwill. Goodwill is not amortized and is tested for impairment annually or more often when the circumstances indicate that the goodwill is impaired.

When the cost of the acquisition is lower than the fair value of the identifiable assets, liabilities and contingent liabilities acquired in a business combination, the difference is recognized as income (gain on a bargain purchase (negative goodwill)).

The initial recognition of the business combination is accounted for provisionally if the fair values of the identifiable assets, liabilities and contingent liabilities acquired in a business combination can only be recognized, or the cost of a business combination is measured, only using provisional amounts. The provisional business combination accounting shall be completed in the 12 months following the date of acquisition and the adjustments shall be recognized retrospectively.

The goodwill acquired in a business combination is not amortized. Alternatively, once a year or the conditions indicate the impairment losses, the Group test impairment losses more frequently than the usual conditions.

(i) Financial Instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated as at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.5 Summary of Significant Accounting Policies (continued)

(g) Goodwill (continued)

(i) Financial Instruments (continued)

(i) Non-derivative financial assets (continued)

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, which takes into account any dividend income, are recognised in profit or loss.

Financial assets classified as held-for-trading comprise short-term sovereign debt securities actively managed by Group's treasury department to address short-term liquidity needs.

Financial assets designated as at fair value through profit or loss comprise equity securities that otherwise would have been classified as available-for-sale.

The fair value of the financial instruments is determined by using the quoted prices in an active market at the balance sheet date without any deduction of transaction costs. If the market for a financial instrument is not active at the balance sheet date, the fair value is estimated by using the market inputs and the appropriate valuation techniques. However, judgment is needed to interpret the available market information. Therefore, the estimates may not reflect the value that would have been realized in a current market transaction.

For all the other financial instruments that are not quoted in an active market, fair value is determined by using a valuation technique. Valuation techniques include net present value technique, benchmarking and other valuation techniques.

Held-to-maturity financial assets

If the Group has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.5 Summary of Significant Accounting Policies (continued)

(g) Goodwill (continued)

(i) Financial Instruments (continued)

(i) Non-derivative financial assets (continued)

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise cash and cash equivalents, trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities and debt securities.

Equity securities classified as available for sale financial assets and whose fair value cannot be reliably measured, due to lack of active and observable market, are carried at cost, which has been restated by considering the inflation effect until 31 December 2004 less impairment losses if any, since they are acquired before 1 January 2005.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.5 Summary of Significant Accounting Policies (continued)

(g) Goodwill (continued)

(ii) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, debt securities issued (including certain preference shares, bank overdrafts, and trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the statement of cash flows.

(iii) Share capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Repurchase and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as "treasury shares owned by the Company" if owned by the Company and classified as "treasury shares owned by the subsidiaries" if owned by subsidiaries and are presented in equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.5 Summary of Significant Accounting Policies (continued)

(g) Goodwill (continued)

(iv) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if:

- the economic characteristics and risks of the host contract and the embedded derivative are not closely related;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- the combined instrument is not measured at fair value through profit or loss.

On initial designation of the derivative as a hedging instrument, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80 – 125 percent. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that ultimately could affect reported profit or loss.

Derivatives are recognised initially at fair value; any attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedge transactions

If a derivative instrument is designed cash flow hedge instrument of a recorded asset or liability or a certain risk which most likely can have an effect on profit or loss, effective portion of change of fair value of the derivative instrument is recognised in other comprehensive income and presented within equity as financial hedge reserve. Ineffective portion of change of fair value of the derivative instrument is directly recognised in profit or loss.

If an item which is subject to financial hedge is a non financial item, accumulated amount within equity is presented in other comprehensive income and classified to profit or loss in the period or periods which non financial item affects profit or loss In other situations, accumulated amount within equity is reclassified in profit or loss in the period or periods which non financial hedging item affects profit or loss. When financial hedging instrument doesn't provide required criterias for financial hedging accounting, financial hedging instrument is overdue or disposaled, used or canceled, financial hedging accounting is ceased on a going forward basis. If estimated transaction is not expected to accrue any more, related balance recognised in equity is reclassified to profit or loss.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.5 Summary of Significant Accounting Policies (continued)

(g) Goodwill (continued)

(iv) Derivative financial instruments (continued)

Net investment hedge accounting (continued)

A net investment hedge is a hedge of the foreign currency exposure arising from a net investment in a foreign operation using a derivative or non derivative financial items as the hedging instrument. If a monetary item is a part of net investments made to subsidiaries of the Company whose functional curreny is other than TL, foreign exchange differences arise in financial statements of the Company. Those foreign exchange differences are recognised in other comprehensive income in consolidated financial statements when the differences are considered as hedging instruments.

Transactions for the purpose of avoiding net investment risk made to subsidiaries whose functional currency is other than TL are recognised as transactions for the purpose of cash flow accounting hedge including financial accounting hedge transactions of monetary items which are recognised as a part of net investment.

- The effective portion of gain or loss arising from financial hedging instrument is recoginsed in other comprehensive income or expense and
- Non effective portion of gain or loss arising from financial hedging instrument is recognised in profit or loss.

Gain or loss on financial hedging instrument related to effective portion of financial hedging transaction and recognised in other comprehensive income or expense is excluded from equity and classified to profit or loss as reclassification adjustment when there is a disposal of related subsidiary or disposal period.

(j) Impairment of assets

(i) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss has occurred after the initial recognition of the asset and the loss had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency of a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy and the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.5 Summary of Significant Accounting Policies (continued)

(g) Goodwill (continued)

(j) Impairment of assets (continued)

(i) Financial assets (continued)

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables not to be impaired are then collectively reassessed for any impairment that has been incurred, but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and accounted as doubtful receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale financial assets are recognised by transferring the cumulative loss that has been recognised in other comprehensive income, and presented in the fair value reserve in equity, to profit or loss. The cumulative loss that is removed from other comprehensive income and recognised in profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation and the current fair value, less any impairment loss previously recognised in profit or loss.

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. Impairment losses are recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(ii) Non financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.5 Summary of Significant Accounting Policies (continued)

(g) Goodwill (continued)

(j) Impairment of assets (continued)

(ii) Non financial assets (continued)

For goodwill and intangible assets that have indefinite lives or that one not yet available for use, the recoverable amount is estimated each year at the same time. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(k) Employee Benefits

In accordance with the existing labor law in Turkey, the entities operating in Turkey are required to make lump-sum payments to employees who have completed one year of service and whose employment is terminated without cause, or due to retirement, military service or death. With respect to Group's employees in Turkey, retirement pay liability is calculated by using lower of employee's monthly salary and retirement pay ceiling. It is detailed in Note 21 as at 31 December 2013 and 2012. The Group recognizes retirement pay liability as the present value of the estimated total reserve of the future probable obligation of the Group. The key actuarial assumptions used in the calculation of the retirement pay liability are detailed in Note 21.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.5 Summary of Significant Accounting Policies (continued)

(l) Foreign Currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities by using exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency differences arising on retranslation are recognized in profit or loss.

Companies, whose functional currencies are not TL, prepare their financial statements according to their functional currency and these financial statements are translated to TL for consolidation purpose in accordance with TAS 21.

Foreign currency differences arising on operations with foreign currency are recognised in profit or loss as foreign currency exchange gains and losses.

According to TAS 21, balance sheet items presented in the financial statements of domestic and foreign subsidiaries and joint ventures whose functional currency is different from TL, are translated into TL at the balance sheet (USD/TL and EUR/TL) exchange rates whereas income, expenses and cash flows are translated at the average exchange rate or ruling rate of the transaction date. Profit or loss from translation difference of these operations is recognised as "Currency Translation Differences" under the equity.

As at 31 December 2013 and 2012, foreign currency buying exchange rates of the Central Bank of Republic of Turkey ("CBRT") comprised the following:

	31 December 2013	31 December 2012
US Dollar / TL	2,1343	1,7826
Euro / TL	2,9365	2,3517

The average foreign currency buying exchange rates of the CBRT in 2013 and 2012 comprised the following:

	2013	2012
US Dollar / TL	1,9013	1,7925
Euro / TL	2,5248	2,3045

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.5 Summary of Significant Accounting Policies (continued)

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to TL at exchange rates at the reporting date. The income and expenses of foreign operations are translated to TL at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, under the currency translation differences ("CTD"). When a foreign operation is disposed of, in part or in full, the relevant amount in the CTD is transferred to profit or loss as part of the profit or loss on disposal.

(m) Discontinued Operations, Assets Held For Sale and Liabilities Directly Associated with Assets Held For Sale

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

When an operation is classified as a discontinued operation, the net assets of the discontinued operations are measured at fair value less cost of sale of the operation. The profit/(loss) before tax and the profit/(loss) after the tax of the discontinued operation are presented in the notes of the consolidated financial statements and a profit/(loss) analysis including the income and expenses is performed. Besides, the net cash flows related to operational, investing and financing activities of the discontinued operations are presented in the related note.

In compliance with TAS 31 "Shares in Joint Ventures" and TFRS 5 "Assets Classified as Held For Sale and Discontinuing Operations", the interests in jointly controlled entities are accounted for in accordance with TFRS 5. When an interest in a jointly controlled entity previously classified as held for sale no longer meets the criteria to be classified, it is accounted for using proportionate consolidation or the equity method as from the date of its classification as held for sale. Financial statements for the periods since classification as held for sale are amended accordingly. The operations of the joint venture whose operations have been previously classified as discontinued are classified as continued.

A group of assets is classified as asset held for sale if their carrying amount is planned to be recovered principally through a sale transaction rather than through continuing use. The liabilities directly associated with these assets are classified similarly. Such group of assets is accounted for at the lower of its carrying amount (being the net amount of the assets and liabilities directly associated with them) and fair value less costs to sell.

If the Group has classified an asset (or disposal group) as held for sale, but the criteria of such classification are no longer met, the Group ceases to classify the asset (or disposal group) as held for sale. The Group measures a non-current asset that ceases to be classified as held for sale (or ceases to be included in a disposal group classified as held for sale) at the lower of:

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.5 Summary of Significant Accounting Policies (continued)

(m) Discontinued Operations, Assets Held For Sale and Liabilities Directly Associated with Assets Held For Sale (continued)

(a) its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortization or revaluations that would have been recognized had the asset (or disposal group) not been classified as held for sale.

(b) its recoverable amount at the date of the subsequent decision not to sell.

The Group does not reclassify or re-present amounts presented for non-current assets or for the assets and liabilities of disposal groups classified as held for sale in the balance sheet for prior periods to reflect the classification in the balance sheet for the latest period presented.

(n) Earnings/(Loss) Per Share

The Group presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, less own shared acquired.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings and inflation adjustments on equity items. Such kind of bonus shares are taken into consideration in the computation of earnings per share as issued share certificates. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the period has been adjusted in respect of bonus shares issues without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and each earlier period.

(o) Events After the Reporting Period

Events after the reporting period include all events up to the date when the financial statements are authorized for issue, even if those events occur after the public announcement of profit or of other selected information.

The Group adjusts the amounts recognized in its consolidated financial statements to reflect adjusting events after the reporting period. Non adjusting events are disclosed in the notes to the consolidated financial statements, if material.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.5 Summary of Significant Accounting Policies (continued)

(p) Provisions, Contingent Assets and Liabilities

A provision is recognized in the accompanying consolidated financial statements if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. Unless the possibility of any outflow in settlement is remote, contingent liabilities are disclosed in the notes to the financial statements. Where an economic inflow of economic benefits is probable, contingent assets are disclosed in the notes to the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

(r) Leases

(i) Financial lease

All leases which transfer to the Group all the risks and rewards incidental to the ownership of an asset are classified as financial leases. Financial leases are capitalized at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments and is reflected as a liability by the same amount in the consolidated financial statements of the Group. The finance lease obligations are reduced through principle payments and the finance charge portion is allocated to consolidated statement of comprehensive income of each period during the lease term. Capitalized leased assets are depreciated over the estimated useful life of the related asset.

If there is not reasonable certainty that the ownership will be obtained by the end of the lease term, and the lease term is shorter than the estimated useful life of the leased asset, the asset is depreciated over the lease term, otherwise the asset is depreciated over its estimated useful life.

(ii) Operating leases

Operating leases are the leases that the risks and rewards incidental to the ownership of the asset belongs to the lesser. Lease payments under an operating lease are recognized as an expense in profit or loss on a straight-line basis over the lease term.

(s) Segment Reporting

An operating segment is a component of the Group that engages in business activities through which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The operating segments of the Group are finance, energy, infrastructure, real estate and other segments, and they are disclosed in Note 5.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.5 Summary of Significant Accounting Policies (continued)

(t) Government Subsidies and Incentives

All subsidies and incentives, including non-monetary incentives stated at fair market values, are included in the consolidated financial statements when there is reasonable certainty that the Group will qualify for and receive such subsidies and incentives. Government subsidies and incentives utilized by the Group are presented in Note 37.

(u) Related Parties

Parties are considered related to the Company if:

(a) directly, or indirectly through one or more intermediaries, the party:
- (i) controls, is controlled by, or is under common control with the Company (this includes Parent, subsidiaries and fellow subsidiaries);
- (ii) has an interest in the Company that gives it significant influence over the Company; or
- (iii) has joint control over the Company;

(b) the party is an associate of the Company
(c) the party is a joint venture in which the Company is a venturer;
(d) the party is member of the key management personnel of the Company as its parent;
(e) the party is a close member of the family of any individual referred to in (a) or (d);
(f) the party is an entity that is controlled or significantly influenced by, or for which significant voting power in such entity resides with directly or indirectly, any individual referred to in (d) or (e)
(g) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any entity that is a related party of the Company.

A related party transaction is a transfer of resources, services or obligation between related parties, regardless of whether a price is charged.

A number of transactions are entered into with related parties in the normal course of business.

(v) Treasury shares

(i) When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as "treasury shares owned by the Company" if owned by the Company and classified as "treasury shares owned by the subsidiaries" if owned by subsidiaries and are presented in equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.5 Summary of Significant Accounting Policies (continued)

(y) Taxes

Income tax expense comprises current and deferred tax. Current tax charge is recognized in profit or loss except for the effects of the items reflected under equity. Current tax except taxes recognized during business combination and taxes recognized under other comprehensive income are recognized in profit or loss.

Current tax liability is calculated on taxable profit for the current year based on tax laws and tax rates that have been effective for the reporting date including adjustment related to previous years' tax liabilities.

Deferred tax is recognized over temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the differences arising from the initial recognition of goodwill, differences of an asset or liability in a transaction that is not a business combination, at the time of the transaction, which affects neither the accounting profit nor taxable profit and for differences associated with the investments in subsidiaries, associates and interest in joint ventures, to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable, entity or on different tax entities but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset over tax loss carried forward is recognized to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(z) Receivables From Reverse Repurchase Agreements

The funds given in return for the financial assets subject to reverse repurchase are accounted for as receivables from reverse repurchase agreements under the cash and cash equivalents. For the difference between the purchase and re-sale prices determined in accordance with the related reverse repurchase agreements, which is attributable to the period, an income rediscount is calculated with the internal rate of return method and is accounted for by adding to the cost of the receivables from reverse repurchase agreements.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.5 Summary of Significant Accounting Policies (continued)

(aa) Statement of Cash Flows

Cash flows for the period are classified as cash flows from operations, investing activities and financing activities. Cash flows from operations are the cash flows generated from the principal activities of the Group. The Group presents the cash flows from operating activities by using the indirect method such as adjusting the accruals for cash inflows and outflows from gross profit/loss, other non-cash transactions, prior and future transactions or deferrals.

Cash flows from investing activities represent the cash flows used in/provided from investing activities (purchase of property, plant and equipment and intangible assets and financial investments).

Cash flows from financing activities represent the funds used in and repayment of the funds during the period.

Cash and cash equivalents are short term investments with high liquidity that comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value.

(ab) Dividends

Dividend receivables are recorded as income in the period of declaration. Dividend payments are recognised in consolidated financial statements when a distribution of profit decided by General Assembly.

(ac) Resolutions Promulgated by Public Oversight Accounting and Auditing Standards Authority

Public Oversight Accounting and Auditing Standards Authority ("POA"), has issued the Authority's Principle Decisions on the following topics for companies preparing financial statements in accordance with TAS until further amendments are made to TAS on the relevant matters. These principle decisions are issued with the aim of promoting reliability, relevance, comparability, understandability and uniformity and easing auditability of the financial information presented to users.

Details of these resolutions and impact on the Group stated as below:

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.5 Summary of Significant Accounting Policies (continued)

(ac) Resolutions Promulgated by Public Oversight Accounting and Auditing Standards Authority (continued)

Financial Statement Examples and User Guide (2013-1)

Financial statement examples and user guide are prepared topics for companies preparing financial statements in accordance with the TAS with the aim of promoting reliability, relevance, comparability, understandability and uniformity and easing auditability of the financial information presented to users. This resolution is effective from the first reporting period after that resolution publication date 20 May 2013. The Group made reclassifications explained in Note 2.3.e in order to fulfill the requirements of this resolution and comply with illustrative financial statements published by CMB on 7 June 2013.

Other resolutions mentioned below became effective for the reporting periods subsequent to 21 July 2013 and applicable from annual reporting periods beginning after 31 December 2012. It is not expected that the below mentioned resolutions would have impact on the consolidated financial statements of the Group.

Accounting of Combinations under Common Control (2013-2)

Combination of entities under common control should be recognized using the pooling of interest method. Thus, goodwill should not be included in the financial statements. The effect of combination of entities under common control should be recognized on "The effect of Combination of Entities or Business Under Common Control" under equity as equalizing balance. The financial statements should be prepared as if the combination has taken place as of the beginning of the reporting period in which the common control occurs and should be presented comparatively from the beginning of the reporting period in which the common control occurred.

Accounting of Redeemed Share Certificates (2013-3)

Clarification has been provided on the conditions and circumstances where the redeemed share certificates shall be recognized as a financial liability or equity based financial instruments.

Accounting of Cross Shareholding Investments (2013-4)

Accounting of cross investment in associates is assessed based on the type of the investment, the subsidiary holding the equity based financial instruments of the parent, the associates or joint ventures holding the equity based financial instruments of the parent, the parent's equity based financial instruments are held by an entity, which is accounted as an investment within the scope of TAS 38 and TFRS 9 by the parent. With this resolution, this topic has been assessed under three main headings above and the recognition principles for each one of them has been determined.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.5 Summary of Significant Accounting Policies (continued)

(ad) Determination of fair value

Both financial and non financial assets and liabilities of the Group are subject to fair value determination based on related accounting policies and statements of the Group. Additional information, applicable to assumptions used in determination of fair value, is presented in notes of the related assets and liabilities particularly.

The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Input other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices);

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.6 Summary of Significant Accounting Judgements, Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with TFRS requires management to make judgments, estimates and assumptions that affect both the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimate.

The accounting judgements, estimates and assumptions used in preparing the consolidated financial statements, are consistent with the accounting judgements, estimates and assumptions used in preparing the consolidated financial statements as at 31 December 2012 except for the application of TAS 19 mentioned in Note 2.3.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

- Note 3 Business combinations
- Note 5 Segment reporting
- Note 15 Investment properties
- Note 36 Assets held for sale

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES (continued)

2.6 Summary of Significant Accounting Judgements, Estimates and Assumptions (continued)

In preparation of the consolidated financial statements, the significant estimates and judgments used by the Group are included in the following notes:

- Note 2.5 (d,e,f) Useful lives of property,plant and equipments and intangible assets and concession intangible assets
- Note 3 Fair value of assets and liabilities in business combinations
- Note 10 Impairment losses on trade receivables
- Note 12 Impairment losses on receivables from finance sector operations
- Note 15 Fair value of investment properties
- Note 17 Impairment of goodwill
- Note 19 Provisions, contingent assets and liabilities
- Note 21 Assumptions for provision of employment termination benefit
- Note 28 Income/expense from investing activities
- Note 31 Tax assets and liabilities
- Note 35 Determination of fair value
- Note 36 – Assets held for sale and discontinued operations

3 BUSINESS COMBINATIONS

Port of Bar:

The contract with respect to acquisition of % 62,09 shares of general freight and cargo terminal of Port of Bar located in Montenegro has been signed on 14 December 2013 after a subsidiary of Group, Global Liman offered the tender comprised the repair and maintenance of the Port, financing, construction and operating the Port for 30 years and initiated by Ministry of Transportation and Maritime and Port Administration of Montenegro at best, approvals and procedures related to sales transaction was completed on 30 December 2013 which is the Group obtained management and control of the company.

Port of Bar, represents a significant chain in intermodal transportation with respect to free zone regime and integration of Belgrade –Bar road and railway traffic system. Port of Bar has a port with 1619 meter long and the shallowest point of the port is 10 meter. 249 numbers of ships visited the port and 539 thousand tones of cargo handled in the year of 2013. Global Liman is under obligation of performing some investment and social programmes stated in the agreement in the first three years following the acquisition. Global Liman has made a commitment amounting to Euro 13,5 millions with respect to investment expenditures for the first three years. Service scale of Port of Bar will be arranged with Port Administration of Montenegro in accordance with the terms of the concession agreement. Based on taking control of Port of Bar, the Group acquired the operation right of a port operating overseas and also a Turkish Company has acquired the majority ownership of a port operation overseas for the first time. The Group plans to increase port investments overseas and expands its port portfolio overseas by new port investments.

3 BUSINESS COMBINATIONS (continued)

Port of Bar: (continued)

Identifiable assets, liabilities and contingent liabilities are recognised at fair value based on TFRS-3 "Business Combinations". Transaction is provisionally recognized in the consolidated financial statements due to limited duration between the date of acquisition and preparation of the financial statements and the separation transaction of identifiable assets and liabilities were in progress at the reporting date. The fair value of the identifiable monetary assets of Port of Bar are assessed to be equal to the carrying value and the fair value of the property, plant and equipment is determined by a fixed asset expert in temporarily recognition of acquisition transaction and fair value of property and equipments have been taken into consideration based on the amount determined by the fixed asset expert. The acquisition cost explained below in detail is recognized in intangible assets as port operation right after deduction of identifiable assets and liabilities mentioned above.

The fair value of the Port of Bar has been determined by using the weighted average of the value based on the market approach method and income approach method prepared by an independent appraisal company.

This acquisition is accounted for by applying the purchase method, which requires the measurement of the identifiable assets, liabilities and contingent liabilities at their fair values accordance with TFRS 3 "Business Combinations".

According to the income approach, the fair value of the company has been determined through future projected cash flows by using discounted cash flow method (DCF). When determining the fair value of the company with DCF method, the discount ratio as the weighted average of cost of capital in Euro is determined as 13,66%. The valuation is made by calculating the discounted future cash flows based on 30 year period projections which includes current and 30-years port traffic, current capacity, and the capacity after the investments which the Group plans to make, and restructuring commitments based on the agreement. In the market approach method, the peer comparison method and comparable Shares Purchase-Selling Agreements are used based on the standard ratios of similar companies, Price/Sales and NAV/EBITDA ratios.

The following table summarizes the details related to the accounting of the acquisition in accordance with the purchase method:

Acquisition cost	23.160.129
Fair value of total net identifiable assets (100%)	(126.082.994)
Fair value of non-controlling interests (37,91%)	47.798.063
Bargain purchase gain (negative goodwill)	**(55.124.802)**

Bargain purchase gain is recognized in "other operating income" in the consolidated statement of profit or loss and other comprehensive income (Note 27.1).

3 BUSINESS COMBINATIONS (continued)

Port of Bar: (continued)

	Fair value
Identifiable assets acquired and liabilities assumed	**100%**
Cash and Cash Equivalents	426.838
Trade and Other Receivables	3.280.147
Other Assets	10.430.251
Property, Plant and Equipment	82.881.996
Intangible Assets	35.416.609
Deferred Tax Asset	3.968.598
Loans and Borrowings	(2.656.302)
Trade and Other Payables	(3.791.389)
Provisions for Employment Termination Indemnity	(3.623.297)
Other Liabilities	(250.457)
Net identifiable assets	**126.082.994**

It is probable to observe corrections in the identifiable assets and liabilities and correspondingly in the accounted value of bargain purchase gain when the accounting of acquisition is completed.

The realized and expected to realize growth in the operations due to the increase in the capacity-usage-ratio as a result of the working-capital fund transfers and investments in order to improve the productivity and working capacity of the port in question that would contribute to the value of the operation resulted in bargain purchase gain as a result of the acquisition of Port of Bar. The acquisition of Port of Bar shares contributed net profit of TL 55.124.802, accounted as bargain purchase gain whereas it has no effect on consolidated revenues since it was purchased at the end of 2013.

Consideration paid:	23.160.129
Cash associated with purchased assets	(426.838)
Net cash outflow	**22.733.291**

The acquisition cost amounting to Euro 8.071.700 (TL 23.160.119) was totally paid to Ministry of Transportation and Maritime Affairs of Montenegro on 30 December 2013.

Geliş Madencilik

As of 3 October 2013, Global Enerji, a subsidiary of the Group has purchased the 85% of the shares of Geliş Madencilik Enerji İnşaat Ticaret A.Ş (Geliş Madencilik), a company operating in the scope of business license numbered IR-2505 in Şırnak after obtaining required permissions from Competition Authority and reached to 85% of the shares of Geliş Madencilik with respect to the transaction. The Group has purchased Geliş Madencilik for the purpose of providing raw material procurement for future thermal plant investments of its subsidiary, Galata Enerji (a company, operating and developing a project called "2X135 MW long fluidized bed thermal plant" in progress in Şırnak, the southeast of Turkey, with respect to energy production license obtained from EMRA).

3 BUSINESS COMBINATIONS (continued)

Port of Bar: (continued)

Geliş Madencilik (continued)

When the Power Plant has started to operate, the coal will be supplied by Geliş Madencilik which has a capacity of asphaltite reserve probably more than 200 million tones and private operating right for asphaltite in Şırnak.

Geliş Madencilik is established under Turkish Law in 2006 and has a statue of corporate body resident with respect to the regional and international tax practices in Turkey.

The main operation of the company is prospecting, taking out a license for mining, sinking mine, mining and operating, leasing mine, leasing out mine, taking over and transferring mine licenses purchased, conducting factory and workplaces for mining, purchasing mine, selling, importing, sinking semi-finished mine and transforming them into merchandise.

Geliş Madencilik has an agreement dated 29 June 2007 about operating asphaltite reserves numbered IR-2505 based on the authority of Şırnak Special Provincial Administration and Turkish Coal Enterprise. Geliş Madencilik, produces asphaltite and makes related asphaltite investments in accordance with Turkish Coal Enterprise and royalty agreement stating operating license rights in certain limits and other supplemental agreements.

It is probable to observe corrections in the temporary value of identifiable assets and liabilities and correspondingly in the accounted value of goodwill when the accounting of acquisition is completed. Acquisition of Geliş Madencilik would strengthen the Group's position within the market for mining. The Group will invest into Geliş Madencilik via working-capital fund transfer. These are expected to create value-addition in the sector and take in the best position in terms of cash generation which in turn would increase their income.

The following table summarizes the details related to the accounting of the acquisition in accordance with the purchase method:

Acquisition cost	54.421.124
Fair value of total net identifiable assets (100%)	(17.737.266)
Fair value of non-controlling interests (15%)	2.660.590
Goodwill (Note 17)	39.344.448

	Fair value
Identifiable assets acquired and liabilities assumed	100%
Cash and Cash Equivalents	161.620
Trade and Other Receivables	16.220.531
Inventory	11.149.652
Other assets	5.439.545
Property, plant and equipment (Note 16)	3.908.274
Loans and borrowings	(3.027.599)
Trade and Other Payables	(16.114.757)
Total net identifiable assets	17.737.266

3 BUSINESS COMBINATIONS (continued)

Port of Bar: (continued)

Geliş Madencilik (continued)

Total cost of the acquisiton is USD 26.958.500. After deducting the advance paid amounting to USD 7.958.500 the remaining amount of consideration payable by USD 19.000.000 will be paid to suppliers after the ninety-days that the commercial sale of electricity will be started by the Plant Project whose license owned by Galata Enerji will be starting to operate. In addition, the advance payment amounting to USD 7.958.500 will be repaid to the Group, on the conditon that Thermal Plant Project will not start to operate in two years starting from the date of shares taken over by the Group (Note 36).

The sellers are responsible for collecting and paying the existing receivables and payables of Geliş Madencilik according to the transfer protocol. Related receivables and payables are paid and collected at the reporting date.

Identifiable assets, liabilities and contingent liabilities shown in the table above are recognised at fair value based on TFRS-3 "Business Combinations". The gross amounts of trade receivables and other receivables acquired at the date of the business combination reflect their carrying value.

Consideration paid	--
Cash associated with purchased assets	137.377
Net cash outflow	137.377

Straton Maden:

Global Enerji has purchased the 75% share of "Ra Doğu Madencilik A.Ş." and changed its commercial title as "Hades Maden Yatırımları ve İşletmeciliği A.Ş." on 15 January 2013. Approvals and procedures related to sales transaction was completed on 18 February 2013 and after that day the Group obtained management and control of the company. As of 8 May 2013, commercial title of the company was changed as "Straton Maden Yatırımları ve İşletmeciliği A.Ş."("Straton Maden") by a board decision.

As of 1 June 2013, Straton Maden has taken over Feldspat Operation from "Standart Teknoloji Savunma Enerji ve Madencilik A.Ş." with all excavation rights and all of the property plant and equipments and employees. The company is consolidated from the date of 1 June 2013.

Straton Maden has 3 stopes in Yatağan in Muğla. Annual production capacity of the Company is aproximately 250.000 tones. After the planned investment, production capacity is planned to reach to 935.000 tonnes. As of July 2013, Straton Maden has IR 1108 licence and Royalty licence which is obtained from Turkish Coal Enterprise. Mine set of the royalty licence numbered 3303 is located in northwest (25 km away) of the Yatağan and 50 km away from Milas, Muğla. 3303 numbered mine set has 2.530 hectare feldspat operation area. Total mine area is 4.911 hectare. Straton Maden's feldspat operation royalty licence is valid until 20 February 2023 based on agreement with KİAŞ. Straton Maden has 2 open mines and 20 openable mines.

3 BUSINESS COMBINATIONS (continued)

Port of Bar: (continued)

Straton Maden: (continued)

Taking the control of Straton Maden will strengthen the Group's position within the market for Mining. Together with the acquisition, the Group would invest to Straton Maden via working-capital fund transfer. These are expected to create value-addition in the sector and take in the best position in terms of cash generation which in turn would increase their income.

The acquisition price of 75% of Straton Maden's shares is TL 11.000.000. The final value of the consideration is determined as the 75% of the 3 times amount of EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) that would be generated within the 12 months period following the acquisition. The advance payments for the acquired property, plant and equipment will be netted off from this final consideration.

This acquisition is accounted for by applying the purchase method, which requires the measurement of the identifiable assets, liabilities and contingent liabilities at their fair values accordance with TFRS 3 *"Business Combinations"*.

The acquisition of Straton Maden is accounted provisionally in the accompanying consolidated financial statements, since i) the property, plant and equipment acquired with government incentives has not yet been transferred, ii) the consideration value is contingent on the performance within the 12 months following the transfer, iii) difficulty in estimating the 12 months performance together with the investments, iv) the accounting of the acquisition has not yet been finished as of reporting date due to the difficulty in a fair value assessment of the property, plant and equipment, intangible assets and the goodwill. The fair value of the identifiable monetary assets and liabilities of Straton Maden are assessed to be equal to the carrying value and the fair value of the property, plant and equipment assets is determined by a fixed asset expert. The fair value of acquired operation is temporarily attributed to the royalty under intangible assets after deducting the above mentioned identifiable assets and liabilities and accounted under the intangible assets.

The value of the acquired operation that has been determined by an independent company providing appraisal services is calculated on the future cash flows using the Discounted Cash Flow (DCF) method. These cash flows are determined based upon the mine detection report prepared by independent engineers that are experts in mining. Based on the above mentioned report, the potential reserves in the transferred mine sites is 24 million tones, 10 million tones of which is proven reserves and 14 million tones of which is probable reserves. While probable reserves are not taken into account in the cash flows that are used to determine the value of the operation, only the proven reserves are considered in calculations. The discount rate in DCF method for the determination of the value of the operation is 10% which is determined as the weighted average cost of capital.

It is probable to observe corrections in the identifiable assets and liabilities and correspondingly in the accounted value of bargain purchase gain when the accounting of acquisition is completed.

3 BUSINESS COMBINATIONS (continued)

Port of Bar: (continued)

Straton Maden: (continued)

The following table summarizes the details related to the accounting of the acquisition in accordance with the acquisition method:

Acquisition cost	11.000.000
Fair value of total net identifiable assets (100%)	(83.700.466)
Fair value of non-controlling interests (25%)	20.925.116
Bargain purchase gain (negative goodwill)	(51.775.350)

Bargain purchase gain is recognized in "other operating income" under the consolidated statement of profit or loss and other comprehensive income (Note 27.1).

The realized and expected to realize growth in the operations due to the increase in the capacity-usage-ratio as a result of the working-capital fund transfers and investments in order to improve the productivity and working capacity of the mine site in question that would contribute to the value of the operation resulted in bargain purchase gain as a result of the acquisition of Straton Maden.

Identifiable assets acquired and liabilities assumed	Fair value 100%
Cash and cash equivalents	6.031
Trade and other receivables	1.649.204
Inventories	1.332.758
Property, plant and equipment	2.930.207
Intangible assets-royalty contract value	103.313.111
Deferred tax liabilities	(20.912.133)
Trade and other payables	(4.618.712)
Net identifiable assets	**83.700.466**

The acquisition of Straton Maden's shares contributed to revenues by TL 8.884.035 and to net profits by TL 48.505.385 (including a bargain purchase gain) in consolidated profit or loss.

Consideration paid :	2.203.000
Cash associated with purchased assets	(6.031)
Net cash outflow	**2.196.969**

TL 8.797.000 that remains after deducting TL 703.000 which is paid during the transfer of the property, plant and equipments and TL 1.500.000 which is paid as the initial advance from the acquisition cost of TL 11.000.000 is recognized under other payables. As at 31 December 2013 the remaining consideration payable is TL 5.904.000 (Note 11).

3 BUSINESS COMBINATIONS (continued)

Port of Bar: (continued)

Naturelgaz:

25% Share Purchase (2013)

On 18 January 2013, the Group's subsidiary, Global Enerji that previously had 55% of the shares of its joint venture Naturelgaz that engaged in the sales activities of compressed natural gas bought 25% of shares of Naturelgaz shares and the voting rights from STFA Yatırım Holding A.Ş. with a consideration of USD 10.000.000 (TL 17.510.000). Therefore, the Group's effective percentage of shares in Naturelgaz has increased to 80%. This purchase gives the control of Naturelgaz to the Group solely. Due to the fact that there is no financial statement prepared on 18 January 2013 and 18 days of difference is considered as immaterial for the consolidated financial statements, it is decided to use the financial statements as at 31 December 2012 for the purchase accounting. As for the purchase accounting, the fair values that were used during the recognition of the 30% of shares taken over on 12 December 2012 are used.

Naturelgaz was established in order to operate in the CNG (compressed natural gas) sector. This company meets the natural gas needs of many diversified users such as the large industrial companies, small enterprises, mass housing projects, villas, hotels, recreational facilities, forklifts and generators in the areas where natural gas can not be distributed via pipelines. Moreover, it provides fuel for buses, minibuses and heavy vehicles. With the purchase of shares in Naturelgaz, the Group continued to expand its investment in the energy sector.

The following table summarizes the details related to the accounting of the acquisition in accordance with the purchase method:

Acquisition cost	17.510.000
Fair value of total net identifiable assets (100%)	(81.122.838)
Fair value of non-controlling interests (20%)	16.224.568
Fair value of previously held interests (55%)	44.617.560
Bargain purchase gain (negative goodwill)	**(2.770.710)**

Bargain purchase gain is recognized in other operating income in the consolidated statement of profit or loss and other comprehensive income (Note 27.1).

3 BUSINESS COMBINATIONS (continued)

Port of Bar: (continued)

Naturelgaz: (continued)

Identifiable assets acquired and liabilities assumed	Fair value 100%
Cash and Cash Equivalents	383.184
Trade and Other Receivables	12.569.791
Inventories	2.881.154
Other Current Assets	4.460.123
Property, Plant and Equipment	49.532.668
Intangible Assets	71.293.017
Finnacial Liabilities	(21.980.529)
Trade and Other Payables	(17.091.094)
Provisions for Employment Termination Indemnity	(447.204)
Provisions	(7.549)
Deferred Tax Liability	(18.804.800)
Other Liabilities	(1.665.923)
Net identifiable assets	**81.122.838**

This acquisition is accounted for by applying the purchase method, which requires the measurement of the identifiable assets, liabilities and contingent liabilities at their fair values as of the date of acquisition in accordance with TFRS 3 ''*Business Combinations*''. As at acquisition date, gross contractual cash flows of trade and other receivables reflect their fair values.

Acquisition of Naturelgaz, included in the scope of consolidation as a result of the acquisition, contributed on consolidated revenues amounting to TL 54.371.289 and decreased the consolidated profits including bargain purchase gain and gain on previously-held interest of TL 10.560.339.

As a result of the acquisition, the Group recognized net identifiable assets, liabilities and contingent liabilities corresponding to the previously held 55% equity interest at their fair values at the acquisition date in its consolidated financial statements.

Share purchase (30%) (2012)

On 12 December 2012, Global Enerji, a subsidiary of the Group, acquired 30% of the shares and voting rights of Naturelgaz, a company operating in the natural gas transmission and distribution sector, from Rudolf Ruben Goldenberg, Lusi Aşer Goldenberg and Altındağ Yatırım Mümessillik ve Ticaret A.Ş at a price of USD 12.000.000 (equivalent to TL 21.325.200 in total). Thus, the effective shareholding interest of the Group in Naturelgaz became 55%.

The total net identifiable assests of Naturelgaz as at 31 December 2012 was determined with the method of DCF by an authorized valuation company.

3 BUSINESS COMBINATIONS (continued)

Port of Bar: (continued)

Naturelgaz: (continued)

The following table summarizes the details related to the accounting of the acquisition in accordance with the acquisition method:

Acquisition cost	21.325.200
Fair value of total net identifiable assets (30%)	(24.336.851)
Bargain purchase gain (negative goodwill)	**(3.011.651)**

Bargain purchase gain is recognized in profit or loss.

Identifiable assets acquired and liabilities assumed	Fair value 100%
Cash and Cash Equivalents	383.184
Trade and Other Receivables	12.569.791
Inventory	2.881.154
Other Assets	4.460.123
Property, Plant and Equipment	49.532.668
Intangible Assets	71.293.017
Financial Liabilities	(21.980.529)
Trade and Other Payables	(17.091.094)
Provisions for Employment Termination Benefit	(447.204)
Debt Provisions	(7.549)
Deferred Tax Liabilities	(18.804.800)
Other Liabilities	(1.665.923)
Total net identifiable assets	**81.122.838**

As a result of the acquisition, Global Enerji, a subsidiary of the Group, recognized net identifiable assets, liabilities and contingent liabilities corresponding to the previously held 25% equity interest at their fair values at the acquisition date in its consolidated financial statements. As a result of this recognition, the difference between the fair value and the carrying amount of the net identifiable assets at the acquisition date corresponding to equity interest held immediately prior to acquisition is recognized as gain on previously-held interest in other operating income in the consolidated statement of comprehensive income.

3 BUSINESS COMBINATIONS (continued)

Port of Bar: (continued)

Naturelgaz: (continued)

The following summarizes the gain on previously-held interest recognized:

Fair value of the net identifiable assets corresponding to equity interest held immediately prior to acquisition (25%)	20.280.709
Carrying amount of the net identifiable assets corresponding to equity interest held immediately prior to acquisition	(10.484.399)
Gain on previously-held interest	**9.796.310**

Gain on previously-held interest is recognized in profit or loss.

This acquisition is accounted for by applying the acquisition method, which requires the measurement of the identifiable assets, liabilities and contingent liabilities at their fair values as of the date of acquisition in accordance with TFRS 3 "*Business Combinations*". As at acquisition date, gross contractual cash flows of trade and other receivables reflect their fair values.

Acquisition of Naturelgaz, included in the scope of consolidation as a result of the acquisition, has no effect on the sales in 2012. Naturelgaz and its acquisition including bargain purchase gain and gain on previously-held interest decreased the consolidated profits of TL 12.807.961.

Except for Naturelgaz which has been consolidated since 1 January 2013, the effects of the acquisitions of Straton Maden, Geliş Madencilik and Port of Bar have not been taken into consideration due to net profit or loss before the acquisition transactions of Straton Maden, Geliş Madencilik and Port of Bar have no material effect on consolidated financial statements since the acquisition transaction of those companies recognized on 1 January 2013.

4 INVESTMENT IN OTHER ENTITIES

Shares in Joint Ventures

The Group, together with the changes in the accounting standards that are explained in Note 2.3 restated the consolidated financial statements. Naturelgaz and EYH which were consolidated as joint ventures by proportionate consolidation method as of 31 December 2012 , have been consolidated as equity accounted investees by equity accounting method. Naturelgaz has been subject to full consolidation as a subsidiary following the increment to 80% of the Naturelgaz shares of the Group as of 18 January 2013. According to these changes in the accounting standards, the detail of joint ventures, including BPI acquired in 2013, are explained in Note 18 "Equity Accounted Investees".

5 SEGMENT REPORTING

Operating segments considered in performance evaluation of the Group Management are determined by considering the Group's risks and resources and internal reporting structure. The Group's operating segments are finance, energy, infrastructure, real estate and other. Finance segment includes the finance operations (including Global Yatırım Holding), energy segment includes compressed natural gas distribution and electricity generation facilities and mining operations, infrastructure segment includes port operations and real estate segment includes operations in respect of investment property and trading property operations. Other segment mainly includes the media operations.

Especially in the winter months (December, January, February), the operations of the subsidiaries of the Group operating in the port operation sector under the infrastructure segment decline in comparison with the other months of the year. The busiest period in the cruise port operations is the third quarter of the year. These seasonality of operations have an impact on the performance of the aforementioned segments.

Information regarding all the segments is stated below. Earnings before interest, tax, depreciation and amortization (“EBITDA”) is reviewed in the assessment of the financial performance of the operating segments. The Company management assesses EBITDA as the most appropriate method for the review of the segment operations, based on the comparability with other companies in the same industry. As the transactions mentioned below became significant in terms of the operations of the Group, the Group, starting in 2011, includes the following items in the EBITDA: the profit or / loss before tax earned by the Group companies' sale of the Company shares and the profit or / loss before tax earned by the Group from the sale of its subsidiaries' shares without losing the control and unquoted to an active market. These gains and losses are accounted for under the equity in the consolidated financial statements. The information related to the segments of the Group is disclosed below.

5 SEGMENT REPORTING (continued)

	Energy		Finance		Infrastructure		Real Estate		Other		Total	
	0	31 December 2012 (*)	0	31 December 2012 (*)	0	31 December 2012 (*)	0	31 December 2012 (*)	0	31 December 2012 (*)	0	31 December 2012 (*)
Segment assets	435.014.187	105.477.157	292.365.157	290.931.287	970.332.616	670.897.550	261.868.212	263.043.622	18.023.046	3.554.913	1.977.603.218	**1.333.904.529**
Segment liabilities	253.232.943	28.390.977	400.671.740	273.292.116	560.297.895	245.807.648	28.210.121	46.663.970	9.287.930	2.418.358	1.251.700.629	**596.573.069**

	Energy		Finance		Infrastructure		Real Estate		Other		Total	
	2013	2012 (*)	2013	2012 (*)	2013	2012 (*)	2013	2012 (*)	2013	2012 (*)	2013	2012 (*)
External revenues	63.293.324	-	23.132.084	23.211.103	143.526.022	122.390.528	13.602.337	17.246.635	3.795.157	3.519.678	247.348.924	**166.367.944**
EBITDA	53.137.416	3.058.832	(27.689.662)	119.465.971	149.099.916	80.221.916	17.618.845	5.913.786	(2.142.487)	(395.980)	190.024.028	**208.264525**
Depreciation and amortisation expense (-)	(12.152.447)	(3.068)	(1.319.594)	(1.201.162)	(44.909.384)	(41.936.894)	(290.027)	(283.280)	(1.282.395)	(109.147)	(59.953.847)	**(43.533.551)**
Finance income	1.704.146	2.646.811	411.949	9.222.246	24.885.344	19.580.057	253.311	823.543	-	-	27.254.750	**32.272.657s**
Finance expenses	(17.395.484)	(1.056.177)	(63.895.137)	(68.586.028)	(37.690.717)	(14.439.519)	(7.308.448)	(6.865.576)	(408.811)	(479.369)	(126.698.597)	**(91.426.669)**

(*) 31 December 2012 financial statements are restated. For the restated financial statements please refer to Note 2.3.e.

5 SEGMENT REPORTING (continued)

	1 January–31 December 2013	1 January–31 December 2012 (*)
Revenues		
Segment revenues	248.406.705	166.367.944
Elimination of inter-segment revenues (**)	(1.057.781)	--
Consolidated revenues	**247.348.924**	**166.367.944**

	1 January–31 December 2013	1 January–31 December 2012 (*)
Consolidated EBITDA	190.024.028	208.787.726
Finance income (Note29)	22.153.260	25.328.547
Finance expenses (Note 30)	(120.978.714)	(84.240.312)
(Gain)/Loss on sale of shares recognized in equity (Note 23)	(1.576.561)	(1.146.845)
Depreciation and amortisation expenses (Note 26)	(59.953.847)	(44.056.752)
Consolidated profit/(loss) before income tax	**29.668.166**	**104.672.364**

	1 January–31 December 2013	1 January–31 December 2012 (*)
Segment finance income	27.254.750	32.272.657
Elimination of inter-segment finance income	(5.101.490)	(6.944.110)
Total finance income (Note 29)	**22.153.260**	**25.328.547**

	1 January–31 December 2013	1 January–31 December 2012 (*)
Segment finance expenses	(126.698.597)	(91.426.669)
Elimination of inter-segment finance expenses	5.719.883	7.186.357
Total finance expenses (Note 30)	**(120.978.714)**	**(84.240.312)**

Significant non-cash income / expenses	1 January–31 December 2013	1 January–31 December 2012 (*)
Bargain purchase gain (Note 27)	109.670.862	3.011.651
Gain on previously held interest (Note 27)	--	9.796.310
Gain/loss on fair value change of investment property, net (Note 28)	16.286.371	4.467.095
Provision for consultancy expenses (Note 19)	808.815	808.815
Gain on sale of joint ventures	--	150.185.136
Allowance for doubtful receivables (Note 25)	219.892	489.075
Other		
Total	126.985.940	168.758.082

5 SEGMENT REPORTING (continued)

Fixed asset purchases (***)

	1 January– 31 December 2013	1 January– 31 December 2012 (*)
Energy	42.509.203	3.056.770
Finance	728.372	2.854.354
Infrastructure	15.323.708	6.724.679
Real estate	319.769	577.373
Other	312.729	17.788
Total	**59.193.781**	**13.230.964**

(*) 31 December 2012 financial statements are restated. For the restated financial statements please refer to Note 2.3.e.
(**) The total amount of elimination of inter-segment revenues is related to the finance segment.
(***) Fixed asset purchases include additions to property, plant and equipment, intangible assets and investment property.
TL 9.796.310 part of the material non-cash income/expenses in the period ended 31 December 2012 is related to bargain purchase gain (2013: None).

6 RELATED PARTY DISCLOSURES

The related parties shown in the related party disclosures and the nature of the relation of the Group with these parties are as follows:

Related party	Nature of relations
Mehmet Kutman	Shareholder and key management personnel
Erol Göker	Shareholder and key management personnel
Global Portföy	Equity accounted investee (Note 18)
Global A Tipi ve B Tipi Fon	Funds of a subsidiary
Torba	Unconsolidated subsidiary (Not 2.1.f.(vii))
Turkcom Turizm Enerji İnşaat Gıda Yatırımlar A.Ş. (Turkcom)	Company owned by shareholder

Due from related parties

As at 31 December 2013 and 31 December 2012, current receivables from operations in finance sector-due from related parties comprised the following:

Current receivables from operations in finance sector due from related parties	31 December 2013	31 December 2012
Turkcom (*)	10.000.713	9.994.079
Global A Type ve B Type Funds	2.291	2.291
Other	1.071.616	984.676
Total	**11.074.620**	**10.981.046**

(*) Balances consist of loans extended for regular margin lending activities. The receivables are secured with equity securities. Interest is charged on the receivables based on market interest rates.

6 RELATED PARTY DISCLOSURES (continued)

Due from related parties (continued)

As at 31 December 2013 and 31 December 2012, other current receivables from related parties comprised the following:

Other current receivables from related parties	31 December 2013	31 December 2012
Mehmet Kutman (1)	2.079.160	642.895
Turkcom	84.466	5.743.333
Erol Göker (1)	1.220.617	–
Other	1.409.283	3.658.774
Total (2)	**4.793.526**	**10.045.002**

(1) These amounts are related with the personnel and work advances and they are not secured. Interest is charged on advances which have not work advances (Interest rate: 31 December 2013: 11,75%, 31 December 2012: 15%)
(2) The amount excludes the loans provided to key management explained below.

A subsidiary of the Group has provided secured loans to key management with a limit of USD 10.000.000 and an interest rate of Libor +3,5%, having annual coupon payments and a principal payment at the end of period, which mature on 30 December 2012. The maturity of this loan is extended to the date of 31 December 2014. As at 31 December 2013 and 31 December 2012, this receivable has been classified in other current receivables from related parties in the balance sheet. As at 31 December 2013, the principal of this loan amounted to USD 9.806.377 and the accrued interest amounted to USD 370.067. The total loan amounted to USD 10.176.444 (equivalent to TL 21.719.584). As at 31 December 2012, the principal of this loan amounted to USD 10.000.000 and the accrued interest amounted to USD 649.431 and the total loan amounted to USD 10.649.431 (equivalent to TL 18.983.676).

As at 31 December 2013, current receivables due from related parties (including the loan provided to key management by the Group) amount to TL 26.513.110 in the consolidated financial statements (31 December 2012: TL 29.028.678).

As at 31 December 2013 and 31 December 2012, other non-current receivables from related parties comprised the following:

Other non-current receivables from related parties	31 December 2013	31 December 2012
Torba (*)	5.029.659	5.029.659
Total	**5.029.659**	**5.029.659**

(*) The balance consists of an advance given for a real estate development project. The receivable balance has no guarantee. Interest was charged over this receivable until the date of loss of the control of Torba (Note 19.2 (ii)).

6 RELATED PARTY DISCLOSURES (continued)

Due to related parties

As at 31 December 2013 and 31 December 2012, short-term payables from operations in finance sector-due to related parties comprised the following:

Short-term payables from operations in finance

sector due to related parties	31 December 2013	31 December 2012
Global A Type and B Type Funds	302.770	-
Other	-	20.910
Total	302.770	20.910

As at 31 December 2013 and 31 December 2012, other short-term payables due to related parties comprised the following:

Other short-term payables to related parties	31 December 2013	31 December 2012
Other	122.653	166.748
Total	122.653	166.748

As at 31 December 2013 and 31 December 2012, other long-term payables due to related parties comprised the following:

Other long-term payables to related parties	31 December 2013	31 December 2012
Other	16.220	16.220
Total	16.220	16.220

Transactions with related parties:

Transactions with key management personnel

The total benefits (salaries, bonuses, attendance fees for Board of Directors, etc.) provided to the key management for the period ended 31 December 2013 and 2012 are TL 10.627.539 and TL 16.698.051, respectively.

The Group's interest income earned from the loan provided to key management for the year ended 31 December 2013 amounts to TL 703.608 (1 January-31 December 2012: TL 659.771).

6 RELATED PARTY DISCLOSURES (continued)

Transactions with other related parties

For the year ended 31 December 2013 and 2012, significant transactions with other related parties comprised the following:

	31 December 2013				31 December 2012			
	Interest Received	Commission Received	Other income	Commission Given	Interest Received	Commission Received	Other income	Commission Given
Turkcom (*)	1.580.323	–	–	–	1.613.904	–	–	–
Mehmet Kutman (*)	394.784	–	–	700.000	337.226	–	–	700.000
Erol Göker	7.431	–	2.400	–	10.336	–	2.100	–
Global A Type and B Type Funds	–	44.226	–	–	–	7.765	–	–
Other	135.547	–	512.840	–	679.834	–	460.660	–
Total	**2.118.085**	**44.226**	**515.240**	**700.000**	**2.641.300**	**7.765**	**462.760**	**700.000**

(*) Includes margin lending and advance interest.

7 CASH AND CASH EQUIVALENTS

As at 31 December 2013 and 31 December 2012, cash and cash equivalents comprised the following:

	31 December 2013	31 December 2012
Cash on hand	298.520	452.978
Cash at banks	65.329.996	29.369.998
–Demand deposits	*11.822.201*	*17.986.821*
–Time deposits	*53.507.795*	*11.383.177*
Receivables from reverse repurchase agreements	4.495.547	18.512.737
Credit card receivables	9	358
Receivables from Takasbank	1.910.746	508.310
Other	2.298.825	24.498
Cash and cash equivalents	**74.333.643**	**48.868.879**
Blocked deposits	(12.686.436)	(12.961.943)
Cash and cash equivalents for cash flow purposes	**61.647.207**	**35.906.936**

7 CASH AND CASH EQUIVALENTS (continued)

As at 31 December 2013 and 31 December 2012, maturities of time deposits comprised the following

	31 December 2013	31 December 2012
Up to 1 month	51.217.142	9.839.401
1-3 months	2.290.653	1.543.776
	53.507.795	**11.383.177**

As at 31 December 2013 and 31 December 2012, the range of time deposit interest rates included in cash and cash equivalents is as follows:

	31 December 2013	31 December 2012
Interest rate range for time deposit – TL	7,42% – 9,15%	5% – 9,25%
Interest rate for time deposit – USD	0,35%	5,00%

As at 31 December 2013, cash at banks amounting to TL 1.469.045 (31 December 2012: TL 1.911.000) is blocked due to bank borrowings and letters of guarantee by the banks. As at 31 December 2013, TL 10.962.948 deposited at the BIST Settlement and Custody Bank (''Takasbank'') is blocked by the CMB (31 December 2012: TL 10.731.612). Cash at banks amounting to TL 9 (31 December 2012: TL 358) comprises credit card receivables and TL 254.434 (31 December 2012: TL 318.973) of other receivables are blocked at banks until their maturities. Financial risk with respect to cash and cash equivalents are detailed in Note 33.

8 FINANCIAL INVESTMENTS

As at 31 December 2013 and 31 December 2012, the details of financial investments comprised the following:

Current assets	31 December 2013	31 December 2012
Financial assets held for trading	22.808.608	9.738.924
Financial assets available for sale	219.722	–
Total	**23.028.330**	**9.738.924**
Non current assets		
Financial assets available for sale	5.164.987	3.083.737
Total	**5.164.987**	**3.083.737**

8 FINANCIAL INVESTMENTS (continued)

The details of financial assets of the Group is as follows:

a) Financial assets held for trading

	31 December 2013	31 December 2012
Debt securities	13.491.591	4.784.791
Equity securities	9.308.434	4.864.572
Investment funds participations	8.583	89.561
Total	22.808.608	9.738.924

All financial assets held for trading are financial assets at fair value through profit or loss. The changes in fair value of these assets are accounted for in gain/(loss) on investing activities, net in the consolidated profit or loss and other comprehensive income (Note 28). All the equity securities included in the financial assets held for trading are traded in active markets.

As at 31 December 2013, debt securities amounting to TL 7.401.973 (31 December 2012: TL 5.099.167) are subject to repurchase agreements.

As at 31 December 2013, government bonds amounting to TL 445.478 are pledged by the banks with respect to the letter of guarantees given to BIST (31 December 2012: TL 595.170). As at 31 December 2013, equity shares amounting to TL 8.720.728 are pledged with respect to the purchase debt securities (31 December 2012: TL 3.238.660).

As at 31 December 2013, government bonds amounting to TL 108.224 are given to Turkish Derivative Exchange ("VOB") for transaction guarantee (31 December 2012: TL 363.806). As at 31 December 2012, government bonds amounting to TL 195.574 are pledged by the banks with respect to the financial liabilities (31 December 2013: None).

As at 31 December 2013 the Group's shares amounting to TL 26.818 are pledged for an ongoing lawsuit case.

As at 31 December 2013 and 31 December 2012, the letters of guarantee given to the BIST, Settlement and Custody Bank, the Turkish Derivative Exchange and the Capital Market Board are explained in Note 20.

b) Financial assets available for sale

	31 December 2013	31 December 2012
Equity securities		
– Quoted to an active market	219.722	–
– Unquoted to an active market	5.164.987	3.083.737
Total	5.384.709	3.083.737

8 FINANCIAL INVESTMENTS (continued)

b) Financial assets available for sale (continued)

Details of equity securities which are not quoted in an active market comprised the following:

	31 December 2013		31 December 2012	
	Share ratio (%)	Book value	Share ratio (%)	Book value
Takas ve Saklama Bankası A.Ş.	2,35	4.900.000	0,83	2.750.000
Bakü Borsası	5,50	137.523	5,50	137.523
Torba (Note 2.1.f.(vii))	80,00	80.000	80,00	80.000
Other		47.464		116.214
Total		**5.164.987**		**3.083.737**

The Group recognized and measured the investments that are not quoted in active markets at cost.

9 FINANCIAL LIABILITIES

As at 31 December 2013 and 31 December 2012, financial liabilities comprised the following:

Short term borrowings	31 December 2013	31 December 2012
Short term bank loans	114.317.515	22.339.619
–TL Loans	*27.349.732*	*11.644.019*
–Foreign currency loans	*86.967.783*	*10.695.600*
Total	**114.317.515**	**22.339.619**

Short term portion of long term borrowings

	31 December 2013	31 December 2012
Short term portion of long term bank loans	104.317.122	80.012.061
–TL Loans	*5.582.389*	*17.660.013*
–Foreign currency loans	*98.734.733*	*62.352.048*
Debt securities issued	21.158.518	2.602.770
– TL debt securities	*18.036.865*	–
–Foreign currency debt securities	*3.121.653*	*2.602.770*
Finance lease obligations	8.239.149	1.620.898
Total	**133.714.789**	**84.235.729**

9 FINANCIAL LIABILITIES (continued)

Long term borrowings	31 December 2013	31 December 2012
Long term bank loans	415.764.038	151.964.052
–TL Loans	*18.667.325*	*10.666.322*
–Foreign currency loans	*397.096.713*	*141.297.730*
Debt securities issued	163.146.590	23.042.314
– TL debt securities	*134.533.336*	–
–Foreign currency debt securities	*28.613.254*	*23.042.314*
Finance lease obligations	29.037.542	1.266.911
Total	**607.948.170**	**176.273.277**

Maturity profile of long term bank loans and debt securities issued comprised the following:

Years	31 December 2013	31 December 2012
2014	–	62.482.350
2015	84.747.416	48.319.471
2016	175.319.885	46.690.520
2017 and after	318.843.327	17.514.025
Total	**578.910.628**	**175.006.366**

Maturity profile of finance lease obligations comprised the following:

	31 December 2013			31 December 2012		
	Future minimum lease payments	Interest	Present value of minimum lease payment	Future minimum lease payments	Interest	Present value of minimum lease payment
Less than one year	10.474.653	2.235.504	8.239.149	1.727.835	106.937	1.620.898
Between one and five years	32.246.346	3.208.804	29.037.542	1.330.277	63.366	1.266.911
Total	**42.720.999**	**5.444.308**	**37.276.691**	**3.058.112**	**170.303**	**2.887.809**

9 FINANCIAL LIABILITIES (continued)

						31 December 2013	
Loan Type	Company Name	Currency	Maturity	Interest Type	Nominal Interest Rate %	Principal (TL)	Carrying Value (TL)
Loans and issued debt securities used to finance							
Debt securities issued (i)	Holding	USD	2017	Fixed	11%	31.734.907	31.734.907
Bonds issued (ii)	Holding	TL	2015	Floating	DİBS+ 5,00%	75.000.000	76.821.486
Bonds issued (ii)	Holding	TL	2016	Floating	DİBS+ 4,50%	75.000.000	75.748.715
Unsecured loan (iii)	Holding	USD	2014	Fixed	6,17%	64.029.000	67.214.483
Unsecured loan (iv)	Holding	TL	2014	Fixed	10,50%	10.000.000	10.000.000
Unsecured loan (v)	Holding	USD	2014	Floating	Libor + 7%	2.223.300	2.274.581
Unsecured loan (v)	Holding	USD	2016	Floating	Libor + 7,50%	8.437.155	8.445.278
Secured loan (v)	Holding	USD	2016	Floating	Libor + 7,50%	64.429.181	66.468.259
Unsecured loan	Holding	TL	2015	Fixed	13,80%	66.480	66.480
Unsecured loan	Holding	TL	Rotative	Fixed	12,50%	10.000.000	10.000.000
Secured loan (vi)	Ortadoğu Liman	USD	2016	Floating	Libor+ 4,95%	56.452.235	56.955.239
Secured loan (vii)	Ortadoğu Liman	USD	2016	Fixed	5,15%	4.802.175	4.858.004
Secured loan (vii)	Ortadoğu Liman	USD	2017	Floating	Libor+ 5,05%	9.337.563	9.358.296
Secured loan (viii)	Ortadoğu Liman	USD	2019	Fixed	5,65%	7.825.767	7.869.524
Secured loan	Ortadoğu Liman	TL	2015	Fixed	11,76%	80.821	81.401
Secured loan (ix)	Global Liman	USD	2017	Floating	Libor+ 4,95%	26.892.180	27.733.079
Secured loan (ix)	Global Liman	USD	2023	Floating	Libor + 5,60%	105.114.275	103.092.246
Secured loan (x)	Global Liman	USD	2021	Floating	Libor + 5,35%	178.640.910	184.476.593
Secured loan	Ege Liman	USD	2016	Floating	Libor+ 5,05%	2.134.300	2.145.498
Secured loan	Ege Liman	USD	Rotative	Fixed	5%	1.067.150	1.067.150
Secured loan	Ege Liman	USD	Rotative	Fixed	5,25%	1.067.150	1.067.150
Secured loan	Bodrum Liman	USD	2014	Fixed	7,95%	998.200	1.029.657
Secured loan	Bodrum Liman	USD	2016	Fixed	7,75%	1.506.721	1.535.219
Unsecured loan	Bodrum Liman	TL	Rotative	Fixed	9%	550.000	550.000
Secured loan	Pera	TL	2017	Floating	12,5%-15,4%	2.198.213	2.198.213
Secured loan (xi)	Pera	TL	2017	Floating	TR Libor + 5%	18.766.450	18.766.450
Unsecured loan	Naturelgaz	TL	2017	Floating	12%-14,30%	2.854.861	2.854.861
Unsecured loan (xiii)	Naturelgaz	TL	Rotative	Fixed	10,5% – 13,50%	6.799.732	6.799.732
Secured loan (xii)	Naturelgaz	USD	2015	Fixed	4,75%	10.671.500	10.956.228
Secured loan	Adonia Shipping	EURO	Rotative	Floating	Euribor + 3,5%	6.083.239	5.977.442
Secured loan (xiv)	Straton Maden	EURO	2014	Fixed	1,34%	17.619.000	17.619.000
Unsecured loan	Straton Maden	TL	2015	Fixed	12%	200.000	200.000
Secured loan	Straton Maden	TL	Rotative	Fixed	10,2%	82.309	82.309
Unsecured loan (xv)	Port of Bar	EURO	2017	Fixed	7,8%	1.761.900	1.569.084
Unsecured loan (xv)	Port of Bar	EURO	2017	Fixed	7,6%	1.174.600	1.087.219
						805.601.274	818.703.783
Finance Lease Obligations							
Leasing (xvi)	Ortadoğu Liman	USD	2015	Fixed	5,92%	1.516.867	1.516.867
Leasing (xvi)	Ortadoğu Liman	USD	2017	Fixed	5,18%	552.300	552.300
Leasing (xvii)	Naturelgaz	USD	2018	Fixed	7%	15.428.487	15.428.487
Leasing (xvii)	Naturelgaz	EURO	2017	Floating	9,90% – 10,30%	17.429.837	17.429.837
Leasing (xviii)	Tres Enerji	EURO	2018	Fixed	7,56%	2.349.200	2.349.200
						37.276.691	37.276.691
						842.877.965	855.980.474

9 FINANCIAL LIABILITIES (continued)

					31 December 2012		
Loan Type	Company Name	Currency	Maturity	Interest Type	Nominal Interest Rate %	Principal (TL)	Carrying Value (TL)
Loans and issued debt securities used to finance							
Debt securities issued (i)	Holding	USD	2017	Fixed	11%	25.676.570	25.676.570
Unsecured loan	Holding	USD	2013	Floating	Libor + 6,75%	10.431.128	10.466.030
Unsecured loan (v)	Holding	USD	2014	Floating	Libor + 7%	4.468.649	5.525.958
Unsecured loan (v)	Holding	USD	2016	Floating	Libor + 7,50%	9.559.193	9.568.257
Secured loan (v)	Holding	USD	2016	Floating	Libor + 7,50%	62.391.000	64.480.132
Unsecured loan	Holding	TL	2015	Fixed	13,80%	99.258	99.258
Secured loan (vi)	Ortadoğu Liman	USD	2016	Floating	Libor+ 4,95%	60.073.620	60.627.575
Secured loan	Ortadoğu Liman	USD	2013	Fixed	7,25%	965.575	972.151
Secured loan (vii)	Ortadoğu Liman	USD	2016	Fixed	5,15%	5.347.800	5.409.171
Secured loan (vii)	Ortadoğu Liman	USD	2017	Floating	Libor+ 5,05%	10.027.125	10.053.126
Secured loan	Ortadoğu Liman	TL	2013	Fixed	9,48%-10,68%	22.413	22.515
Secured loan (ix)	Global Liman	USD	2017	Floating	Libor+ 4,95%	26.471.610	27.307.842
Secured loan	Ege Liman	USD	2013	Floating	Libor+ 2,5%	3.310.543	3.320.240
Secured loan	Ege Liman	USD	2016	Floating	Libor+ 5,05%	2.495.640	2.508.315
Secured loan	Bodrum Liman	USD	2014	Fixed	7,95%	1.602.263	1.652.743
Secured loan	Bodrum Liman	USD	2016	Fixed	7,75%	1.695.124	1.726.753
Secured loan (xi)	Pera	TL	2013-2015	Fixed	12,48% - 19,43%	36.638.886	39.842.025
Unsecured loan	Sem	TL	2013	Fixed	12,89%	6.555	6.555
Unsecured loan	Holding	USD	2013	Fixed	4,5%	10.695.600	10.695.600
						271.978.552	279.960.816
Leasing Payables							
Leasing (xvi)	Ortadoğu Liman	USD	2015	Fixed	5,9%	2.007.127	2.007.127
Leasing	Ortadoğu Liman	EURO	2013	Floating	6% - 8%	334.361	334.361
Leasing	Ege Liman	USD	2013	Fixed	8,3%	546.321	546.321
						2.887.809	2.887.809
						274.866.361	282.848.625

9 FINANCIAL LIABILITIES (continued)

Detailed information related to the significant loans and borrowings of the Group is as follows:

(i) The Company has borrowed amounting to USD 100.000.000 long term loan with a 5 year maturity and an interest rate of 9,25% "loan participation notes" issued on 1 August 2007. The principal amount would be paid on maturity and interest would be paid in January and July each year. On the day the loan was issued, a special purpose entity of the Group invested USD 25.000.000 in the notes, which were issued by Deutsche Bank Luxembourg SA. With subsequent repurchases on various dates, the amount of notes owned by the Group reached a nominal value of USD 26.860.300 as at 31 December 2010. The Group presented these notes acquired as a result of these transactions by netting off its investments in the notes and Group's loan participation notes in accordance with TAS 32.

As at 28 December 2011, the Group exchanged the portion of the aforementioned notes amounting to USD 39.333.000 with the new notes issued by the Company having a nominal value of USD 40.119.000, with a maturity date of 30 July 2017 and an interest rate of 11% p.a. Interest will be paid in January and June each year. Thus, as at 31 December 2011, the nominal value of the aforementioned loan participation notes is USD 60.667.000. As of 31 July 2012, the loan participation notes has been closed by repayment of all interest and principal amounts.

As at 31 December 2013, the portion amounting to USD 25.250.000 (31 December 2012: USD 25.715.000) of the new notes issued by the Company (with a total amount of USD 40.119.000) are the notes held by the Company and its subsidiaries (USD 2.000.000 of these notes have been lent). The Group presented these notes acquired as a result of these transactions by netting off its investments in the notes and Group's notes issued in accordance with IAS 32. As at 31 December 2013, the net nominal value (principal amount) of the issued new notes (presented as debt securities issued) is USD 14.869.000 (31 December 2012: USD 14.404.000).

The loan and debt security agreements include financial covenants, terms restricting indebtedness, sales of material assets, transactions with subsidiaries and mergers and acquisitions of Group companies.

(ii) The Company has issued bonds to qualified investors amounting to USD 75.000.000 with 725 days maturity and an interest rate of GDS+5% on 25 January 2013. The interest is paid every three months.

The Company has issued bonds to qualified investors amounting to USD 75.000.000 with 1.116 days maturity and an interest rate of GDS+4,5% on 29 March 2013. The interest is paid every 31 days.

9 FINANCIAL LIABILITIES (continued)

(iii) The Company has borrowed a total of USD 30.000.000, with a maturity date on 20 March 2014 and an interest rate of 6,17% on 26 March 2013. The principal amount will be paid on maturity.

(iv) The Company has borrowed a total of TL 10.000.000 with an interest rate of 10,50% on 10 December 2013.

(v) Abank loan of USD 4.900.000 was used on 9 March 2011 with maturity on 10 March 2014, and an interest rate of Libor+7%. The terms of the borrowing is the same as the first tranch except interest rate. The remaining principal amount of the loan as at 31 December 2013 was USD 1.041.700 (31 December 2012: USD 2.506.815).

On June 2012, the Company has borrowed a total of USD 5.500.000, with an interest rate of Libor+7,5% and maturity on 27 June 2016. Interest and principal are paid every six months (in June and December). The remaining principal amount of the loan as at 31 December 2013 was USD 3.953.125 (31 December 2012: USD 5.362.500).

On July 2012, the Company has borrowed a total of USD 35.000.000, with an interest rate of Libor+7,5% and maturity on 27 July 2016. Interest and principal are paid every six months (in January and July). Under this loan agreement, the shares of a subsidiary of the Group amounting to TL 4.250.000 nominal value has been pledged. The remaining principal amount of the loan as at 31 December 2013 was USD 30.187.500 (31 December 2012: USD 35.000.000).

(vi) In 2006, Ortadoğu Liman entered into a loan agreement amounting to USD 40.000.000 in total with a 10-year maturity. The interest rate was Libor+2,90%. Starting from 29 July 2010, the interest rate was amended to Libor+4,95%. The remaining principal amount of the loan as at 31 December 2013 was USD 19.200.000 (31 December 2012: USD 25.200.000). Principal and interest are paid at the end of April and October of each year. Security for the loan includes all of the borrower's rights under the Antalya Port TOORA, the proceeds under business interruption insurance relating to the port, a pledge of the borrower's collections and other accounts, a pledge over the shares of the borrower and an assignment of receivables under the port's rent agreements. The loan agreement imposes financial covenants on Ortadoğu Liman, and includes terms restricting financing activities, investments, dividend payments, sales of assets, and mergers and acquisitions.

On 12 August 2010, under the amended loan agreement, Ortadoğu Liman raised an additional borrowing amounting to USD 10 million with the same conditions as of the previous loan agreement. The remaining principal amount of the loan as at 31 December 2013 was USD 7.250.000 (31 December 2012: USD 8.500.000).

9 FINANCIAL LIABILITIES (continued)

(vii) Ortadoğu Liman entered into a loan agreement on 13 October 2010, amounting to USD 4.500.000 in total with a 6-year maturity for the purpose of financing the purchase of a mobile harbour crane. The interest rate is 5,15%. The remaining principal amount of the loan as at 31 December 2013 was USD 2.250.000 (31 December 2012: USD 3.000.000). Under the loan agreement, in the event of default, the harbour crane and other machinery purchased with the loan has been pledged to the lender.

Additionally, Ortadoğu Liman entered into a loan agreement on 14 June 2011, amounting to USD 7.500.000 in total with a 6 year maturity. Principal and interest are paid every 6 months. The interest rate is Libor+5,05%. The remaining principal amount of the loan as at 31 December 2013 was USD 4.375.000 (31 December 2012: USD 5.625.000). There is a pledge over the property, plant and equipment in relation to the loan.

(viii) Ortadoğu Liman has borrowed a total of USD 4.000.000, with a 6 years maturity and an interest rate of 5,65% on 24 May 2013. The remaining principal amount of the loan as at 31 December 2013 was USD 3.666.667 and there is a pledge over the property, plant and equipment in relation to the loan.

(ix) Global Liman entered into a loan agreement amounting to USD 35.000.000 in total on 20 July 2010 with a 7-year maturity and an interest rate of Libor+4,95%. Principal and interest are paid at the end of June of each year. The remaining principal amount of the loan as at 31 December 2013 was USD 12.600.000 (31 December 2012: USD 14.850.000). Under this loan agreement, in the event of default, the shares of Ege Liman and Ortadoğu Liman have been pledged in accordance with a share pledge agreement.

On 31 July 2013, Global Liman entered into a loan agreement amounting to USD 11.200.000 with an interest rate of Libor+5,60% and 10 year maturity. Principal amount and interest are paid every June. Under this loan agreement, there is a pledge on Global Liman's shares.

On 24 December 2013, Global Liman borrowed an additional loan in two tranches amounting to USD 38.050.000 in total with the same conditions as the previous loan agreement.

(x) On 26 June 2013, Global Liman entered into a loan agreement amounting to USD 83.700.000 to repurchase its shares (Note 23.6) with an interest rate of Libor+5,35%. The principals of this loan are paid every June and the maturity date is 21 June 2021. Under this loan agreement, the shares of Global Liman have been pledged.

(xi) TL loans amounting to TL 18.766.450, represent the loans granted to Pera on 10 May 2013, to refinance the loans borrowed to finance Sümerpark Shopping Mall, an investment property of the Group. The Company, is joint guarantor for the refinancing loans over the term of all commitments and liabilities arising from these loans. As a guarantee for this loan, the land in Denizli Sümer Mahallesi is given as a mortgage and there is pledge over the Sümerpark Shopping Mall in favour of the lender.

9 FINANCIAL LIABILITIES (continued)

(xii) Naturelgaz entered into a loan agreement amounting to USD 5.000.000 with an interest of 4,75% and two year maturity on 24 July 2013. The interests are paid every three months and the principal will be paid at the maturity date. The Company has given a guarantee cheque amounting to TL 1.494.010 for the loan.

(xiii) Naturelgaz borrowed rotative loans amounting to TL 6.799.732 with an interest rate of 10,50%-13,50% in December 2013.

(xiv) Straton Maden entered into a loan agreement amounting to Euro 6.000.000 with an interest r ate of 1,34% and eight months maturity to finance investing activities in September 2013.

(xv) The loans used by Port of Bar to finance investing activities.

(xvi) On 27 August 2010, Ortadoğu Liman has signed a finance lease agreement with the expiry date of 4 September 2015 and interest rate of 5,92% for the purchase of a port tugboat.

On 23 December 2013, Ortadoğu Liman has signed a finance lease agreement with the expiry date of 30 June 2017 and interest rate of 5,18%.

(xvii) Financial lease agreements signed by Naturelgaz with an interest rate of 7%-10,30% and expiry date of 2017-2018 for the purpose of leasing machinery and motor vehicles.

(xviii) On 9 October 2013, Tres Enerji has signed a finance lease agreement with an interest rate of 7,56% and expiry in 2018 to finance investments.

A summary of other guarantees with respect to the loans are presented in Note 20.

The details of the financial risks with respect to financial liabilities are presented in Note 34.

10 TRADE RECEIVABLES AND PAYABLES

Trade receivables – current

As at 31 December 2013 and 31 December 2012, current trade receivables other than due from related parties comprised the following:

	31 December 2013	31 December 2012
Receivables from customers	35.650.014	12.178.576
Doubtful receivables	4.780.426	5.482.351
Allowance for doubtful receivables	(4.780.426)	(5.482.351)
Other	1.223.181	839.256
Total	**36.873.195**	**13.017.832**

The movement of the allowance for doubtful trade receivables during the years ended 31 December 2013 and 31 December 2012 comprised the following:

	2013	2012
Balance at the beginning of the period (1 January)	(5.482.351)	(5.061.446)
Allowance for the period	(221.985)	(423.568)
Cancellation of allowances and collections	923.910	2.663
Balance at the end of the period (31 December)	**(4.780.426)**	**(5.482.351)**

The expenses related to the allowance for doubtful receivables are presented under general administrative expenses.

Short-term trade payables

As at 31 December 2013 and 31 December 2012, short-term trade payables other than due to related parties comprised the following:

	31 December 2013	31 December 2012
Payables to suppliers	26.290.877	4.172.557
Notes payable	2.430.952	-
Other	3.817	11.829
Total	**28.725.646**	**4.184.386**

11 OTHER RECEIVABLES AND PAYABLES

Other receivables – current

As at 31 December 2013 and 31 December 2012, other current receivables other than due from related parties comprised the following:

	31 December 2013	31 December 2012
Receivables from Ada Metal	4.033.619	3.935.291
Deposits and advances given	307.692	1.118.170
Recievables from subsidiaries' and joint ventures' other shareholders	20.153	15.753
Receivables from STFA (*)	–	30.304.200
Other	718.641	1.577.879
Total	**5.080.105**	**36.951.293**

(*) Receivables from STFA comprise of receivables from the sales of EYH and its subsidiaries. As at 31 December 2013, these receivables have been collected in cash after netting of the payables amounting to USD 10.000.000 (TL 17.510.000) to STFA arising from acquisition of shares of Naturelgaz from STFA (Note 3).

Other receivables non-current

As at 31 December 2013 and 31 December 2012, other non-current receivables other than due from related parties comprised the following:

	31 December 2013	31 December 2012
Reimbursement of payments related to Baskent Dogalgaz lawsuit (Note 19)	51.586.031	43.085.442
Receivables from Bilecik Demir Çelik	3.641.146	3.400.841
Deposits and advances given	1.269.010	1.516.411
Receivables from Ada Metal	1.471.604	1.104.543
Receivables from Udaş Uşak Doğalgaz Dağıtım A.Ş. (*)	–	1.023.148
Other	512.888	513.698
Total	**58.480.679**	**50.644.083**

(*) As at 31 December 2013, continuing lawsuits related to the receivables concluded on behalf of the Group and related receivables were collected.

11 OTHER RECEIVABLES AND PAYABLES (continued)

Short-term other payables (continued)

At 31 December 2013 and 31 December 2012, short-term payables other than due to related parties comprised the following:

	31 December 2013	31 December 2012
Due to subsidiaries' and joint ventures' other shareholders	11.415.553	15.605.166
Taxes payable	7.649.772	4.732.944
Payables related to security purchases (*)	10.902.925	4.963.897
Tax amnesty obligations	981.792	2.905.789
Notes payable (**)	-	16.043.400
Other	8.212.511	1.706.986
Total	**39.162.553**	**45.958.182**

(*) Comprises payables of subsidiaries which are not operating in finance sector arising from purchasing marketable securities.
(**) The amount comprised the notes given regarding the purchase of shares held by Rudolf Ruben Goldenberg, Lusi Aşer Goldenberg and Altındağ Yatırım Mümessillik ve Ticaret A.Ş., corresponding to 30% of Naturelgaz as explained in detail in Note 3 and the total amount has been paid during the year.

Other payables - long-term

At 31 December 2013 and 31 December 2012, other long-term payables other than due to related parties comprised the following:

	31 December 2013	31 December 2012
Consideration payable (*)	46.455.700	-
Tax amnesty obligations	-	988.709
Total	**46.455.700**	**988.709**

(*) The consideration payable amounting to TL 40.551.700 comprises the payable of USD 19.000.000 arising from acquisition of 85% of the shares of Geliş Madencilik. The amount will be realizable after the Power Plant, the licence of which is owned by Galata Enerji, start to operate (Note 36).

The other consideration payable amount TL 5.904.000 comprised the balance after deducting TL 3.596.000 that is paid for the property, plant and equipment and TL 1.500.000 that is given as the first advance from the acquisition value of TL 11.000.000.

12 RECEIVABLES FROM AND LIABILITIES DUE TO OPERATIONS IN FINANCE SECTOR

Current receivables

As at 31 December 2013 and 31 December 2012, current receivables from operations in finance sector other than due from related parties comprised the following:

Current trade receivables from finance sector	31 December 2013	31 December 2012
Receivables from customers	24.845.538	46.018.546
Receivables from money market	8.673.000	6.129.878
Doubtful receivables	1.259.871	1.260.806
Allowance for doubtful receivables	(1.259.871)	(1.260.806)
Other trade receivables	70.377	83.870
Total	**33.588.915**	**52.232.294**

Short-term liabilities

As at 31 December 2013 and 31 December 2012, short-term liabilities due to operations in finance sector other than due to related parties comprised the following:

	31 December 2013	31 December 2012
Payables to money market	23.670.230	37.668.000
Funds provided from reverse purchase agreements	11.933.565	5.099.166
Payables to customers	3.257.833	3.437.037
Payables to suppliers	324.687	315.093
Funds provided from bank loans	–	2.718.716
Other	573	1.644
Total	**39.186.888**	**49.239.656**

13 INVENTORIES

As at 31 December 2013 and 31 December 2012, inventories comprised the following:

	31 December 2013	31 December 2012
Trading properties (**)	19.879.298	26.338.469
Raw materials (*)	7.468.171	–
Commercial goods	412.751	–
Total	**27.760.220**	**26.338.469**

(*) Inventories for raw materials comprised of inventories held by Straton Maden and Naturelgaz which are acquired through business combinations in 2013 (Note 3).
As at 31 December 2013, the Group accounted for inventory allowance amounting to TL 132.576 for raw materials (31 December 2012: TL 72.916).
(**) The details of trading properties are as follows:

13 INVENTORIES (continued)

	31 December 2013	31 December 2012
Balance at the beginning	26.338.469	29.603.354
Addition	1.521.589	8.170.084
Disposal	(7.980.760)	(11.434.969)
	19.879.298	**26.338.469**

As at 31 December 2013 and 31 December 2012, the Group's land classified as inventory composed of the land plots on which residential flats started to be built in 2011 in the scope of the residential project in Denizli. They were transferred from invesment property to inventories in 2011. The land is located in Denizli, Plot 6224, Parcel numbered 1.

As at 31 December 2013 and 31 December 2012, the Group's construction projects under development and in progress contain the capitalized costs of the residential units started to be constructed in 2011 in Denizli. The first phase, consisting 154 residential apartments and two blocks of a total 608 residential units planned housing project, have been completed and as of reporting date it is continued to deliver title deeds.

For the year ended 31 December 2013 borrowing costs amounting to TL 110.541 have been capitalised in the cost of the Group's inventory (31 December 2012: TL 1.568.483).

As at 31 December 2013 and 31 December 2012, the mortgage or pledge on the inventory of the Group is explained in Note 20.

14 PREPAYMENTS AND DEFERRED INCOME

Prepayments-current

As at 31 December 2013 and 31 December 2012, current prepayments comprised the following:

	31 December 2013	31 December 2012
Prepaid expenses	8.543.494	560.066
Other advances given(*)	7.341.161	-
Order advances given for inventories	1.100	1.608.771
Other	373.699	-
Total	**16.259.454**	**2.168.837**

(*) The major part of other advances given comprises of advances given for developing projects related to energy and mining investments of the Group.

14 PREPAYMENTS AND DEFERRED INCOME (continued)

Prepayments-non current

As at 31 December 2013 and 31 December 2012, non-current prepayments comprised the following:

	31 December 2013	31 December 2012
Advances given (*)	14.744.370	25.372.558
Prepaid expenses	2.035.386	812.246
Other	461.271	
Total	17.241.027	26.184.804

(*) As at 31 December 2013 and 31 December 2012, the major part of advances given comprises of advances given for developing projects of the Group.

Deferred income-short term

As at 31 December 2013 and 31 December 2012, short-term deferred income comprised the following:

	31 December 2013	31 December 2012
Advances received (*)	7.055.179	67.329
Deferred income	382.542	259.388
Total	7.437.721	326.717

(*) The major part of advances recieved comprises of advances received for third block sales of residence project of Sümerpark Residences which construction is still in progress

Deferred income-long term

As at 31 December 2013 and 31 December 2012, long-term deferred income comprised the following:

	31 December 2013	31 December 2012
Deferred income	863.325	-
Total	863.325	-

15 INVESTMENT PROPERTY

Movements of investment property during the year ended 31 December 2013 and 2012 are as follows:

	1 January 2013	Additions	Valuation difference (Note 28.1)	Disposal	31 December 2013
Land	30.295.245	–	23.449.755	–	53.745.000
Operating investment property	167.620.000	308.383	1.836.617	–	169.765.000
Total	**197.915.245**	**308.383**	**25.286.372**	**–**	**223.510.000**

	1 January 2012	Additions	Valuation difference (Note 28.1)	Disposal	31 December 2012
Land	28.266.246	–	2.028.999	–	30.295.245
Operating investment property	167.613.234	559.073	2.438.096	(2.990.403)	167.620.000
Total	**195.879.480**	**559.073**	**4.467.095**	**(2.990.403)**	**197.915.245**

Investment property consists of Sümerpark AVM and lands in Denizli and Van.

The project which is to be realized upon the land of the Group located in Denizli/Turkey includes a shopping mall, residential flats, a hotel and a hospital.

Operating investment property/Construction in progress – Sümerpark Shopping Mall ("Sümerpark AVM")

As at 31 December 2013 and 31 December 2012, the fair values of the Sümerpark Shopping Mall are presented below:

	2013		2012	
	Valuation Report Date	Fair Value	Valuation Report Date	Fair Value
Denizli Sümerpark AVM	31 December 2013	169.765.000	26 December 2012	167.620.000
		169.765.000		**167.620.000**

As at 31 December 2013, there is an insurance amounting to TL 111.061.518 on investment properties of the Group (31 December 2012 : TL 99.000.000).

As of 31 December 2013 and 2012, the supermarket within the shopping center is registered as the lessee in the land registry records for 20 years.

Sümerpark AVM, has been officially opened on 12 March 2011 after the construction is completed and has been transferred from the construction in progress to the operating investment property at this date.

15 INVESTMENT PROPERTY (continued)

As at 31 December 2013 and 2012, the fair value of the Sümerpark AVM has been measured by an independent real estate appraisal company having the authorization license of CMB.

Rent revenues from the investment property and direct operating costs are disclosed as real estate rent revenues and costs of real estate rent revenues in Note 25.

The mortgages on the investment properties are presented in Note 20.

The fair value of investment properties is in the scope of level 2 based on the methods used for valuation.

Land

As at 31 December 2013 and 31 December 2012, the fair values of the land plots of the Group are presented in the table below:

	2013 Valuation Report Date	Fair Value	2012 Valuation Report Date	Fair Value
Denizli Land (Hotel and hospital) (*)	25 December 2013	15.370.000	17 December 2012	14.244.999
Van land	30 December 2013	38.375.000	21 December 2012	16.050.246
		53.745.000		30.295.245

(*)These land plots of the Group in Denizli include the plots on which the Group plans to build residential flats, a hospital and a hotel and is located in Denizli Sümer Mahallesi. The land plot, located in Denizli, Plot # 6224 Parcel # 1 is allocated to a residential flat project.This plot has been transferred to inventory in 2011 as the construction of the residential units project started in 2011. The land plots, located in Denizli, Plot #6227 Parcel 1 and Plot #6225 Parcel 1 will include the hospital and hotel projects. The fair values of these land plots have been determined according to the valuation reports dated 25 December 2013 (using the market approach method) prepared by an independent real estate apprasial company, which has the authorization licence of CMB.
As at 31 December 2012, the fair values of the aforementioned land plots have been determined according to the valuation report prepared by an independent real estate appraisal company, which has the authorization license of CMB based on the report dated 17 December 2012 (using the market approach method).
The Group has made a lease agreement with Final Okulları to operate a school building on the land plot of the Group located in Denizli #6225 Parcel 1 with respect to Sümerpark Multicomponent Project which functions as a shopping mall, flats, a hospital, a hotel and a school and carried out by a subsidiary of the Group, PERA in Denizli. According to the agreement, Final Okulları has a right to operate on the land plot mentioned above as a school for fifteen years. The school is planned to start operations in 2014-2015 education period, consist of 11.450 square meter long closed area with seventy-four classrooms, gym, swimming pool, dining hall, library, conference and meeting rooms.
(**)The details related to Van Land are presented below:
The Group has 16.611 m^2 area of land in Van province of Turkey acquired for the purpose of capital appreciation.
The fair value of the land as at 31 December 2013 and 2012 has been determined according to the valuation report prepared by an independent real estate appraisal company, which has the authorization license of CMB. In accordance with the expertise reports dated 30 December 2013, the fair value of the land has been determined as TL 38.375.000 by using the value based on the market approach method and as at 31 December 2012 a value of TL 16.050.246 by using the cost value approach.
As explained in Note 19, a conciliation protocol was signed between the Group and Municipality with respect to withdrawing lawsuits and operating the project based on the decisions of Van City Council and related counciliation comission on 5 July 2013. According to the conciliation protocol, ownership of the property belongs to the Group and the project is started to actualize based on the fullfilment of the certain conditions specified in the protocol (Note 22).

16 PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment for the year ended 31 December 2013 is as follows:

	Land	Land improvements	Buildings	Machinery, plant and equipment	Motor vehicles	Furniture and fixtures	Leasehold improvements	Other fixed assets	Construction in progress	Total
1 January 2013										
Cost	-	49.934	13.564.126	75.623.517	16.239.233	14.625.927	67.348.720	303.050	10.181.345	**197.935.852**
Accumulated depreciation	-	(40.394)	(2.183.731)	(39.737.617)	(5.752.576)	(10.365.049)	(21.044.557)	-	-	**(79.123.924)**
Carrying value	**-**	**9.540**	**11.380.395**	**35.885.900**	**10.486.657**	**4.260.878**	**46.304.163**	**303.050**	**10.181.345**	**118.811.928**
Additions	4.526.934	8.814	1.656.756	7.353.432	7.351.357	26.113.945	1.476.994	-	9.465.282	**57.953.514**
Current period depreciation	-	(50.470)	(296.864)	(6.266.048)	(3.735.610)	(3.649.269)	(4.396.118)	-	-	**(18.394.379)**
Disposals	-	-	-	352.476	(949.067)	(60.281)	(200.000)	-	-	**(856.872)**
Transfer	-	-	111.520	1.260.816	170.712	1.677.979	4.357.509	-	(7.578.536)	**-**
Foreign currency translation differences	-	2.604	4.965	6.355.104	1.854.613	517.182	9.079.681	-	681.008	**18.495.157**
Acquisition through business combination (i)	7.839.851	25.843.630	56.706.611	15.541.084	18.355.039	23.405.049	270.061	-	4.037.470	**151.998.795**
Transfer to assets held for sale (ii)	-	-	-	(338.687)	(614.717)	(152.779)	-	-	(9.532.529)	**(10.638.712)**
Carrying value at the end of the period	**12.366.785**	**25.814.118**	**69.563.383**	**60.144.077**	**32.918.984**	**52.112.704**	**56.892.290**	**303.050**	**7.254.040**	**317.369.431**
31 December 2013										
Cost	12.366.785	25.846.608	72.020.928	108.328.132	42.513.005	63.946.175	85.401.314	303.050	7.254.040	**417.980.037**
Accumulated depreciation	-	(32.490)	(2.457.545)	(48.184.055)	(9.594.021)	(11.833.471)	(28.509.024)	-	-	**(100.610.606)**
Carrying value	**12.366.785**	**25.814.118**	**69.563.383**	**60.144.077**	**32.918.984**	**52.112.704**	**56.892.290**	**303.050**	**7.254.040**	**317.369.431**

(i) Includes the property, plant and equipments of Naturelgaz, Port of Bar, Geliş Madencilik and Straton Maden acquired through business combination.
(ii) Includes the property, plant and equipments of Galata Enerji and Geliş Madencilik which are classified as assets held for sale.

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16 PROPERTY, PLANT AND EQUIPMENT (continued)

Movements of property, plant and equipment for the year ended 31 December 2012 is as follows:

	Land improvements	Buildings	Machinery, plant and equipment	Motor vehicles	Furniture and fixtures	Leasehold improvements	Other fixed assets	Construction in progress	Total
1 January 2012									
Cost	–	13.223.573	74.875.677	15.973.749	10.971.931	59.583.193	–	14.477.080	**189.105.203**
Accumulated depreciation	–	(1.898.053)	(34.990.111)	(4.164.403)	(6.995.414)	(17.579.455)	–	–	**(65.627.436)**
Carrying value	**–**	**11.325.520**	**39.885.566**	**11.809.346**	**3.976.517**	**42.003.738**	**–**	**14.477.080**	**123.477.767**
Additions	9.900	209.270	2.937.538	699.331	1.625.119	897.761	303.050	5.863.059	**12.545.028**
Current period depreciation	(307)	(270.061)	(4.744.512)	(1.216.275)	(1.261.010)	(3.809.636)	–	–	**(11.301.801)**
Disposals	–	–	–	(169.876)	2.199	–	–	–	**(167.677)**
Transfer	–	115.665	–	–	–	9.615.969	–	(9.731.634)	**–**
Foreign currency translation differences	(53)	–	(2.192.692)	(635.868)	(81.947)	(2.403.669)	–	(427.160)	**(5.741.389)**
Carrying value at the end of the period	**9.540**	**11.380.394**	**35.885.900**	**10.486.658**	**4.260.878**	**46.304.163**	**303.050**	**10.181.345**	**118.811.928**
31 December 2012									
Cost	49.934	13.564.126	75.623.517	16.239.233	14.625.927	67.348.720	303.050	10.181.345	**197.935.852**
Accumulated depreciation	(40.394)	(2.183.731)	(39.737.617)	(5.752.576)	(10.365.049)	(21.044.557)	–	–	**(79.123.924)**
Carrying value	**9.540**	**11.380.395**	**35.885.900**	**10.486.657**	**4.260.878**	**46.304.163**	**303.050**	**10.181.345**	**118.811.928**

Pledges on the property, plant and equipment are presented in Note 20.

16 PROPERTY, PLANT AND EQUIPMENT (continued)

As at 31 December 2013 and 2012, no finance costs have been capitalized under property, plant and equipment.

According to the transfer of operational rights agreements ("TOORA") of Ege Liman, Port of Bar and Ortadoğu Liman, subsidiaries of the Group and the Build-Operate-Transfer ("BOT") tender agreement of Bodrum Liman, at the end of the agreement periods, fixed assets with their capital improvements will be returned as running, clean, free of any liability and free of charge.

Pledges on the property, plant and equipment related to loans are presented in Note 9.

Other mortgage and pledges related to property plant and equipment are presented in Note 20.

As at 31 December 2013 and 31 December 2012, the carrying values of the leased assets in property, plant and equipment are as follows:

	31 December 2013	31 December 2012
Furniture and fixtures	28.610.680	10.682.178
Motor vehicles	3.904.146	8.028.865
Machinery, plant and equipments	13.715.718	7.769.439
Buildings	-	13.608
	46.230.544	**26.494.090**

The depreciation expenses related to the Group's property, plant and equipment are accounted for under the cost of sales, marketing expenses and general administrative expenses in the consolidated statement of profit or loss and other comprehensive income (Note 25.2).

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17 INTANGIBLE ASSETS AND GOODWILL

a) Intangible assets:

Movements of intangible assets for the years ended 31 December 2013 is as follows:

	Rights	Software	Port operation rights	Customer relationships	Royalty rights	HEPP License	Naturel gas licenses	Total
1 January 2013								
Cost	8.003.877	397.730	584.307.453	6.694.377	–	50.672.736	–	**650.076.173**
Accumulated amortisation	(6.388.781)	(56.833)	(87.555.109)	(2.509.848)	–	–	–	**(96.510.571)**
Carrying value	**1.615.096**	**340.897**	**496.752.344**	**4.184.529**	**–**	**50.672.736**	**–**	**553.565.602**
Additions	685.208	246.676	–	–	–	–		**931.884**
Current period amortisation	(491.331)	(47.281)	(33.499.767)	(446.163)	(5.268.091)	–	(1.768.265)	**(41.520.898)**
Disposals	(43.159)	–	–	–	–	–	–	**(43.159)**
Acquisition through business combination (*)	–	–	35.416.609	–	103.319.612	–	71.293.017	**210.029.238**
Foreign currency translation differences	(258.674)	–	93.902.138	769.180	–	–	–	**94.412.644**
Carrying value at the end of period	**1.507.140**	**540.292**	**592.571.324**	**4.507.546**	**98.051.521**	**50.672.736**	**69.524.752**	**817.375.311**
31 December 2013								
Cost	8.430.486	827.655	734.905.710	8.013.414	103.319.612	50.672.736	71.293.017	**977.462.630**
Accumulated amortisation	(6.923.346)	(287.363)	(142.334.386)	(3.505.868)	(5.268.091)	–	(1.768.265)	**(160.087.319)**
Carrying value	**1.507.140**	**540.292**	**592.571.324**	**4.507.546**	**98.051.521**	**50.672.736**	**69.524.752**	**817.375.311**

(*) Includes intangible assets comprising of royalty agreement of Straton Maden amounting to TL 103.319.612, port operating right of Port of Bar amounting to TL 35.416.609 and natural gas license of Naturelgaz amounting to TL 71.293.017 acquired through business combinations as explained in Note 3.

17 INTANGIBLE ASSETS AND GOODWILL (continued)

a) Intangible assets: (continued)

Movements of intangible assets for the years ended 31 December 2012 is as follows:

	Rights	Software	Port operation rights	Customer relationships	HEPP License	Naturel gas licenses	Total
1 January 2012							
Cost	8.009.348	2.414.235	619.120.675	7.092.044	50.672.736	7.385.104	694.694.142
Accumulated amortisation	(6.053.153)	(1.451.578)	(59.259.059)	(2.068.512)	-	(178.473)	(69.010.775)
Carrying value	**1.956.195**	**962.657**	**559.861.616**	**5.023.532**	**50.672.736**	**7.206.631**	**625.683.367**
Effect of restatement (Note 2.5)							
Cost	(117.976)	(1.844.104)	-	-	-	(7.385.104)	(9.347.184)
Accumulated amortisation	117.976	1.262.072	-	-	-	178.473	1.558.521
1 January 2012 (Restated)	**1.956.195**	**380.625**	**559.861.616**	**5.023.532**	**50.672.736**	**-**	**617.894.704**
Additions	122.769	4.094	-	-	-	-	126.863
Current period amortisation	(464.098)	(43.288)	(31.686.724)	(560.841)	-	-	(32.754.951)
Foreign currency translation differences	230	(534)	(31.422.548)	(278.162)	-	-	(31.701.014)
Carrying value at the end of period	**1.615.096**	**340.897**	**496.752.344**	**4.184.529**	**50.672.736**	**-**	**553.565.602**
31 December 2012							
Cost	8.003.877	397.730	584.307.453	6.694.377	50.672.736	-	650.076.173
Accumulated amortisation	(6.388.781)	(56.833)	(87.555.109)	(2.509.848)	-	-	(96.510.571)
Carrying value	**1.615.096**	**340.897**	**496.752.344**	**4.184.529**	**50.672.736**	**-**	**553.565.602**

17 INTANGIBLE ASSETS AND GOODWILL (continued)

b) Goodwill:

During the years ended 31 December 2013 and 31 December 2012, movement of goodwill is as follows:

	31 December 2013	31 December 2012
1 January	41.243.581	42.610.644
Foreign currency translation differences	4.523.011	(1.367.063)
Effect of business combination (Note 3)	39.344.448	–
Transfer to assets held for sale (Note 36)	(39.344.448)	–
Impairment loss	(1.587.600)	–
31 December	**44.178.992**	**41.243.581**

The distribution of the goodwill according to the segments as at 31 December 2013 and 31 December 2012 is as follows:

Distribution by segments	31 December 2013	31 December 2012
Infrastructure	27.448.005	22.924.994
Finance	10.018.691	10.018.691
Real estate	6.712.296	6.712.296
Other	–	1.587.600
Total	**44.178.992**	**41.243.581**

Basic assumptions used in each segment for the purpose of impairment testing are as following:

Infrastructure operations:

As at 31 December 2013, the Group has carried USD 12.860.425 (TL 27.448.005) goodwill related to the acquisition of Ege Liman in its consolidated financial statements (31 December 2012: TL 22.924.994).

As at 31 December 2013 and 2012, the Group tested impairment by comparing the goodwill from the acquisition of Ege Liman with the values in use of the cash generating units and concluded that no impairment exists. Cash flow forecasts based on financial budgets of the subsidiary are prepared up to the end of the port usage rights, which is 2033. The basic assumption is that the expected increase in the intensity of the port activity will increase operational profit. Cash flows used to calculate value in use are prepared in USD. As at 31 December 2013 and 2012, interest rates of 11,68% and 11,5% is used for discounting future cash flows, respectively.

17 INTANGIBLE ASSETS AND GOODWILL (continued)

b) Goodwill:

Finance operations:

The Group tested impairment of assets of Global Menkul in order to test the goodwill amounting to TL 10.018.691 as at 31 December 2013 and 2012 recognized in the consolidated financial statements. The Group compared the amount of goodwill with the value in use of cash generating unit and has concluded that there is no impairment. These calculations are based on the cash flows derived from the financial budget for five years approved by the management.

b) Goodwill:

Real estate operations:

The Group tested the impairment of the goodwill related to the acquisition of Maya amounting to TL 6.712.296 as at 31 December 2013 and 2012. In such work, the Group compared the amount of goodwill carried in the consolidated financial statements, with Maya's fair value and has concluded that there is no impairment. Maya leased land in Tatlısu Magosa for 49 years from the Government of Northern Cyprus in order to build hotels, villas and apartments for the Holiday Village project on the leased land. As at the reporting date, the construction has not been started on leased land, because the expropriation studies have not been completed. As at 31 December 2013 and 2012, the fair value of this leased land is obtained from the appraisal reports prepared by an independent real estate appraisal company. The real estate appraisal company, which is authorized by CMB, uses market approach by reference to market prices of similar properties in the market to determine the fair value and concluded that the fair value of the property is TL 10.795.000 (31 December 2011: TL 9.750.000) which is above the total investment of the Group in Maya recognized in the consolidated financial statements.

Other operations:

The Group tested impairment on assets of Sem Yayıncılık in order to test the goodwill amounting to TL 1.587.600 recognized in the consolidated financial statements as at 31 December 2012. The Group compared the amount of goodwill with the value in use of cash generating unit and has concluded that there is no impairment. These calculations are based on the cash flows derived from the financial budget for five years approved by the management. Cash flows used to calculate value in use are prepared in TL. Market interest rates are used for discounting future cash flows to balance sheet date.

The Group, has accounted provision for impairment loss accounted under other expense on goodwill from acquisition of Sem Yayıncılık due to insufficiency of projects, expectations and cash inputs belong to Sem Yayıncılık as of 31 December 2013.

18 EQUITY ACCOUNTED INVESTEES

As at 31 December 2013 and 31 December 2012, the details of financial statements related to equity accounted investees are as follows:

	Participation	Carrying value	
	Rates	2013	2012
Assets			
Global Portföy (*)	39,97 %	450.232	1.211.672
Barcelona Port Investments, S.L. (***)	49 %	46.420.010	–
Naturelgaz	55 %	–	44.617.560
Total Assets		**46.870.242**	**45.829.232**
Liabilities			
IEG (**)	50 %	(735.735)	–
Total Liabilities		**(735.735)**	**–**

(*) TL 1.090.723 and TL 1.069.830 of Global Portföy's assets comprised of cash and cash equivalents and deferred tax asset, respectively.
(**) TL 1.609.539 of IEG's liabilities are comprised of the liabilities due to operations in finance sector. Since the Group will compansate the liabilities of IEG based on the its shareholding rates, the Group recognized a loss on IEG's financial statements under loss from equity accounted investees.
(***) Global Liman, a subsidiary of the Group with 100% shareholding rate, acquired 43% of shares of Creuers del Port de Barcelona S.A ("Creuers") through Barcelona Port Investments, S.L ("BPI") in partnership with Royal Caribbean Cruises Ltd., one of the world's leading cruise operators. Creuers is operating Port of Barcelona, the majority shareholder of the Malaga Cruise Port (80%) and the minority shareholder of the Singapore Cruise Port (40%). As at 31 December 2013, the acquisition transaction is recognised provisionally in consolidated financial statements as at 31 December 2013.

31 December 2013	Current assets	Non-current assets	Total Assets	Short-term liabilities	Long-term liabilities	Total Liabilities	Income	Expenses	Net profit/ loss for the period
Global Portföy	1.819.501	1.327.533	3.147.034	(565.443)	(149.480)	(714.923)	2.555.548	(4.459.759)	(1.904.211)
IEG	131.725	1.719.330	1.851.055	(1.471.470)	(1.471.470)	(2.942.940)	266.408	(1.737.878)	(1.471.470)
Barcelona Port Investments, S.L.	563.731	94.298.807	94.862.538	(127.825)	–	(127.825)	2.013.915	(541.709)	1.472.206

31 December 2012	Current assets	Non-current assets	Total Assets	Short-term liabilities	Long-term liabilities	Total Liabilities	Income	Expenses	Net profit/ loss for the period
Naturelgaz	18.497.802	122.622.133	141.119.935	31.278.740	28.718.358	59.997.098	40.146.436	(43.788.498)	(3.642.062)
Global Portföy	33.722	31.163	64.885	(260.871)	(111.058)	(371.929)	1.298.919	(2.919.198)	(1.620.279)

18 EQUITY ACCOUNTED INVESTEES (continued)

	2013	2012
Balance at the beginning of the period (1 January), restated	**45.829.232**	**6.587.975**
Acqusition of shares of joint venture which become a subsidiary (Note 3) (*)	(44.617.560)	–
The impact of recognition of Global Portföy as associate due to the transfer of shares to Azimut	–	1.842.397
Joint venture included scope of consolidation	41.891.792	44.617.560
Net profit/(loss)	(775.467)	(7.152.794)
Foreign currency translation differences	3.806.837	–
Other comprehensive income	(327)	(65.906)
Balance at the end of the period (31 December)	**46.134.507**	**45.829.232**

(*) As of 18 January 2013 the percentage of shares of Naturelgaz owned by the Group has reached to 80% by purchasing Naturelgaz shares owned by STFA Yatırım Holding of 25%. Starting from that date, the Group has started to control Naturelgaz solely and consolidate Naturelgaz as subsidiary.

19 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

19.1 Other short term provisions

	31 December 2013	31 December 2012
Provision for lawsuits (Note 19.2.vii)	1.364.744	90.287.255
Provision for consultancy expenses	808.815	808.815
	2.173.559	**91.096.070**

19.2 Legal issues

There are lawsuits pending that have been filed against or by the Group. These lawsuits primarily include the labour and debt cases. The management of the Group assesses the possible results and financial effects of these lawsuits at the end of each period and as a result of these assessments, the required provisions are recognized for those possible earnings and liabilities. The amount of provision that has been accounted for is stated in Note 19.1. The information related with the significant lawsuits that the Group is directly or indirectly a party is as follows:

(i) Ege Liman was granted the operation right of Kuşadası Port for a term of 30 years as of July 2003 by the Privatization Authority (“PA”). In October 2006, two former members of the Kuşadası Municipal Council filed a lawsuit with the requesting the cancellation of those ‘zoning plan and planning notes’ of the Region of Kuşadası, which enables the construction of the new Cruise Port Upper Structure Facilities. The relevant Chamber of the Council of State ordered the cancellation of the zoning plan and planning notes in November 2009. That decision was appealed by the lawyers of the Ministry of Public Works as well as the lawyers for the Group. Upon affirmation of the decision by the Council of State, an application has been submitted for the rectification of such decision as well and the file is under examination of the Council of State.

19 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)

19.1 Other short term provisions (continued)

While that appeal was pending, the Group lawyers filed a lawsuit against the termination of the occupancy and construction permit notification of the Municipality with the request of stay of execution. The Aydın Administrative Court issued a stay of execution for the cancellation. Due to the Municipality's objection to that decision, the stay of execution has been cancelled. Aydın Administrative Court rejected the case. This decision has been appealed. The appeal is currently pending.

Kuşadası Municipality consequently issued a cease and desist order on 18 June 2010 to Ege Liman which governs the modification of the building in accordance with the previous zoning plans. The Group lawyers filed a lawsuit in order to cancel the order as well as issue a stay of execution. Aydın Administrative Court issued a stay of execution on 22 June 2010. However, the stay of execution was cancelled on 19 August 2010. Ege Liman and TDI appealed the court's decision. The appeal is currently pending.

In 21 October 2010, Ege Liman filed a lawsuit in the Aydın Administrative Court to annul the decision by the Kuşadası Municipal Council to demolish Kuşadası Port and to request a stay of execution. The court ordered a stay of execution on 21 October 2010. TDI successfully intervened in the lawsuit on 22 December 2010. The court renewed the stay of execution after the first reply of the Municipality, but then overruled the stay of execution on 29 June 2011. Aydın Administrative Court rejected the case, and such decision has been appealed. The appeal is pending.

Following the cancellation of the stay of execution, a letter by the Kuşadası Municipality for the evacuation of Kuşadası Port has been sent, and a lawsuit has been filed against such action of the Municipality on 20 July 2011. TDI has also intervened the lawsuit. The court has rejected the lawsuit, and such decision has been appealed by the Group. The appeal is pending.

The group lawyers think that, the zoning plan details of which is stated below will supersede all the lawsuits mentioned above.

Upon such developments, on 28 October 2010, the Ministry of Public Works approved the new zoning plans for Kuşadası Port; however several objections were raised by a number of local institutions.

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

i) The "Master Plan" with 1/5.000 and "Implementation Plan" with 1/1.000 of Kuşadası Port, that have been approved on 28 October 2010 are in line with the 1/100.000 "Environment Plan" of Aydın-Muğla-Denizli, and

19 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)

19.1 Other short term provisions (continued)

ii) Kuşadası is an important cruise port that would become idle if the zoning plans are cancelled which could, in turn, have a negative effect on the Turkish economy. Moreover, Kuşadası Port complies with "Coastal Law" and "Regulations regarding the Implementation of Coastal Law". However the Municipality filed a lawsuit requesting cancellation of the new zoning plan and a stay of execution. The court ruled for a stay of execution regarding the new zoning plan. The Plenary Session of Administrative Law Divisions of the Council of State has accepted the objection of the Group Lawyers raised against the stay of execution decision; and such stay of execution decision has been lifted. The plaintiffs have objected the decision of the Council of State with a request for stay of execution, but the Council of State has rejected such request.

Ege Liman applied to Kuşadası Municipality for building permit on 15 March 2011 but the Municipality rejected such application. The Group therefore filed a lawsuit against such action of the Municipality. The court has decided to reject the lawsuit; such decision has been appealed by the Group. The appeal is pending before the Council of State.

A former member of the Kuşadası Municipal Council filed a lawsuit with the Aydın Administrative Court against the PA and the Group seeking to cancel the PA's approval of the Kuşadası Port tender granted to Ege Liman. The court ordered the cancellation of the tender on 2 June 2010. The Group and the PA appealed the decision. The Council of the State approved the decision of the court of first instance and the Group and the PA lawyers requested the revision of the decision. The lawsuit is currently before the Council of State.

The Council of Ministers, in year 2011 decided not to enforce court decisions that have been rendered for the cancellation of certain privatization transactions which have been completed pursuant to final transfer agreements as a result of the privatization acts, and are irrevocable for practical impossibilities, including the cancellation of the privatizations of Ege Ports-Kuşadası. In addition to such Council of Ministers Decree, and in accordance with Article 10 of the Law No. 6300 that entered into force by publishing in the Official Gazette dated 10 May 2012, and the Council of Ministers Decision numbered 2012/3240 that entered into force by publishing in the Official Gazette dated 12 June 2012, it has been decided not to enforce the civil jurisdictions that has been rendered for the cancellation of some privatization actions, transfer and delivery processes of which are completed by the execution of final transfer agreement as a result of the privatization transactions, and irrevocable for practical impossibility. However, by an application submitted by the opposition party, the Turkish Constitutional Court has decided for the annulment of the Law no 6300, as well as the Council of State rendering a decision for the stay of execution of the Council of Ministers Decision numbered 2012/3240 in reply to the lawsuit filed by the TMMOB. Accordingly, although the Council of Ministers Decision numbered 2012/3240 has been unenforceable, the 2011 decision of the Council of Ministers is still in force. Due to these legal developments, it has not been expected to face any negative consequences in the lawsuits regarding cancellation of Ege Ports tender.

19 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)

19.1 Other short term provisions (continued)

(ii) The former owner of the shares of a subsidiary of the Group filed a lawsuit against the Group for the restitution of the shares costlessly. On 2 March 2010, the court decided on restitution of shares costlessly to the former owners and that the trustee, previously appointed by the Court, shall remain in charge until the final decision. The Group lawyers appealed the decision on 28 April 2010 upon the notification of the justified decision. As a result of the appeal, the Supreme Court of Appeals overruled the decision and the trial has begun before the court of first instance. As a trustee was appointed to the aforementioned subsidiary by the Court on 4 January 2008, this subsidiary is excluded from the scope of consolidation.

(iii) In the lawsuit filed with Adana Court of First Instance, plaintiffs stated that in the period the Company operated as a brokerage house (2003) their money and stocks were transferred to other accounts by the ex-worker of Global Menkul and claimed a compensation regarding money stocks and interest from Global Menkul (recently Global Yatırım Holding as the title changed). The Group has performed a risk assessment regarding the cases and allocated a provision amounting to TL 554.134 for the cases.

(iv) A lawsuit amounting to TL 542.595 has been filed against the Group for the receivables of TWP Eurosia Mühendislik Madencilik ve Danışmanlık Ticaret A.Ş ("TWP"). The Group disputed against this case as it had not received the service. TWP declares that the service related with such receivables was provided to Global Yatırım Holding A.Ş and requested the payment of such amount. It was determined within the first and second expert reports that the assignment of receivables from TWP South Africa to TWP Turkey is void and thus the plaintiff is lack of standing. Notwithstanding, the last expert report was against the Company, therefore the Court accepted the case and decided the Company to pay the plaintiff. The Group lawyers will appeal the decision upon the notification of the justified decision.

(v) Lawsuits related with Denizli land

The issues regarding the lawsuit filed against the Group before the Denizli Administrative Court related with the cancellation of change in zoning plan that also effects the land owned by a subsidiary of the Group are as follows:

Kentsel Gayrimenkul, which merged into Pera in June 2008, applied to Denizli Municipality to amend the Denizli Sümerpark Project zoning plan to permit the construction of houses, shopping centers, hotels and hospitals. The Commission of the Public Works of the Municipality of Denizli's report regarding the acceptance of the rejection of the objections raised against the decision of the Municipality Assembly's dated 11 October 2006 and numbered # 640 within the objection period was accepted by Denizli Municipality assembly dated 9 January 2007 and numbered 54.

19 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)

19.1 Other short term provisions (continued)

On 29 June 2007, the Denizli Branch of the Chamber of Architects of Turkey filed a lawsuit with the Denizli Administrative Court against the municipality requesting cancellation of the amendments approval to the zoning plan, as well as an injunction to prevent construction. The court rejected the stay of execution on 11 September 2007. On 1 April 2009, the court dismissed the case in favor of the Group. The Denizli Branch of the Chamber of Architects of Turkey appealed and the Sixth Chamber of the Council of State upheld the dismissal. The Denizli Branch of the Chamber of Architects of Turkey filed for a reversal of the appellate decision. However Council of State has rejected such reversal request and the case has been finalised in favor of the Group.

The court decided to appoint an expert council in another lawsuit filed by a person requesting the cancellation of the resolutions approved by the Denizli Municipality Assembly. Pera sought to intervene in the lawsuit as a party along with the Denizli Municipality, which then was approved by the Court. Since the expert report written by the Expert Council appointed by the Court was in favor of Pera, the court dismissed the lawsuit. The plaintiff appealed the decision. The decision which was appealed on 18 September 2012 was rejected due to the reason that the decision and the reasoning is unjustifiable with law and rules of procedure.

(vi) GYH and Global Liman were part of a consortium which participated in the tender process relating to the privatization of İzmir Port. The joint venture in which the Group also attended placed as the highest bid for the tender regarding the privatization of the operating rights of TCDD İzmir Ports via transferring method conducted by the Privatization Administration on 3 July 2007. The High Council of Privatization Administration approved the tender. Liman-İş and Kamu İşletmeciliğini Geliştirme Merkezi Vakfı separately filed lawsuits for the cancellation of the tender. These lawsuits were rejected by the Council of State. Plaintiffs appealed the verdicts. 1st Department of Council of State has approved the Privatization of Operating Rights without waiting for the approval of the 13th Department of Council of State. High Council of Privatization has invited the Joint Venture to sign the Agreement with a declaration dated 23 September 2009.

The Group, on behalf of the joint venture partnership participating in the tender, requested an extension from the PA to complete the privatization by 15 April 2010. The PA granted a 45-day extension on 10 November 2009, permitting the joint venture to complete the privatization by 24 December 2009. Pursuant to the terms of the tender, on 7 January 2010 the PA cancelled the tender and called the USD 15 million bid bond provided by GYH and its joint venture partners during the bid process. On 8 January 2010, the Group deposited USD 6,9 million in escrow, its portion of the bid bond, and on 12 January 2010 the PA received the bid bond in full from all joint venture partners. Following forfeiture of the bid bond, the Group and its joint venture partners fulfilled all of their obligations to the PA in connection with the tender.

19 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)

19.1 Other short term provisions (continued)

The Group initiated a pilot debt recovery procedure of USD 10.000 against the PA with the Ankara Enforcement Authority (which then is to be followed by the actual procedure) claiming the repayment of the Bid Bond issued by Bank Asya numbered 308099 and dated 29 March 2007 with a total amount of USD 12.750.000 which was liquidated on unjustifiable grounds. However, the proceeding was suspended upon defendant's objection. The cancellation of the defendant's claim and a penalty amounting to 40% of the total amount were requested from Ankara Commercial Court on the ground that defendant's claim was unjustifiable. However, the court dismissed the lawsuit since the lawsuit should be filed with the Administrative Court.

The decision is appealed upon the notification of the reasoned decision. The Appeal Court upheld the local court's decision. Thereupon, Ankara Administrative Court, before which the cancellation lawsuit is pending, also decided that the civil court is the competent court to hear the case.

After this court's decision becoming final, it shall be requested from the Court of Jurisdictional Disputes to determine whether the competent court is, and the court has decided that the civil court is the competent court. The filing has been returned to 5th Ankara Commercial Court and still in the registration process.

vii) On 14 March 2008 the joint venture ("JV") consisting of Energaz and GYH placed the highest bid (USD 1.61 billion) for the tender relating to the privatization of the shares of Başkent Doğalgaz Dağıtım A.Ş. ("Başkentgaz") owned by the Municipality of Ankara via the block sale method. STFA Yatırım Holding A.Ş. and ABN Amro Infrastructure Capital Management Ltd. also became members of the JV. As the information in relation to Başkent Doğalgaz Dağıtım A.Ş. within the tender specifications were misleading the shares of Başkent Doğalgaz Dağıtım A.Ş. were not transferred to the JV. As the procedure was continuing, the Municipality applied to the guarantor bank to enable the liquidation of the USD 50 million Letter of Guarantee, procured from Asya Katılım Bankası A.Ş by the Consortium, submitted to the Municipality as a requirement under specifications by GYH, the 51,66% participant of the JV.

The Group filed a lawsuit before the Ankara Administrative Court against the Municipality, requesting cancellation of the Municipality Council's resolution dated 22 January 2009, numbered 86/325 regarding the forfeiture of the letter of guarantee given by JV according to Article 10/c of the tender specification. The Group also requested an injunction on 15 January 2010. Ankara Administrative Court decided incompetence and the case has been taken over by the Thirteenth Chamber of Council of State. The Thirteenth Chamber of Council of State rejected the request for a stay for execution. The Group appealed and the Administrative Division of the High Council of the State overturned the rejection on 8 July 2010. At this point, 13th Chamber of Council of State completed the parts which were missed before, and again gave its rejection. Further to the rejection given by 13th Chamber of Council of State, Group's lawyers made an objection to the Administrative Division of the High Council of the State regarding the decision given by 13th Chamber of Council of State. Since the objection to the rejection of the request for a stay for execution rejected by the Administrative Division of the High Council of the State, the lawsuit is pending before the 13th Chamber of Council of State in order to decide on the merits of the lawsuit. Next hearing will be held on 6 May 2014.

19 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)

19.1 Other short term provisions (continued)

On 2 July 2009, a decision of the Turkish High Council of Privatization Administration was published in the Official Gazette. Accordingly, the Privatization Administration shall be in charge in order to conduct and finalize the privatization process of the Başkentgaz shares as at the date of the decision. Thus, the Turkish Privatization Administration finalized the privatization process of the Başkentgaz shares by means of making several tenders in 2013.

As the Group planned to file a lawsuit regarding the payment of the Letter of Guarantee, Boru Hatları ile Petrol Taşıma A.Ş. ("BOTAŞ") initiated an execution process in accordance with the Article 79 of the Collection of the Public Receivables Act No. 6183 against the Municipality. As a precautionary measure, the Group applied to Beyoğlu Commercial Court to prevent the liquidation of the Letter of Guarantee. The court issued a precautionary measure for 15% of the collateral of the Letter of Guarantee which prevented the liquidation. The Municipality raised an objection against the measure, which was rejected by the Court.

Continuing with their precautionary measure, a lawsuit was filed by the Group against the Ankara Metropolitan Municipality and BOTAŞ before the First Chamber of the Beyoğlu Commercial Court claiming to dissolve the discrepancy for the payment of the Letter of Guarantee and the restitution of the Letter of Guarantee. The court decided that it is not a competent court to conduct the case and that Ankara courts were the most appropriate forum for the litigation. The guarantor bank requested an intervention in the lawsuit, which was then approved by the Court. The court additionally allowed the plaintiff to file a separate lawsuit against the PA and enabled this separate lawsuit to be combined with the pending lawsuit. Upon this order, the Consortium filed another lawsuit against the PA, as it became the competent authority to conduct the privatization process. The court decided to combine this lawsuit with the pending lawsuit which is behind Ankara 3rd Chamber Commercial Court.

The file has been sent to a three person expert commission for detailed examination on 26 June 2012. Commission declared in their report that the outcome of the Administrative Court case may be a prejudicial question however the Court, has not taken the objections to the Commission report into account and, rejected the case and cancelled the preliminary injunction on the Bid Bond on 26 February 2013. The file has been appealed and it still is before the Supreme Court. The Bid Bond amounting to USD 50.000.000.00 has been liquidated and paid to the Ankara Metropolitan Municipality on 1 March 2013 and the Company has been notified accordingly. The decision has been appealed and still waiting the appellate hearing.

The Group treated the new situation as an adjusting as of 31 December 2012. The Group has made provision amounting to USD 50.000.000 (TL 89.130.000) by taking the situation as of 31 December 2012 within the consolidated financial statements. On the other hand, legal proceedings with regard to collection of share of the members of the Consortium, STFA, ABN Amro ve Energaz, amounting to USD 24.170.000 (TL 43.085.442) have been initiated.

19 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)

19.1 Other short term provisions (continued)

Brielfy as at 31 December 2012, the Group allocated provision amounting to USD 50.000.000 (TL 89.130.000) under "provisions" in its consolidated financial statements. The reimbursement of the provisions is accounted for under "other receivables" as "reimbursement of provisions" amounting to USD 24.170.000 (TL 43.085.422) (Note 11) and a net amount of provision and reimbursement of the provision amounting to USD 25.830.000 (TL 46.044.558) (Note 30) is accounted for as provision expense under "finance costs" in the consolidated financial statements. As of 31 December 2013, since the liability have been paid, the receivables amounting to TL 51.586.031 (Note 11) accounted as "reimbursement of payments" in the other receivables.

On the other hand, the Municipality filed a lawsuit against the Company and Energaz before 4th Ankara Commercial Court on the date of 26 Mach 2013 in request for the compensation for unlawful preliminary injunction. The requested compensation amount is USD 10.000.000, save for the rights to surplus related to lawsuit, request and other damages especially interest income loss of the municipality and damages arising from forced loan, with accruing commercial interest as from 31 December 2008. The lawsuit petition and interim decision related to the lawsuit have been received on 7 May 2013. In the rebuttal petition dated 15 May 2013, the Group's lawyers claimed for nonsuit and requested for awaiting the finalization of the decision of the superior court by reason of the fact that the compensation lawsuit was filed before giving ruling on the primal lawsuits conducted before 4th Ankara Commercial Court numbered 2010/308 E. and the Thirteenth Chamber of Council of State numbered 2010/920 E. Besides, the Group's lawyers requested for evidencing of tangible damages of plaintiff and determining of the scope of compensation in accordance with the Code of Obligation Article 51. The Court has decided to pend the filing until the decision of The Supreme Court mentioned above. Next hearing will be held on 24 June 2014.

(viii) The Company filed a lawsuit of USD 15.000 against ABN Amro Infrastructure Capital Management Ltd. before Beyoğlu Commercial Court claiming that the defendant, with regards to the related articles of the JV Agreement signed between the Parties after the Tender of the Privatization of Başkent Doğalgaz Dağıtım A.Ş. arranging to share jointly all the financial, accounting, legal, tax, commercial and insurance expenses, has not paid its share of USD 236.918, reserving the right to claim the whole amount. The expert report and the additional report has been received and the parties has raised objections to such reports. In the hearing held on 3 March 2014, it has been decided to be pend the filing until the decision of the file numbered 2010/920 before 13th Council of State. Next hearing will be held on 3 July 2014.

(ix) The members of the Municipality Assembly of Van filed a lawsuit claiming the cancellation of the Assembly's decision dated 9 January 2008 numbered 13 regarding the amendment to the zoning plan of the property then owned by the Municipality as well as the imposing of an injunction. The request for the injunction was rejected by the Court on 29 May 2008. The zoning plan and the tender won by Pera and Global Yatırım Holding as a joint venture regarding the sale of the property then owned by the Municipality have been cancelled. According to the cancellation decision of the court, a lawsuit is filed by the Municipality against the Company and Global Yatırım Holding relating to cancellation of the deed.

19 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)

19.1 Other short term provisions (continued)

The Company's lawyers objected that the Municipality must deposit the tender price to the Court in order to remove the restriction placed on filing the lawsuit. This would oblige the court to dismiss the case should the Municipality fail to deposit of the tender price to the Court within the time limits. The Company may recourse the tender price along with the interest and the adequate payment in return for the unlawful use of the property by the Van Municipality since 2008 and the compensation for the damages by filing an unjust enrichment case. Van Municipality has been granted with additional time by the Court to deposit the sale price.

In addition, the Settlement Protocol regarding the withdrawal of the lawsuit between the Municipality and the Company and Global Yatırım Holding and the settlement negotiations has been started with regards to the implementation of the Project was signed with the Commission established in accordance with the city council decision for the settlement on 5 July 2013. In consequence of the Protocol, the property will be held by the Company depending on carrying definite conditions and the Project will be commenced. It has been asked additional time from the Court in order to implement the Protocol. The next hearing will be held on 25 April 2014.

(x) Dağören, one of GYH's subsidiaries made an application to the General Directorate of State Hydraulic Works (the "Administration") to obtain a generation licence for the Dağören Hydroelectric Power Plant ("HEPP").

According to correspondence sent by the Administration dated 18 July 2008, the Administration accepted the application with one condition-the generation licence had to be granted by the Energy Market Regulatory Authority ("EMRA"). Subsequently, Dağören completed its licences application to EMRA and EMRA approved the application for a 46 year generation licence on 27 November 2008. Consequently, the Right of Water Usage Agreement was signed and sent to Dağören by the Administration.

Dağören responded stating that the draft agreement was acceptable and the final Right of Water Usage Agreement could be signed. On the grounds that the Bilateral Cooperation Agreement ("Agreement") between Turkey and USA is abrogated, which includes the development of Hakkari Dam and Hydroelectric Power Plant ("HEPP") Project located on the upper level of Dağören Regulator and HEPP Project, the Administration refrained from signing the water utilization rights agreement and subsequently notified Dağören, that Dağören Regulator and HEPP Project is also cancelled.

Dağören lawyers filed a lawsuit in the Sixteenth Administrative Court of Ankara to cancel the administrative decision given by the Administration on grounds that EMRA is the only body entitled to give or cancel any production licence; that the Administration has no authorization to cancel a project which is already approved by EMRA; that the Administration has no right to refrain from signing the water utilization rights agreement of any project that is approved by EMRA and the cancellation of Hakkari Dam and HEPP Project is not automatically a reason for the cancellation of the Dağören Regulator and HEPP Project.

19 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)

19.1 Other short term provisions (continued)

The Sixteenth Administrative Court of Ankara decided against Dağören as a matter of public interest and not considering any contradiction against the law. Dağören appealed the verdict to the Council of State and requested an injunction declaring that the process conducted by the Administration cannot be lawful as a matter of public interest where it contradicts the express provisions of the law. The lawyers also requested that the appeal process shall be carried on through court hearings. Since the Thirteenth Chamber of the Council of State which will carry on the appeal process is the specialized court in such processes, the Group lawyers believe that the decision by the Sixteenth Administrative Court of Ankara will be reversed and a judgement made in favour of the Group.

On the other hand, a lawsuit has been filed at Ankara Intellectual and Industrial Property Rights Court No. 3 by the Group on the grounds that Dağören Regulator and HEPP Project is a product and is a property of Dağören and that the rights of the owner of the product cannot be interfered and the possession of the product cannot be taken by solely changing the name of the Project. The first expert decided against Dağören by majority of votes in their report although the technical expert represented their report in favor of Dağören. At this statement, Dağören made an objection to the court regarding the report. Within the second expert report prepared upon objections, it was stated that the transfer of the intellectual property rights regarding the Dağören Project from the Dağören to the General Directorate of State Hydraulic Works under the related regulations is an issue open to criticism, and these rights are actually owned by the Dağören, and the use of the projects which were prepared by the Dağören by the Administration is a matter considered to be professionally unethical, and the decision related to the product needs to be decided under the court's discretion. Although the Court approved that the Group's Project is a creation, it also dismissed the lawsuit claiming that the similarities between the Group's Project and the Hakkari HEPP Project announced by the defendant DSI have originated from several technical requirements; therefore the DSI's Project is also deemed as another creation. The decision which is contrary to law have been made against the Technical Expert's opinions and convictions. Therefore, the Group lawyers appealed the decision.

The Group lawyers believe that the court's fault decision shall be reversed in favor of the Group by the Appeal Court upon further review at the appeal stage, since the Court erroneously concluded the lawsuit, although it confirmed that the Group's Project is a creation and there are similarities between two creations.

Finally, the Group filed a lawsuit at Second Administrative Court of Ankara, claiming that the administrative order regarding the application announcement by the Administration related to the Hakkari Hydro Electric Project which is a combination of Dağören Regulator and HEPP with the Hakkari Dam Construction Project and HEPP under this name must be cancelled. Although, such lawsuit which has been filed before Ankara Intellectual and Industrial Property Rights Court No. 3 should be decided as a prejudicial question, the Court rejected the case. The Group lawyers appealed the decision.

19 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)

19.1 Other short term provisions (continued)

(xi) Lawsuit filed in relation to the recovery of debts within the scope of the Agreement regarding Construction Work

The contractor filed a lawsuit in relation to fix the amount of the final allowance and the recovery of TL 2.708.085 arisen out of the Agreement regarding Construction Work of Sumerpark Mall dated 12 February 2010. Pera, on the contrary, rejoined that there was no difference in favor of the plaintiff where the increased manufacturing costs and cuts are considered. Additionally, Pera had raised a claim that the final allowance was not approved by the Company.

Additionally, in the lawsuit between Pera and the Technical Supervision Service Provider which was filed before 35th Commercial Court of İstanbul, Pera requested that such lawsuit to be a prejudicial question for this lawsuit. The contractor, however, claimed the final allowance due to the reason that there has been no cut; the increased costs were approved by Pera and the construction was fully completed. Pera had raised objection to the amounts between the temporary and the final allowances. The Court decided to give instruction to the Commercial Court of Denizli to make an investigation and prepare an expert report.

(xii) Usage of Sumerpark Trademark

On behalf of the Plaintiff, a lawsuit has filed before the 3rd Civil Court of Denizli in request for the purpose of discontinuation and prevention of the usage of registered "Sumerpark" trademark which is being used by Pera under Sumerpark AVM. The Company objected such claim by way of claiming that such trademark is registered under the Company's title and such usage is legal and valid. By Pera, a new counter lawsuit was filed before the 1st Intellectual and Industrial Property Rights Court for the purpose of rescission of trademark.

In the preliminary examination, defendant's lawyers' claim with regards to jurisdiction plea was rejected. The lawsuit which was proceeded against Pera, the Court decided to pend the response to the written to the 3rd Civil Court of Denizli and once the response received, the case shall be presented to the expert for an expert report.

Additional information and documents had been submitted as a counter statement against the notified expert report; therefore, it was decided to respite the hearing to establish a new committee to prepare a new report.

19 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)

19.2 Contingent assets

The Company, having 49,20% shares of GY Elyaf ve İplik Sanayi ve Dış Ticaret A.Ş. ("GY Elyaf") has purchased additional 50,80% shares from prior shareholders on 7 November 2008 and transferred 100% shares to Koninklijke Vopak NV ("Vopak") at the same date, at the nominal value of TL 50.000. According to the Article 9 of the share transfer agreement, following the realization of the pre-conditions by the Company and Vopak, Vopak shall pay USD 9.750.000 (50% of the amount will be paid to the previous shareholders of GY Elyaf) as goodwill in 24 months after the signing date of the agreement. In November 2012, Vopak submitted the Company that the liabilities , explained in the 9th article of the agreement, could not be accomplished in reasonable time and demanded the sale of land according to the relavant provisions of the agreement explained in the 11th article. An authorized investment bank by Vopak has been carrying out on the sale of land. The gain on sale (including goodwill) will be shared according to relavant provisions of the share transfer agreement.

19.3 Contingent liabilities

The details related to the Group's guarantees, pledges and mortgages given are presented in Note 20. Moreover, the Group has the following contingent liabilities:

Ege Liman

The details of the Transfer of Operational Rights Agreement dated 2 July 2003, executed by and between Ege Liman and Privatization Authority ("PA") together with Turkish Maritime Organization ("TDI") are stated below:

Ege Liman will be performing services such as sheltering, installing, charging, discharging, shifting, terminal services, pilotage, towing, moorings, water quenching, waste reception, operating, maintaining and repairing of cruise terminals, in Kuşadası Cruise Port for an operational period of 30 years. Ege Liman is liable for the maintenance of Kuşadası Cruise Port together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the TDI, while the movable properties stay with Ege Liman.

Ortadoğu Liman

The details of the Transfer of Operational Rights Agreement dated 31 August 1998, executed by and between Ortadoğu Liman and PA together with TDI are stated below:

Ortadoğu Liman will be performing services such as sheltering, installing, charging, discharging, shifting, terminal services, pilotage, towing, moorings, water quenching, waste reception, operating, maintaining and repairing of cruise terminals, in Antalya Port for an operational period of 30 years. Ortadoğu Liman is liable for the maintenance of Antalya Port together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the TDI, while the movable properties stay with Ortadoğu Liman.

19 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)

19.3 Contingent liabilities (continued)

Port of Bar

The details of the Transfer of Operational Rights Agreement dated 15 November 2013, executed by and between Global Liman and Ministry of Transportation and Maritime and Port Administration of Montenegro ("PAM") are stated below:

Global Liman will be performing services such as terminal services, operating, financing, maintaining and repairing of cruise terminals, in Port of Bar in Montenegro for an operational period of 30 years. Global Liman is liable for the maintenance of Port of Bar together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the PAM, while the movable properties stay with Global Liman.

Bodrum Liman

The details of the BOT Contract dated 23 June 2004, executed by and between Bodrum Liman and the State Railways, Ports and Airports Construction Company ("DLH") are stated below:

Bodrum Liman had to construct the Bodrum Cruise Port in a period of 1 year and 4 months following the delivery of the land and thereafter, will operate the Bodrum Cruise Port for 12 years. The final acceptance of the construction was performed on 4 December 2007, and thus the operation period has commenced. Bodrum Liman is liable for the maintenance of the port together with the port equipment in good repair and in operating condition throughout its operating right period. The facilities, equipment, installations and the systems together with the tools and other equipment belonging thereto shall be surrendered to the DLH after the expiry of the contractual period.

19.4 Operating leases

Group as lessee

The Group entered into various operating lease agreements. As at 31 December 2013 and 2012, operating lease rentals are payable as follows:

	2013	2012
Less than one year	2.780.419	1.131.300
Between one and five years	4.727.848	6.067.211
More than five years	1.293.021	2.316.111
	8.801.288	**9.514.622**

The Company's main operating lease agreements as lessee are the port rent agreement of Bodrum Liman until 2019 and the rent agreement signed by Pera with the General Directorate of Foundations with respect to the rental of 6.Vakıf Han for 15 years and other operating lease agreements of Naturelgaz.

For the year ended 31 December 2013, payments recognized as rent expense are TL 2.769.148 (2012: TL 751.040).

19 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)

19.4 Operating leases (continued)

Group as lessor

As at 31 December 2013 and 2012, the future lease receivables under operating leases are as follows:

	2013	2012
Less than one year	11.390.976	12.595.958
Between one and five years	30.598.368	34.200.471
More than five years	25.678.523	28.537.863
	67.667.867	75.334.292

The Group's main operating lease agreements as lessor are the rent agreements of Pera with the lessees of Sümerpark AVM and 6. Vakıf Han, the marina lease agreement of Ortadoğu Liman until 2028 and various shopping center rent agreements of Ege Liman and Bodrum Liman up to 5 years.

During the year ended 31 December 2013, TL 15.122.623 (2012: TL 14.023.802) have been recognized as rent income in the consolidated financial statements.

20 COMMITMENTS

As at 31 December 2013 and 2012 guarantees, pledges and mortgages (GPMs) given by the Group are presented below:

31 December 2013

	TL Equivalent	Original Amount TL	USD	EURO
A Total amount of GPMs given in the name of its own legal personality	158.472.694	136.702.834	10.200.000	–
B Total amount of GPMs given in the name of the consolidated subsidiaries and joint ventures	416.662.207	370.462.709	4.840.065	12.215.000
– Total amount GPMs given in the name of the consolidated subsidiaries	*416.662.207*	*370.462.709*	*4.840.065*	*12.215.000*
– Total amount of GPMs given in the name of the consolidated joint ventures	–	–	–	–
C Total amount of GPMs given to be able to conduct ordinary business transactions				
to secure payables of third parties	17.709.000	90.000	–	6.000.000
D Other GPMs given	–	–	–	–
– Total amount of GPMs given in the name of the main shareholder	–	–	–	–
– Total amount of GPMs given in the name of other group companies except for B and C	–	–	–	–
– Total amount of GPMs given in the name of third parties except for C	–	–	–	–
Total	**592.843.901**	**507.255.543**	**15.040.065**	**18.215.000**

20 COMMITMENTS (continued)

31 December 2012

	TL Equivalent	Original Amount TL	USD	EURO
A Total amount of GPMs given in the name of its own legal personality	150.290.028	132.107.508	10.200.000	–
B Total amount of GPMs given in the name of the consolidated subsidiaries and joint ventures	375.916.024	374.801.628	625.152	–
– Total amount GPMs given in the name of the consolidated subsidiaries	*375.310.159*	*374.195.763*	*625.152*	–
– Total amount of GPMs given in the name of the consolidated joint ventures	*605.865*	*605.865*	–	–
C Total amount of GPMs given to be able to conduct ordinary business transactions to secure payables of third parties	14.200.200	90.000	–	6.000.000
D Other GPMs given	–	–	–	–
– Total amount of GPMs given in the name of the main shareholder	–	–	–	–
– Total amount of GPMs given in the name of other group companies except for B and C	–	–	–	–
– Total amount of GPMs given in the name of third parties except for C	–	–	–	–
Total	540.406.252	506.999.136	10.825.152	6.000.000

As at 31 December 2013 the ratio of other GPMs given to the Group's equity is 0% (31 December 2012: 0%).

20 COMMITMENTS (continued)

As at 31 December 2013 and 2012 guarantees and the details of the GPMs given by the Group are presented below:

	31 December 2013	31 December 2012
Given to Energy Market Regulatory Authority (1)	10.438.390	8.776.890
Given for tenders	240.840	201.256
Given as a guarantee for commercial contracts	19.081.238	14.110.200
Given to Borsa Istanbul	8.478.000	9.073.170
Given to banks	90.000	285.574
Given to Takasbank	39.425.000	39.425.000
Given to Privatization Administration	1.206.718	1.014.988
Given to supply for natural gas	14.121.389	–
Given to courts, ministries, Tax Administration	1.399.005	221.158
Given to Capital Markets Board	2.776	2.776
Given to Derivative Exchange Market	108.224	363.806
Other	5.095.262	3.369.188
Total letters of guarantee	**99.686.842**	**76.844.006**
Mortgages and pledges on inventory, property plant and equipment and investment property (2)	291.439.500	313.747.000
Pledges on equity securities (3)	147.770.049	109.973.221
Securities given (4)	53.947.510	39.842.025
Total contingent liabilities	**592.843.901**	**540.406.252**

(1) The amounts include the letters of guarantee given by Group companies operating in energy sector to EMRA.
(2) Mortgages and pledges on inventory, property, plant and equipment and investment property:
As at 31 December 2013, there is a mortgage amounting to TL 80.000.000 over one of the buildings of Global Yatırım Holding (which is classified as property, plant and equipment) with respect to the loans obtained (31 December 2012: TL 80.000.000).

As at 31 December 2013, there is mortgage on the land of the Group located in Denizli Plot # 6224 and Parcel # 1 (which is classified as inventory) as collateral of the Group's bank loans amounting to TL 26.800.000 and on the other lands of the Group located in Denizli and Van (classified as investment property) amounting to TL 150.200.000. As at 31 December 2012, there is a total mortgage amounting to TL 202.000.000 on the land plots classified as investment property.

As at 31 December 2013, there is a pledge over the property, plant and equipment of Ortadoğu Liman amounting to TL 31.503.000 (31 December 2012: TL 31.747.000) with respect to the loans obtained by Ortadoğu Liman. Also, there is a pledge over the property, plant and equipment of Port of Bar amounting to TL 2.936.500 (Euro 1.000.000) as at 31 December 2013 with respect to the loans obtained.

(3) Pledges on equity securities:
As at 31 December 2013, there is a pledge on the Global Liman's shares in Ege Liman and Ortadoğu Liman with a total nominal value of TL 22.005.897 (31 December 2012: TL 27.262.145) with respect to loans used by Global Liman, Ege Liman and Ortadoğu Liman. The details are presented in Note 9. As at 31 December 2013, the Group gave marketable securities with a nominal value of USD 10.200.000 (equivalent to TL 21.769.860) (31 December 2012: TL 18.182.520) and equity shares amounting to TL 26.818 (31 December 2012: TL 22.405) as collateral with respect to ongoing legal proceedings. In addition, there is a pledge on shares of Global Liman with a nominal value of TL 33.789.081 with respect to loans used by Global Liman in 2013.

As mentioned in Note 9, as at 31 December 2013, financial investments amounting to TL 442.741 given to BIST as collateral according to the blockage of brokerage transactions in return for the letters of guarantee obtained from banks (31 December 2012: TL 595.170). As at 31 December 2013, government bonds amounting to TL 107.748 are given to Turkish Derivative Exchange ("VOB") for transaction guarantee (31 December 2012: TL 363.806). As at 31 December 2012, financial investments with carrying value of TL 195.574 were given as a pledge to related lenders (31 December 2013: None). As at 31 December 2013, treasury shares amounting to TL 38.552.024 (31 December 2012: TL 51.026.626) as mentioned in Note 23.1 has been pledged for loans and debt securities as mentioned in Note 9. As at 31 December 2013, equity shares amounting to TL 20.228.074 has been pledged for debt securities (31 December 2012: TL 3.238.660).

20 COMMITMENTS (continued)

As at 31 December 2013, the Group has pledged 14.978.125 equity shares of one of its subsidiaries amounting to TL 6.290.813 with respect to the guarantee for a loan (31 December 2012: 14.978.125 shares amounting to TL 8.687.311) In additon, there is a pledge on shares with a nominal value of 4.250.000 lots of a subsidiary of the Group as at 31 December 2013.

(4) Securities given:

As at 31 December 2013, the Group provided guarantee amounting to TL 20.964.662 for the loans of Pera, a subsidiary of the Group (31 December 2012: TL 39.842.025). In addition, the Group provided guarantee amounting to Euro 11.215.000 (TL 32.932.848) and TL 50.000 with respect to loans used by Straton Maden, a subsidiary of the Group (31 December 2012 : None).

21 EMPLOYEE BENEFITS

Payables related to employee benefits

As at 31 December 2013 and 31 December 2012, payables related to employee benefits comprised the following:

	31 December 2013	31 December 2012
Payables to personnel	3.210.016	1.465.824
Social security premiums payable	693.278	308.641
Total	**3.903.294**	**1.774.465**

Provisions for employee benefits

As at 31 December 2013 and 31 December 2012, provisions for employee benefits comprised the following:

Short term provisions

	31 December 2013	31 December 2012
Provision for notice pay and vacations	910.691	876.973
Provision for personnel premium	216.880	89.739
	1.127.571	**966.712**

Long term provisions

Long term provisions included provision for employee benefits. The details of the long term provisions are as follows:

	31 December 2013	31 December 2012
Provision for employement termination indemnity	5.541.781	2.763.274
	5.541.781	**2.763.274**

21 EMPLOYEE BENEFITS (continued)

Payables related to employee benefits (continued)

The assumptions used to recognize provision for employment termination benefits are explained below:

Under the Turkish Labor Law, the Group is required to pay employement termination benefits to each employee who has qualified for such benefits as the employment ended. The amount payable consists of one month's salary limited to a maximum of TL 3.254 for each period of service as of 31 December 2013 (31 December 2012: TL 3.034).

Provision for employment termination indemnity are not subject to any statutory funding.
For the year ended 31 December 2013 and 2012, the movement of the provision for employement termination indemnity as follows:

	31 December 2013	31 December 2012
Balance at 1 January	2.763.274	2.209.377
Interest for the period	223.441	179.544
Current service costs	409.783	427.323
Paid during the period	(259.222)	(96.485)
Disposal from scope of consolidation	–	(365.459)
Addition to scope of consolidation	2.179.650	103.473
Currency translation differences	46.085	(71.494)
Transfer to assets/liabilities held for sale	(19.951)	–
Actuarial gain/losses	198.721	376.995
Balance at 31 December	**5.541.781**	**2.763.274**

For the years ended 31 December 2013 and 2012, expenses related to employment termination benefit are presented in cost of sales, in the personnel expenses under general administrative expenses, finance expenses and other comprehensive income or expense.

22 OTHER ASSETS AND LIABILITIES

a) Other current assets

As at 31 December 2013 and 31 December 2012, other current assets comprised the following:

	31 December 2013	31 December 2012
Value added tax (*)	8.016.333	14.801.473
Job and salary advances given to personnel	5.813.625	7.353.032
Income accruals	2.594.982	3.192.865
Other	2.262.062	544.182
Total	18.687.002	25.891.552

(*) The Group has classified deferred VAT assets as current or non-current assets on basis of future realizable projections.

b) Other non current assets

As at 31 December 2013 and 31 December 2012, other non-current assets comprised the following:

	31 December 2013	31 December 2012
Value added tax (*)	12.337.430	4.075.692
Job and salary advances given to personnel (**)	8.653.178	-
Other	39.358	-
Total	21.029.966	4.075.692

(*)The Group has classified deferred VAT assets as current or non current assets on basis of future realizable projections.
(**) Includes long term personnel and job advances given by a subsidiary of the Group which is operating abroad.

c) Other short-term liabilities

As at 31 December 2013 and 31 December 2012, other short-term liabilities comprised the following:

	31 December 2013	31 December 2012
Liabilities related with real estate (*)	9.000.000	-
Expense accruals	387.767	1.565.941
Other	283.842	-
Total	9.671.609	1.565.941

(*) Includes payables based on the protocol between the Group and Van Municipality.

23 CAPITAL AND RESERVES

23.1 Share capital / treasury shares

Share capital:

As at 31 December 2013 and 31 December 2012, the Company's statutory nominal value of paid-in share capital consists of 22.500.368.745 registered shares with a par value of TL 1 each. Number of shares is presented in lots in the consolidated financial statements and the accompanying notes (1 lot= 100 shares).

The issued capital of the Company is TL 225.003.687,45 and the authorized capital ceiling is TL 650.000.000. The shareholder structure of the Company is as follows:

	31 December 2013		31 December 2012	
	Proportion of share %	Value of share	Proportion of share %	Value of share
Mehmet Kutman (*)	25,83 %	58.115.880	25,55 %	57.495.090
Erol Göker	0,22 %	488.707	0,22 %	488.707
Publicly traded other shares	73,95 %	166.399.100	74,23 %	167.019.890
Total	100 %	225.003.687	100 %	225.003.687
Inflation accounting adjustment		34.659.630		34.659.630
Inflation adjusted capital		259.663.317		259.663.317

(*) Disclosed together with the shares of Turkcom Turizm Enerji İnşaat Gıda Yatırımlar A.Ş which is owned by Mehmet Kutman.

The shares of the Company include privileged shares. The privileges of the (A), (D) and (E) group shares are explained below:

Two of the members of the Board of Directors are chosen among the candidates nominated by the owners of the group (A) shares. One of the members of the Board of Directors is chosen among the candidates nominated by the owners of the group (D) shares and one of them is chosen among the candidates nominated by the owners of the group (E) shares. Each member of the board is chosen by the decision of the majority of the shareholders of the privileged share group that nominated the candidate. All the shareholders have the right to nominate any candidate but, in order to select such candidates for the General Assembly; the nominations should be approved by the group (A) shares before the selection. All the shareholders have the right to nominate for two candidates for the Board. In case that group (D) and group (E) shares cannot nominate any candidate, any shareholder can nominate a candidate.

23 CAPITAL AND RESERVES (continued)

23.1 Share capital / treasury shares (continued)

Treasury shares:

The Company and some of the subsidiaries of the Company repurchase shares of the Company from the capital markets. These repurchased shares are called as treasury shares. The shares can be sold back to the market. Profit or loss that arises as the result of the sale of the shares is accounted for under retained earnings in the consolidated financial statements. The shares are accounted for at cost under treasury shares owned by the Company and treasury shares owned by the subsidiaries. Amounts related to these transactions are presented under "Own shares acquired and sold" in the consolidated statement of changes in equity. As at 31 December 2013, the Company and its subsidiaries held 65.950.985 shares of Global Yatırım Holding A.Ş. (31 December 2012: 60.482.404 shares), with the cost of TL 83.717.303 (31 December 2012: TL 70.020.872).

As at 31 December 2013, the Company repurchase of the shares with the cost value of TL 29.985.681 (20.791.765 nominal lot) (31 December 2012: TL 10.237.242 , 8.336.840 nominal lot) and amounts related to these transactions are presented under "Treasury shares owned by the Company" under equity. As at 31 December 2013, the Company's subsidiaries held 45.159.220 shares of Global Yatırım Holding A.Ş. (31 December 2012: 52.145.564), with the cost of TL 53.731.622 TL (31 December 2012: TL 59.783.630) and amounts related to these transactions are presented under "Treasury shares owned by the Subsidiaries" under equity. The portion of the shares with the nominal value of TL 5.869.645 has been lent.

For the period ended 31 December 2013, the profit before tax of the Group companies from the sale of the shares of the Company amounted to TL 1.576.561 (31 December 2012: TL 1.146.845) and has been recognized in equity in the consolidated financial statements.

Based on the share purchase program, The Board of Directors authorized at the BOD meeting, numbered 791, held on 30 March 2012 and approved on 10 May 2012 by the General Assembly, Group repurchase of the shares with the nominal value of TL 22.500.368, that is 10% of GYH's paid capital at the amount of TL 225.003.687,45. According to the program, the share buyback period will be 18 months. As at 31 December 2013, the total amount and the total nominal value of the shares that are repurchased by the Group are TL 20.791.765 (9,24 %) and the program has been completed due to the termination of 18 months period.

23.2 Share premium/discounts

Share premium represents the inflow of cash arising from the sales of shares at market value. The premium amount is included in equity and cannot be distributed. It can only be used for the future capital increases.

23 CAPITAL AND RESERVES (continued)

23.3 Other comprehensive income/expense not to be reclassified to profit or loss

This item comprises, income/expenses defined as a component of other comprehensive income and reported for the period in which they arise and in no case transferred directly in equity through profit or loss such as following:

a) Gain/loss on revaluation and remeasurement
- Actuarial gain/(loss) on employee benefits (Note 2.1.e)
b) Other gain/loss

Special funds

The application filed by Pera, a subsidiary of the Group operating in the real estate segment, to the CMB in relation to permission for a share capital decrease by TL 35.900.000 and simultaneous share capital increase (in cash) by TL 29.000.000, was approved by the CMB on 24 January 2011 in the decision numbered 86-928. The amendment to Article 8 of the Association of Pera was approved by the Extraordinary General Assembly Meeting on 15 February 2011, and the share capital of Pera was decreased to TL 60.100.000. The pre-emptive rights of the existing shareholders were used between 1 March and 15 March 2011 and after that the remaining shares were offered to investors between 1 April and 15 April 2011. Finally, the portion of the new shares, for which the pre-emptive rights were not used, has been purchased by Global Yatırım Holding A.Ş. and the capital increase to TL 89.100.000 was completed. The process was approved by the CMB on 3 May 2011. As a result of the capital increase, a total of TL 29.000.000 has been accounted for as "Special Reserve" by Pera, of which TL 14.357.900 has been reflected in the consolidated financial statements of the Group.

This item comprises, income/expenses defined as a component of other comprehensive income and reported for the period in which they arise and subsequently transferred directly in equity through profit or loss such as following:

a) Currency translation differences

Currency translation differences comprise the foreign exchange differences arising from the translation of the financial statements of subsidiaries and joint ventures from their functional currencies to the presentation currency (TL) recognized in the equity.

b) Gain/loss on revaluation and remeasurement

- Gain/loss on revaluation and remeasurement of available-for-sale financial assets
Gain/loss on revaluation and remeasurement comprises from the change in fair value of available for sale financial assets.

23 CAPITAL AND RESERVES (continued)

23.3 Other comprehensive income/expense not to be reclassified to profit or loss (continued)

c) Gain or loss on net investment hedge

A subsidiary of the Group, Global Liman's foreign exchange differences arising from foreign currency loans into currency of the related subsidiary's functional currency other than TL which are part of net investments made to its subsidiaries have been considered as hedging instruments and effective portion of them has been recognised in other comprehensive income in the consolidated financial statements. The accounting method mentioned above has been applying since 1 October 2013 and the Group has recognised loss amounting to TL 12.781.205 in other comprehensive income within equity for the year ended 31 December 2013.

23.4 Restricted reserves

As at 31 December 2013, the Group's restricted reserves are total of TL 79.706.826 (31 December 2012: TL 86.393.932).

The Company, transferred the exemption of gain on sale of subsidiaries which is accounted under restricted reserves in legal financial statements amounting to TL 35.000.000 to retained earnings. Also the Company transferred the gain on sale of joint ventures which was accounted in the legal finanacial statements for the year 2012 by the way of exception amounting to TL 24.702.769 to the restricted reserves according to the relevant article of Corporate Tax Law and made necessary regulations in the Corporate Tax Return. These adjustments resulted in change in effective tax rate of the Group.

23.5 Retained earnings / accumulated losses and non-controlling interests

The retained earnings/accumulated losses excluding the net income/loss for the period, and the general reserves which have retained earnings/accumulated losses nature are included in retained earnings/accumulated loss account.

23.5 Retained earnings / accumulated losses and non-controlling interests (continued)

For the year ended 31 December 2013 the Group entered into sale and purchase transactions of shares in Pera and in Global menkul, which shares are publicly traded at BIST. As a result of the sale and purchase of Pera and Global Menkul shares by the Group, the effective shareholding rate of the Group in Pera increased to 49,99 % and effective shareholding rate of the Group in Global Menkul decreased to 67,43% as at 31 December 2013 (31 December 2012: 49,99% and 75,67 %). The result of these transactions is recognized under equity and is shown as change in non-controlling interests in Consolidated Statement of Changes in Shareholders' Equity.

The net assets of the subsidiaries attributable to the shares not controlled directly or indirectly by the parent company are presented as "Non-controlling interests" in the consolidated balance sheet.

23 CAPITAL AND RESERVES (continued)

23.6 Transactions with owners of the Company, recognized directly in equity

The share transfer transactions enabling Venice European Investment Capital S.p.A. ("VEI"), a private equity fund, and Savina Holding GmbH, a special purpose entity of Venice Shipping and Logistic S.p.A (a strategic partner), to acquire a minority stake in Global Liman, a subsidiary of the Group, was finalized on 26 July 2011. With the share purchase agreement which comprises the transfer of 22,114% shares of Global Liman to Global Yatırım Holding for a consideration amounting to USD 91.724.063 after deduction of dividend payment from Savina to the Group has been completed as at 3 February 2013. After the completion of the transfer of the shares, the Group's shares in Global Liman increases to 99,99%.

The result of transaction is recognized under equity and is shown as "changes in non-controlling interest without loss in control" in the consolidated changes in shareholder's equity. The transaction has been accounted for in accordance with the paragraphs 30 and 31 of TAS 27 "Consolidated and Separate Financial Statements", which require the changes in a parent's ownership interest in a subsidiary that do not result in a loss of control to be accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). In such circumstances the carrying amounts of the controlling and non-controlling interests shall be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received shall be recognised directly in equity and attributed to the owners of the parent.

As a result of this transaction, TL 94.323.000 corresponding to 22,114% of Global Liman's shareholders equity is deducted from "non-controlling interests" and the difference amounting to TL 66.806.996 between consideration paid and non-controlling interests acquired is recognized under equity. The transaction is disclosed as "change in non-controlling interests without loss in control" in statement of changes in shareholder's equity.

On basis of the decision issued by EMRA dated 19.03.2009 and numbered 2021-5, Global Enerji; a subsidiary of the Group has reached to 85% from 60% of share of Galata Enerji which has a production license for fourty nine years by share transfer at the rate 25% on 3 October 2013.

This transaction has been assesed as "changes in non-controlling interest without loss in control" and has been accounted under equity, TL 295.844 corresponding to 25 % of shareholders' equity of Galata Enerji at 31December 2012 has been deducted from non controlling interest and the difference between acquisition cost and non controlling interest amounting to TL 1.710.353 has been deducted from retained earnings.

24 REVENUE AND COST OF SALES

For the years ended 31 December 2013 and 2012, the Group's gross profit on the basis of operations comprised the following:

Revenue	1 January– 31 December 2013	1 January– 31 December 2012 (*)
Natural gas revenues	54.409.289	–
Port operating revenues	143.526.022	122.390.528
Mining revenues	8.884.035	–
Real estate rent and service revenues	13.602.337	17.246.635
Other	3.795.157	3.519.678
Total	**224.216.840**	**143.156.841**
Cost of sales		
Cost of natural gas sales and services	(48.663.611)	–
Cost of port operations	(81.056.298)	(71.614.860)
Cost of mining operations	(5.455.392)	–
Cost of real estate service	(9.149.837)	(12.095.385)
Other	(4.309.048)	(2.780.979)
Total	**(148.634.186)**	**(86.491.224)**
Gross profit from non-finance operations	**75.582.654**	**56.665.617**

Revenues from finance operations	1 January– 31 December 2013	1 January– 31 December 2012 (*)
Agency commissions	14.905.170	14.179.332
Interest received from customers	7.499.785	7.904.215
Portfolio management fees	(111.031)	450.633
Gain on sale of marketable securities, net	78.751	515.195
Other revenue	759.409	161.728
Total	**23.132.084**	**23.211.103**
Cost of revenues from finance operations (–)		
Commission charges	(915.340)	(1.054.639)
Interest charges from loans delivered to customers	(2.071.783)	(2.959.437)
Total	(2.987.123)	(4.014.076)
Gross profit from finance operations	**20.144.961**	**19.197.027**
GROSS PROFIT	**95.727.615**	**75.862.644**

(*) See Note 2.3.e.

25 GENERAL AND ADMINISTRATIVE EXPENSES AND MARKETING EXPENSES

25.1 Marketing expenses

For the years ended 31 December 2013 and 2012, marketing expenses comprised the following:

	1 January– 31 December 2013	1 January– 31 December 2012 (*)
Personnel expenses	4.028.985	27.404
Depreciation and amortization expenses	2.028.020	–
Export expenses of mining operations	2.167.424	–
Advertising and promotion expenses	1.943.411	2.050.530
Vehicle expenses	1.532.682	6.073
Repair and maintenance expenses	687.941	–
Money market settlement and custody expenses	436.848	–
Commission expenses of derivative exchange market	433.689	344.730
Consultancy expenses	377.088	192.001
Representation and traveling expenses	308.227	247.885
Stock market participation share	215.166	268.920
Other	2.735.997	485.993
	16.895.478	**3.623.536**

(*)See Note 2.3.e.

25.2 General and administrative expenses

For the years ended 31 December 2013 and 2012, general and administrative expenses comprised the following:

	1 January– 31 December 2013	1 January– 31 December 2012 (*)
Personnel expenses	43.351.361	43.310.509
Consultancy expenses	5.549.046	3.630.591
Travelling expenses	5.017.611	5.560.988
Taxes and duties	3.300.358	2.149.396
Depreciation and amortization expenses	2.700.279	2.248.492
IT expenses	2.207.473	2.011.223
Communication expenses	1.608.749	1.471.500
Building management expenses	1.469.268	1.610.583
Rent expenses	1.468.455	1.324.643
Vehicle expenses	1.439.775	1.178.525
Representation expenses	1.109.509	807.681
Stationary expenses	493.549	282.296
Repair and maintenance expenses	373.583	396.645
Insurance expenses	304.422	277.050
Allowance for doubtful receivables	219.892	489.075
Other expenses	7.469.419	5.631.389
	78.082.749	**72.380.586**

(*)See Note 2.3.e.

26 EXPENSES BY NATURE

For the years ended 31 December 2013 and 2012, the breakdown of personnel, depreciation and amortization expenses comprised the following:

Personnel expenses	1 January– 31 December 2013	1 January– 31 December 2012 (*)
Cost of sales	13.394.927	8.000.472
Marketing expenses	4.028.985	–
General administrative expenses	43.351.361	43.310.509
	60.775.273	**51.310.981**

Depreciation and amortization expenses	1 January– 31 December 2013	1 January– 31 December 2012 (*)
Cost of sales	55.186.978	41.808.260
Marketing expenses	2.028.020	–
General administrative expenses	2.700.279	2.248.492
	59.915.277	**44.056.753**

(*) See Note 2.3.e.

27 OTHER OPERATING INCOME / EXPENSES

27.1 Other operating income

For the years ended 31 December 2013 and 2012, other operating income comprised the following:

	1 January– 31 December 2013	1 January– 31 December 2012 (*)
Gain on sale of joint venture (Note 36)	–	150.185.136
Bargain purchase gain (Note 3)	109.670.862	3.011.651
Dividend income (***)	1.022.476	672.113
Rental income	365.388	614.126
Foreign currency exchange gain on trade operations, net	10.168.438	–
Gain on sale of subsidiaries (**)	–	1.745.775
Gain on sale of associates	–	1.546.042
Gain on previously held interest (Note 3)	–	9.796.310
Other income	2.351.318	311.609
Total	**123.578.482**	**167.882.762**

(*) See Note 2.3.e.
(**) Gain on sale of subsidiaries consists of the gain on sale of 60% of shares of Global Portföy to Azimut.
(***) Dividend income from Global Menkul investment in Takasbank which is in operation scope of Global Menkul.

27 OTHER OPERATING INCOME / EXPENSES (continued)

27.2 Other operating expenses

For the years ended 31 December 2013 and 2012, other operating expense comprised the following:

	1 January– 31 December 2013	1 January– 31 December 2012 (*)
Donations	3.003.275	257.574
Project expenses	2.304.703	152.537
Foreign currency exchange losses on trade operations, net	–	2.052.741
Impairment loss on goodwill (Note 17)	1.587.600	–
Partial exception expenses	406.970	331.809
Provision expenses	268.833	20.236
Loss on sale of fixed assets	–	19.916
Tax amnesty provision expenses	143.702	635.640
Other expenses	3.355.034	403.084
Toplam	**11.070.117**	**3.873.537**

(*) See Note 2.3.e.

28 INCOME AND EXPENSE FROM INVESTING ACTIVITIES

28.1 Income from investing activities

For the years ended 31 December 2013 and 2012, income from investing activities comprised the following:

	1 January– 31 December 2013	1 January– 31 December 2012 (*)
Investment property valuation gain (Note 15)	16.286.371	4.467.095
Gain on sale of financial assets	104.830	2.370.283
Dividend income	–	261.371
Valuation differences on financial assets	489.731	145.804
Gain on sale of fixed assets	27.726	133.066
Gain on sale of real estates	–	49.505
Total	**16.908.658**	**7.427.124**

(*)See Note 2.3.e.

28 INCOME AND EXPENSE FROM INVESTING ACTIVITIES (continued)

28.2 Expense from investing activities

For the years ended 31 December 2013 and 2012, expense from investing activities comprised the following:

	1 January– 31 December 2013	1 January– 31 December 2012 (*)
Valuation differences on financial assets	733.052	538.032
Other	164.272	19.916
Total	**897.324**	**557.948**

(*)See Note 2.3.e.

29 FINANCE INCOME

For the years ended 31 December 2013 and 2012, finance income of the Group comprised the following:

	1 January– 31 December 2013	1 January– 31 December 2012 (*)
Foreign currency exchange gain	12.996.557	17.284.571
Interest income	8.555.610	6.460.859
Change in fair value of derivatives, net	47.835	731.302
Other	553.258	851.815
Total	**22.153.260**	**25.328.547**

(*) See Note 2.3.e.

30 FINANCE EXPENSES

For the years ended 31 December 2013 and 2012, finance expense of the Group comprised the following:

Recognized in profit or loss	1 January– 31 December 2013	1 January– 31 December 2012 (*)
Foreign currency exchange loss	59.866.318	4.689.862
Interest expense on borrowings	56.301.333	26.425.724
Letter of guarantee provision for Başkent Doğalgaz, net (Note 19)	–	46.044.558
Letter of guarantee commissions	700.000	2.125.202
Commission expenses on borrowings	375.178	950.897
Other	3.735.885	4.004.069
Total	**120.978.714**	**84.240.312**

(*) See Note 2.3.e.

Recognized in other comprehensive income	1 January– 31 December 2013	1 January– 31 December 2012
Losses from net investment hedges (Note 23)	(12.781.205)	–
	(12.781.205)	–

31 TAX ASSETS AND LIABILITIES

Corporate tax:

Provision is made in the accompanying consolidated financial statements for the estimated charge based on the each of the Group entities' results for the year.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

In Turkey, advance tax returns are measured and accrued on a quarterly basis. The advance corporate income tax rate for each quarter and as at 31 December 2013 is 20% (31 December 2012: 20%).

Losses can be carried forward for offsetting against future taxable income for up to 5 years. Losses cannot be carried back.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1–25 April following the close of the accounting year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

31 TAX ASSETS AND LIABILITIES (continued)

Corporate tax (continued):

The Law numbered 6111 "Concerning the Restructuring of Certain Receivables, Social Security and the Amendment of the General Health Law and Certain Other Laws and Decrees with the Force of Law" has been put into effect following its promulgation in the Official Gazette on 25 February 2011. The Group management intends to utilize the possibilities stated in the scope of the law within the application period for some of its subsidiaries with respect to the base increase of corporate tax and VAT tax as well as the contentious issues. According to the law, no assessment will be made related to the taxes and periods for which the tax bases will be increased, between the years of 2006 and 2009. The deadline for the application to take advantage of the law is 2 May 2011 and the calculations for determining the final amounts have not been finished yet. However, within the scope of the possibilities provided by the law, the additional tax amount scheduled to be paid within the 36-month term has been calculated approximately as TL 7.363.205 (including interest costs due to due date difference calculated in accordance with the law). A tax amnesty provision has been accounted for at this amount in the financial statements as at 31 December 2011 (Note 20). In accordance with the relevant law, for the companies that benefit from the corporate tax base increase, 50% of the unused statutory tax losses can not be deducted from the profits in 2010 and subsequent years. The Group management has calculated the total amount of such losses as TL 28.055.376 and took into consideration the necessary adjustments related to the deferred tax calculation in the financial statements as at 31 December 2011. The Group has made application under this law in 2011 and the tax amnesty obligations have become definite. Thus, the Group classified the amounts which were recorded as tax amnesty provisions under the current and non-current debt provisions as at 31 December 2011 to the tax amnesty obligations under the other current and non-current payables as at 31 December 2012. As at 31 December 2013, the short term tax amnesty obligations amounted to TL 981.792 (2012: TL 2.905.789) and there is no long term tax amnesty obligations (2012: TL 988.709).

Transfer pricing

The transfer pricing provisions are set out under the Article 13 of the Corporate Tax Law under the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via transfer pricing dated 18 November 2007 sets out details about the implementation of these provisions. If a tax payer enters into transactions regarding the sale or purchase of goods and services with related parties, where the prices are not set in accordance with an arm's-length basis, the related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as a tax deductible for corporate income tax purposes.

31 TAX ASSETS AND LIABILITIES (continued)

Tax exemption of real estate investment trusts

The real estate investment trusts are exempt from corporate tax in accordance with the Corporate Tax Law numbered 5520, 5th Article and the subparagraph (1) d. According to the 15th Article of this law, even when the earnings of the real estate investment trusts are not distributed, they are subject to the withholding tax of 15 %. However, in the scope of the authorization provided by the law to the Council of Ministers, the withholding tax rate to be applied was determined to be zero with the decision of the Council of Ministers numbered 2003/6577.

Tax exemption on maritime operations:

The Turkish International Ship Registry Law, authorized on 16 December 1999, is designed to accelerate the development of the Turkish maritime sector and increase its contribution to the Turkish economy. The law supports the procurement and operation of ships registered on the Turkish International Ship Registry, and yachts registered to the inventory of tourism companies. Income generated through the vessels covered by the law is not subject to income tax and expenses related to these operations are considered as disallowable expenses.

Income withholding tax:

The usage of investment incentives was redesigned with the amendments to the related tax law published in the Official Gazette dated 1 August 2010. Accordingly, to be applied onto the 2010 calendar year income, investment incentives that will be subject to the deducted amount shall not exceed 25% of income for the year of interest, while determining the tax base.

In addition to corporate taxes, companies should also calculate income withholding taxes on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is 10% starting from 24 April 2003. This rate was changed to 15% with the code numbered 5520 article 15 commencing from 21 September 2006. After the resolution, declared in Official Gazette on 23 July 2006, this rate was changed to 15% thereafter. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

According to the Corporate Tax Law, 75% of the capital gains arising from the sale of tangible assets and investments in equity shares owned for at least two years are exempted from corporate tax on the condition that such gains are reflected in the equity with the intention to be utilised in a share capital increase within five years from the date of the sale and the sale amount is collected within two years following the year in which the sale is realized.

31 TAX ASSETS AND LIABILITIES (continued)

Current tax income assets

As at 31 December 2013 and 2012, current tax income assets of the Group comprised the following:

	31 December 2013	31 December 2012
Prepaid taxes and funds	2.141.787	3.108.055
	2.141.787	**3.108.055**

Tax expenses:

For the years ended 31 December 2013 and 2012, tax income/(expense) comprised the following:

	2013	2012
Current tax charge	(10.448.284)	(10.354.451)
Deferred tax benefit	7.279.448	22.658.221
Total	**(3.168.836)**	**12.303.770**

As at 31 December 2013 and 2012, current tax liability for the period comprised the following:

	2013	2012
Current tax charge	(10.448.284)	(10.354.451)
Taxes paid during period	12.928.671	10.775.910
Total	**2.480.387**	**421.459**
Payment of previous year tax liability	3.502.554	2.571.160
Change in prepaid taxes	(966.268)	509.935
Income tax payable	**5.016.673**	**3.502.554**

31 TAX ASSETS AND LIABILITIES (continued)

Tax expenses (continued):

The tax reconciliation for the years ended 31 December 2013 and 2012 is as follows:

	%	2013	%	2012
Profit/(loss) before income tax		29.668.166		104.672.364
Corporate tax using domestic rate	20,00	(5.933.633)	20,00	(20.934.473)
Disallowable expenses	21,95	(6.512.980)	0,31	(321.842)
Effect of unrecognized tax losses	8,34	(2.472.989)	(1,83)	1.914.486
Effect of tax exemption on maritime operations	(10,44)	3.097.681	(3,05)	3.194.467
Effect of non-taxable income	-	-	(1,12)	1.172.551
Effect of bargain purchase gain	(73,93)	21.934.172	-	-
Effect of non-taxable income from the sale of joint venture	-	-	(9,18)	9.613.083
Tax exemption on income from the sale of joint venture	-	-	(16,45)	17.219.583
Investment incentive	-	-	0,00	(3.613)
Prior year adjustments		(13.471.979)	-	-
Other	(0,64)	190.892	(0,43)	449.528
	10,68	**(3.168.836)**	**(11,75)**	**12.303.770**

Deferred tax:

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

In Turkey the tax legislation does not permit a parent company, its subsidiaries and associates to file a consolidated tax return. Therefore, deferred tax positions of companies with deferred tax assets and companies with deferred tax liabilities are not netted and are disclosed separately As at 31 December 2013 and 31 December 2012, the deferred tax assets and liabilities reflected to the consolidated financial statements are as follows:

	2013	2012
Deferred tax assets	34.967.122	28.332.356
Deferred tax liabilities	(166.092.145)	(111.106.065)
Total	**(131.125.023)**	**(82.773.709)**

31 TAX ASSETS AND LIABILITIES (continued)

Deferred tax (continued):

For the years ending 31 December 2013 and 31 December 2012, the movement of deferred tax assets and liabilities is as follows:

	2013	2012
Balance at the beginning of the year	(82.773.709)	(111.957.915)
Deferred tax income	7.270.418	22.734.089
Currency translation differences	(12.848.995)	6.365.687
Recognized in equity	131.692	84.430
Business combination effect (Note 3)	(42.904.429)	–
	(131.125.023)	(82.773.709)

Deferred tax assets and deferred tax liabilities as at 31 December 2013 and 31 December 2012 are attributable to the items presented in the table below:

	2013		2012	
	Temporary differences	Deferred tax assets / liabilities	Temporary differences	Deferred tax assets / liabilities
Accumulated tax losses	123.528.255	24.705.651	54.760.218	10.952.044
Receivables	17.037.947	3.407.589	13.954.050	2.790.810
Valuation differences of marketable securities	8.474.462	1.694.892	2.467.232	493.446
Provisions	889.226	177.845	46.907.099	9.381.420
Provision for employement termination indemnity	3.488.531	697.706	2.559.451	511.890
Valuation of derivative instruments	–	–	2.076.835	415.367
Property, plant and equipment, intangible assets and concession intangible assets	(831.100.845)	(166.220.169)	(554.743.008)	(110.948.602)
Loans and prepaid commissions of the loans	1.175.530	235.106	(2.648.885)	(529.777)
Valuation of investment property	(16.472.501)	(3.294.500)	(4.467.095)	(893.419)
Valuation difference		–		–
Other	37.354.281	7.470.857	25.265.553	5.053.112
		(131.125.023)		(82.773.709)

31 TAX ASSETS AND LIABILITIES (continued)

Deferred tax (continued):

As at 31 December 2013 and 31 December 2012, the breakdown of the accumulated tax losses carried forward in terms of their final years of utilization is as follows:

	31 December 2013		31 December 2012	
Expiry years of the tax losses carried forward	Recognized	Unrecognized	Recognized	Unrecognized
2013	–	–	374.469	250.578
2014	485.440	322.611	348.026	1.702.634
2015	839.711	586.358	37.756.549	1.624.779
2016	2.873.177	792.490	13.359.402	–
2017	12.551.241	1.217.412	2.921.772	–
2018	106.778.686	9.446.072	–	–
	123.528.255	**12.364.943**	**54.760.218**	**3.577.991**

Unrecognized deferred tax assets and liabilities

At the reporting date, the Group has statutory tax losses available for offsetting against future profits which are shown above. Such losses carried forward expire until 2018. Deferred tax assets have not been recognized in respect of some portion of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits there from.

32 EARNINGS PER SHARE

For the years ended 31 December 2013 and 2012, earnings per share are calculated by dividing the net profit attributable to owners of the Company by the weighted average number of shares outstanding.

	1 January– 31 December 2013	1 January– 31 December 2012 (*)
Net profit / (loss) for the year	29.111.593	108.376.224
Net profit/(loss) from continuing operations for the year	29.111.593	108.376.224
Weighted average number of shares	225.003.687	225.003.687
Weighted average number of ordinary shares	225.003.687	225.003.687
Number of shares held by the Group (Note 23.1)	(62.950.985)	(60.482.404)
Weighted average number of shares	159.052.702	164.521.283
Earnings per share with par value of TL 1 (TL full)	0,1830	0,6587
Earnings per share of continuing operations with par value of TL 1 (TL full)	0,1830	0,6587

(*) See Note 2.3.e.

33 DERIVATIVE INSTRUMENTS

As at 31 December 2013 and 31 December 2012, the details of the Group's interest swap agreements comprised the following:

Interest swaps :

	31 December 2013		31 December 2012	
	Nominal Amount	Maturity	Nominal Amount	Maturity
USD	–	–	1.000.000	25 May 2013
USD	–	–	1.000.000	25 May 2013

	31 December 2013	31 December 2012
Fair value of interest swaps :	–	47.835
	–	47.835

34 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial risk management

The Group has exposure to the various risks from its use of financial instruments. These are credit risk, liquidity risk and market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

The responsibility of setting up and following up of risk management processes belongs to management of the Group.

The risk management policies of the Group were set up according to ascertaining and measuring the risk faced, determining adequate risk limits and monitoring the fluctuations. Risk management policies and systems are reviewed to cover the operations of the Group and changes in market conditions.

34 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Financial risk management (continued)

34.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and financial investments.

Management has a credit risk policy in place to monitor the exposure to credit risk on an ongoing basis. The Group has the ability to receive collaterals for its financial assets. Furthermore, the Group obtains letters of guarantee or similar collaterals from third parties for specific agreements and projects, if necessary.

Regarding the credibility of the counterparty, letters of guarantee or advance payments are received as collaterals of trade receivables from port operations. Credit risk resulting from brokerage activities of the Group are managed by the related companies' risk committees through the regulations on credit sales of securities promulgated by the CMB. Within the context of credit risk policies described in this paragraph, the Group does not have significant credit risk from port operations, natural gas sales and financial operations which constitute major part of the Group's operations.

The Group enters into transactions with accredited parties or the parties that an agreement is signed in financial markets. The transactions in the treasury operations are performed by conditional exchanges through custody cash accounts.

As at 31 December 2013 and 2012, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivatives, in the consolidated balance sheet.

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34 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Financial risk management (continued)

34.1 Credit risk (continued)

Carrying amounts of financial assets present maximum exposure to credit risk. As at 31 December 2013 and 2012 maximum credit risk exposure is as follows:

31 December 2013	Trade receivables (*)	Receivables from related parties	Receivables from finance sector operations (*)	Other receivables (*)	Cash at banks	Short-term financial investments	Advances given	Total
Maximum credit risk exposure at the reporting date	36.873.195	42.617.389	33.588.915	63.560.784	65.329.996	13.500.174	27.899.156	283.369.609
Portion of maximum risk covered by guarantee	1.467.379	–	–	–	–	–	–	1.467.379
A. Net book value of financial assets neither past due nor impaired	34.942.049	42.617.389	33.588.915	63.560.784	65.329.996	13.500.174	27.899.156	281.438.463
B. Financial assets that would otherwise be past due or impaired								
whose terms have been renegotiated	1.931.146	–	–	–	–	–	–	1.931.146
Portion of maximum risk covered by guarantee	118.784	–	–	–	–	–	–	118.784
C. Net book value of assets past due but not impaired	–	–	–	–	–	–	–	–
-Past due (gross book value)	4.780.426	–	1.259.871	–	–	–	–	6.040.297
-Impairment (-)	(4.780.426)	–	(1.259.871)	–	–	–	–	(6.040.297)
-Portion of the net book value covered by guarantee	–	–	–	–	–	–	–	–
-Not past due (gross book value)	–	–	–	–	–	–	–	–
-Impairment (-)	–	–	–	–	–	–	–	–
-Portion of the net book value covered by guarantee	1.348.595	–	–	–	–	–	–	1.348.595
D. Off-balance sheet items exposed to credit risk	–	–	–	–	–	–	–	–

(*) The amounts from related parties are excluded. The receivables from related parties in the table are collectively presented under the title of "Receivables from related parties".

34 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Financial risk management (continued)

34.1 Credit risk (continued)

31 December 2012	Trade receivables (*)	Receivables from related parties	Receivables from finance sector operations (*)	Other receivables (*)	Cash at banks	Short-term financial investments	Advances given	Total
Maximum credit risk exposure at the reporting date	13.017.832	45.039.383	52.232.294	87.235.376	29.570.783	4.874.352	36.745.850	268.715.870
Portion of maximum risk covered by guarantee	3.901.882	18.983.676	–	–	–	–	–	22.885.558
A. Net book value of financial assets neither past due nor impaired	12.376.756	45.039.383	52.232.294	87.235.376	29.570.783	4.874.352	36.745.850	268.074.794
B. Financial assets that would otherwise be past due or impaired whose terms have been renegotiated	641.076	–	–	–	–	–	–	641.076
Portion of risk covered by guarantee	148.338	–	–	–	–	–	–	148.338
C. Net book value of impaired assets	–	–	–	–	–	–	–	–
-Past due (gross book value)	6.875.430	–	1.260.806	–	–	–	–	8.136.236
-Impairment (-)	(6.875.430)	–	(1.260.806)	–	–	–	–	(8.136.236)
-Portion of the net book value covered by guarantee	–	–	–	–	–	–	–	–
-Not past due (gross book value)	–	–	–	–	–	–	–	–
-Impairment (-)	–	–	–	–	–	–	–	–
-Portion of the net book value covered by guarantee	–	–	–	–	–	–	–	–
D. Off-balance sheet items exposed to credit risk	–	–	–	–	–	–	–	–

(*)The amounts from related parties are excluded. The receivables from related parties in the table are collectively presented under the title of "Receivables from related parties.

34 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Financial risk management (continued)

34.1 Credit risk (continued)

During the impairment tests of the financial assets, the Group considered the factors which show that the amounts to be collected are not collectible.

The maturity analysis of the assets overdue but not impaired is as follows:

	31 December 2013	31 December 2012
	Trade Receivables	Trade Receivables
1 to 30 days overdue	808.087	424.869
1 to 3 months overdue	204.313	74.289
3 to 12 months overdue	918.744	141.916
Total	1.931.144	641.074
Portion of assets secured by guarantee etc.	118.784	148.338

34.2 Liquidity risk

Liquidity risk arises in the general funding of the Group's activities and in the management of positions. It includes both risk of being unable to fund assets at appropriate maturities and rates and risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame.

The Group continuously assesses liquidity risk by identifying and monitoring changes in funding required in meeting business goals and targets set in terms of the overall Group strategy.

Current and future loan needs of the Group are supplied by continuous accessibility of sufficient number of high quality creditors for each segment of the Group.

34 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Financial risk management (continued)

34.2 Liquidity risk (continued)

31 December 2013

Contractual Maturities	Carrying Value	Total cash outflows due to contracts	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years
Derivative or Non-Derivative Financial Liabilities						
Bank loans	634.398.675	713.687.960	2.234.640	207.500.190	315.447.714	188.505.416
Debt securities issued	184.305.108	250.130.342	4.031.250	35.093.520	211.005.572	-
Liabilities due to operations in finance sector	35.603.795	35.603.795	35.603.795	-	-	-
Finance lease obligations	37.276.691	42.720.999	4.182.975	6.291.678	32.246.346	-

Expected Maturities	Carrying Value	Total expected cash outflows	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years
Non-derivative Financial Liabilities						
Trade payables	29.493.622	29.493.623	7.738.182	21.755.441	-	-
Other payables	85.757.126	85.757.126	10.794.169	34.395.037	40.567.920	-
Liabilities due to operations in finance sector	3.885.863	3.885.863	3.885.863	-	-	-

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34 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Financial risk management (continued)

34.2 Liquidity risk (continued)

31 Aralık 2012

Contractual Maturities	Carrying Value	Total cash outflows due to contracts	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years
Derivative or Non-Derivative Financial Liabilities						
Bank loans	262.708.282	281.624.850	26.113.297	85.332.701	170.178.852	-
Debt securities issued	25.645.085	25.645.085	-	2.713.735	22.931.350	-
Derivative financial liabilities	47.835	47.835	-	47.835	-	-
Liabilities due to operations in finance sector	45.485.882	45.485.882	45.485.882	-	-	-
Finance lease obligations	6.584.549	7.553.651	755.286	2.018.439	4.779.926	-

Expected Maturities	Carrying Value	Total expected cash outflows	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years
Non-derivative Financial Liabilities						
Trade payables	13.186.355	13.186.355	7.492.863	5.693.492	-	-
Other payables	49.302.456	49.302.456	12.059.179	36.238.348	1.004.929	-
Liabilities due to operations in finance sector	3.774.684	3.774.684	3.774.684	-	-	-

34 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Financial risk management (continued)

34.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Market risk for all subsidiaries is monitored and managed by the Company's centralized Treasury and Fund Management Department. Treasury and Fund Management Department uses forward transactions and option contracts to minimize possible losses from money market fluctuations.

iForeign currency risk

The Group is exposed to currency risk through transactions (such as borrowings) in foreign currencies, especially in USD and Euro. As the currency in which the Group presents its consolidated financial statements is TL, the consolidated financial statements are affected by movements in the exchange rates against TL. For the subsidiaries, whose functional currency is USD, main foreign currency is TL.

Regarding the port operations, the Group has limited exposure to currency risk since port tariff currency, which is the base of functional currency, and material transactions such as revenues and loans are denominated by the same currency.

The Group uses interest swaps and options in order to limit exposure to currency risk mainly arising from financial liabilities.

34 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Financial risk management (continued)

34.3 Market risk (continued)

As at 31 December 2013 and 31 December 2012, foreign currency risk exposures of the Group comprised the following:

31 December 2013

	TL Equivalent	USD	EURO	GBP	TL
1.Trade receivables	10.922.391	2.025.343	2.123.027	11.429	325.303
2.a Monetary financial assets	59.530.886	20.180.787	1.318.732	–	12.586.575
2.b Non-monetary financial assets	–	–	–	–	–
3. Other	–	–	–	–	–
4. Current assets	**70.453.277**	**22.206.130**	**3.441.759**	**11.429**	**12.911.878**
5.Trade receivables	–	–	–	–	–
6.a. Monetary financial assets	64.228.240	29.982.700	10.446	–	205.488
6.b. Non-monetary financial assets	–	–	–	–	–
7. Other	–	–	–	–	–
8. Non-current assets	**64.228.240**	**29.982.700**	**10.446**	**–**	**205.488**
Total Assets	**134.681.517**	**52.188.830**	**3.452.205**	**11.429**	**13.117.366**
10. Trade payables	9.046.251	478.730	798.183	60.853	5.466.954
11. Financial liabilities	160.714.201	65.070.806	7.418.730	–	48.479
12.a. Monetary financial liabilities	14.869.093	1.005.337	117.085	32.534	12.265.342
12.b. Non-monetary financial liabilities	–	–	–	–	–
13. Short-term liabilities	**184.629.545**	**66.554.873**	**8.333.998**	**93.387**	**17.780.775**
14. Trade payables	–	–	–	–	–
15. Financial liabilities	394.589.380	177.549.323	5.316.853	–	32.922
16.a. Other monetary liabilities	45.056.190	19.000.000	–	–	4.504.490
16.b. Other non-monetary liabilities	–	–	–	–	–
17. Long-term liabilities	**439.645.570**	**196.549.323**	**5.316.853**	**–**	**4.537.412**
18. Total liabilities	**624.275.115**	**263.104.196**	**13.650.851**	**93.387**	**22.318.187**
Net foreign currency balance sheet position	(489.593.598)	(210.915.366)	(10.198.646)	(81.958)	(9.200.821)
Net foreign currency asset/ liability position	(489.593.598)	(210.915.366)	(10.198.646)	(81.958)	(9.200.821)
Net monetary accounts foreign currency					
asset/liability position	(489.593.598)	(210.915.366)	(10.198.646)	(81.958)	(9.200.821)
Export	–	–	–	–	–
Import	–	–	–	–	–

34 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Financial risk management (continued)

34.3 Market risk (continued)

TL foreign currency risk of subsidiaries and joint ventures whose functional currency is other than TL, is shown in TL line in the foreign currency risk table.

31 December 2012

	TL Equivalent	USD	EURO	GBP	TL
1.Trade receivables	1.344.799	123.286	198.912	1.679	652.429
2.a Monetary financial assets	43.650.124	18.005.590	481.751	–	10.420.425
2.b Non-monetary financial assets	–	–	–	–	–
3. Other	–	–	–	–	–
4. Current assets	**44.994.923**	**18.128.876**	**680.663**	**1.679**	**11.072.854**
5.Trade receivables	–	–	–	–	–
6.a. Monetary financial assets	22.718.134	12.200.238	–	–	969.990
6.b. Non-monetary financial assets	–	–	–	–	–
7. Other	–	–	–	–	–
8. Non-current assets	**22.718.134**	**12.200.238**	**–**	**–**	**969.990**
Total Assets	**67.713.057**	**30.329.114**	**680.663**	**1.679**	**12.042.844**
10. Trade payables	4.825.560	300.371	163.222	64.019	3.722.483
11. Financial liabilities	49.685.245	27.672.144	142.178	–	22.520
12.a. Monetary financial liabilities	9.079.937	480.562	87.091	–	8.018.475
12.b. Non-monetary financial liabilities	–	–	–	–	–
13. Short-term liabilities	**63.590.742**	**28.453.077**	**392.491**	**64.019**	**11.763.478**
14. Trade payables	–	–	–	–	–
15. Financial liabilities	104.392.021	58.561.663	–	–	–
16.a. Other monetary liabilities	4.582.548	–	–	–	4.582.548
16.b. Other non-monetary liabilities	–	–	–	–	–
17. Long-term liabilities	**108.974.569**	**58.561.663**	**–**	**–**	**4.582.548**
18. Total liabilities	**172.565.311**	**87.014.740**	**392.491**	**64.019**	**16.346.026**
Net foreign currency balance sheet position	(104.852.254)	(56.685.626)	288.172	(62.340)	(4.303.182)
Net monetary accounts foreign currency					
asset/liability position	(104.852.254)	(56.685.626)	288.172	(62.340)	(4.303.182)
Export	–	–	–	–	–
Import	–	–	–	–	–

34 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Financial risk management (continued)

34.3 Market risk (continued)

Sensitivity Analysis – Foreign currency risk

A 10 percent strengthening or depreciation of the Turkish Lira against the following currencies as at 31 December 2013 and 31 December 2012 would have changed equity or profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

31 December 2013	PROFIT/LOSS		EQUITY (*)	
	Strengthening of foreign currency	Depreciation of foreign currency	Strengthening of foreign currency	Depreciation of foreign curreny
	A 10 percent change in USD against Turkish Lira:			
1-Net USD asset/liability	(44.095.584)	44.095.584	–	–
2- Hedged portion against USD risk (-)	–	–	–	–
3- Net effect of USD (1+2)	(44.095.584)	44.095.584	–	–
	A 10 percent change in Euro against Turkish Lira:			
4- Net Euro asset/liability	(2.994.832)	2.994.832	–	–
5- Hedged portion against Euro risk (-)	–	–	–	–
6- Net effect of Euro (4+5)	(2.994.832)	2.994.832	–	–
	A 10 percent change in other currencies against Turkish Lira:			
7- Net other currencies asset/liability	(28.779)	28.779	–	–
8- Hedged portion against other currencies risk (-)	–	–	–	–
9- Net effect of other currencies (7+8)	(28.779)	28.779	–	–
TOTAL (3+6+9)	(47.119.195)	47.119.195	–	–

(*) Profit and loss excluded.

34 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Financial risk management (continued)

34.3 Market risk (continued)

Sensitivity Analysis – Foreign currency risk (continued)

31 December 2012	PROFIT/LOSS		EQUITY (*)	
	Strengthening of foreign currency	Depreciation of foreign currency	Strengthening of foreign currency	Depreciation of foreign currency
	A 10 percent change in USD against Turkish Lira:			
1-Net USD asset/ liability	(9.640.087)	9.640.087	–	–
2- Hedged portion against USD risk (-)	–	–	–	–
3- Net effect of USD (1+2)	(9.640.087)	9.640.087	–	–
	A 10 percent change in Euro against Turkish Lira:			
4- Net Euro asset/ liability	(313.754)	313.754	–	–
5- Hedged portion against Euro risk (-)	–	–	–	–
6- Net effect of Euro (4+5)	(313.754)	313.754	–	–
	A 10 percent change in other currencies against Turkish Lira:			
7- Net other currencies asset/liability	(17.897)	17.897	–	–
8- Hedged portion against other currencies risk (-)	–	–	–	–
9- Net effect of other currencies (7+8)	(17.897)	17.897	–	–
TOTAL (3+6+9)	(9.971.738)	9.971.738	–	–

(*) Profit and loss excluded.

34 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Financial risk management (continued)

34.3 Market risk (continued)

Sensitivity Analysis – Foreign currency risk (continued)

ii) Interest rate risk

The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or reprice at different times or in different amounts. This risk is managed through balancing the assets and liabilities exposed to interest rate risk and restricted use of derivative instruments.

Interest Position Table

		31 December 2013	31 December 2012
Financial Instruments with fixed Interest		**75.616.976**	**(68.809.221)**
Financial	Financial assets held for trading	13.491.591	4.784.791
Assets	Due from related parties	13.716.860	17.316.951
	Receivables from money markets	21.831.525	38.110.821
	Bank deposits	53.507.795	11.383.177
Financial	Loans and borrowings	-	(101.048.957)
Liabilities	Liabilities due to operations in finance sector	(26.930.795)	(39.356.004)
Financial Instruments with variable interest		**(639.026.449)**	**(174.905.283)**
Financial Assets	Loans granted to the key management	21.719.584	18.983.676
Financial Liabilities	Loans and borrowings	(660.746.033)	(193.888.959)

As at 31 December 2012, the Group used interest rate derivatives (swap) to hedge interest rate risk (Note 33).

Sensivity analysis – interest rate risk

As at 31 December 2013, had the interest rates been higher by 100 base points and all other variables remain constant, profit before tax would have been lower by TL 6.390.265 (31 December 2012: profit before tax lower by TL 1.749.053), the net profit attributable to the owners of the Company would have been lower by TL 5.068.511 (31 December 2012: TL 1.399.242) and total equity attributable to equity holders of the Company would have been lower by TL 4.576.515 (31 December 2012: TL 1.294.991). Had the interest rates been lower by 100 base points, the effect would be the same but in reverse position.

34 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Financial risk management (continued)

34.3 Market risk (continued)

Capital risk management

The Group's objectives when managing capital are to provide the sustainability of the Group's operations in order to bring returns and benefits to the shareholders and to reduce the cost of the capital for maintaining an optimal capital structure.

The Group monitors the capital management by using debt / capital ratio. This ratio is calculated by dividing the net debt to total capital. Net debt is calculated by deducting cash and cash equivalents from total liabilities (the sum of financial liabilities). Total capital is the sum of net debt and equity. The Group's net debt ratio calculated with this method is 52% as of 31 December 2013 (2012: 24%).

35 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price.

The estimated fair values of financial instruments have been determined using available market information by the Group, and where it exists, using appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to determine the estimated fair value. While the management of the Group has used available market information in estimating the fair values, the market information may not be fully reflective of the value that could be realized in the current circumstances.

Fair values of cash and cash equivalents and other monetary assets are assumed to approximate their carrying amounts. The carrying amounts of trade and other receivables less the related provisions for impairment are assumed to approximate their fair values. Carrying amounts of floating rate foreign currency liabilities, which are translated to Turkish Lira using the period-end rates, are assumed to reflect their fair values.

35 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Carrying amounts and fair values of financial assets and liabilities are listed below:

		31 December 2013		31 December 2012	
Financial Assets	Notes	Carrying Value	Fair value	Carrying Value	Fair value
Cash and Cash Equivalents	7	74.333.643	74.333.643	49.079.630	49.079.630
Financial Investments	8	28.193.317	28.193.317	12.822.661	12.822.661
Trade Receivables	10	36.873.195	36.873.195	15.132.390	15.132.390
Receivables from Operations in Finance Sector	12, 6	44.663.535	44.663.535	63.213.340	63.213.340
Other Receivables	11, 6	95.103.553	95.103.553	126.452.539	126.452.539
Other Current and Non-current assets	22	39.716.968	39.716.968	59.454.910	59.454.910
Total		**318.884.211**	**318.884.211**	**326.155.470**	**326.155.470**
Financial Liabilities					
Borrowings	9	855.980.474	855.980.474	294.937.916	294.937.916
Other Financial Liabilities	33	-	-	47.835	47.835
Trade Payables	10	28.725.646	28.725.646	12.887.457	12.887.457
Liabilities due to Operations in Finance Sector	12, 6	39.489.658	39.489.658	49.260.566	49.260.566
Other Payables	11, 6	85.757.126	85.757.126	49.302.456	49.302.456
Other Liabilities	22	9.289.067	9.289.067	2.264.206	2.264.206
Total		**1.019.241.971**	**1.019.241.971**	**408.700.436**	**408.700.436**

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Input other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices);

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

35 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

31 December 2013	Level 1	Level 2	Level 3	Total
Financial assets held for trading	22.808.608	–	–	22.808.608
Financial assets available for sale	–	–	5.164.987	5.164.987
Derivative financial liabilities	–	–	–	–
	22.808.608	–	5.164.987	27.973.595

31 December 2012	Level 1	Level 2	Level 3	Total
Financial assets held for trading	9.738.924	–	–	9.738.924
Financial assets available for sale	–	–	3.083.737	3.083.737
Derivative financial liabilities	–	(47.835)	–	(47.835)
	9.738.924	(47.835)	3.083.737	12.774.826

36 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

As at 31 December 2013 and 2012, the detail of assets held for sale is as below:

	31 December 2013		31 December 2012	
	Assets	Liabilities	Assets	Liabilities
Real Estates	862.751	–	862.751	–
Galata Enerji	15.318.725	625.774	–	–
Geliş Madencilik	94.863.945	37.790.562	–	–
	111.045.421	38.416.336	862.751	–

Real estates

The Group's real estates held for sale amounting to TL 862.751 (31 December 2012: TL 862.751) can be summarized as land in the Bozüyük district of the Bilecik province, with a total area of 29.500 m2 and land in the Bodrum district of the Muğla province, with a total area of 3.000 m2 which is owned by Global Yatırım Holding A.Ş.

Galata Enerji

Regarding to the Şırnak Thermal Plant Project with 2x135 (270) MW long for asphaltite which has been planned to build via technology of fluidized bed and carried out by Global Enerji, a subsidiary of the Group at the shareholding rate of 100%, the Group and Akkök Sanayi Yatırım ve Geliştirme A.Ş. ("Akkök") agreed on a preliminary agreement for the following;,

- In accordance with the decision dated 19 March 2009 and numbered 2021-5 by EMRA; 55% of Galata Enerji (which Global Enerji has 85% of the shares of) which has electricity production licence for 49 years;
- 55% shares of Geliş Madencilik operating in Şırnak with the license numbered IR-2505 which Global Enerji has 85% shares of

36 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

It has been reached a preliminary agreement with Akkök to transfer the aftermentioned shares to Akkök subsequent to completion of satisfactory due diliginence and pending approvals of the EMRA and fullfilment the preconditions of Turkish Competition Authority. Some of the preconditions are completed while some of them are still in progress.

As at 31 December 2013, the detail of assets and liabilities classified to assets and liabilities held for sale of Galata Enerji is as follow:

Assets

	31 December 2013
Cash and cash equivalents	373
Other receivables	1.281.875
Other current assets	6.539.472
Property, plant and equipment	6.723.988
Other non current assets	773.017
	15.318.725

Liabilities

	31 December 2013
Trade payables	149.523
Other payables	456.300
Other short-term payables	19.951
	625.774

36 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

Geliş Madencilik

As at 31 December 2013, the detail of assets and liabilities of Geliş Madencilik classified to non current assets and liabilities held for sale is as follow:

Assets

	31 December 2013
Cash and cash equivalents	5.153.152
Trade and other receivables	32.620.201
Other current assets	11.376.318
Property, plant and equipment	3.914.724
Other non current assets	2.455.102
Goodwill	39.344.448
	94.863.945

Liabilities

	31 December 2013
Trade payables	37.692.077
Other payables	98.485
	37.790.562

36 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

Enerji Yatırım Holding and its Subsidiaries (2012)

The Group has signed a Share Purchase Agreement with STFA dated 25 May 2012. EYH, the joint venture of the Group which encompassed all the natural gas distribution and wholesale operations (except the CNG), has transferred all of its shares held, corresponding to 50% of the share capital of EYH to STFA who owns the remaining 50% of EYH. After the approval of EMRA, the transfer of the shares has been took place on 10 July 2012 with a sales price of USD 75.000.000. USD 51.500.000 is collected on sale and the remaining amount will be collected in installments.

The necessary application has been made to EMRA for equal partition of the transfer of the shares to STFA and Global Enerji regarding the shares of Naturelgaz, an associate of Enerji Yatırım Holding, engaged in the sales and distribution of compressed natural gas (CNG) (corresponding to 50% of the share capital). After obtaining the necessary permission from the EMRA for the transfer of the shares, the Group's indirect capital in Naturelgaz over from EYH comprises %25 of the shares have been transferred to Global Enerji whose 99,99% of the shares owned by the Group.

While the income and expenses up to the date of sale have been consolidated, the assets and liabilities have been excluded from the scope of consolidation. Since EYH does not have an available financial statement as of 10 July 2012 and the difference of 10 days with 30 June 2012 is considered insignificant in the consolidated financial statements, Group decided to use the financial statements of EYH as of 30 June 2012 in order to account the sale.

36 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

Enerji Yatırım Holding and its Subsidiaries (2012) (continued)

As at 31 December 2012 the details of the gain on the sale of EYH and its subsidiaries (except Naturelgaz) , net cash inflow from the sale of joint venture and the net assets sold are presented below :

Sales price	136.005.000
Group's share in the net assets at the date of the sale	14.180.136
Gain on sale of joint ventures(Not 28.1)	**150.185.136**

Sales price	136.005.000
Cash and cash equivalents at the date of EYH's sale	(4.676.450)
Net cash inflow from gain on sale of joint ventures	**131.328.550**

Net assets sold (30 June 2012)	
Cash and cash equivalents	9.354.771
Other Trade Receivables	17.304.393
Other Receivables	6.586.761
Inventory	871.554
Other Current Assets	22.793.187
Financial Investments	1.115.115
Property, Plant and Equipment	3.777.453
Concession Intangible Assets	334.742.370
Intangible Assets	835.805
Deferred Tax Asset	28.832.575
Other Non-Current Assets	690.288
Financial Liabilities	(134.338.050)
Trade Payables	(56.284.031)
Other Payables	(121.123.677)
Provisions	(1.445.047)
Other Current Liabilities	(23.335.215)
Provision for Employee Benefits	(725.411)
Other Non-Current Liabilities	(112.080.922)
Due to Related Parties	(5.937.864)
Total	**(28.365.945)**
Effective ownership rate of the Group	49,99%
Group's share in the net assets at the date of the sale	**(14.180.136)**

37 GOVERNMENT GRANTS

As explained in detail in Note 31, the Group benefits from investment allowance and miscellaneous tax exemptions.

38 EVENTS AFTER THE REPORTING PERIOD

(i) The Board of Directors, have resolved in compliance with the CMB's resolution dated August 10 2011 and numbered 26/767;

The price of the company stock which is being traded at BIST is close to its nominal price due to the crisis which has begun on a global scale and which continues to affect Europe; company stock price does not reflect the true performance of the Company's operations; stakeholders' legitimate expectations on dividend distribution which the company can not realize due to various legislation provisions (due to the requirement of the presence of profit available for distribution in both the legal financial statements and the financial statements which are being prepared in accordance with the CMB regulations, company was unable to distribute any profit since there was no profit available for distribution in its legal financial statements although the company had profit available for distribution according to its financial statements which are being prepared in accordance with the CMB regulations.); repurchase shares after the analysis of the current market conditions in order to reduce share price fluctuation and to support the price of the shares which are being traded at BIST if found necessary;

– As of the date of this Repurchasing Program, the shares with the nominal value of TL 22.500.368, that is 10% of the paid capital at the amount of TL 225.003.687,45 can be repurchased within 18 (eighteen) months,

– A fund at the maximum amount of TL 30.000.000 to be absorbed from the company sources and the revenue provided form its activities can be used for repurchasing,

– For the repurchasing of the shares up to maximum rate above, the lower price limit is TL 0– and the upper price limit is TL 2,

38 EVENTS AFTER THE REPORTING PERIOD (continued)

– The shares owned through the repurchased shares shall not be sold back and need to be cancelled at the end of the retaining period of maximum 3 years by capital decrease,

– For these purposes, The Repurchasing Program term is 18 months since the authorization of Board of Directors by General Assembly,

– As of 11 November 2013, based on the Repurchasing Program, The Board of Directors authorized at the BOD meeting, numbered 791, held on 30 March 2012 and submitted on 10 May 2012 by the General Assembly, the Repurchasing Program has been completed since the termination of 18 months period and the share of the Group has been increased to 9,24%.

As of 28 February 2014, based on the Repurchasing Program, The Board of Directors decided to cancel repurchased shares via capital decrease with respect to the regulations in force and decrease with a value of TL 20.791.765 of the capital of the Company to TL 204.211.922,45 from TL 225.003.687,45 and correspondingly change the clause of articles of association entitled "Capital and Share Classes" and numbered 6 . It is unanimously decided to apply CMB and Ministry of Customs and Trade and following that call a meeting of General Assembly and perform all related procedures for approval of change the clause of articles of association.

(ii) BPI, a joint venture of the Group, which was established by Global Liman, a fully-owned subsidiary of the Group, and Royal Caribbean Cruises Ltd ("RCCL") has won the tender initiated by Lisbon Cruise Terminal Public Service Privilege with limited submission of tenders method. The concession agreement will be signed when the transaction has been approved by Competition Authority and Court of Account.

39 OTHER MATTERS THAT SIGNIFICANTLY AFFECT THE CONSOLIDATED FINANCIAL STATEMENTS OR MAKE THE CONSOLIDATED FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE

None.

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