Global Yatırım Holding Anonim Şirketi
and its Subsidiaries

Convenience Translation into English of
Condensed Consolidated Interim
Financial Statements
As At and For The Six-Month Period
Ended 30 June 2018 Together With
Independent Auditors' Review Report
(Originally issued in Turkish)

This report includes 2 pages of independent auditors' review report and 78 pages of condensed consolidated interim financial statements and their explanatory notes.

Global Yatırım Holding Anonim Şirketi and its Subsidiaries

Table of Contents

Condensed Consolidated Interim Financial Statement of Independent Auditor’s Review Report

Condensed Consolidated Statement of Financial Position

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

Condensed Consolidated Statement of Changes in Shareholders’ Equity

Condensed Consolidated Statement of Cash Flows

Notes to the Condensed Consolidated Interim Financial Statements

KPMG Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
İş Kuleleri Kule 3 Kat:2-9
Levent 34330 İstanbul
Tel +90 212 316 6000
Fax +90 212 316 6060
www.kpmg.com.tr

(Convenience Translation of the Independent Auditors' Report Originally Prepared and Issued in Turkish to English)

Independent Auditor's Report on Review of Consolidated Interim Financial Information

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

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Global Yatırım Holding Anonim Şirketi and its subsidiariesy (the "Group") as at 30 June 2018, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six month period then ended. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with Turkish Accounting Standards 34 Interim Financial Reporting ("TAS 34") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Standard on Review Engagements 2410,"Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with TAS 34 Interim Financial Reporting.

Other matter

The Group's consolidated financial statements as at and for the year ended 31 December 2017 and condensed consolidated interim financial information as at and for the six month period ended 30 June 2017 were audited and reviewed by another auditor. The independent auditor expressed an unmodified opinion on the consolidated financial statements on 12 March 2018 and an unmodified conclusion on condensed consolidated interim financial information on 21 August 2017, respectively and emphasized matters explained in Note 18.2.(iv) and Note 18.2.(vi).

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
A member firm of KPMG International Cooperative

Ruşen Fikret Selamet, SMMM
Partner
17 August 2018
İstanbul, Turkey

GLOBAL YATIRIM HOLDİNG A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED FINANCIAL STATEMENT FOR THE INTERIM PERIOD ENDED 30 JUNE 2018

TABLE OF CONTENTS **PAGES**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION		**1**
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		**3**
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY		**4**
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS		**5**
NOTES TO THE CONDENSED FINANCIAL STATEMENTS		**6-78**
NOTE 1	ORGANISATION AND NATURE OF OPERATIONS	6
NOTE 2	BASIS OF PREPARATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	12
NOTE 3	BUSINESS COMBINATIONS	27
NOTE 4	INVESTMENT IN OTHER ENTITIES	27
NOTE 5	SEGMENT REPORTING	27
NOTE 6	RELATED PARTY DISCLOSURES	30
NOTE 7	CASH AND CASH EQUIVALENTS	32
NOTE 8	FINANCIAL INVESTMENTS	33
NOTE 9	FINANCIAL BORROWINGS	35
NOTE 10	TRADE RECEIVABLES AND PAYABLES	42
NOTE 11	RECEIVABLES FROM AND PAYABLES TO OPERATIONS IN FINANCE SECTOR	43
NOTE 12	INVENTORIES	44
NOTE 13	PREPAID EXPENSES	45
NOTE 14	INVESTMENT PROPERTIES	46
NOTE 15	PROPERTY, PLANT AND EQUIPMENT	46
NOTE 16	INTANGIBLE ASSETS AND GOODWILL	47
NOTE 17	EQUITY ACCOUNTED INVESTEES	48
NOTE 18	PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	50
NOTE 19	COMMITMENTS	59
NOTE 20	EMPLOYEE BENEFITS	62
NOTE 21	CAPITAL, RESERVES AND OTHER EQUITY ITEMS	63
NOTE 22	REVENUE AND COST OF SALES	66
NOTE 23	GENERAL ADMINISTRATIVE EXPENSES AND MARKETING EXPENSES	67
NOTE 24	EXPENSES BY NATURE	68
NOTE 25	FINANCE INCOME	69
NOTE 26	FINANCE EXPENSES	69
NOTE 27	EARNINGS / (LOSS) PER SHARE	70
NOTE 28	TAX ASSETS AND LIABILITIES	71
NOTE 29	NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS	73
NOTE 30	ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	77
NOTE 31	EVENTS AFTER REPORTING PERIOD	78

Global Yatırım Holding A.Ş. and its Subsidiaries

Condensed Consolidated Statement of Financial Position
as at 30 June 2018

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

	Notes	Reviewed 30 June 2018	Audited 31 December 2017
ASSETS			
Current assets		**1.491.223.447**	**919.817.688**
Cash and cash equivalents	7	501.853.649	439.854.352
Financial investments	8	4.017.340	5.475.436
Trade receivables		156.618.593	122.423.797
- Due from third parties	*10*	*156.618.593*	*122.423.797*
Other receivables		56.597.303	64.520.760
- Due from related parties	*6*	*43.086.145*	*52.493.679*
- Due from third parties		*13.511.158*	*12.027.081*
Receivables from operations in finance sector		94.880.639	82.795.427
- Due from related parties	*6*	*1.071.059*	*9.946.600*
- Due from third parties	*11*	*93.809.580*	*72.848.827*
Inventories	12	49.422.557	98.291.519
Prepaid expenses	13	65.636.188	48.004.372
Derivative financial instruments		33.327	-
Current tax assets	28	5.855.099	13.505.023
Other current assets		45.932.214	44.084.251
Subtotal		*980.846.909*	*918.954.937*
Non-current assets or disposal groups classified as held for sale	30	510.376.538	862.751
Non-current assets		**3.615.025.606**	**3.451.218.085**
Other receivables		48.790.987	20.706.765
- Due from related parties	6	*33.446.110*	-
- Due from third parties		*15.344.877*	*20.706.765*
Financial investments	8	59.138.561	5.402.985
Investments accounted for using equity method	17	122.710.449	93.185.897
Investment property	14	-	379.707.100
Property, plant and equipment	15	1.092.089.568	930.235.293
Intangible assets and goodwill		2.114.262.643	1.871.096.261
- Goodwill	*16*	*74.614.440*	*71.986.732*
- Other intangible assets	*16*	*2.039.648.203*	*1.799.109.529*
Prepaid expenses	13	58.543.944	42.663.578
Deferred tax asset	28	106.122.716	92.289.733
Other non-current assets		13.366.738	15.930.473
TOTAL ASSETS		**5.106.249.053**	**4.371.035.773**

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

Global Yatırım Holding A.Ş. and its Subsidiaries

Condensed Consolidated Statement of Financial Position
as at 30 June 2018

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

	Notes	Reviewed 30 June 2018	Audited 31 December 2017
LIABILITIES			
Current liabilities		**1.133.793.115**	**729.492.534**
Current borrowings	9	198.448.122	90.497.822
Current portion of non-current borrowings	9	466.364.668	360.453.745
Trade payables		115.132.959	105.916.461
- Due to third parties	*10*	*115.132.959*	*105.916.461*
Employee benefit obligations	20	12.977.035	9.770.715
Other payables		44.600.993	35.172.598
- Due to related parties	*6*	*15.998.183*	*595.597*
- Due to third parties		*28.602.810*	*34.577.001*
Payables on financial sector operations		78.759.089	66.922.491
- Due to third parties	*11*	*78.759.089*	*66.922.491*
Derivative financial instruments		4.995	-
Deferred income		9.767.359	22.631.498
Current tax liabilities		11.082.443	8.363.820
Current provisions		14.531.356	13.271.008
- Current provisions for employee benefits	*20*	*4.121.532*	*3.840.142*
- Other current provisions	*18*	*10.409.824*	*9.430.866*
Other current liabilities		10.762.331	16.492.376
Subtotal		*962.431.350*	*729.492.534*
Liabilities included in disposal groups classified as held for sale	30	171.361.765	-
Non-current liabilities		**2.317.079.099**	**2.046.747.748**
Long term borrowings	9	1.738.242.403	1.537.023.467
Other payables		17.132.951	15.618.529
- Due to related parties		*17.132.951*	*15.618.529*
Liabilites due to investments accounted for using equity method	17	618.764	597.106
Deferred income		1.474.790	1.393.611
Derivative financial instruments		3.595.438	2.719.553
Non-current provisions		101.250.317	87.461.453
- Non-current provisions for employee benefits	*20*	*8.594.857*	*7.945.868*
- Other non-current provisions	*18*	*92.655.460*	*79.515.585*
Deferred tax liabilities	28	*454.764.436*	*401.934.029*
EQUITY		**1.655.376.839**	**1.594.795.491**
Equity attributable to equity holders of the Group		**1.036.361.163**	**986.682.093**
Paid-in capital	21	325.888.410	325.888.410
Adjustments to share capital	21	34.659.630	34.659.630
Treasury shares owned by the company (-)	21	(77.714.354)	(40.974.259)
Capital adjustments due to cross-ownership (-)	21	(2.195.995)	-
Share premium (discount)	21	204.351.140	204.351.140
Other comprehensive income that will not be reclassified in profit or loss		11.906.266	11.903.277
- Other gains	21	*14.497.128*	*14.497.128*
- Gains (losses) on remeasurements of defined benefit plans	21	*(2.590.862)*	*(2.593.851)*
Other comprehensive income that will be reclassified in profit or loss		369.009.472	227.892.808
- Currency translation differences	21	*746.783.718*	*513.285.903*
- Hedging reserve	21	*(377.774.246)*	*(285.393.095)*
Restricted reserves appropriated from profits	21	83.260.630	69.027.309
Prior years' profits or losses	21	138.166.888	483.087.996
Loss for the period	21	(50.970.924)	(329.154.218)
Non-controlling interests		**619.015.676**	**608.113.398**
TOTAL EQUITY AND LIABILITIES		**5.106.249.053**	**4.371.035.773**

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

Global Yatırım Holding A.Ş. and its Subsidiaries

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for the Six-Month Period Ended 30 June 2018

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

	Notes	Reviewed 1 January- 30 June 2018	Not Reviewed 1 April- 30 June 2018	Restated - Reviewed 1 January- 30 June 2017	Restated - Not Reviewed 1 April- 30 June 2017
PROFIT OR LOSS					
Revenue	22	401.251.558	262.484.663	319.024.865	188.734.755
Cost of revenues (-)	22	(303.349.665)	(173.086.983)	(256.496.722)	(140.860.721)
Gross profit from trade operations		**97.901.893**	**89.397.680**	**62.528.143**	**47.874.034**
Revenues from finance operations	22	23.632.703	11.102.730	18.283.377	9.457.247
Cost of revenues from finance operations (-)	22	(2.424.896)	(1.129.072)	(2.517.303)	(1.226.800)
Gross profit from operations in finance sector		**21.207.807**	**9.973.658**	**15.766.074**	**8.230.447**
GROSS PROFIT		**119.109.700**	**99.371.338**	**78.294.217**	**56.104.481**
Marketing expenses (-)	23	(24.807.125)	(14.461.964)	(24.383.993)	(12.419.869)
General administrative expenses (-)	23	(88.693.180)	(46.749.151)	(64.298.965)	(30.455.798)
Other income from operating activities		37.463.689	32.192.837	6.036.311	299.658
Other expense from operating activities (-)		(24.168.123)	(16.964.869)	(69.980.706)	(63.112.349)
OPERATING PROFIT/(LOSS)		**18.904.961**	**53.388.191**	**(74.333.136)**	**(49.583.877)**
Income from investing activities		724.068	409.234	259.057	13.521
Expense from investing activities (-)		(21.885)	10.803	(207.985)	(88.604)
Share of profit/(loss) of equity accounted investees	17	10.852.089	7.188.118	3.592.515	2.051.378
Impairment loss and reversal of impairment losses determined in accordance with IFRS 9	10	(2.337.205)	(2.148.653)	(332.466)	(332.466)
PROFIT/(LOSS) BEFORE FINANCE INCOME/EXPENSE		**28.122.028**	**58.847.693**	**(71.022.015)**	**(47.940.048)**
Finance income	25	49.464.090	40.583.854	29.856.132	25.152.126
Finance expenses (-)	26	(153.935.416)	(91.282.174)	(126.740.041)	(65.145.619)
PROFIT/(LOSS) BEFORE TAX		**(76.349.298)**	**8.149.373**	**(167.905.924)**	**(87.933.541)**
Tax income/(expense)		**8.521.167**	**1.658.273**	**6.294.471**	**(3.748.076)**
- Current tax income/(expense)	28	(15.206.239)	(10.831.231)	(12.321.006)	(10.570.287)
- Deferred tax income /(expense)	28	23.727.406	12.489.504	18.615.477	6.822.211
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**(67.828.131)**	**9.807.646**	**(161.611.453)**	**(91.681.617)**
Period profit/(loss) from discontinued operations	30	**9.809.921**	**7.578.081**	**1.403.911**	**(2.549.954)**
LOSS FOR THE PERIOD		**(58.018.210)**	**17.385.727**	**(160.207.542)**	**(94.231.571)**
Loss for the period attributable to		**(58.018.210)**	**17.385.727**	**(160.207.542)**	**(94.231.571)**
-Non controlling interests		(7.047.286)	11.783.837	(22.440.471)	(13.258.529)
-Owners of the company	27	(50.970.924)	5.601.890	(137.767.071)	(80.973.042)
Earnings/(Loss) per share from continuing operations	27	**(0,2020)**	**(0,0059)**	**(0,4653)**	**(0,2754)**
Earnings/(Loss) per share from discontinued operations	27	**0,0321**	**0,0246**	**0,0081**	**0,0066**
Diluted earnings/(loss) per share from continuing operations	27	**(0,2020)**	**(0,0059)**	**(0,4653)**	**(0,2754)**
Diluted earnings/(loss) per share from discontinued operations	27	**0,0321**	**0,0246**	**0,0081**	**0,0066**
OTHER COMPREHENSIVE INCOME/(EXPENSE)					
Items not to be reclassified to profit or loss		**2.989**	**35.638**	**58.066**	**(90.801)**
Losses on remeasurements of defined benefit plans		2.989	35.638	58.066	(90.801)
Items to be reclassified to profit or loss		**190.622.384**	**104.423.136**	**50.081.520**	**(17.879.816)**
Currnecy translation differences		283.003.535	161.815.610	46.688.201	(48.510.321)
Other components of other comprehensive income to be reclassified to other profit or loss		(92.381.151)	(57.392.474)	3.393.319	30.630.505
OTHER COMPREHENSIVE INCOME / (EXPENSE)		**190.625.373**	**104.458.774**	**50.139.586**	**(17.970.617)**
TOTAL COMPREHENSIVE INCOME/(EXPENSE)		**132.607.163**	**121.844.501**	**(110.067.956)**	**(112.202.188)**
Total comprehensive income/(expense) attributable to		**132.607.163**	**121.844.501**	**(110.067.956)**	**(112.202.188)**
Non-controlling interests		42.458.434	38.067.777	(9.556.104)	(33.404.091)
Owners of the Company		90.148.729	83.776.724	(100.511.852)	(78.798.097)

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

Global Yatırım Holding A.Ş. and its Subsidiaries

Condensed Consolidated Statement of Changes in Shareholders' Equity for the Six-Month Period Ended 30 June 2018

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

						Other accumulated comprehensive income/expense not to be reclassified to profit or loss		Other accumulated comprehensive income/expense to be reclassified to profit or loss			Retained earnings				
	Paid-in capital	Adjustments to share capital	Treasury shares owned by the Company	Capital adjustments due to cross-ownership	Share premiums or discounts	Gains (Losses) on remeasurements of defined benefit plans	Other reserves of other gains (losses)	Hedging reserve	Currency translation differences	Restricted reserves appropriated from profits	Profit / (Loss) for the period	Prior years' profits or losses	Equity attributable to the owners of the company	Non-controlling interest	Total
Balance at 1 January 2017	**193.500.000**	**34.659.630**	**(19.909.777)**	**-**	**12.387.946**	**(3.546.219)**	**14.497.128**	**(333.083.300)**	**536.253.298**	**95.445.951**	**(130.299.491)**	**88.628.591**	**488.533.757**	**419.778.915**	**908.312.672**
Total comprehensive income															
Other comprehensive income (expense)	-	-	-	-	-	58.066	-	2.859.294	34.337.859	-	-	-	**37.255.219**	12.884.367	50.139.586
Increase (decrease) due to treasury share transactions	-	-	(21.064.482)	-	-	-	-	-	-	21.064.482	-	(21.064.482)	**(21.064.482)**	-	(21.064.482)
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	-	(137.767.071)	-	**(137.767.071)**	(22.440.471)	(160.207.542)
Increase (decrease) due to changes in ownership interests in subsidiaries without change in control	-	-	-	-	-	-	-	96.527.217	(169.471.828)	(50.140.180)	-	548.085.078	**425.000.287**	190.542.557	615.542.844
Capital increase	132.388.410	-	-	-	191.963.194	-	-	-	-	-	-	-	**324.351.604**	-	324.351.604
Dividends paid	-	-	-	-	-	-	-	-	-	2.319.267	-	(2.319.267)	-	(14.044.477)	(14.044.477)
Transfers	-	-	-	-	-	-	-	-	-	-	130.299.491	(130.299.491)	-	-	-
Balance at 30 June 2017	**325.888.410**	**34.659.630**	**(40.974.259)**	**-**	**204.351.140**	**(3.488.153)**	**14.497.128**	**(233.696.789)**	**401.119.329**	**68.689.520**	**(137.767.071)**	**483.030.429**	**1.116.309.314**	**586.720.891**	**1.703.030.205**
Balance at 1 January 2018	**325.888.410**	**34.659.630**	**(40.974.259)**	**-**	**204.351.140**	**(2.593.851)**	**14.497.128**	**(285.393.095)**	**513.285.903**	**69.027.309**	**(329.154.218)**	**483.087.996**	**986.682.093**	**608.113.398**	**1.594.795.491**
Changes in Accounting Policy - IFRS 9	-	-	-	-	-	-	-	-	-	-	-	(1.533.569)	**(1.533.569)**	-	**(1.533.569)**
Total comprehensive income															
Other comprehensive income (expense)	-	-	-	-	-	2.989	-	(92.381.151)	233.497.815	-	-	-	**141.119.653**	49.505.720	**190.625.373**
Increase (decrease) due to treasury share transactions	-	-	(36.740.095)	(2.195.995)	-	-	-	-	-	38.936.090	-	(38.936.090)	**(38.936.090)**	-	**(38.936.090)**
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	-	(50.970.924)	-	**(50.970.924)**	(7.047.286)	**(58.018.210)**
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	(31.556.156)	**(31.556.156)**
Transfers	-	-	-	-	-	-	-	-	-	(24.702.769)	329.154.218	(304.451.449)	-	-	-
Balance at 30 June 2018	**325.888.410**	**34.659.630**	**(77.714.354)**	**(2.195.995)**	**204.351.140**	**(2.590.862)**	**14.497.128**	**(377.774.246)**	**746.783.718**	**83.260.630**	**(50.970.924)**	**138.166.888**	**1.036.361.163**	**619.015.676**	**1.655.376.839**

The detailed explanations related to equity items and transaction are presented in Note 21.

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

Global Yatırım Holding A.Ş. and its Subsidiaries

Condensed Consolidated Statement of Cash Flows for the Six-Month Period Ended 30 June 2018

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

	Notes	Reviewed 1 January- 30 June 2018	Restated - Reviewed 1 January- 30 June 2017
Loss for the period		(58.018.210)	(160.207.542)
Adjustments for depreciation and amortisation expense	24	125.632.047	97.506.034
Adjustments for / (Reversal of) provisions related with employee benefits	20	1.441.935	865.980
Adjustments for undistributed profits of investments accounted for using equity method	17	(10.852.089)	(3.592.515)
Adjustments for / (Reversal of) other provisions		(4.681.647)	(1.981.429)
Adjustments for interest income		(11.923.325)	(13.305.490)
Adjustments for interest expense		82.300.862	93.148.969
Adjustments for fair value (gains) / losses on derivative financial instruments		(847.553)	944.457
Adjustments for tax (income) / expenses	28	(8.521.167)	(6.294.471)
Adjustments for unrealised foreign exchange losses / (gains)		84.222.692	10.556.749
Adjustments for losses / (gains) on disposal of property, plant and equipment		(15.848)	(207.985)
Adjustments for impairment loss (Reversal of impairment loss) of property, plant and equipment	15-16	-	50.968.072
Other adjustments to reconcile profit (loss)		24.139.754	3.022.171
Adjustments to reconcile profit / (loss) for the period		**222.877.451**	**71.423.000**
Decrease / (increase) in financial sector receivables		(34.688.286)	9.004.884
Decrease / (Increase) in other receivables from third parties		(42.002.564)	(2.434.226)
Adjustments for decrease / (increase) in inventories		6.882.955	(12.599.997)
Increase / (decrease) in trade payables to third parties		11.831.191	3.800.039
Increase / (decrease) in payables to finance sector operations		11.836.598	11.187.687
Increase / (Decrease) in employee benefit liabilities		3.721.802	(2.021.717)
Increase / (Decrease) in deferred income		(42.671.549)	(785.092)
Decrease / (Increase) in other assets related with operations		(1.358.840)	9.398.309
Increase / (Decrease) in other payables related with operations		15.444.368	15.217.031
Interest paid		(2.017.367)	(2.174.379)
Interest received		5.446.569	3.904.412
Payments related with provisions for employee benefits	20	(792.946)	(393.083)
Income taxes refund / (payments)		(20.286.415)	(10.820.002)
Changes in working capital		**134.222.967**	**92.706.866**
Proceeds from sales of property, plant and equipment	15	497.033	8.495.677
Acquisition of property, plant and equipment	15	(76.944.076)	(79.114.503)
Acquisition of intangible assets	16	(1.099.913)	(1.994.672)
Other payments from cash advances and payables		(29.944.724)	(15.435.082)
Interest received		7.418.542	9.603.366
Proceeds from changes in ownership interests in subsidiaries without a change in control		-	615.542.844
Other cash inflows / (outflows)		(52.277.480)	9.240.316
Cash Flows from (used in) Investing Activities		**(152.350.618)**	**546.337.946**
Cash outflows from acquisition of treasury shares	21	(38.936.090)	(21.064.482)
Proceeds from borrowings	9	335.920.543	392.892.357
Proceeds from issue of debt instruments	9	75.000.000	35.000.000
Repayment of borrowings	9	(198.886.675)	(541.461.950)
Payments of issued debt instruments	9	-	(110.000.000)
Decrease in other payables to related parties		(14.012.821)	14.148.066
Dividends paid		(31.556.156)	(14.044.477)
Interest paid		(52.078.675)	(92.101.363)
Proceeds from issuing shares or other equity instruments		-	324.351.604
Other cash inflows / (outflows)		5.137.753	20.268.825
Cash flows from financing activities		**80.587.879**	**7.988.580**
Net Increase / (Decrease) in cash and cash equivalents before the effects of foreign currency differences		62.460.228	647.033.392
Effects of foreign currency differences on cash and cash equivalents		14.859.663	10.172.382
Net increase (decrease) in cash and cash equivalents		77.319.891	657.205.774
Cash and cash equivalents at the beginning of the period	7	382.036.192	160.944.293
Cash and cash equivalents at the end of the period	7	459.356.083	818.150.067

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

1 ORGANIZATION AND NATURE OF OPERATIONS

Global Yatırım Holding A.Ş. ("the Company", or "Holding") 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 brokerage and asset management (formerly named as "financial services"), energy generation, naturalgas, mining (formerly named as "naturel gas/mining/energy generation") , port operations (formerly named as "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 (parent company), its subsidiaries, its joint ventures and its associates are together referred to as "the Group". As at 30 June 2018, the number of employees of the Group is 1.519 (31 December 2017: 1.373).

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 21.

1 ORGANIZATION AND NATURE OF OPERATIONS *(continued)*

The nature of the operations and the locations of the subsidiaries, and equity accounted investees of the Group are listed below:

(a) Subsidiaries

Subsidiaries	Location	Operations
Global Ports Holding B.V.(1)	Netherlands	Port Investments
Global Ports Holding Plc (1)	United Kingdom	Port Investments
Global Ports Europe B.V ("Global BV") (2)	Netherlands	Port Investments
Global Liman İşletmeleri A.Ş. ("Global Liman")	Turkey	Port Operations
Ege Liman İşletmeleri A.Ş. "(Ege Liman") (2)	Turkey	Port Operations
Bodrum Yolcu Limanı İşletmeleri A.Ş. ("Bodrum Liman") (2)	Turkey	Port Operations
Ortadoğu Antalya Liman İşletmeleri A.Ş.(Ortadoğu Liman) (2)	Turkey	Port Operations
Container Terminal and General Cargo – Bar ("Port of Bar") (2)	Montenegro	Port Operations
Cruceros Malaga, S.A ("Malaga Port") (3)	Spain	Port Operations
Global Ports Malta Ltd. ("GP Malta")	Malta	Port Operations
Perquisite Holdings Ltd. ("Perquisite")	Malta	Port Operations
Valetta Cruise Port PLC ("VCP") (4)	Valetta-Malta	Port Operations
Creuers del Port de Barcelona, S.A. ("Barselona Port") (3)	Spain	Port Operations
Barcelona Port Investments, S.L ("BPI") (3) (2)	Spain	Port Operations
Port Operation Holding S.r.l (5) (2)	Italy	Port Operations
Ravenna Terminali Passeggeri S.r.l. (5)	Italy	Port Operations
Cagliari Terminali Passeggeri S.r.l. (5)	Italy	Port Operations
Catania Terminali Passeggeri S.r.l. (5)	Italy	Port Operations
Global Depolama A.Ş. (2)	Turkey	Storage
Consus Enerji İşletmeciliği ve Hizmetleri A.Ş. (7)	Turkey	Energy Generation
Tres Enerji Hizmetleri Sanayi ve Ticaret A.Ş ("Tres Enerji") (7)	Turkey	Energy Generation
Mavi Bayrak Enerji Üretim A.Ş.("Mavi Bayrak")	Turkey	Energy Generation
Mavi Bayrak Doğu Enerji Üretim A.Ş. (8)	Turkey	Energy Generation
Doğal Enerji Hizmetleri ve İşletmeciliği A.Ş. ("Doğal Enerji")(7)	Turkey	Electricity Generation
Consus Energy Europe B.V.	Netherlands	Energy Generation
Glowell Energy Ltd (9)	Dubai	Energy Generation
Glerih Energy Ltd.(9)	Dubai	Energy Generation
Global Africa Power Investments (9)	Mauritius	Energy Generation
Barsolar D.O.O. (9)	Montenegro	Energy Generation
Evergas Doğalgaz İthalat ve Tic. A.Ş. (10)	Turkey	Naturel Gas Sales
Doğaldan Enerji Üretim. A.Ş.	Turkey	Energy Generation
Ra Güneş Enerjisi Üretim San. ve Tic. A.Ş. ("Ra Güneş") (6) (7)	Turkey	Electricity Generation
Biyotek Enerji Üretim A.Ş. (9)	Turkey	Energy Generation
Naturelgaz Sanayi ve Tic. A.Ş. ("Naturelgaz")	Turkey	Compressed Natural Gas Sales
Straton Maden Yatırımları ve İşletmeciliği A.Ş. ("Straton")	Turkey	Mining
Tenera Enerji Tic. A.Ş. (Tenera)	Turkey	Electricity and Naturel Gas Trade
Edusa 1 Enerji San. ve Tic. A.Ş. ("Edusa 1") (9)	Turkey	Energy Generation
KNY Enerji Üretim A.Ş. ("KNY Enerji") (9)	Turkey	Energy Generation
Edusa Atık Bertaraf Geri Kazanım ve Depolama San. ve Tic. A.Ş.(9) ("Edusa Atık")	Turkey	Energy Generation
Geliş Madencilik Enerji İnşaat Ticaret A.Ş. ("Geliş Madencilik") (11)	Turkey	Mining
Dağören Enerji A.Ş. ("Dağören") (7)	Turkey	Electricity Generation
Global Biyokütle Yatırımları A.Ş.(24)	Turkey	Energy Investments
Ardus Gayrimenkul Yatırımları A.Ş. (12) (14)	Turkey	Real Estate Investments
Global Ticari Emlak Yatırımları A.Ş. (13) (14)	Turkey	Real Estate Investments
Pera Gayrimenkul Yatırım Ortaklığı A.Ş. ("Pera") (14)	Turkey	Real Estate Investments

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

1 ORGANIZATION AND NATURE OF BUSINESS *(continued)*

Subsidiaries	Location	Operations
Global Menkul Değerler A.Ş. ("Global Menkul") (15)	Turkey	Brokerage
Global MD Portföy Yönetimi A.Ş. (16)	Turkey	Brokerage
Actus Portföy Yönetimi A.Ş (17)	Turkey	Brokerage
Global Sigorta Aracılık Hizmetleri A.Ş. ("Global Sigorta")	Turkey	Insurance Agency
Ege Global Madencilik San. ve Tic. A.Ş. ("Ege Global")	Turkey	Energy Generation
Salıpazarı İnşaat Taahhüt Bina Yönetim ve Servis Hizmetleri Sanayi ve Ticaret A.Ş. (Salıpazarı)	Turkey	Construction Investments
Güney Maden İşletmeleri A.Ş. (Güney)	Turkey	Mining
Neptune Denizcilik Yatırımları ve İşletmeciliği A.Ş. (Neptune)	Turkey	Maritime Investments
Vespa Enterprises (Malta) Ltd. ("Vespa") (14)	Malta	Tourism Investments
Tora Yayıncılık A.Ş. ("Tora")	Turkey	Publishing
Global Enerji Hizmetleri ve İşletmeciliği A.Ş. ("Global Enerji")	Turkey	Electricity Generation
Sem Yayıncılık A.Ş. ("Sem") (18)	Turkey	Publishing
Maya Turizm Ltd. ("Maya Turizm") (19) (14)	Cyprus	Tourism Investments
Galata Enerji Üretim San. ve Tic. A.Ş. ("Galata Enerji") (20)	Turkey	Electricity Generation
Sümerpark Gıda İşletmeciliği A.Ş.	Turkey	Food Management
Randa Denizcilik San. ve Tic. Ltd. Şti. ("Randa") (21)	Turkey	Marine Vehicle Trade
Adonia Shipping Limited	Malta	Ship Management
Global Gemicilik ve Nakliyat Hizmetleri A.Ş. ("Global Gemicilik") (22)	Turkey	Maritime Investments
Vinte Nova (23)	Cayman Islands	Financial Investments
Global Financial Products Ltd. ("GFP")	Cayman Islands	Financial Investments
Aristaeus Limited	Malta	Financial Investments
Rıhtım51 Gayrımenkul Yatırımları A.Ş.	Turkey	Real Estate Investments

(1) On 11 May 2017, the Group has completed the initial public offering ("IPO") of its ordinary shares and is trading on the main market of the London Stock Exchange. Global Ports Holding Plc, the company which shares is started to be trading on the London Stock Exchange is owned by Global Ports Holding B.V (89,16% ownerhisp and 49.038.000 shares) (a wholly subsidiary of the Global Yatırım Holding) and European Bank for Reconstruction and Development ("EBRD") (10,84% ownership and 5.962.000 shares). Together with the additional shares sale option, 10.967.532 shares has been sold by the Group in IPO and the Company continue to own 60,6% of shares of Global Ports Holding Plc indirectly.

(2) These companies are consolidated to Global Liman.

(3) Global Liman acquired 43% of shares Creuers del Port de Barcelona S.A ("Creuers") which has majority shares of Malaga Cruise Port and minority shares of Singapore Cruise Port through Barcelona Port Investments, S.L ("BPI") established in partnership with Royal Caribbean Cruises Ltd. and recognized the transaction as equity accounted investee in the consolidated financial statements as at 31 December 2013. These companies have been consolidated as subsidiaries after the acquisition processes completed as 30 September 2015.

1 ORGANIZATION AND NATURE OF BUSINESS *(continued)*

(4) The Group has acquired 55,60% of shares of VCP on 30 November 2015 and has started to include in the scope of consolidation as of 31 December 2015.

(5) Global Liman has acquired 51% shares of Ravenna Terminali Passeggeri S.r.l (operating Ravenna Passenger Port), 71% shares of Cagliari Terminali Passeggieri S.r.l (operating Cagliari Passenger Port) and 62% shares of Catania Terminali Passeggieri S.r.l (operating Catania Passenger Port) in 2016, through Port Operation Holding S.r.l, a subsidiary of the Global Liman with 100% shareholding rate.

(6) This company was established in 27 November 2012 and consolidated to Consus Enerji.

(7) Consus Enerji İşletmeciliği ve Hizmetleri A.Ş. was established on 28 August 2014. Consus Enerji has acquired 93,75% of shares of Tres Enerji, 100 % of shares of Ra Güneş, 70 % of shares of Dağören and 100% of shares of Doğal Enerji held by Global Enerji (a subsidiary of the Group) and these companies are consolidated to Consus Enerji as at reporting date. According to the conservatism principle, the Group accounted an impairment provision amounting to TL 50.968.872 for HES License fee which accounted under intangible assets and other tangible assets in Dağören's financial statements as of 31 December 2017.

(8) Mavi Bayrak Doğu Enerji Üretim A.Ş. was established 9 April 2015 to operate in energy generation sector.

(9) These companies were established for the purpose of the Group's energy investment.

(10) This company has been started to include in the scope of consolidation as at 31 December 2016 and operates in import and trade of natural gas.

(11) As of 3 October 2013, Global Enerji, a subsidiary of the Group, completed the acquisition of 85% of the shares of Geliş Madencilik and Geliş Madencilik has been included in the scope of consolidation. As at 8 September 2014, 85% of shares of Geliş Madencilik were transferred to Vinte Nova (a subsidiary of the Group).

(12) This company has been established on 30 December 2016 through a partial division to coordinate real estate projects under one entity.

(13) This company was established on 20 August 2014 to operate in real estate investment sector.

(14) As explained in Note 30, these companies are classified as asset held for sale as of reporting date.

(15) The Group's effective ownership rate in this company decreased to 76,85% as at 31 December 2011. As at 30 June 2018, the Group's effective ownership rate in this company is 77,43% (31 December 2017: 77,43%). As a result of the sale of its shares in 2011 through an initial public offering and direct sale and subsequent purchase of some of its publicly traded shares

(16) Global MD Portföy Yönetimi A.Ş. (formerly named as "Eczacıbaşı Portföy Yönetimi A.Ş.") was purchased by Global Menkul on 1 June 2015 and consolidated to Global Menkul.

(17) The company has acquired 90,1% of shares of Actus Portföy Yönetimi A.Ş. (formerly named was "Polsan Portföy Yönetimi A.Ş.), which operates in the finance sector, on 17 April 2015.

(18) This company is consolidated to Tora.

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

1 ORGANIZATION AND NATURE OF BUSINESS *(continued)*

(19) This company is a joint venture of Pera and Vespa and classified as asset held for sale.

(20) This company is consolidated to Global Enerji. In 2014, Galata Enerji cancelled Thermal Power Plant Project and license was rendered.

(21) 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 30 June 2018 and 31 December 2017 it is excluded from the scope of consolidation (Note 2.1.f).

(22) This company was established in 13 May 2014. As at 30 June 2018 and 31 December 2017, it is excluded from the scope of consolidation since its financial statements are not significant in the consolidated financial statements (Note 2.1.f).

(23) This company has been included in the scope of consolidation as at 30 September 2014 and acquired 85% of shares of Geliş Madencilik held by Global Enerji on 8 September 2014.

(24) This company was established in 14 June 2018 and operates in energy investments sector of the Group.

(b) Equity Accounted Investees

Investments in associates	Location	Operations
IEG Kurumsal Finansman Danışmanlık A.Ş. ("IEG") (1)	Turkey	Corporate Finance Consulting
LCT- Lisbon Cruise Terminals, LDA ("Port of Lisbon") (2)	Portugal	Port Operations
SATS-Creuers Cruise Services Pte. Ltd. ("Port of Singapore") (3)	Singapore	Port Operations
Venezia Investimenti Srl (4)	Italy	Port Operations
Axel Corporation Grupo Hotelero, S.L. (5)	Spain	Tourism Investments
La Spezia(6)	Italy	Port Operations

(1) 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.

(2) Global Liman signed concession agreement on 18 July 2014 via a consortium comprising of Global Liman, RCCL, Creuers and Grupo Sousa Investimentos SGPS.

With in the scope of the concession, Global Liman completed the transactions of transferring Lisbon Cruise Terminal to LCT-Lisbon Cruise Terminal called LDA physically on 26 August 2014 and Lisbon Cruise Terminal has been consolidated as equity accounted investee as at 30 September 2014. Lisbon Cruise Terminal has capacity of two million of passengers and area of 16.618,9 square meters including a closed area of 13.000 square meters and open areas. Lisbon Cruise Terminal is totally 1.425 meters long.

1 ORGANIZATION AND NATURE OF BUSINESS *(continued)*

(3) Barcelona Port Investments, S.L ("BPI") which was established in partnership with Global Liman and Royal Caribbean Cruises Ltd. acquired majority shares of Barcelona Port and Malaga Cruise Port and minority shares of Singapore Cruise Port as at 30 September 2014. Regarding with the acquisition, Singapore Cruise Port has been consolidated by equity accounting method.

(4) Global Liman, a subsidiary of the Group, has founded Venezia Investimenti Srl, which operates the Port of Venezia ("Venezia Terminal Passegeri S.p.A (VTP)") through a Joint Venture Group with Costa Costa Crociere SpA, MSC Cruises SA and Royal Caribbean Cruises Ltd, each of which will have a 25% stake. As of July 19, 2016, the international consortium, which is a member of Global Ports Operations, has become indirectly 44,48% of VTP with Finpax shares previously acquired.

VTP, located in a total area of more than 260.000 m^2, operates in Marittima, S.Basilio and Rivadei Sette Martiri terminals in the size of 47.267 m^2. The terminals are in a strategic and important position not only because of the unique structure of Venice, but also because of its location and its location providing easy access to the city and all tourist attractions surrounding Venice. Thanks to its geographical location and good connections with the rest of Europe, Venice Cruise Port is among the "most important main ports of Europe" with annual passenger traffic of about 1,6 million.

(5) Aristaeus Limited, a subsidiary of the Group, has been acquired a 15% shares of Axel Corporation Grupo Hotelero SL, operating in Spain, on 15 July 2016. As at 30 September 2016, the Group started to consolidate its financial statements as equity accounted investment method.

(6) Global Liman has acquired 28,5% minority shares of La Spezia Cruise Facility Srl (operating La Spezia Passenger Port) in 2016, through Port Operation Holding S.r.l, a subsidiary of the Global Liman with 100% shareholding rate.

2 BASIS OF PREPARATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING POLICIES

2.1 Basis of Preparation

(a) Basis of Preparation of Financial Statements

The accompanying condensed consolidated interim financial statements are prepared in accordance with the Capital Market Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" ("the Communiqué") published by Capital Market Board ("CMB") in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué, condensed consolidated interim financial statements are prepared in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") and its addendum and interpretations ("TAS") issued by Public Oversight Accounting and Auditing Standards Authority ("POA").

The Turkish Accounting Standards ("TAS") Taxonomy of 2016 developed on the basis of Article 9 (b) of Decree Law No. 660 was approved by the Board decision dated 2 June 2016 and numbered 30 in order to ensure that the financial statements conforming to TAS are shared with users in the format of "Extensible Enterprise Reporting Language". This TAS taxonomy has been taken into account accomponying condensed consolidated financial statements.

In addition, the Group's condensed consolidated interim financial statements have been presented in compliance with "Announcement About Financial Statements and Disclosure Formats" issued by CMB on 7 .June 2013.

Additional paragraph for convenience translation into English:

The differences between the accounting principles promulgated by Public Oversight of Accounting and Auditing Standards Board ("POA"), 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 condensed consolidated interim financial statements are prepared based on historical cost except for financial instruments, investment property and derivatives measured at fair value.

The methods used for measuring fair value are consistent with the methods used in the consolidated financial statements as at 31 December 2017.

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

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

2.1 Basis of Preparation *(continued)*

(d) Functional and Presentation Currency

The presentation and functional currency of the Company is Turkish Lira ("TL").

US Dollar is significantly used in the operations of the subsidiaries Global Ticari Emlak, GFP, Vespa, Doğal Enerji, Mavi Bayrak Enerji, Barsolar, Biyotek, Edusa Atık, RA Güneş, KNY Enerji, Doğaldan, Mavi Bayrak Doğu, Global Ports Holding Plc 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; Port of Bar, Adonia Shipping, Ege Liman, Bodrum Liman, Straton Maden, BPI, VCP, Global BV, Port Operation Holding S.r.l,Ravenna Terminali Passegeri S.r.l., Cagliari Terminali Passegeri S.r.l., Catania Terminali Passegeri S.r.l., Aristeus, Barcelona Port and Malaga Cruise 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.

As at 30 June 2018 and 31 December 2017, foreign currency buying exchange rates of the Central Bank of Republic of Turkey ("CBRT") comprised the following:

	30 June 2018	**31 December 2017**
US Dollar ("USD")	4,5607	3,7719
Euro	5,3092	4,5155

(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

The condensed consolidated interim financial statements as at 30 June 2018 include the accounts of the parent company, Global Yatı rı m Holding and its subsidiaries, its joint ventures and its associates. The basis of consolidation used in the preparation of the condensed consolidated interim financial statements is consistent with the basis applied in the consolidated financial statements as at 31 December 2017.

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

2.1 Basis of Preparation *(continued)*

(f) Basis of Consolidation *(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 30 June 2018 Randa in which the Group has effective ownership interests of 60,6% (31 December 2017: 60,6%), Global Gemicilik in which the Group has effective ownership interests of 98%, Consus Energy BV in which the Group has effective ownership interests of 100, Glowell Energy Ltd. and Glerih Energy Ltd. in which the Group has effective ownership interests of 95%, Glowi Energy Investments Ltd., Glozania Energy Investments Ltd. and Global Africa Power Investments in which the Group has effective ownership interests of 100% shown as fair value differences are shown in cost items in equity instruments reflected in other comprehensive income, if any, by deducting permanent impairments.

2.2 Statement of Compliance to TAS

The Group prepared its condensed consolidated interim financial statements for the period ended 30 June 2018, in accordance with the TAS 34 “Interim Financial Reporting” in the framework of the Communiqué Serial: XII and numbered 14.1 and its related announcements. The condensed consolidated interim financial statements and its accompanying notes are presented in compliance with the format recommended by CMB, including its mandatory information.

In compliance with the TAS 34, entities have preference in presenting their interim financial statements whether full set or condensed. In this framework, the Group preferred to present its consolidated interim financial statements in condensed version. The Group’s condensed consolidated interim financial statements do not include all disclosures and notes that should be included at year-end financial statements. Therefore, the condensed consolidated interim financial statements should be considered together with the consolidated financial statements as of 31 December 2017.

The Company and its subsidiaries registered in Turkey maintains their accounting records and prepare their statutory financial statements in accordance with the Turkish Commercial Code (the “TCC”), tax legislation and the uniform chart of accounts issued by the Ministry of Finance. Subsidiaries and joint ventures operating in foreign countries maintain their books of account in conformity with the statutory tax legislation and accounting standards of the countries in which they are registered and prepare their statutory financial statements accordingly.

The Board of Directors has approved the condensed consolidated interim financial statements and given authorization for the issuance on 17 August 2018. The General Assembly and the relevant regulatory authorities have the authority to amend the financial statements prepared in accordance with the statutory legislation and these condensed consolidated interim financial statements prepared in accordance with TAS.

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

2.3 Changes in Accounting Policies

Except as described below the accounting policies applied in the condensed consolidated interim financial statements as at 30 June 2018 is consistent with the policies applied in the Group’s consolidated financial statements as at 31 December 2017.

2.3.1 Comparative information and restatement of prior periods’ financial statements

As at 31 December 2017, short term prepaid expenses amounting to TL 20.766.459, which is comprised advances given, reclassified from short term prepaid expenses to long term prepaid expenses.

In the current period, statement of profit or loss and other comprehensive income for the six-month period ended 30 June 2017 has been restated in order to present the comparative information related to the classification of the real estate segment subsidiaries as asset held for sale.

2.3.2 TFRS 15 Revenue from Contracts with Customers

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced TAS 18 *Revenue*, TAS 11 *Construction Contracts* and related interpretations

The Group has adopted a cumulative method to recognize the effect of the initial implementation of this standard at the date of initial application (1 January 2018). Accordingly, the information presented for 2017 has not been restated - in other words, as previously reported, TAS 18 is presented in accordance with TAS 11 and related interpretations.

The details of significant accounting policies and revenue recognition methods of the Group's various goods and services are as follows.

(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.

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

2.3 Changes in Accounting Policies *(continued)*

2.3.2 TFRS 15 Revenue from Contracts with Customers (*continued)*

(iv) Natural gas sales

Revenues from the sales of compressed 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. The Group accounts deferred sales which part is not used by the subscribers as deferred compressed natural gas revenue in other deferred income. Deferred sales are recognized as revenue as compressed natural gas is consumed by the subscriber. Discount on sales are recognised as a reduıction in gross sales.

(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) 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.

(vii) Mining revenues

Revenues from mining are measured by fair value after deducting received payment or repayments and discounts of receivable. Mining sales are recognized by fair value of received or possible payment on accrual basis in the situation that delivery of product or service of product, transfer of risk and benefit of product, reliably determination of income of product and transfer of economical use of product to the Group are possible.

(viii) Other revenues

Other service revenues and other sales are transferred to the consolidated statement of porfit or loss and comprehensive income on accrual basis.

TFRS 15 did not have a significant effect on the Group's accounting for the different types of income described above.

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

2.3 Changes in Accounting Policies *(continued)*

2.3.3 TFRS 9 Financial Instruments

TFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces TAS 39 Financial Instruments: Recognition and Measurement. The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below:

i. Classification and measurement of financial assests and financial liabilities

TFRS 9 largely retains the existing requirements in TAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous TAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of TFRS 9 has not had a significant effect on the Group's accounting policies related to financial liabilities and derivative financial instruments.

Detailed information on how the Group classifies, measures and recognizes the related income and expenses in accordance with TFRS 9 is presented below.

Under TFRS 9, on initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI – equity investment; or fair value through profit or loss ("FVTPL"). The classification of financial assets under TFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and

-Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

-It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

-Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

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

2.3 Changes in Accounting Policies *(continued)*

2.3.3 TFRS 9 Financial Instruments *(continued)*

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

The following table and the accompanying notes below explain the original measurement categories under TAS 39 and the new measurement categories under TFRS 9 for each class of the Group's financial assets as at 1 January 2018.

	Original classification under TAS 39	New classification under TFRS 9	Original carrying amount under TAS 39	New carrying amount under TFRS 9
Financial assets				
Cash and cash equivalents	Loan and receivables	Amortized cost	439.854.352	439.854.352
Trade receivables	Loan and receivables	Amortized cost	122.423.797	122.423.797
Other receivables	Loan and receivables	Amortized cost	85.227.525	85.227.525
Financial Investments	Marketable securities in the tradebook	Financial assets at FVTPL	2.838.567	2.838.567
Financial Investments	Assets held for sale	Equity investments at FVOCI	5.402.985	5.402.985

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

2.3 Changes in Accounting Policies *(continued)*

2.3.3 TFRS 9 Financial Instruments *(continued)*

ii. Impairment for financial assets

TFRS 9 replaces the "incurred loss" model in TAS 39 with an "expected credit loss" model. The new impairment model applies to financial assets measured at amortized cost and contract assets but not to investments in equity instruments.

The financial assets at amortized cost consist of trade receivables, other receivables and cash and cash equivalents.

The Group recognizes loss allowances for the expected credit losses of the following items under TFRS 9:

- financial assets measured at amortized cost.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12-month expected credit losses:

- bank balances for which credit risk has not increased significantly since initial recognition.

Loss allowances for trade receivables, other receivables, other assets and contract assets are always measured at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and quantitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Gompany assumes that the credit risk on a financial asset has increased significantly if it is more than 90-120 days past due.

The Gompany considers a financial asset to be in default when:

- the borrower is unlikely to pay its obligations arising from rent contracts, to the Group in full, without recourse by the Company to actions such as realizing security (if any is held); or the financial asset is more than 90 days past due.
- the borrower is unlikely to pay its obligations arising from gas and electricity sales contracts, to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or the financial asset is more than 360 days past due.
- the borrower is unlikely to pay its obligation arising from the existing contracts in other business lines than those mentioned above, to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or the financial asset is more than 150-180 days past due.

The Group considers bank balances to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime expected credit losses are that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are that result from possible default events within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

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

2.3 Changes in Accounting Policies *(continued)*

2.3.3 TFRS 9 Financial Instruments *(continued)*

Measurement of expected credit losses:

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls.

Expected credit losses are discounted at the effective interest rate of the financial asset.

For trade receivables, other receivables, other assets and contract assets the Group applies the simplified approach to providing for expected credit losses (TFRS 9 requires the use of the lifetime expected loss provision for all trade receivables). The Group performed the calculation of expected credit losses rates separately for receivables arising from retail sales, turnover premium contracts. The expected credit losses were calculated based on actual credit loss experience over the past years.

Exposures within each group were segmented based on common credit risk characteristics such as delinquency status.

Actual credit loss experience was adjusted to reflect differences between economic conditions during the period over which the historical data was collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. Future collection performance of receivables are estimated by considering general economic conditions to incorporate forward looking information to the expected credit loss calculations.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90-120 days past due;
- It is a definition of privilege where the creditor does not consider the debtor under normal conditions because of the financial difficulty he is into, due to economic and contractual reasons.
- it is probable that the borrower will enter bankruptcy or other financial re-organization; or
- the disappearance of an active market for a security because of financial difficulties.

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

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

2.3 Change in accounting policies *(continued)*

2.3.3 TFRS 9 Financial Instruments *(continued)*

Presentation of impairment in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Impairment losses related to trade and other receivables, including contract assets, are presented separately in the statement of profit or loss. As a result, the Group reclassified impairment losses amounting to TL 332.466 recognized under TAS 39, from 'general administrative expenses and cost of goods sold' to "Impairment gain/ (loss) and reversal of impairment loss determined in accordance with TFRS 9" in the interim condensed statement of profit or loss for the six months period ended 30 June 2017.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Financial assets are written off when there is no reasonable expectation of recovery (such as a debtor failing to engage in a repayment plan with the Group). Where trade receivables, other receivables, other assets and contract assets have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

Impact of the new impairment model

For assets in the scope of the TFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Group has determined that the application of TFRS 9's impairment requirements at 1 January 2018 results in an additional impairment allowance as follows.

Loss allowance at 31 December 2017 under TAS 39	**11.590.377**
Additional impairment recognized at 1 January 2018 on:	
- Trade and other receivables as at 31 December 2017 (Excluding tax effect)	1.966.114
Loss allowance at 1 January 2018 under TFRS 9	**13.556.491**

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

2.4 Summary of signifiant accounting policies

The accounting policies applied in the condensed consolidated interim financial statements, except for the amendments to Note 2.3, as at 30 June 2018 is consistent with the basis applied in the consolidated financial statements as at 31 December 2017. Accordingly, these condensed consolidated interim financial statements should be considered in conjunction with the consolidated financial statements for the year ended 31 December 2017.

Standards and interpretations issued but not yet effective and not early adopted as at 30 June 2018

Standards issued but not yet effective and not early adopted

New standards, interpretations and amendments to existing standards are not effective at reporting date and earlier application is permitted; however the Group has not early adopted are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the financial statements and disclosures, after the new standards and interpretations become in effect.

TFRS 16 Leases

On 16 April 2018, POA issued the new leasing standard which will replace TAS 17 Leases, TFRS Interpretation 4 Determining Whether an Arrangement Contains a Lease, TAS Interpretation 15 Operating Leases – Incentives, and consequently changes to TAS 40 Investment Properties. TFRS 16 Leases eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Lessor accounting remains similar to current practice. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted provided that an entity also adopts TFRS 15 Revenue from Contracts with Customers. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of TFRS 16.

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

2.4 Summary of signifiant accounting policies *(continued)*

Standards and interpretations issued but not yet effective and not early adopted as at 30 June 2018 *(continued)*

TFRS Interpretation 23 –Uncertainty Over Income Tax Treatments

On 24 May 2018, POA issued TFRS Interpretation 23 Uncertainty over Income Tax Treatments to specify how to reflect uncertainty in accounting for income taxes. It may be unclear how tax law applies to a particular transaction or circumstance, or whether a taxation authority will accept a company's tax treatment. TAS 12 Income Taxes specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. TFRS Interpretation 23 provides requirements that add to the requirements in TAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. The Interpretation is effective from 1 January 2019 with earlier application is permitted.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of TFRS Interpretation 23.

Amendments to TFRS 9 - Prepayment features with negative compensation

On December 2017, POA has issued amendments to TFRS 9 to clarify that financial assets containing prepayment features with negative compensation can now be measured at amortized cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of TFRS 9. Under TFRS 9, a prepayment option in a financial asset meets this criterion if the prepayment amount substantially represents unpaid amounts of principal and interest, which may include 'reasonable additional compensation' for early termination of the contract.

The amendments are effective for periods beginning on or after 1 January 2019, with earlier application permitted.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to TFRS 9.

Amendments to TAS 28- Long-term *Interests in Associates and Joint Ventures*

On December 2017, POA has issued amendments to TAS 28 to clarify that entities also apply TFRS 9 to other financial instruments in an associate or joint venture to which the equity method is not applied. These include long-term interests that, in substance, form part of the entity's net investment in an associate or joint venture. An entity applies TFRS 9 to such long-term interests before it applies related paragraphs of TAS 28. In applying TFRS 9, the entity does not take account of any adjustments to the carrying amount of long-term interests that arise from applying TAS 28. The amendments are effective for periods beginning on or after 1 January 2019, with earlier application permitted.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to TAS 28.

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

2.4 Summary of signifiant accounting policies *(continued)*

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

The following standards, interpretations and amendments to existing International Financial Reporting Standards ("IFRS") are issued by the IASB but these standards, interpretations and amendments to existing IFRS standards are not yet adapted/issued to TFRS by the POA, thus they do not constitute part of TFRS. Such standards, interpretations and amendments that are issued by the IASB but not yet issued by the POA are referred to as IFRS or IAS. The Group will make the necessary changes to its consolidated financial statements after the new standards and interpretations are issued and become effective under TFRS.

Annual Improvements to IFRSs 2015-2017 Cycle

Improvements to IFRSs

IASB issued Annual Improvements to IFRSs - 2015–2017 Cycle. The amendments are effective as of 1 January 2019. Earlier application is permitted. The Group does not expect that application of these improvements to IFRSs will have significant impact on its consolidated financial statements.

IFRS 3 Business Combinations and *IFRS 11 Joint Arrangements*

IFRS 3 and IFRS 11 are amended to clarify how a company accounts for increasing its interest in a joint operation that meets the definition of a business. If a party obtains control, then the transaction is a business combination achieved in stages and the acquiring party remeasures the previously held interest at fair value. If a party maintains (or obtains) joint control, then the previously held interest is not remeasured.

IAS 12 Income Taxes

IAS 12 is amended to clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognised consistently with the transactions that generated the distributable profits – i.e. in profit or loss, other comprehensive income (OCI) or equity.

IAS 23 Borrowing Costs

IAS 23 is amended to clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction. Borrowings that were intended to specifically finance qualifying assets that are now ready for their intended use or sale – or any non-qualifying assets – are included in that general pool.

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

2.4 Summary of signifiant accounting policies *(continued)*

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

Amendments to IAS 19 - Plan Amendment, Curtailment or Settlement -

On 7 February 2018, IASB issued Plan Amendment, Curtailment or Settlement (Amendments to IAS 19). The amendments clarify the accounting when a plan amendment, curtailment or settlement occurs. A company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income (OCI). The amendments are effective for periods beginning on or after 1 January 2019, with earlier application permitted.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to IAS 19.

The revised Conceptual Framework

The revised Conceptual Framework issued on 28 March 2018 by the IASB. The Conceptual Framework sets out the fundamental concepts for financial reporting that guide the Board in developing IFRS Standards. It helps to ensure that the Standards are conceptually consistent and that similar transactions are treated the same way, so as to provide useful information for investors, lenders and other creditors. The Conceptual Framework also assists companies in developing accounting policies when no IFRS Standard applies to a particular transaction, and more broadly, helps stakeholders to understand and interpret the Standards. The revised Framework is more comprehensive than the old one – its aim is to provide the Board with the full set of tools for standard setting. It covers all aspects of standard setting from the objective of financial reporting, to presentation and disclosures. For companies that use the Conceptual Framework to develop accounting policies when no IFRS Standard applies to a particular transaction, the revised Conceptual Framework is effective for annual reporting periods beginning on or after 1 January 2020, with earlier application permitted.

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

2.4 Summary of significant accounting policies *(continued)*

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

The revised Conceptual Framework (*continued*)

IFRS 17 –Insurance Contracts

On 18 May 2017, IASB issued IFRS 17 Insurance Contracts. This first truly globally accepted standard for insurance contracts will help investors and others better understand insurers' risk exposure, profitability and financial position. IFRS 17 replaces IFRS 4, which was brought in as an interim Standard in 2004. IFRS 4 has given companies dispensation to carry on accounting for insurance contracts using national accounting standards, resulting in a multitude of different approaches. As a consequence, it is difficult for investors to compare and contrast the financial performance of otherwise similar companies. IFRS 17 solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner, benefiting both investors and insurance companies. Insurance obligations will be accounted for using current values – instead of historical cost. The information will be updated regularly, providing more useful information to users of financial statements. IFRS 17 has an effective date of 1 January 2021 but companies can apply it earlier.

The Group does not expect that application of IFRS 17 will have significant impact on its consolidated financial statements.

3 BUSINESS COMBINATIONS

The Group has no acquisition for the six-month period ended 30 June 2018. The detail of acquisitions, which are accounted in the consolidated financial statements as of 31 December 2017 in compliance with "TFRS 3 Business Combinations", are presented in the Note of "Business Combinations" of the consolidated financial statements as at 31 December 2017.

4 INVESTMENT IN OTHER ENTITIES

Financial information related to investments in associates and joint ventures accounted under equity method is presented in Note 17.

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 port operations (previously named as "infrastructure"), energy generation, naturalgas, mining (previously named as "naturel gas/mining/energy generation"), brokerage and asset management segment(previously named as "finance"), real estate and other. Brokerage and asset management segment includes the finance operations (including Global Yatırım Holding), natural gas segment includes compressed natural gas distribution, energy generation segment includes electricity generation facilities and mining segment includes mining operations, port operations segment includes domestic and abroad commercial and cruise port operations and investments and real estate segment includes operations in respect of investment property and trading property 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 port operations 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") are reviewed in the assessment of the financial performance of the operating segments. The Group management does not present income / expenses incurred by these companies in their EBITDA due to their main activities in order to follow the operational and cash based results of the Group companies. These income and expenses include project expenses related to the acquisition/sale of subsidiary and the public offering of subsidiaries, valuation gains/ impairment losses and other non-cash income and expenses. Information related to the operating segments of the Group is presented later in this note.

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

5 SEGMENT REPORTING *(continued)*

	Port Operations		Energy Generation		Naturel Gas		Mining		Real Estate		Brokerage & Asset Management (*)		Other		Total	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017
Segment assets	3.265.840.253	2.790.232.036	408.141.016	312.509.099	249.199.211	243.449.930	193.983.862	180.530.278	425.944.916	517.125.633	512.016.721	294.225.675	51.123.074	32.963.122	**5.106.249.053**	**4.371.035.773**
Segment liabilities	2.280.440.649	1.848.259.764	257.595.820	240.717.717	157.685.092	140.955.521	141.247.582	107.185.879	190.332.207	136.577.927	399.570.482	299.564.458	24.000.382	2.979.016	**3.450.872.214**	**2.776.240.282**

The Six-Month Period Ended 30 June (1 January-30 June)

	Port Operations		Energy Generation		Naturel Gas		Mining		Real Estate		Brokerage & Asset Management (*)		Other		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
External revenues	230.989.123	180.914.797	37.677.229	13.348.177	94.012.009	97.735.737	31.228.618	26.902.877	34.670.089	14.475.805	23.632.703	18.283.377	7.344.579	123.277	**459.554.350**	**351.784.047**
EBITDA	147.283.301	117.104.386	1.074.895	16.750	10.336.707	3.951.233	5.149.770	584.475	13.437.299	10.033.936	(14.628.668)	(14.686.012)	2.966.985	(3.443.637)	**165.620.289**	**113.561.131**
Depreciation and amortisation expense (-)	(92.200.903)	(73.920.269)	(7.236.859)	(2.262.778)	(10.023.833)	(9.506.281)	(13.729.337)	(9.228.210)	(143.646)	(536.314)	(723.540)	(828.854)	(1.573.929)	(1.223.328)	**(125.632.047)**	**(97.506.034)**
Finance income	35.771.734	16.291.920	10.223.267	131.261	234.119	152.622	473.495	92.051	194.040	372.102	11.835.704	20.700.885	3.184	237.896	**58.735.543**	**37.978.737**
Finance expenses	(83.578.884)	(60.479.929)	(19.326.247)	(7.801.771)	(25.582.714)	(7.563.492)	(2.329.100)	(2.494.949)	(979.214)	(7.641.959)	(30.324.483)	(54.778.984)	(1.629.288)	(1.026.753)	**(163.749.930)**	**(141.787.837)**

The Three-Month Period Ended 30 June (1 April-30 June)

	Port Operations		Energy Generation		Naturel Gas		Mining		Real Estate		Brokerage & Asset Management (*)		Other		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
External revenues	152.392.485	113.583.227	19.832.755	7.395.612	64.658.212	53.327.423	18.306.946	14.365.219	26.469.174	7.067.865	11.102.729	9.457.247	7.294.266	63.274	**300.056.567**	**205.259.867**
EBITDA	103.962.360	79.116.596	1.398.026	620.355	10.107.340	2.727.543	3.591.478	(354.953)	8.142.628	4.379.474	(8.264.363)	(5.807.358)	5.990.379	(1.198.142)	**124.927.848**	**79.483.515**
Depreciation and amortisation expense (-)	(48.745.027)	(36.739.966)	(4.140.830)	(1.429.954)	(5.213.366)	(4.811.986)	(6.910.605)	(4.740.193)	(71.823)	(255.468)	(367.980)	(416.197)	(828.551)	(635.071)	**(66.278.182)**	**(49.028.835)**
Finance income	29.711.648	9.446.813	10.130.400	(77.507)	92.976	81.999	286.700	(91.491)	194.040	(1.752.591)	6.635.704	19.976.998	(112.771)	1.404	**46.938.697**	**27.585.625**
Finance expenses	(47.517.261)	(29.152.722)	(10.959.066)	(3.516.170)	(16.974.355)	(450.898)	(1.323.077)	(1.255.346)	(979.214)	(3.407.470)	(18.978.730)	(33.967.181)	(1.448.273)	(990.078)	**(98.179.976)**	**(72.739.865)**

(*) Includes Global Yatırım Holding A.Ş.'s operations.

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

5 SEGMENT REPORTING *(continued)*

	1 January-30 June 2018	1 April-30 June 2018	1 January-30 June 2017	1 April-30 June 2017
Revenues				
Segment revenues	465.216.433	302.768.666	356.715.706	207.830.205
Elimination of inter-segment revenues	(5.662.083)	(2.712.099)	(4.931.659)	(2.570.338)
Classified as assets held for sale (**)	(34.670.089)	(26.469.174)	(14.475.805)	(7.067.865)
Consolidated revenues	**424.884.261**	**273.587.393**	**337.308.242**	**198.192.002**

	1 January-30 June 2018	1 April-30 June 2018	1 January-30 June 2017	1 April-30 June 2017
Consolidated EBITDA	165.620.289	124.927.848	113.561.131	79.483.515
Finance income (Note 25)	49.464.090	40.583.854	29.856.132	25.152.126
Finance expenses (Note 26)	(153.935.416)	(91.282.174)	(126.740.041)	(65.145.619)
Classified as assets held for sale (**)	(13.437.299)	(8.142.628)	(8.754.623)	(3.229.641)
Non-operating income/(expenses) (*)	1.571.085	8.340.655	(78.322.489)	(75.165.087)
Depreciation and amortisation expenses (Note 24)	(125.632.047)	(66.278.182)	(97.506.034)	(49.028.835)
Consolidated profit/(loss) before income tax	**(76.349.298)**	**8.149.373**	**(167.905.924)**	**(87.933.541)**

	1 January-30 June 2018	1 April-30 June 2018	1 January-30 June 2017	1 April-30 June 2017
Segment finance income	58.735.543	46.938.697	37.978.737	27.585.625
Elimination of inter-segment finance income	(9.271.453)	(6.354.843)	(8.122.605)	(2.433.499)
Total finance income (Note 25)	**49.464.090**	**40.583.854**	**29.856.132**	**25.152.126**

	1 January-30 June 2018	1 April-30 June 2018	1 January-30 June 2017	1 April-30 June 2017
Segment finance expenses	(163.749.930)	(98.179.976)	(141.787.837)	(72.739.865)
Elimination of inter-segment finance expenses	9.814.514	6.897.802	15.047.796	7.594.246
Total finance expenses (Note 26)	**(153.935.416)**	**(91.282.174)**	**(126.740.041)**	**(65.145.619)**

(*) Includes other income/expenses, project expenses related to the purchase / sale of the company and public offering of the companies, impairment and revaluation gain expenses, and non-cash other income and expenses..

(**) As explained in detail in Note 30 the Group classified real estate segment subsidiaries as held for sale. Financial statements for this classification is disclosed in Note 30.

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

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
IEG	Equity accounted investee
Global A Type ve B Type Funds	Funds of a subsidiary
Turkcom Turizm Enerji İnşaat Gıda Yatırımlar A.Ş. (Turkcom)	Company owned by shareholder

Due to related parties

As at 30 June 2018 and 31 December 2017, other short-term payables to related parties comprised the following:

Other short-term payables to related parties	30 June 2018	31 December 2017
Turkcom (*)	15.927.600	-
Other	70.583	595.597
Total	**15.998.183**	**595.597**

(*) The balance consists of the debt that Turkcom has provided financing the Company by using its own credit lines. As at 30 June 2018, the nominal value of TL 12.500.000 own shares acquired and sold which explained in Note 21.1, has been lent regarding to this debt.

Due from related parties

As at 30 June 2018 and 31 December 2017, 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	30 June 2018	31 December 2017
Turkcom (*)	-	8.904.288
IEG Kurumsal Finansal Danışmanlık A.Ş.	986.244	934.716
Other	84.815	107.596
Total	**1.071.059**	**9.946.600**

(*) As at 31 December 2017, balances consist of overdraft securities transactions. The receivables are secured with equity securities. Interest is charged on those receivables based on market interest rates.

As at 30 June 2018 and 31 December 2017, other current receivables from related parties comprised the following:

Other current receivables from related parties	30 June 2018	31 December 2017
Mehmet Kutman (1)	2.411.272	9.494.076
Erol Göker (1)	298.875	211.194
Other	1.342.574	1.419.341
Total (2)	**4.052.721**	**11.124.611**

(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: 30 June 2018: 19,50 %, 31 December 2017: 9,75%)

(2) The amount excludes the loans provided to key management explained below.

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

6 RELATED PARTY DISCLOSURES *(continued)*

A subsidiary of the Group has provided 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 2013. The maturity of this loan is extended to the date of 1 July 2020. As at 30 June 2018 and 31 December 2017, this receivable has been classified in other current receivables from related parties in the balance sheet. As at 30 June 2018, the principal of this loan amounted to USD 10.000.000 and the accrued interest amounted to USD 257.401. The total loan amounted to USD 10.257.401 (equivalent to TL 46.780.929) (31 December 2017: USD 10.967.700 (TL 41.369.068)). As at 30 June 2018, the Group classified this receivable as current and non-current receivables. As of 30 June 2018, the Group has recognised these receivables as current and non-current are TL 23.977.429 and TL 22.803.500, respectively. In addition, as of 30 June 2018, other receivables of the Group amounting to TL 21.285.220 (USD 4.667.095), amounting to TL 10.642.610 (USD 2.333.547) has been classified as current, and amounting to TL 15.055.995 (USD 3.301.247) has been classified as non-current receivables. In July 2018, amounting to USD 1.833.387 has been collected with respect to those receivables.

As at 30 June 2018, current other receivables due from related parties (including the loan provided to key management by the Group) amount to TL 43.086.145 (31 December 2017: TL 52.493.679) and non-current other receivables due from related parties amount to TL 33.446.110 (31 December 2017: none) in the condensed consolidated interim financial statements.

Transactions with related parties

Transactions with key management personnel

The Company's key management personnel consists of the Chairman and members of the Board of Directors, general manager, assistant general managers and directors. The compensation of key management personnel includes wages, premiums and health insurance. As at 30 June 2018 and 2017, the details of compensation of key management personnel comprised the following:

	1 January-30 June 2018	**1 January-30 June 2017**
Salaries	11.716.290	9.122.965
Bonuses	520.619	3.303.142
Attendance fee	1.127.284	1.024.436
Other	224.264	578.548
Total	**13.588.457**	**14.029.091**

The Group's interest income resulting the loan provided to key management for the period 1 January-30 June 2018 amounts to TL 1.051.740 (1 January-30 June 2017: TL 788.266).

Regarding to the loans used by the Group, there is personel surety amounting to TL 150.499.194 and USD 34.925.721, and there is pledge on personel property amounting to TL 32.500.000 given by Mehmet Kutman with respect to these loans. As at 30 June 2018, the nominal value amounting to TL 5.897.229 of own shares acquired, which explained in detail in Note 21.1, has been lended.

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

6 RELATED PARTY DISCLOSURES *(continued)*

For the six-month periods ended 30 June 2018 and 2017, significant transactions with related parties comprised the following:

	1 January-30 June 2018		1 January-30 June 2017	
	Interest Received	Commission for letter of guarantee given	Interest Received	Commission for letter of guarantee given
Turkcom (*)	806.344	-	775	-
Mehmet Kutman (*)	877.234	350.000	302.109	350.000
Erol Göker	2.379	-	4.695	-
Total	**1.685.957**	**350.000**	**307.579**	**350.000**

(*) Includes margin lending and advance interest.

7 CASH AND CASH EQUIVALENTS

As at 30 June 2018 and 31 December 2017, cash and cash equivalents comprised the following:

	30 June 2018	31 December 2017
Cash on hand	950.987	392.503
Cash at banks	496.863.278	362.458.782
-Demand deposits	*140.045.661*	*294.434.396*
-Time deposits	*356.817.617*	*68.024.386*
Receivables from reverse repurchase agreements	1.488.498	72.825.770
Other	2.550.886	4.177.297
Cash and cash equivalents	**501.853.649**	**439.854.352**
Blocked deposits (*)	(42.497.566)	(57.818.160)
Cash and cash equivalents for cash flow purposes	**459.356.083**	**382.036.192**

As at 30 June 2018 and 31 December 2017, maturities of time deposits comprised the following:

	30 June 2018	31 December 2017
Up to 1 month	343.817.058	67.965.650
1-3 months	13.000.559	58.736
	356.817.617	**68.024.386**

As at 30 June 2018 and 31 December 2017, the range of time deposit interest rates included in cash and cash equivalents is as follows:

	30 June 2018	31 December 2017
Interest rate range for time deposit - TL	9,50% - 17,75%	8,00% - 13,25%
Interest rate for time deposit - USD	1,21% - 3,60%	0,80% - 1,25%

(*) As at 30 June 2018, cash at banks amounting to TL 24.877.165 (31 December 2017: TL 29.835.291) is blocked by relevant banks due to bank borrowings and letters of guarantee. As at 30 June 2018, TL 7.130.418 deposited at the BIST Settlement and Custody Bank ("Takasbank") is blocked by CMB (31 December 2017: TL 8.156.844). As at 30 June 2018 TL 10.489.983 (31 December 2017: TL 19.826.025) of other cash equivalents are blocked at banks until their maturities. Financial risk with respect to cash and cash equivalents are detailed in Note 29.

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

8 FINANCIAL INVESTMENTS

As at 30 June 2018 and 31 December 2017, the details of financial investments of the Group comprised the following:

Current assets	30 June 2018	31 December 2017
Financial assets mandatorily at fair value through profit or loss	3.673.456	2.838.567
Other	343.884	2.636.869
Total	**4.017.340**	**5.475.436**
Non current assets		
Financial assets at fair value through other comprehensive income-equity instruments	59.138.561	5.402.985
Total	**59.138.561**	**5.402.985**

The details of the Group's financial assets classified as mandatorily at fair value through profit or loss are as follows:

a) Financial assets mandatorily at fair value through profit or loss

	30 June 2018	31 December 2017
Debt securities (governmental bonds)	111.569	112.475
Equity securities	2.561.877	1.726.082
Investment funds participations	1.000.010	1.000.010
	3.673.456	**2.838.567**

All financial assets mandatorily at fair value through profit/loss are financial assets at fair value thorugh profit/loss. The changes in fair value of these assets are accounted in gain/(loss) on investing activities, at condensed consolidated statement of profit or loss and other comprehensive income. All the equity securities included in the financial assets at fair value through profit/loss are traded in active markets.

As at 30 June 2018 the equity shares amounting to TL 9.402 are pledged for an ongoing lawsuit case (31 December 2017: TL 9.402).

As at 30 June 2018 and 31 December 2017, the letters of guarantee given to BIST, Settlement and Custody Bank, Derivative Market ("VIOP") and the CMB are explained in Note 19.

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

8 FINANCIAL INVESTMENTS *(continued)*

b) Financial assets at fair value through other comprehensive income-equity instruments

	30 June 2018	31 December 2017
Equity securities		
- Unquoted to an active market	59.138.561	5.402.985
Total	**59.138.561**	**5.402.985**

Details of equity securities which are not quoted in an active market comprised the following:

	30 June 2018		31 December 2017	
	Share ratio (%)	Book value	Share ratio (%)	Book value
Dreamlines GmbH (*)	-	53.735.576	-	-
Borsa İstanbul A.Ş.	0,08	3.034.508	0,08	3.034.508
Bakü Borsası	5,50	137.523	5,50	137.523
EPİAŞ	-	412.408	-	412.408
Other	-	1.818.546	-	1.818.546
Total		**59.138.561**		**5.402.985**

(*) The Group's subsidiary Global Ports Holding Plc formed an exclusive partnership with Dreamlines GmbH ("Dreamlines"). Dreamlines is a cruise tourism oriented online travel agency and operating in 12 countries. The Group has acquired a convertible bond in 12 months of this company. If Global Ports Holding Plc uses the conversion option, the percentage of shares in Dreamlines capital is expected to realize at the middle level of single digit numbers.

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

9 FINANCIAL BORROWINGS

As at 30 June 2018 and 31 December 2017, financial borrowings comprised the following:

Short term borrowings	**30 June 2018**	**31 December 2017**
Short term bank loans	177.077.518	74.456.396
-TL Loans	*117.789.393*	*20.883.171*
-Foreign currency loans	*59.288.125*	*53.573.225*
Other financial obligations	21.370.604	16.041.426
Total	**198.448.122**	**90.497.822**

Short term portion of long term borrwings

	30 June 2018	**31 December 2017**
Short term portion of long term bank loans	172.828.976	196.282.290
-TL Loans	*10.973.358*	*22.930.614*
-Foreign currency loans	*161.855.618*	*173.351.676*
Debt securities issued	259.646.514	129.140.783
- TL debt securities	*119.601.875*	*53.650.780*
-Foreign currency debt securities	*140.044.639*	*75.490.003*
Finance lease obligations	33.889.178	35.030.672
Total	**466.364.668**	**360.453.745**

Long term borrowings	**30 June 2018**	**31 December 2017**
Long term bank loans	570.655.401	590.623.953
-TL Loans	*21.418.263*	*27.188.053*
-Foreign currency loans	*549.237.138*	*563.435.900*
Debt securities issued	1.116.238.390	891.143.257
- TL debt securities	*13.678.093*	*13.021.251*
-Foreign currency debt securities	*1.102.560.297*	*878.122.006*
Finance lease obligations	51.348.612	55.256.257
Total	**1.738.242.403**	**1.537.023.467**
Total borrowings	**2.403.055.193**	**1.987.975.034**

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

9 FINANCIAL BORROWINGS *(continued)*

Maturity profile of long term bank loans and debt securities issued comprised the following:

Years	30 June 2018	31 December 2017
2019	212.813.609	243.692.332
2020	237.131.315	195.899.733
2021	1.001.742.511	843.332.555
2022 and after	235.206.356	198.842.590
Total	**1.686.893.791**	**1.481.767.210**

Maturity profile of finance lease obligations comprised the following:

	30 June 2018			31 December 2017		
	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	37.577.088	3.687.910	33.889.178	38.894.984	3.864.312	35.030.672
Between one and five years	56.417.883	5.069.271	51.348.612	62.826.333	7.570.076	55.256.257
Total	**93.994.971**	**8.757.181**	**85.237.790**	**101.721.317**	**11.434.388**	**90.286.929**

The movement of financial borrowings as of 30 June 2018 and 2017 is as follows:

	2018	2017
Opening balance as at 1 January	**1.987.975.034**	**2.280.720.821**
Additions	410.920.543	427.892.357
Principal repayment	(198.886.675)	(651.461.950)
Changes in foreign currency exchange rates	84.222.692	8.401.391
Changes in interest accruals	23.637.373	666.237
Currency translation difference	241.840.592	91.182.328
Classified as liabilities held for sale	(146.654.366)	-
Closing balance as at 30 June	**2.403.055.193**	**2.157.401.184**

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

9 FINANCIAL BORROWINGS *(continued)*

					30 June 2018		
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	2022	Fixed	8,00 %	14.794.911	14.794.254
Bond issued (ii)	Holding	TL	2018	Floating	GDS+ 5,25 %	50.000.000	51.574.178
Bond issued (ii)	Holding	TL	2019	Floating	GDS + 5,25 %	14.800.000	15.063.055
Secured loan (iii)	Holding	EURO	2018	Floating	Euribor + 6,76 %	13.253.518	13.710.505
Secured loan (iii)	Holding	EURO	2019	Floating	Euribor + 6,70 %	7.263.631	7.470.497
Secured loan (iii)	Holding	EURO	2020	Floating	Euribor + 7,35 %	100.343.880	103.576.073
Bond issued (ii)	Holding	TL	2019	Floating	GDS + 3,75 %	50.000.000	51.848.480
Bond issued (ii)	Holding	TL	2020	Floating	GDS + 4,25 %	25.000.000	25.967.233
Secured loan (xiii)	VCP	EURO	2029	Fixed	3,00 %	42.293.751	43.663.726
Secured loan (xii)	Global Ports BV	EURO	2020	Floating	Euribor + 4,6 %	64.772.240	64.728.758
Bond issued (iv)	Global Liman	USD	2021	Fixed	8,13 %	1.140.175.000	1.139.028.863
Secured loan (xiv)	Port of Adria	EURO	2024	Floating	Euribor + 4,25 %	94.817.064	95.302.839
Secured loan	Ege Liman	USD	2019	Fixed	6,50 %	1.505.031	1.531.394
Secured loan	Ege Liman	EURO	2020	Fixed	3,54 %	22.139.364	22.272.382
Secured loan	Ege Liman	TL	2020	Fixed	15,39 - 19,28 %	4.230.622	4.289.449
Unsecured loan	Ortadoğu Liman	USD	2018	Fixed	5,93 %	16.906.657	17.721.191
Secured loan	Ortadoğu Liman	USD	2019	Fixed	3,60 - 6,60 %	6.902.653	6.922.445
Secured loan	Ortadoğu Liman	USD	2020	Fixed	4,25 - 4,54 %	1.301.660	1.303.791
Secured loan	Ortadoğu Liman	EURO	2022	Fixed	3,40 - 5,75 %	55.411.764	56.147.190
Unsecured loan	Bodrum Liman	TL	2019	Fixed	17,00 - 17,25 %	650.000	678.148
Secured loan (v)	Naturelgaz	TL	2022	Floating	TR Libor + 2,50 %	16.644.008	17.308.723
Secured loan (v)	Naturelgaz	USD	2022	Floating	USD Libor + 5,25 %	85.897.934	86.863.112
Secured loan (v)	Naturelgaz	TL	2018	Fixed	10,08 - 25,00 %	24.786.362	24.786.362
Secured loan	Straton Maden	TL	2018	Fixed	11,00 - 25,45 %	27.964.114	28.089.309
Secured loan (vi)	Straton Maden	EURO	2021	Floating	Euribor + 1,50- 3,00 %	40.699.845	41.335.957
Secured loan	Straton Maden	EURO	2018	Fixed	5,44 %	71.201	71.421
Secured loan	Straton Maden	EURO	2020	Fixed	5,00 %	1.133.986	1.133.963
Secured loan	Güney Maden	TL	2018	Fixed	14,75 %	20.000.000	20.003.056
Secured loan (xi)	BPI	EURO	2023	Floating	Euribor + 4,00 %	127.318.761	123.959.196
Secured loan (xi)	Malaga Limanı	EURO	2025	Floating	Euribor + 1,75 %	26.989.801	26.514.670
Secured loan	Tres Enerji	TL	2018	Floating	14,75 - 25,45 %	20.222.142	20.225.565
Secured loan	Tres Enerji	TL	2020	Floating	TR Libor + 1,34 %	670.588	679.698
Secured loan	Tenera Enerji	TL	2018	Fixed	14,75 - 18,00 %	22.268.025	22.268.025
Secured loan	Tenera Enerji	TL	2020	Floating	Libor + 1,34 %	670.588	679.698
Secured loan	Mavi Bayrak Enerji	USD	2025	Floating	Libor + 5,95 - 8,10 %	68.410.500	68.428.711
Secured loan	Mavi Bayrak Enerji	USD	2019	Rotative	-	5.071.498	5.071.498
Secured loan	Doğal Enerji	USD	2024	Floating	Libor + 6,50 %	26.908.130	26.907.029
Secured loan	Mavi Bayrak Doğu	USD	2026	Floating	Libor + 5,95 %	41.958.440	41.887.358
Secured loan	Port Operation Holding	EURO	2026	Fixed	2,75 %	2.638.995	2.638.997
						2.286.886.664	**2.296.446.799**
Finance Lease Obligations							
Leasing (vii)	Ortadoğu Liman	USD	2020	Fixed	7,35 %	3.173.168	3.173.168
Leasing	Ege Liman	USD	2020	Fixed	5,50 %	1.169.611	1.169.611
Leasing (viii)	Ege Liman	EURO	2020	Fixed	7,75 %	6.836.869	6.836.869
Leasing (ix)	Naturelgaz	USD	2019	Fixed	5,75 % - 7,00 %	3.249.984	3.249.984
Leasing (ix)	Naturelgaz	EURO	2019	Fixed	6,04 % - 9,90 %	2.831.414	2.831.414
Leasing	Straton maden	EURO	2021	Fixed	5,00 % - 5,25 %	1.574.849	1.574.849
Leasing (x)	Tres Enerji	EURO	2025	Fixed	4,98 %	14.848.475	14.848.475
Leasing (x)	Tres Enerji	EURO	2022	Fixed	5,13 %	21.029.388	21.029.388
Leasing (x)	Tres Enerji	EURO	2022	Fixed	5,15 %	9.297.573	9.297.573
Leasing (x)	Tres Enerji	EURO	2021	Fixed	5,44 %	12.732.118	12.732.118
Leasing	Mavi Bayrak Doğu	EURO	2020	Fixed	5,25 %	5.760.709	5.760.709
Leasing	Port Operation Holding	EURO	2021	Fixed	1,96 %	351.853	351.853
Leasing	Edusa Atık Bertaraf	EURO	2021	Floating	Libor + 6,00 %	2.381.779	2.381.779
						85.237.790	**85.237.790**
						2.372.124.454	**2.381.684.589**

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

9 FINANCIAL BORROWINGS *(continued)*

					31 December 2017		
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	2022	Fixed	8 %	12.839.548	12.735.716
Bond issued (ii)	Holding	TL	2018	Floating	GDS+ 5,25 %	50.000.000	51.603.309
Bond issued (ii)	Holding	TL	2019	Floating	GDS + 5,25 %	14.800.000	15.068.722
Secured loan (iii)	Holding	EURO	2018	Floating	Euribor + 6,76 %	17.010.179	17.611.865
Secured loan (iii)	Holding	EURO	2019	Floating	Euribor + 6,70 %	9.322.237	9.590.767
Secured loan (iii)	Holding	EURO	2020	Floating	Euribor + 7,35 %	90.084.225	93.021.954
Secured loan (xii)	Global Ports BV	EURO	2020	Fixed	3,00 %	66.152.075	66.062.952
Secured loan (xiii)	VCP	EURO	2020	Floating	Euribor + 4,6 %	38.001.956	39.981.190
Bond issued (iv)	Global Liman	USD	2021	Fixed	8,13 %	942.975.000	940.876.293
Secured loan	Ege Liman	USD	2018	Fixed	4,5 %	12.530.811	13.042.621
Secured loan	Ege Liman	TL	2020	Fixed	15,60 %	2.362.541	2.362.541
Secured loan	Ortadoğu Liman	USD	2018	Fixed	5,93 %	13.982.550	14.211.200
Secured loan	Ortadoğu Liman	USD	2019	Fixed	3,60 - 4,56 %	3.831.702	3.838.956
Secured loan	Ortadoğu Liman	EUR	2022	Fixed	5,45 %	20.635.835	20.807.162
Unsecured loan	Bodrum Liman	TL	2018	Fixed	16,56 %	272.708	177.332
Secured loan	Pera	TL	2021	Floating	TR Libor + 5,00 %	9.700.530	9.784.325
Secured loan	Pera	TL	2021	Fixed	14,50 %	6.978.759	6.901.024
Secured loan	Pera	TL	2018	Fixed	TR Libor + 4,95 %	9.571.429	10.324.121
Secured loan (v)	Naturelgaz	TL	2022	Floating	TR Libor + 2,50 %	18.580.976	19.038.308
Secured loan (v)	Naturelgaz	USD	2022	Floating	Libor + 5,25 %	79.308.912	80.362.284
Secured loan (v)	Naturelgaz	TL	2018	Fixed	10,08 % - 18,85 %	10.381.664	10.381.664
Secured loan (v)	Naturelgaz	USD	2018	Fixed	5,40 %	5.103.378	5.103.378
Secured loan	Straton Maden	TL	2018	Fixed	17,40 - 19,45 %	4.100.000	4.101.726
Secured loan (vi)	Straton Maden	EURO	2021	Floating	Euribor + 3,25 %	36.506.176	36.850.666
Secured loan	Straton Maden	EURO	2018	Fixed	1,34 %	594.584	595.744
Secured loan	Straton Maden	EURO	2018	Fixed	5,52 %	499.503	499.503
Secured loan	Straton Maden	EURO	2020	Fixed	5,00 %	1.213.617	1.213.833
Secured loan (xi)	BPI	EURO	2023	Floating	Euribor + 4,00 %	140.893.083	137.770.379
Secured loan (xi)	BPI	EURO	2024	Floating	Euribor + 4,00 %	10.831.520	10.631.305
Secured loan (xi)	Malaga Limanı	EURO	2025	Floating	Euribor + 1,75 %	24.429.528	24.055.719
Secured loan	Tres Enerji	TL	2018	Floating	15,25 % - 19,45 %	433.713	435.998
Secured loan	Tres Enerji	TL	2020	Floating	TR Libor + 1,34 %	820.629	831.727
Secured loan	Global Ticari Emlak	USD	2025	Floating	Libor + 6,20 %	115.287.014	117.606.263
Secured loan	Tenera Enerji	TL	2018	Fixed	16,5 %	228.464	228.464
Secured loan	Tenera Enerji	TL	2020	Floating	TR Libor 1,34 %	820.629	831.727
Secured loan	Mavi Bayrak Enerji	USD	2025	Floating	Libor + 5,95 %	56.578.500	55.994.023
Secured loan	Mavi Bayrak Enerji	USD	2018	Rotative	-	3.741.725	3.741.725
Secured loan	Doğal Enerji	USD	2024	Floating	Libor + 6,50 %	22.254.210	22.189.593
Secured loan	Mavi Bayrak Doğu	USD	2026	Floating	Libor + 5,95 %	18.859.500	18.870.177
Secured loan	Port Operation Holding	EURO	2026	Fixed	2,75 %	2.310.423	2.310.423
						1.874.829.833	**1.881.646.679**
Finance Lease Obligations							
Leasing (vii)	Ortadoğu Liman	USD	2018 - 2020	Fixed	5,92 % - 7,35 %	4.023.644	4.023.644
Leasing	Ege Liman	USD	2020	Fixed	5,80 - 6,50 %	1.308.082	1.308.082
Leasing (viii)	Ege Liman	EURO	2020	Fixed	5,75 % - 7,75 %	7.123.588	7.123.588
Leasing (ix)	Naturelgaz	USD	2019	Fixed	7,00 %- 7,77 %	5.616.143	5.616.143
Leasing (ix)	Naturelgaz	EURO	2018	Fixed	6,04 % - 10,30 %	4.694.349	4.694.349
Leasing	Straton maden	EURO	2021	Fixed	5,80 %	1.777.608	1.777.608
Leasing (x)	Tres Enerji	EURO	2018	Fixed	4,98 %	4.569.174	4.569.174
Leasing (x)	Tres Enerji	EURO	2020	Fixed	5,13 %	22.308.287	22.308.287
Leasing (x)	Tres Enerji	EURO	2023	Fixed	5,15 %	8.699.549	8.699.549
Leasing (x)	Tres Enerji	EURO	2021	Fixed	5,44 %	21.710.832	21.710.832
Leasing	Mavi Bayrak Doğu	EURO	2020	Fixed	5,00 %	6.068.926	6.068.926
Leasing	Pera	TL	2020	Fixed	13,90 %	2.038.633	2.038.633
Leasing	Port Operation Holding	EURO	2021	Fixed	1,96 %	348.114	348.114
						90.286.929	**90.286.929**
						1.965.116.762	**1.971.933.608**

9 FINANCIAL BORROWINGS *(continued)*

Detailed information related to the significant financial 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 "Financial Instruments: Presentation".

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 June 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.

The General Assembly of the Bonds Owned by the Bondholders of the CMB on 15 June 2017; it has been decided to extend the market by 30 June 2022, by setting various improvements in favor of the Company, including the reduction of the bond interest to 8%. In addition, a total amount of USD 11.986.000 is paid to the debt holders who demanded the deposit of their treasury deposits and the remaining net debt amount is USD 3.404.000.

As at 30 June 2018, the portion amounting to USD 10.360.000 of the new notes issued by the Company with a total amount of USD 13.604.000 are the notes held by the Company and its subsidiaries (31 December 2017: USD 24.144.000). As of 6 February 2018 the portion of the shares held by the Group amounting to USD 13.944.600 has been amortized using the "right of sale option". These bonds are available in the accounts of the Group. 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 TAS 32 "Financial Instruments". As at 30 June 2018, the net nominal value (principal amount) of the issued new notes (presented as debt securities issued) is USD 3.244.000 (31 December 2017: USD 3.404.000).

There are financial commitments of the Company as defined in the relevant borrowing agreements related to the above mentioned bonds. On the other hand, the same agreements have various requirements regarding the sale of assets of the Company, transactions with its subsidiaries and merger activities of the Company with other companies.

(ii) The Company has issued bonds to qualified investors amounting to TL 50.000.000 with 819 days maturity and an interest rate of GDS+5,25 % on 15 April 2016. The interest is paid every three months. The loan amount was paid on maturity and the loan was closed on 13 July 2018.

The Company has issued bonds to qualified investors amounting to TL 14.800.000 with 819 days maturity and an interest rate of GDS+5,25 % on 17 November 2016. The interest is paid every three months.

The Company has issued bonds to qualified investors amounting to TL 50.000.000 with 370 days maturity and an interest rate of GDS+3,75% on 5 January 2018. The interest is paid every three months.

The Company has issued bonds to qualified investors amounting to TL 25.000.000 with 735 days maturity and an interest rate of GDS+4,25% on 5 January 2018. The interest is paid every three months.

9 FINANCIAL BORROWINGS *(continued)*

(iii) As at 31 December 2014, the Company has borrowed a total of EURO 9.000.000, with an interest rate of Euribor + 6,76 % and maturity on 31 December 2018. The interest is paid every six months. The remaining principal amount of the loan as at 30 June 2018 is EURO 2.496.331 (31 December 2017: EURO 3.767.064).

On 30 January 2015, the Company has borrowed a total of EURO 5.000.000, with an interest rate of Euribor + 6,70 % and maturity on 30 January 2019. Interest and principal are paid every six months. The remaining principal amount of the loan as at 30 June 2018 is EURO 1.368.122 (31 December 2017: EURO 2.064.497).

On 23 January 2017, the Company has borrowed a total of EURO 21.000.000, with an interest rate of Euribor + 7,35 % and maturity on 23 January 2020. Interest and principal are paid every six months. The remaining principal amount of the loan as at 30 June 2018 is EURO 18.900.000 (31 December 2017: EURO 19.950.000).

(iv) Global Liman has issued bonds by pricing resale gain to qualified investors amounting to USD 250.000.000 with 7 years maturity and 8,125 % cupon rate based on 8,250 % reoffer yield was completed on 14 November 2014. The bond is quoted on Irish Stock Exchange. Eurobonds contains the certain following covenants;

- If a concession termination event occurs at any time, Global Liman must offer to repurchase all of the notes pursuant to the terms set forth in the indenture (a "Concession Termination Event Offer"). In the Concession Termination Event Offer, the Issuer will offer a "Concession Termination Event Payment" in cash equal to 100% of the aggregate principal amount of Notes repurchased plus accrued and unpaid interest and additional amounts, if any, on the notes repurchased, to the date of purchase (the "Concession Termination Event Payment Date"), subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant interest payment date.
- The consolidated leverage ratio would not exceed 5,0 to 1. Notwithstanding the foregoing clause (a), the Issuer and any Restricted Subsidiary will be entitled to incur any or all of the following indebtedness;

  a) Indebtedness incurred by Global Liman ("the Issuer"), Ege Ports ("Guarantor") or Ortadoğu Liman ("Guarantor") pursuant to one or more credit facilities in an aggregate principal amount outstanding at any time not exceeding USD 5.000.000;

  b) Purchase Money Indebtedness Incurred to finance the acquisition by the Issuer or a Restricted Subsidiary (all subsidiaries except Malaga Cruise Port and Lisbon Cruise Port) of assets in the ordinary course of business in an aggregate principal amount which, when added together with the amount of Indebtedness Incurred pursuant to this sub-clause and then outstanding, does not exceed USD 10.000.000;

  c) Additional Indebtedness of the Issuer or any Guarantor (other than and in addition to Indebtedness permitted above) and (b) Port of Bar Indebtedness, provided, however, that the aggregate principal amount of Indebtedness outstanding at any time under sub-clauses (a) and (b) of this clause does not exceed USD 20.000.000; and provided further, that more than 50% in aggregate principal amount of any Port of Bar Indebtedness incurred pursuant to this clause is borrowed from the International Finance Corporation and/or the European Bank for Reconstruction and Development.

(v) Naturelgaz has borrowed a total of TL 16.644.008 and USD 18.834.375, with a maturity date of 2022, with an interest rate of TRLibor+2,5 % and USDLibor+5,25% respectively to finance investing activities. Interest and principal are paid every six months. Under this loan agreement, the shares of a subsidiary of the Group amounting to TL 13.600.000 nominal value has been pledged. The Company, is joint guarantor for the refinancing loans over the term of all commitments and liabilities arising from these loans. The principal payments will start 18 months later and will be paid every six months within a certain payment plan. These loans have financial commitments as defined specifically in relation to their respective debt agreements.

9 FINANCIAL BORROWINGS *(continued)*

(vi) Straton Maden entered into a loan agreement with interest rates of Euribor + 1,5% and Euribor + 3% to finance investing activities. The remaining principal amount of the loan as at 30 June 2018 is EURO 7.665.909. (31 December 2017: EURO 8.084.636).

(vii) On 12 June 2014, Ortadoğu Liman has signed a finance lease agreement with the expiry date of 16 July 2020 and interest rate of 7,35% for the purchase of a port tugboat.

On 27 June 2014, Ortadoğu Liman has signed a finance lease agreement with the expiry date of 16 August 2019 and interest rate of 7,35 % for the purchase of a port of a port forklift.

(viii) On 25 June 2014, Ege Liman has signed a finance lease agreement with an interest rate of 7,75% and expiry in 2020 to finance investments.

(ix) Financial lease agreements signed by Naturelgaz with an interest rate of 6,04%-9,90% and expiry date of 2019 for the purpose of leasing machinery and motor vehicles.

(x) Finance lease agreements signed by Tres Enerji to finance investments.

(xi) Barcelona Port Investments (BPI) has entered into a syndication loan amounting to EURO 60.249.642 with a maturity date on 2023, an interest rate of Euribor+4% and EURO 9.000.000 with a maturity date on 2024, an interest rate of Euribor+1,75% for investing activities. The remaining principal amounts of the loans as at 30 June 2018 are EURO 21.582.039 and EURO 2.398.742 respectively. (31 December 2017: EURO 31.202.100 and EURO 2.398.742 respectively). There is a pledge on BPI shares amounting to EURO 19.640.360 (TL 104.274.599) and Creuers shares amounting to Euro 1.863.138 (TL 9.891.772) related to this loan.

On 12 January 2010, Malaga Port has borrowed a loan from Unicaja amounted EURO 9.000.000 for a new terminal construction. The loan is a nonrecourse loan which has a 15 year maturity and 18 months non-refundable right effective from the term of the agreement related with Euribor conditions. Malaga Port has guaranteed repayment of principal and interest amounts of the loan by mortgaging its royalty right. The remaining principal amount of the loan as at 30 June 2018 is EURO 5.083.591.

(xii) Global Ports Europe BV entered into a loan amounting to EURO 22.000.000, on 16 November 2015 with a six-year maturity, 12 months grace period and an interest rate of Euribor+4,60%. Principal and interest is paid twice, in May and November each year. Under this loan agreement, in the event of default, the shares of Global Ports Europe BV are pledged in accordance with a share pledge agreement. The remaining principal amount of the loan as at 30 June 2018 is EURO 12.200.000.

(xiii) The loan used by Valetta Cruise Port to finance investing activities.

(xiv) Port of Adria entered into a loan amounting to EURO 17.859.012 on 18 May 2018 with a maturity date on 2024, an interest rate of Euribor+4,25%. Under this loan agreement, there are EURO 9.304.887 mortgages on fixed assets.

A summary of other guarantees with respect to the loans are presented in Note 19.

The details of the foreign currency risk with respect to financial liabilities are presented in Note 29.

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

10 TRADE RECEIVABLES AND PAYABLES

Current trade receivables

As at 30 June 2018 and 31 December 2017, current trade receivables other than related parties comprised the following:

	30 June 2018	31 December 2017
Receivables from customers	154.686.985	119.443.362
Doubtful receivables	13.571.091	11.590.377
Allowance for doubtful receivables	(13.571.091)	(11.590.377)
Other	1.931.608	2.980.435
Total	**156.618.593**	**122.423.797**

The movement of the allowance for doubtful trade receivables during the six-month periods ended 30 June 2018 and 30 June 2017 comprised the following:

	2018	2017
Balance at the beginning of the period (1 January)	(11.590.377)	(9.251.994)
Changes in Accounting Policy - TFRS 9 (Note 2.3.3)	(1.966.114)	-
Allowance for the period	(2.337.205)	(332.466)
Cancellation of allowances and collections	18.331	659.751
Classified as asset held for sale	3.237.304	-
Currency translation differences	(933.030)	(1.056.888)
Balance at the end of the period (30 June)	**(13.571.091)**	**(9.981.597)**

The expenses related to the allowance for doubtful receivables are presented under impairment losses (gains) and reversal of impairment losses determined in accordance with TFRS 9.

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

10 TRADE RECEIVABLES AND PAYABLES *(continued)*

Short-term trade payables

As at 30 June 2018 and 31 December 2017, short-term trade payables other than related parties comprised the following:

	30 June 2018	31 December 2017
Payables to suppliers	113.696.770	105.916.461
Other payables	1.436.189	-
Total	**115.132.959**	**105.916.461**

11 RECEIVABLES FROM AND PAYABLES TO OPERATIONS IN FINANCE SECTOR

Current receivables

As at 30 June 2018 and 31 December 2017, current receivables from operations in finance sector other than related parties comprised the following:

	30 June 2018	31 December 2017
Receivables from customers	41.862.707	41.741.528
Receivables from money market	51.882.465	30.855.000
Doubtful receivables	1.228.120	1.228.392
Allowance for doubtful receivables	(1.228.120)	(1.228.392)
Other trade receivables	64.408	252.299
Total	**93.809.580**	**72.848.827**

Short-term liabilities

As at 30 June 2018 and 31 December 2017, short-term liabilities due to operations in finance sector other than related parties comprised the following:

	30 June 2018	31 December 2017
Payables to money market	67.580.582	58.954.055
Payables to customers	5.820.931	4.003.738
Payables to suppliers	2.710.291	3.945.359
Other	2.647.285	19.339
Total	**78.759.089**	**66.922.491**

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

12 INVENTORIES

As at 30 June 2018 and 31 December 2017, inventories comprised the following:

	30 June 2018	31 December 2017
Properties held for sale (*)	-	57.380.433
Raw materials (**)	39.054.566	33.653.903
Trading goods (***)	11.700.182	11.207.412
Provision for impairment on inventories (***)	(10.131.158)	(10.131.158)
Other	8.798.967	6.180.929
Total	**49.422.557**	**98.291.519**

The details of properties held for sale are as follows:

	30 June 2018	30 June 2017
Balance at the beginning	57.380.433	18.867.513
Additions	565.461	8.434.827
Disposals (****)	(15.296.572)	(8.538.016)
Transfer to assets held for sale	(42.649.322)	-
	-	**18.764.324**

(*) As at 31 December 2017, the Group's land classified as inventory consist 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.

(**) Raw materials comprised of inventories held by Straton and Naturelgaz.

(***) As at 30 June 2018 and 31 December 2017 trading goods and provision for impairment on inventories amounting to TL 9.435.881 consists of asphaltite stocks belongs to Geliş Madencilik.

(****) As at 30 June 2018 disposals amounting to TL 15.296.572 include costs related to Sky City Office (amounting to TL 15.015.720) and Sümerpark Residences (amounting to TL 280.852) (30 June 2017: TL 130.740).

As at 30 June 2018 and 31 December 2017, the mortgage or pledge on the inventory of the Group is explained in Note 19.

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

13 PREPAID EXPENSES AND DEFERRED INCOME

Prepaid expenses-current

As at 30 June 2018 and 31 December 2017, short term prepaid expenses comprised the following:

	30 June 2018	31 December 2017
Prepaid expenses (*)	16.004.766	10.485.973
Advances given (**)	40.995.773	30.403.664
Advances given for inventories	363.520	448.196
Other	8.272.129	6.666.539
Total	**65.636.188**	**48.004.372**

Prepaid expenses-non current

As at 30 June 2018 and 31 December 2017, long term prepaid expenses comprised the following:

	30 June 2018	31 December 2017
Advances given (**)	53.692.149	38.126.711
Prepaid expenses (*)	4.108.779	3.680.958
Other	743.016	855.909
Total	**58.543.944**	**42.663.578**

(*) As at 30 June 2018 and 31 December 2017, the major part of prepaid expenses comprises of prepaid expenses for energy, mining and port operation activities of the Group.

(**) As at 30 June 2018 and 31 December 2017, the major part of current and non-currents advances given comprises of advances given for developing projects of the Group for energy, mining and port operation investments.

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

14 INVESTMENT PROPERTY

Movements of investment property during the six-month periods ended 30 June 2018 and 2017 are as follows:

	2018	2017
Carrying value as at 1 January	379.707.100	414.323.250
Additions	1.150.000	-
Currency translation differences	49.159.100	(754.325)
Classified as assets held for sale (Note 30)	(430.016.200)	-
Carrying value as at 30 June	**-**	**413.568.925**

15 PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment for the six-month periods ended 30 June 2018 and 2017 are as follows:

	2018	2017
Carrying value as at 1 January	**930.235.293**	**754.500.121**
Additions	76.944.076	79.114.503
Disposals	(512.881)	(8.669.896)
Current period depreciation	(45.081.749)	(33.810.776)
Transfer	(449.132)	(272.257)
Currency translation differences	133.559.655	24.710.884
Impairment	-	(295.336)
Transfer to assets held for sale (Note 30)	(2.605.694)	-
Carrying value as at 30 June	**1.092.089.568**	**815.277.243**

A significant portion of the additions are comprised of construction in progress, machinery and equipment and furniture and fixtures for the six-month periods ended 30 June 2018 and 2017.

The details of mortgages and pledge on property, plant and equipment are presented in Note 19.

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

16 INTANGIBLE ASSETS AND GOODWILL

a) Other Intangible assets:

	2018	2017
Carrying value as at 1 January	**1.799.109.529**	**1.709.911.238**
Additions	1.099.913	1.994.672
Disposals	-	(33.766)
Impairment (*)	-	(50.672.736)
Current period amortization	(80.550.298)	(63.695.258)
Transfer	449.132	272.257
Currency translation differences	319.930.036	66.970.192
Transfer to assets held for sale	(390.109)	-
Carrying value as at 30 June	**2.039.648.203**	**1.664.746.599**

(*) As at 30 June 2017, the Group has accounted provision related to HPP license as intangible asset, amounting to TL 50.672.736 which is accounted for impairment loss accounted under intangible assets.

b) Goodwill:

	2018	2017
Carrying value as at 1 January	**71.986.732**	**71.533.722**
Currency translation differences	2.627.708	1.130.311
Carrying value as at 30 June	**74.614.440**	**72.664.033**

The Group evaluated the goodwill impairment indicators subsequent to 31 December 2017 and has concluded that no impairment test is necessary as at 30 June 2018.

The basic assumptions related to the goodwill impairment tests as at 30 June 2018 are presented in the related disclosures in the consolidated financial statements as at 31 December 2017.

As of 30 June 2018, depreciation and amortization expenses recognised in marketing expenses amounting to TL 3.873.690 (30 June 2017: TL 3.156.619), general administrative expenses amounting to TL 9.192.027 (30 June 2017: TL 7.671.175) and cost of sales amounting to TL 112.566.330 (30 June 2017: TL 86.355.274).

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

17 EQUITY ACCOUNTED INVESTEES

As at 30 June 2018 and 31 December 2017, the details of financial information related to equity accounted investees are as follows:

	Effective	Effective	Carrying value	
	voting power	ownership held	30 June 2018	31 December 2017
Assets				
Port of Singapore	40,00 %	15,03 %	24.494.537	12.386.484
Port of Lisbon	50,00 %	28,00 %	38.533.550	32.721.018
Venezia Investimenti Srl (**)	25,00 %	15,15 %	44.133.513	37.731.377
Axel Corporation Grupo Hotelero SL (***)	15,00 %	15,00 %	15.362.821	10.188.799
La Spezia	30,00 %	17,27 %	186.028	158.219
Total Assets			**122.710.449**	**93.185.897**
Liabilities				
IEG (*)	50,00 %	38,72 %	(618.764)	(597.106)
Total Liabilities			**(618.764)**	**(597.106)**
			122.091.685	**92.588.791**

(*) 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 liabilities related to the equity accounted investees.

(**) Venezia Investimenti Srl is an international consortium formed for investing in Venezia Terminal Passegeri S.p.A (VTP). The international consortium formed by Global Ports Holding (GPH), Costa Costa Crociere SpA, MSC Cruises SA and Royal Caribbean Cruises Ltd each having 25% share of the Company. As of reporting date the Group consolidate its financial statements as equity accounted investment method.

(***) Aristaeus Limited, a subsidiary of the Group, has been acquired a 15% shares of Axel Corporation Grupo Hotelero SL, operating in Spain, on 15 July 2016. As at 30 September 2016, the Group started to consolidate its financial statements as equity accounted investment method.

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

17 EQUITY ACCOUNTED INVESTEES *(continued)*

As at 30 June 2018 and 31 December 2017, the details of financial statements related to equity accounted investees are as follows:

30 June 2018	Current Assets	Non Current Assets	Total Assets	Short Term Liabilities	Long Term Liabilities	Total Liabilities	Income	Expenses	Net Profit/Loss for the period
IEG	548.826	8.875	557.701	(1.795.232)	-	(1.795.232)	10.933	(54.250)	(43.317)
Port of Lisbon	30.804.760	138.737.868	169.542.628	(21.982.095)	(70.493.434)	(92.475.529)	11.247.770	(10.963.823)	283.947
Port of Singapore	76.836.152	13.498.851	90.335.003	(29.098.660)	-	(29.098.660)	59.940.218	(34.273.032)	25.667.186
Venezia Investimenti Srl	13.746.176	162.552.900	176.299.076	234.975	-	234.975	3.391.370	(444.059)	2.947.311
Axel Corporation Grupo Hotelero SL	46.108.392	56.310.418	102.418.810	(5.299.126)	(456.803)	(5.755.929)	44.786.733	(46.666.357)	(1.879.624)
La Spezia	620.097	-	620.097	-	-	-	-	-	-

31 December 2017	Current Assets	Non Current Assets	Total Assets	Short Term Liabilities	Long Term Liabilities	Total Liabilities	Income	Expense	Net Profit/Loss for the period
IEG	540.092	8.875	548.967	(1.743.181)	-	(1.743.181)	39.856	(100.626)	(60.770)
Port of Lisbon	30.466.329	108.931.798	139.398.127	(21.451.908)	(52.504.183)	(73.956.091)	21.451.069	(14.395.535)	7.055.534
Port of Singapore	50.710.514	10.568.587	61.279.101	(23.351.293)	(6.961.597)	(30.312.890)	54.647.611	(40.762.699)	13.884.912
Venezia Investimenti	7.316.621	144.267.047	151.583.668	(658.162)	-	(658.162)	3.845.197	-	3.845.197
Axel Corporation Grupo Hotelero SL	33.702.614	51.450.160	85.152.774	(13.116.105)	(4.111.331)	(17.227.436)	86.457.428	(78.946.541)	7.510.888
La Spezia	527.395	-	527.395	-	-	-	-	-	-

Movements of equity accounted investees for the six-month periods ended 30 June 2018 and 2017 are as follows:

	2018	2017
Balance at the beginning of the period (1 January)	**92.588.791**	**67.228.150**
Shares in profit / (loss) of associates and joint ventures	10.852.089	3.592.515
Currency translation difference	18.650.805	6.164.721
Balance at the end of the period (30 June)	**122.091.685**	**76.985.386**

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

18 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

18.1 Other provisions

As at 30 June 2018 and 31 December 2017, the details of other provisions of the Group are as follows:

Other Short-Term Provisions

	30 June 2018	31 December 2017
Provision for lawsuits	6.687.594	6.586.852
Other short-term provisions	3.722.230	2.844.014
	10.409.824	**9.430.866**

Other Long-Term Provisions

	30 June 2018	31 December 2017
Provisions for the purchase of Port of Barcelona (*)	79.461.049	67.582.003
Provisions for the purchase of Port of Adria (**)	6.371.040	5.644.375
Provisions for the purchase of Port Operation Holding (***)	6.823.371	6.289.207
	92.655.460	**79.515.585**

(*) The provisions are related to the purchase of the Port of Barcelona and are separated within the scope of the Transfer of Operating Rights Agreement between the Creuers and the Port Authority of Barcelona and Malaga.

(**) The restructuring provisions are related to the acquisition of the Bar Port and are allocated within the scope of the Transfer of Operating Rights Agreement signed between Global Liman and the Government of Montenegro on 15 November 2013.

(***) On 6 December 2009, Ravenna Port Authority and Ravenna Passenger Terminal S.r.l. ("RTP") has signed a contract in connection with the concession right of the Ravenna Passenger Terminal operating expiry on 27 December 2019. RTP is obliged to pay a concession fee to the Port Authority of EUR 86.375 per year until the concession is over. The expenses related to this concession agreement are recorded linearly over the duration of the concession period and accrued in the relevant years.

On 13 June 2011, Catania Port Authority and Catania Passenger Terminal S.r.l. ("CCT"), which reached an agreement on the concession rights of the Catania Passenger Terminal, which will expire on 12 June 2026. CCT is obliged to pay a concession fee to the Port Authority of EUR 135.000 per year until the concession is over. The expenses related to this concession agreement are recorded linearly over the duration of the concession period and accrued in the relevant years.

On 14 January 2013, Cagliari Cruise Port ("CCP") and Cagliari Port Authority signed a contract in connection with the concession right of the Cagliari Cruise Terminal operating expiry on 13 January 2027. CCP is obliged to pay a concession fee to the Port Authority of EUR 44.315,74 per year until the concession is over. The expenses related to this concession agreement are recorded linearly over the duration of the concession period and accrued in the relevant years.

18 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES*(continued)*

18.2 Legal issues

There are lawsuits pending that have been filed against or by the Group. These lawsuits primarily include the labor 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 18.1. The information related with the significant lawsuits that the Group is directly or indirectly a party is as follows:

(i) The Constitutional Court passed a decision on 6 June 2013 governing the cancellation of the phrase "…except for specific arrangements…" included in the Provisional Article 8 that has been added to the Law No: 4706 amending the contractual terms of agreements regarding easement rights or utilization rights concerning the immovable that are fully owned by the state or private properties of the Treasury, the terms of which are shorter than 49 years, to be extended to 49 years starting from the validity of the relevant agreements.

Ortadoğu Antalya Liman İşletmeleri A.Ş. ("Port Akdeniz"), Ege Liman İşletmeleri A.Ş. ("Ege Ports") and Bodrum Yolcu Limanı İşletmeleri A.Ş. ("Bodrum Cruise Port") filed their applications regarding extension of the operation periods of the ports in accordance with the cancellation decision of the Constitutional Court and the applicable legislation, to the relevant authorities. However, each application was rejected by the authorities. Port Akdeniz, Ege Ports and Bodrum Cruise Port filed lawsuits at the competent administrative courts.

The cases taken to the courts by Ege Liman and Port Akdeniz had been rejected and the Group lawyers appealed the rejection decisions. On appeal, the Council of State reversed the lower court's judgement and allowed the extension of the concession agreement related to Ege Liman. The Privatization Administration applied to the Council of State for reversal of this judgement and the case is pending. Port Akdeniz's lawsuits were rejected at first instance court and were appealed by the Group. The case is pending before the Council of State.

Bodrum Cruise Port's objection was approved by the court and rejection decision of the Ministry of Transportation, Maritime Affairs and Communication (Ministry) had been cancelled in favor of Bodrum Cruise Port. Upon affirmation of this decision by the Council of State, the rectification request of the Ministry has also been overruled by the Council of State on July 2018, and such court decision has become final in favor of the Group. Terms of the time extension protocol shall be negotiated with the Ministry in order to enforce the final court decision.

On the other hand, extending operation right terms to 49 years is now a possibility for certain facilities and investments including Bodrum Cruise Port as per provisional clause 23 of the Law on Evaluation of Public Immovable Assets and Amendment on VAT Law No 4706 ("the Code")which was introduced by the Law No 7061 published on the Official Gazette of 5 December 2017. The Regulation mentioned in the Code has been published in the Official Gazette on 04 May 2018. The possibility to extend the operation period of Bodrum Cruise Port as per the Code is also being considered.

18 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES *(continued)*

18.2 Legal issues *(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. On 4 January 2008 a trustee had been appointed for the subsidiary's management and the subsidiary was therefore excluded from the consolidated accounts. On 2 March 2010, the court decided on return of shares on a free of charge basis 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. Although the decision was overruled the first instance court decision was against the Group and the judgment became final on 3 March 2016. The shares that are subject matter of the case was transferred to a foreign company in the course of court hearings and examinations in 2015. On the other hand, the Group has filed counter claims in order to collect the expenditure made for the purposes of the project against the 4 partners on 21 April 2016. One of the court claims has been ruled in favor of the Group and the other three are still pending. Group lawyers succeeded in their application to take and impose an interim injunction on company shares of one of the debtors.

(iii) 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 15.000.000 bid bond provided by GYH and its joint venture partners during the bid process. On 8 January 2010, the Group deposited USD 6.900.000 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.

18 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES *(continued)*

18.2 Legal issues *(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 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. The expert, in the report, has the opinion that Group’s request was rightful. The defendant, Privatization Administration, made an objection to the Report. Although the latter expert report has also represented in favor of the Group, the Group has requested for correction of the expert report due to insufficient examination. The Court dismissed the lawsuit and the lawsuit has been appealed by the Group.

(iv) On 14 March 2008 the joint venture (“JV”) consisting of Energaz (newly titled as Enerya Gaz Dağıtım A.Ş. (“Enerya”)) and GYH placed the highest bid USD 1.610.000.000 for the tender relating to the privatization of the shares of “Başkent Doğalgaz Dağıtım A.Ş.” owned by the Municipality of Ankara via the block sale method. STFA Yatırım Holding A.Ş. and ABN Amro Infrastructure Capital Management Ltd. (newly named “Eiser Infrastructure Limited”) also became members of the JV. Along with other reasons, as the information in relation to Başkent Doğalgaz Dağıtım A.Ş. within the tender specifications was 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 50.000.000 Letter of Guarantee, procured 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. Afterwards, 13th Chamber of Council of State dismissed the case and the judgement of dismissal received on 4 August 2014. The decision has been appealed in due of time by the Group lawyers on 2 September 2014. The Chamber of Council of State approved the decision and it was notified on 28 July 2016. Request of rectification has been submitted by the Group lawyers but this request of rectification has been rejected by the Pleanary Session of the Administrative Law Chamber and the court file has returned to the 13th Chamber of Council of State on 21 June 2018. The reasoned decision has been served on the parties and thereby became final.

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 as the Municipality could not close the tender in the two years period according to the Law No.4046. Thus, the Turkish Privatization Administration finalized the privatization process of the Başkentgaz shares by means of making several tenders in 2014.

18 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES *(continued)*

18.2 Legal issues *(continued)*

In the meantime 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 amounting to USD 50.000.000. 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 bid amount 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 that provided the Letter of Guarantee 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 17 January 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 Bid Bond amounting to USD 50.000.000 has been paid by the Group. The decision has been appealed. As a result of the appeal, the Supreme Court of Appeals acknowledged all objections and reversed the decision in favor of the Group. The defendant Municipality requested for the revision of decision and such revision request has rejected by the Supreme Court. The file has been sent to Ankara 4th Chamber Commercial Court with the file number 2016/37 and been approved the remittitur and ruled an interim decision to wait the decision of the Chamber of Council of State. Following that the Group lawyers submitted a revocation petition in relation to that there is no reasoning to wait for the decision of the Chamber of Council of State. However, at the hearing held on 31 May 2017, such request of Group lawyers was rejected. The court decided in the hearing dated 27 June 2018 to refer the court file to expert examination and adjourned the hearing to 14 November 2018.

18 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES *(continued)*

18.2 Legal issues *(continued)*

Briefly 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) and a net amount of provision and reimbursement of the provision amounting to USD 25.830.000 (TL 46.044.558) 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 (31 December 2014: TL 38.656.063) accounted as "reimbursement of payments" in the other receivables. As at 31 December 2014, the Group has come to agreement with the other partners of the Consortium, Enerya and STFA, and the related amount has been collected. The difference between the receivable arising from the recourse and the agreed amount has been written off and expensed under finance costs in the amount of TL 9.379.317. As of 31 December 2016, USD 16.670.000 is accounted for under "other receivables" as "reimbursement of provisions". However, the legal process with regards to the other member of the Consortium is still ongoing and yet the Group management considers that collection of the receivables from the other members of the Consortium shall have a positive impact on the process. Although preparations to start legal proceedings abroad with regards to such receivable, in order to speed up the collectability of such receivable which is already in a high chance upon winning the case, based on the precautionary principle, the Group has allocated provision amounting to TL 62.877.573 for the provision to be indemnified which are accounted under the other receivables as "reimbursement of provisions" in the consolidated financial statements as of 31 December 2017.

On the other hand, the Municipality filed a lawsuit against the Company and Enerya 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 file before the same Court with the file number of 2016/37 detailed above. Next hearing will be held on 21 November 2018. The Group management did not to make any reserve in its condensed consolidated interim financial statements in accordance with its legal advisors' opinion.

18 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES *(continued)*

18.2 Legal issues *(continued)*

(v) 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 pended the filing until the decision of the file numbered 2010/920 E before 13th Council of State. Since the lawsuit with the file numbered 2010/920 E before 13th Council of State which is regarding the forfeiture of the letter of guarantee has been decided to be pended, interrelation with and the differences from the lawsuit have been indicated in the most recent petition. In the said petition, it has been stated that the decision taken by the Administrative Court has no defect evaluation for Global Holding; and only has an defect evaluation for the JV, and therefore it has been defended that the interrelation of the parties are different and lawsuit must be approved without making it a pending issue. During the hearing held on 24 February 2016, the Court has removed the pending decision and rejected the lawsuit.The decision of the first instance court is appealed by the Group on 27 May 2016. The file number which is 2016/14130 has been obtained by the 3rd Chamber of Supreme Court of Appeals. On 08 May 2018 the 3rd Chamber of Supreme Court of Appeals decided the missing documents to be supplied and requested the two final State of Council's decisions to be submitted to the court file in order to conclude on the appeal request.

(vi) 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.

18 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES *(continued)*

18.2 Legal issues *(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 judgment made in favor of the Group. The 13th Chamber of the Council of State which carried on the appeal process approved the decision of the Court of the First Instance and such decision was received by Group Lawyers on May, 2017. The Group Lawyers applied for a request of rectification of the decision on 29 May 2017 which is still pending.

As at 31 December 2017, based on the precautionary principle and according to the current existing situation, the Group has accounted provision amounting to TL 50.968.072 for the HEPP license and for the other tangible assets accounted in the consolidated financial statements.

(vii) Raiffeisen Centrobank AG ("Raiffeisen") filed a lawsuit before the 14th Commercial Court of First Instance in request for recognition and approval of the decision numbered 600337-2013 dated 14 October 2014 made by Swiss Chambers' Arbitration Institution and the reimbursement of litigation cost, lawyer expense and other compensable expenses by the Group. The Group lawyers submitted a petition and claimed that the conflict causing arbitration process was out of the scope of the conditions of the agreement signed by the parties so the arbitrator was unauthorized and also Group lawyers asserted other reasons to the Court. Afterwards, Raiffeisen submitted a counter petition against Group's declarations and the Group lawyers submitted rebuttal petition dated 6 July 2015 together with the legal opinion prepared by Prof. Dr. Cemal Şanlı. The Court without holding a hearing made an examination on 12 June 2015 and decided upon that preliminary hearing will be held on 19 November 2015 before the board of the Court. In the preliminary hearing, the copy of registration files of the Company has been requested from the related registry of commerce and granted an extension to Raiffeisen's lawyer for submitting their rebuttal petition against Group's rebuttal petition and legal opinion. Raiffeisen submitted their replies to the file however; this replication has not received yet by the Group. In the hearing held on 10 March 2016, the expert report was submitted to the Court and the parties have raised objections and statements to the report. However, in the hearing held on 02 February 2017, the Court accepted the case and decided to the recognition and approval of the decision numbered 600337-2013 dated 14 October 2014 made by Swiss Chambers' Arbitration Institution. The Group lawyers appealed the decision before the Provincial High Court. The Provincial High Court ruled on rescission of the court decision due to short payment of the court claim fee by the claimant. The file has returned to the first instance court and the new hearing is adjourned to 29 November 2018. The Group reserved TL 4.087.204 for this lawsuit in its 2014 consolidated financial statements.

18 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES *(continued)*

18.2 Legal issues *(continued)*

(ix) On the other hand, Global Enerji Hizmetleri ve İşletmeciliği A.Ş. which is a subsidiary of the Group filed a lawsuit before 2nd Commercial Court of First Instance claiming that the compensation of its damages stemming from the share purchase agreement signed with the former shareholders of Geliş Madencilik Enerji İnşaat A.Ş. The value of the claim was USD 7.958.000 (TL 21.760.355) which was the amount of the advance payment in accordance with the shareholders agreement. The defendants have submitted their rebuttal petition and filed a counter lawsuit for the purpose of compensation of USD 19.000.000 which was an unpaid part of share transfer price USD 26.958.500. This counter lawsuit has been filed as partial therefore in the first phase; the defendants requested USD 20.000 for share transfer price, TL 25.000 for expenses and lost profit damages, TL 50.000 for the compensation of positive damages stemming from decreasing of share price and USD 40.000 for penal clause. The Group lawyers have submitted the entire petitions to the first lawsuit and counter lawsuit. The expert report was submitted to the Court and the parties submitted their statements to the report in February 2018. In the hearing dated 7 June 2018, the Court has accepted the first lawsuit and ruled that (i) the defendants are jointly and severally liable from and will pay to the Group USD 7.958.000 together with accrued interest as of the court claim date, (ii) the Group to return 85% of the Gelis Madencilik Enerji Insaat A.S' shares to the defendants, namely Mustafa Acar, Mehmet Sıddık Balkan and Veysi Gelis, Muhammet Fatih Bahşiş, (iii) to concurrent fulfillment of mutual obligations and (iv) rejection of the counter lawsuit. The reasoned decision has not been published yet.

18.3 Contingent assets and liabilities

Details of the Group's guarantees, pledges and mortgages ("GPM's") are presented in Note 19. The Group's other contingent assets and liabilities are disclosed in the consolidated financial statements as at 31 December 2017. As at 30 June 2018, there were no significant changes in these contingent assets and liabilities.

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

19 COMMITMENTS

As at 30 June 2018 and 31 December 2017 guarantees, pledges and mortgages (GPMs) given by the Group are presented below:

30 June 2018

		Original Amount		
	TL Equivalent	**TL**	**USD**	**EURO**
A Total amount of GPMs given in the name of its own legal personality	475.783.005	238.132.665	10.200.000	36.000.000
B Total amount of GPMs given in the name of the consolidated subsidiaries and joint ventures	1.191.998.674	39.857.872	108.026.003	124.212.049
C Total amount of GPMs given to be able to conduct ordinary business transactions to secure payables of third parties	-	-	-	-
D Other GPMs given	519.076.289	158.297.724	79.105.963	-
- 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 (*)	519.076.289	158.297.724	79.105.963	-
- Total amount of GPMs given in the name of third parties except for C	-	-	-	-
Total	**2.186.857.968**	**436.288.261**	**197.331.966**	**160.212.049**

31 December 2017

		Original Amount		
	TL Equivalent	**TL**	**USD**	**EURO**
A Total amount of GPMs given in the name of its own legal personality	445.454.591	244.423.211	10.200.000	36.000.000
B Total amount of GPMs given in the name of the consolidated subsidiaries and joint ventures	1.087.339.383	206.952.644	133.828.942	83.179.571
C Total amount of GPMs given to be able to conduct ordinary business transactions to secure payables of third parties	-	-	-	-
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	**1.532.793.974**	**451.375.855**	**144.028.942**	**119.179.571**

(*) The amount given by the Group in favor of its subsidiaries classified as assets held for sale.

As at 30 June 2018 except for the amount given by the Group in favor of its subsidiaries classified as assets held for sale, the ratio of other GPMs given to the Group's equity is 0% (31 December 2017: 0%).

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

19 COMMITMENTS *(continued)*

The details of the GPMs (contingent liabilities) given by the Group are presented below:

	30 June 2018	31 December 2017
Given to Energy Market Regulatory Authority (1)	4.598.080	3.638.780
Given for tenders	4.180.290	2.893.590
Given as a guarantee for commercial contracts	35.302.225	29.948.425
Given to Borsa Istanbul	3.362.500	2.812.500
Given to banks	355.106	-
Given to Takasbank	32.525.000	33.075.000
Given to Privatization Administration	2.587.725	2.107.709
Given to supply for natural gas	41.078.236	34.457.082
Given to courts, ministries, Tax Administration	4.997.218	6.442.717
Given to Capital Markets Board	2.276	4.576
Other	120.729.525	130.419.079
Total letters of guarantee	**249.718.181**	**245.799.458**
Mortgages and pledges on inventory, property plant and equipment and investment property (2)	848.412.608	608.329.005
Pledges on equity securities (3)	482.849.388	251.677.068
Sureties given (4)	605.877.791	426.988.443
Total contingent liabilities	**2.186.857.968**	**1.532.793.974**

(1) The amounts include the letters of guarantee given by the Group for its subsidiaries operating in energy sector to EMRA.

(2) Mortgages and pledges on inventory, property, plant and equipment and investment property:

As at 30 June 2018, there is a mortgage amounting to TL 120.000.000 and Euro 15.000.000 (TL 79.638.000) over one of the buildings of Global Yatırım Holding A.Ş. (which is classified as property, plant and equipment) with respect to the loans obtained (31 December 2017: TL 120.000.000 and Euro 15.000.000).

As at 30 June 2018, there is mortgage on the land of the Group located in Denizli , as collateral of the Group's bank loans amounting to TL 84.500.000 (31 December 2017 : TL 84.500.000 and Euro 15.000.000). Additionally, as at 30 June 2018, there is a mortgage on the land of the Group located in Van, related with the loans utilized by Global Ticari Emlak amounting to USD 50.000.000 (TL 228.035.000) (31 December 2017 : USD 50.000.000 (TL 188.595.000)).

As at 30 June 2018, there is a pledge over the property, plant and equipment of the Group's subsidiaries which operating in energy generation sector amounting to USD 43.500.000 (198.390.450 TL) with respect to the loans utilized by those subsidiaries.

19 COMMITMENTS *(continued)*

As at 30 June 2018, there is a pledge over the property, plant and equipment of Port of Barcelona, Ortadoğu Liman and Port of Adria amounting to Euro 13.493.042 (TL 71.637.258), USD 3.150.000 (TL 14.366.205), and, Euro 9.304.887 (TL 49.401.506), respectively due to the loans utilized by those companies. Besides, as at 30 June 2018, there is a pledge over the property, plant and equipment of Pera amounting to TL 2.444.189 with respect to the lease agreements of Pera.

(3) Pledges on equity securities:

As at 30 June 2018, the Group gave marketable securities with a nominal value of USD 10.200.000 (TL 46.519.140) (31 December 2017: TL 38.473.380) and equity shares amounting to TL 9.402 (31 December 2017: TL 9.400) as collateral with respect to ongoing legal proceedings. There are pledges on shares with a nominal value of subsidiaries of Group which operating in port operations amounting to TL 333.395.451, naturel gas/mining/energy generation amounting to TL 20.900.000 and real estate development amounting to TL 38.600.000 with respect to the loans obtained by the Group.

As at 30 June 2018, treasury shares amounting to nominal value of TL 12.240.000 (31 December 2017: TL 15.650.000) as mentioned in Note 21.1 has been pledged for loans and debt securities. As at 30 June 2018, financial investments with a carrying value of TL 95.795 are pledged against CMB.

(4) Securities given:

As at 30 June 2018, the Group provided surety amounting to EURO 36.134.378, USD 80.676.751 and TL 46.090.691, a total of amounting to TL 605.877.791 (31 December 2017: TL 426.987.932) with respect to loan and lease agreements of subsidiaries of the Group.

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

20 EMPLOYEE BENEFITS

Payables related to employee benefits

As at 30 June 2018 and 31 December 2017, payables related to employee benefits comprised the following:

	30 June 2018	31 December 2017
Payables to personnel	7.564.467	5.135.514
Social security premiums payable	5.119.588	3.846.697
Other	292.980	788.504
Total	**12.977.035**	**9.770.715**

Provisions for employee benefits

As at 30 June 2018 and 31 December 2017, short term and long term provisions for employee benefits comprised the following:

Short term provisions

	30 June 2018	31 December 2017
Provision for notice pay and vacations	3.545.833	3.675.502
Provision for personnel premium	575.699	164.640
	4.121.532	**3.840.142**

Long term provisions

Long term provisions consist of provision for employment termination indemnities. The details of the long term provisions are as follows:

	30 June 2018	31 December 2017
Provision for employment termination indemnity	8.594.857	7.945.868
	8.594.857	**7.945.868**

The assumptions used to recognize provision for employment termination indemnity are explained below:

Under the Turkish Labor Law, the Group is required to pay employment 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 5.434 for each period of service as of 30 June 2018 (31 June 2017: TL 4.732).

Provision for employment termination indemnity are not subject to any statutory funding.

For the six-month periods ended 30 June 2018 and 2017, the movement of the provision for employment termination indemnity as follows:

	2018	2017
Opening balance	7.945.868	9.960.330
Interest for the period	121.412	153.212
Service costs	1.410.812	770.834
Payments within the period	(792.946)	(393.083)
Currency translation differences	(86.553)	(1.388.287)
Actuarial gain/losses	(3.736)	(72.583)
Closing balance	**8.594.857**	**9.030.424**

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

21 CAPITAL, RESERVES AND OTHER EQUITY ITEMS

21.1 Share capital / Treasury shares

Share capital:

As at 30 June 2018 the Company's statutory nominal value of paid-in share capital consists of 325.888.410 registered shares with a par value of TL 0,01 each. As at 31 December 2017 the Company's statutory nominal value of paid-in share capital consists of 325.888.410 registered shares with a par value of TL 0,01 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 325.888.410 and the authorized capital ceiling is TL 650.000.000. The shareholder structure of the Company is as follows:

	30 June 2018		31 December 2017	
	Proportion of share %	Value of share	Proportion of share %	Value of share
Mehmet Kutman (*)	23,13 %	75.378.702	21,89%	71.327.853
Centricus Holdings Malta Limited	30,68 %	100.000.000	30,68 %	100.000.000
Erol Göker	0,15 %	488.707	0,15 %	488.707
Publicly traded other shares	46,04 %	150.021.001	47,28 %	154.071.850
Total	**100 %**	**325.888.410**	**100 %**	**325.888.410**
Adjustment related to inflation		34.659.630		34.659.630
Inflation adjusted capital		**360.548.040**		**360.548.040**

(*) Disclosed together with the shares of Turkcom Turizm Enerji İnşaat Gıda Yatırımlar A.Ş which is owned by Mehmet Kutman.

The detail information about privileged shares are disclosed in the consolidated financial statements as at 31 December 2017.

Share capital / treasury shares

The Company and some of the subsidiaries of the Group repurchased shares of the Company from the capital markets in prior periods. 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 "Treasury shares owned by the Company" in the consolidated statement of changes in equity. As at 30 June 2018, the Company and the subsidiaries of the Group held 34.778.633 shares of Global Yatırım Holding A.Ş (31 December 2017: 24.591.587 shares), with the cost of TL 79.910.349 (31 December 2017: TL 40.974.259). Those shares has been reclassified as "Treasury shares" and "Capital adjustments due to cross ownership" under equity.

In accordance with Article 520 of the Turkish Commercial Code no 6102, reserve provision is made for the treasury shares owned by the Company as the amount allocated to meet the acquisition value. As at 30 June 2018, the Group made provision for the shares owned by the Group amounting to TL 79.910.349 accounted under restricted reserves in the consolidated financial statements (31 December 2017: TL 40.974.259).

21 CAPITAL, RESERVES AND OTHER EQUITY ITEMS *(continued)*

21.2 Share premium/discounts

Share premium represents the inflow of cash arising from the sales of shares on market value. The premium amount is included in equity and can not be distributed. It can only be used for the future capital increases.

21.3 Accumulated 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*

Based on the transitional provisions of the TAS 19 standard, starting from 1 January 2012 actuarial gains and losses in accordance with the announcement on the financial statements and footnote formats stated in the Communiqué Serial: II, 14.1 published in the Official Gazette No. 28676 dated 13 June 2013 followed under these accounts.

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 14.497.128) has been reflected in the consolidated financial statements of the Group.

21 CAPITAL, RESERVES AND OTHER EQUITY ITEMS *(continued)*

21.4 Other comprehensive income/expense 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 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 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 recognized 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 recognized loss amounting to TL 92.381.151 for the six month period ended 30 June 2018 and has recognized income amounting to TL 2.859.394 six-month period ended 30 June 2017 in other comprehensive income within equity.

21.5 Restricted reserves

As at 30 June 2018, the Group's restricted reserves are total of TL 83.260.630 (31 December 2017: TL 69.027.309). These reserves set aside according to the principles described in the related disclosures in the consolidated financial statements as at 31 December 2017.

21.6 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.

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.

21.7 Dividend Distribution

Publicly held companies distribute dividends according to "Dividend Distribution Announcement" numbered II-19.1 and issued by CMB at 1 February 2014. Dividends of companies are distributed based on dividend distribution policy and related regulations approved by General Assembly There is not any minimum rate for distribution in the announcement mentioned-above. Companies distribute dividends according to their prime contracts or dividend distribution policy. In addition, it is possible to pay dividends in equal or different instalments and distribute dividend advance in cash for profit in interim financial statements.

The Group recognized net loss amounting to TL 69.717.630 for the period 1 January-30 June 2018 (1 January-30 June 2017: TL 31.666.425 net profit) in its stand-alone statutory financial statements prepared in accordance with Tax regulation and TCC.

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

22 REVENUE AND COST OF SALES

For the six-month periods ended 30 June 2018 and 2017, the Group's gross profit on the basis of operations comprised the following:

Revenue	1 January-30 June 2018	1 April-30 June 2018	1 January-30 June 2017	1 April-30 June 2017
Natural gas revenues	94.012.009	65.798.658	97.735.737	53.327.423
Port operating revenues	230.989.123	152.392.485	180.914.797	113.583.227
Mining revenues	31.228.618	18.306.946	26.902.877	14.365.219
Other	45.021.808	25.986.574	13.471.454	7.458.886
Total	**401.251.558**	**262.484.663**	**319.024.865**	**188.734.755**
Cost of sales				
Cost of natural gas sales and services	(77.285.443)	(52.008.925)	(87.971.477)	(48.029.746)
Cost of port operations	(154.320.448)	(85.259.356)	(130.231.387)	(72.128.400)
Cost of mining operations	(30.096.101)	(15.841.282)	(23.468.946)	(12.369.093)
Other	(41.647.673)	(19.977.420)	(14.824.912)	(8.333.482)
Total	**(303.349.665)**	**(173.086.983)**	**(256.496.722)**	**(140.860.721)**
Gross Profit from Non-finance Operations	**97.901.893**	**89.397.680**	**62.528.143**	**47.874.034**

Revenues from Finance Operations	1 January-30 June 2018	1 April-30 June 2018	1 January-30 June 2017	1 April-30 June 2017
Agency commissions	14.179.612	6.825.886	10.921.728	5.662.846
Interest received from customers	5.446.569	2.626.753	3.904.412	2.009.630
Portfolio management fees	809.669	249.675	908.968	351.704
Gain on sale of marketable securities, net	427.381	202.460	390.742	271.846
Other revenue	2.769.472	1.197.956	2.157.527	1.161.221
Total	**23.632.703**	**11.102.730**	**18.283.377**	**9.457.247**
Cost of Revenues from Finance operations (-)				
Commission charges	(407.529)	(192.465)	(342.924)	(163.947)
Interest charges from loans delivered to customers	(2.017.367)	(936.607)	(2.174.379)	(1.062.853)
Total	**(2.424.896)**	**(1.129.072)**	**(2.517.303)**	**(1.226.800)**
Gross Profit from Finance Operations	**21.207.807**	**9.973.658**	**15.766.074**	**8.230.447**
GROSS PROFIT	**119.109.700**	**99.371.338**	**78.294.217**	**56.104.481**

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

23 GENERAL AND ADMINISTRATIVE EXPENSES AND MARKETING EXPENSES

23.1 Marketing expenses

For the six-month periods ended 30 June 2018 and 2017, marketing expenses comprised the following:

	1 January-30 June 2018	1 April-30 June 2018	1 January-30 June 2017	1 April-30 June 2017
Personnel expenses	4.276.957	2.248.442	3.773.997	1.827.749
Depreciation and amortization expenses (Note 15-16)	3.873.690	2.124.677	3.156.619	1.601.276
Export expenses of mining operations	7.534.039	4.571.830	10.172.141	5.747.042
Advertising and promotion expenses	2.215.134	1.207.694	1.497.856	1.125.550
Taxes and duties	904.569	595.420	796.288	580.747
Representation expenses	131.515	72.969	213.510	159.947
Stock market participation share	996.408	481.063	527.275	234.202
Money market settlement and custody expenses	219.457	133.327	231.812	35.890
Vehicle expenses	221.125	125.695	194.015	101.166
Repair and maintenance expenses	327.861	173.260	522.530	201.949
Building management expenses	400.631	203.709	349.802	173.916
Insurance expenes	355.754	194.173	347.837	181.239
Travelling expenes	293.010	183.831	252.846	129.084
Other	3.056.975	2.145.874	2.347.465	320.112
	24.807.125	**14.461.964**	**24.383.993**	**12.419.869**

23.2 General and administrative expenses

For the six-month periods ended 30 June 2018 and 2017, general and administrative expenses comprised the following:

	1 January-30 June 2018	1 April-30 June 2018	1 January-30 June 2017	1 April-30 June 2017
Personnel expenses	42.663.069	20.862.221	31.911.452	15.335.093
Consultancy expenses	11.262.712	6.898.471	5.713.999	2.810.049
Travelling expenses	4.932.821	2.142.755	2.168.828	1.105.891
Taxes and duties other than on income	2.550.354	1.501.067	2.990.684	1.872.737
Depreciation and amortization expenses (Note 15-16)	9.192.027	5.273.615	7.671.175	3.881.696
IT expenses	3.226.784	1.635.871	2.351.931	1.159.763
Communication expenses	1.051.423	537.511	850.321	460.064
Building management expenses	910.526	476.437	899.338	481.255
Rent expenses	1.595.100	936.739	1.221.604	741.246
Vehicle expenses	1.914.689	959.279	1.242.220	637.112
Representation expenses	5.166.625	3.459.502	3.023.039	1.391.260
Stationery expenses	397.664	216.927	441.313	219.694
Repair and maintenance expenses	553.019	354.568	360.222	185.981
Other expenses	3.276.367	1.494.188	3.452.839	173.957
	88.693.180	**46.749.151**	**64.298.965**	**30.455.798**

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

24 EXPENSES BY NATURE

For the six-month periods ended 30 June 2018 and 2017, the breakdown of personnel, depreciation and amortization expenses comprised the following:

Personnel expenses	**1 January-30 June 2018**	**1 April-30 June 2018**	**1 January-30 June 2017**	**1 April-30 June 2017**
Cost of sales	25.903.069	13.796.492	18.594.615	9.188.733
Marketing expenses	4.276.957	2.248.442	3.773.997	1.827.749
General administrative expenses	42.663.069	20.862.221	31.911.452	15.335.093
	72.843.095	**36.907.155**	**54.280.064**	**26.351.575**

Depreciation and amortization expenses	**1 January-30 June 2018**	**1 April-30 June 2018**	**1 January-30 June 2017**	**1 April-30 June 2017**
Cost of sales	112.566.330	58.879.890	86.678.240	43.545.863
Marketing expenses	3.873.690	2.124.677	3.156.619	1.601.276
General administrative expenses	9.192.027	5.273.615	7.671.175	3.881.696
	125.632.047	**66.278.182**	**97.506.034**	**49.028.835**

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

25 FINANCE INCOME

For the six-month periods ended 30 June 2018 and 2017, finance income of the Group comprised the following:

	1 January- 30 June 2018	1 April- 30 June 2018	1 January- 30 June 2017	1 April- 30 June 2017
Foreign currency gain	42.395.414	38.593.931	19.981.656	17.993.500
Interest income	6.476.756	1.564.117	9.401.078	7.078.619
Other	591.920	425.806	473.398	80.007
Total	**49.464.090**	**40.583.854**	**29.856.132**	**25.152.126**

26 FINANCE EXPENSES

For the six-month periods ended 30 June 2018 and 2017, finance expense of the Group comprised the following:

Recognized in profit or loss	1 January- 30 June 2018	1 April- 30 June 2018	1 January- 30 June 2017	1 April- 30 June 2017
Foreign currency loss	68.127.464	47.612.747	28.231.435	14.170.122
Interest expense on borrowings	80.283.495	41.809.008	90.974.590	46.617.197
Letter of guarantee commissions	1.721.152	743.512	1.141.084	663.830
Comission expenses	1.243.812	529.845	3.414.277	2.849.910
Other	2.559.493	587.062	2.978.655	844.560
Total	**153.935.416**	**91.282.174**	**126.740.041**	**65.145.619**

Recognized in other comprehensive income	1 January- 30 June 2018	1 April- 30 June 2018	1 January- 30 June 2017	1 April- 30 June 2017
Gain/(losses) from net investment hedges (Note 21.4)	(92.381.151)	(57.681.013)	2.859.294	30.105.229
	(92.381.151)	**(57.681.013)**	**2.859.294**	**30.105.229**

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

27 EARNINGS/ (LOSS) PER SHARE

For the six-month period ended 30 June 2018 and 2017, basic and diluted earnings per share are calculated by dividing the net profit attributable to owners of the Company by weighted average number of shares outstanding.

	1 January- 30 June 2018	1 April- 30 June 2018	1 January- 30 June 2017	1 April- 30 June 2017
Net loss for the period	(50.970.924)	5.601.890	(137.767.071)	(80.973.042)
Net loss from continuing operations for the period	(60.586.678)	(1.782.024)	(140.199.619)	(82.962.720)
Net loss from discontinued operations for the period	9.615.754	7.383.914	2.432.548	1.989.678
Weighted average number of shares	325.888.410	325.888.410	325.888.410	325.888.410
Weighted average number of ordinary shares	325.888.410	325.888.410	325.888.410	325.888.410
Number of shares held by the Group (Note 21.1)	(34.778.633)	(34.778.633)	(24.591.587)	(24.591.587)
Weighted average number of shares	299.911.776	299.911.776	301.296.823	301.296.823
Earnings per share with par value of TL 1 (TL full)	(0,1700)	0,0187	(0,4572)	(0,2687)
Earnings per share of continuing operations with par value of TL 1 (TL full)	(0,2020)	(0,0059)	(0,4653)	(0,2754)
Earnings per share of discontinued operations with par value of TL 1 (TL full)	0,0321	0,0246	0,0081	0,0066

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

28 TAX ASSETS AND LIABILITIES

Current tax income assets

As at 30 June 2018 and 31 December 2017, current tax income assets of the Group comprised the following:

	30 June 2018	31 December 2017
Prepaid taxes and funds	5.345.506	13.144.305
Other	509.593	360.718
Total	**5.855.099**	**13.505.023**

Tax expenses:

For the six-month period ended 30 June 2018 and 2017, tax income/(expense) comprised the following:

	2018	2017
Current tax charge	(15.206.239)	(12.321.006)
Deferred tax benefit	23.727.406	18.615.477
Total	**8.521.167**	**6.294.471**

The tax reconciliation for the six-month period ended 30 June 2018 and 2017 comprised the following:

	%	2018	%	2017
Loss before income tax		(76.349.298)		(166.072.768)
Corporate tax using domestic rate	22,00	16.798.525	20,00	33.214.554
Disallowable expenses	(3,88)	(2.960.937)	(2,79)	(4.636.706)
Effect of unrecognized tax losses	(2,16)	(1.650.875)	(13,15)	(21.842.578)
Effect of tax exemption on maritime operations	2,12	1.616.146	0,25	408.436
Other	(6,92)	(5.281.692)	(0,51)	(849.235)
		8.521.167		**6.294.471**

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

28 TAX ASSETS AND LIABILITIES *(continued)*

As at 30 June 2018 and 31 December 2017, the deferred tax assets and liabilities reflected to the consolidated financial statements are as follows:

	30 June 2018	31 December 2017
Deferred tax assets	106.122.716	92.289.733
Deferred tax liabilities	(454.764.436)	(401.934.029)
Total	**(348.641.720)**	**(309.644.296)**

For the six-month period ended 30 June 2018 and 2017, the movement of deferred tax is as follows:

	2018	2017
Balance at the beginning of the year	(309.644.296)	(295.662.215)
Changes in Accounting Policy - TFRS 9	432.545	-
Deferred tax income	23.727.406	18.615.477
Foreign currency translation differences	(63.156.628)	(16.773.621)
Recognized in equity	(747)	(14.517)
	(348.641.720)	**(293.834.876)**

(Currency:Amounts expressed in Turkish Lira (“TL”) unless otherwise stated)

29 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Foreign currency risk

As at 30 June 2018 and 31 December 2017, foreign currency risk exposures of the Group comprised the following:

	30 June 2018				
	TL Equivalent	**USD**	**EURO**	**GBP**	**TL**
1.Trade Receivables	22.670.452	2.460.241	10.519	-	11.394.183
2.a Monetary Financial Assets	385.319.395	29.827.240	34.790.089	640.641	60.747.087
2.b Non-monetary Financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. Current assets (1+2+3)	**407.989.847**	**32.287.481**	**34.800.608**	**640.641**	**72.141.270**
5.Trade receivables	-	-	-	-	-
6.a. Monetary Financial Assets	9.886.261	1.775.620	-	-	1.788.191
6.b. Non-monetary Financial Assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. Non-current assets (5+6+7)	**9.886.261**	**1.775.620**	**-**	**-**	**1.788.191**
9. Total Assets (4+8)	**417.876.108**	**34.063.101**	**34.800.608**	**640.641**	**73.929.461**
10. Trade Payables	31.953.257	311.117	1.166.515	85.161	23.831.736
11. Financial Liabilities	245.083.210	24.790.217	24.578.689	-	1.529.292
12.a. Monetary Financial Liabilities	67.218.095	12.628.373	6.687	27.851	9.421.795
12.b. Non-monetary financial Liabilities	-	-	-	-	-
13. Short-term liabilities (10+11+12)	**344.254.562**	**37.729.707**	**25.751.891**	**113.012**	**34.782.823**
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	1.253.890.249	248.553.177	22.469.025	-	1.021.227
16.a. Other Monetary Liabilities	4.297.026	-	-	-	4.297.026
16.b. Other Non-monetary Liabilities	-	-	-	-	-
17. Long-term Liabilities (14+15+16)	**1.258.187.275**	**248.553.177**	**22.469.025**	**-**	**5.318.253**
18. Total Liabilities (13+17)	**1.602.441.837**	**286.282.884**	**48.220.916**	**113.012**	**40.101.076**
19.Off-balance Sheet Foreign Currency Derivative Instruments Net Position (19a-19b)	**65.335.765**	**13.161.700**	**1.000.000**	**-**	**-**
19a. Foreign currency derivative assets	46.344.465	10.161.700	-	-	-
19b. Foreign currency derivative liabilities	(18.991.300)	(3.000.000)	(1.000.000)	-	-
20. Net Foreign Currency Asset/Liability Position (9-18+19)	**(1.119.229.964)**	**(239.058.083)**	**(12.420.308)**	**527.629**	**33.828.385**
21. Net Foreign Currency Position of monetary items (=1+2a+5+6a-10-11-12a-14-15-16a)	**(1.184.565.729)**	**(252.219.783)**	**(13.420.308)**	**527.629**	**33.828.385**
22. Fair Value of Derivative Instruments Held for Hedging	**881.402.620**	**193.260.381**	**-**	**-**	**-**
23. Derivative Assets Held for Hedging	**-**	**-**	**-**	**-**	**-**
24. Derivative Liabilities Held for Hedging	**881.402.620**	**193.260.381**	**-**	**-**	**-**
Export	**-**	**-**	**-**	**-**	**-**
Import	**-**	**-**	**-**	**-**	**-**

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

29 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS *(continued)*

Foreign currency risk *(continued)*

31 December 2017	TL Equivalent	USD	EURO	GBP	TL
1.Trade Receivables	22.538.912	2.517.679	1.295	-	13.036.632
2.a Monetary Financial Assets	136.774.759	18.993.831	4.324.002	4.518	45.583.945
2.b Non-monetary Financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. Current assets (1+2+3)	**159.313.671**	**21.511.510**	**4.325.297**	**4.518**	**58.620.577**
5.Trade receivables	-	-	-	-	-
6.a. Monetary Financial Assets	10.389.723	2.034.785	-	-	2.714.718
6.b. Non-monetary Financial Assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. Non-current assets (5+6+7)	**10.389.723**	**2.034.785**	**-**	**-**	**2.714.718**
9. Total Assets (4+8)	**169.703.394**	**23.546.295**	**4.325.297**	**4.518**	**61.335.295**
10. Trade Payables	35.479.082	1.063.056	1.773.220	555.246	20.641.551
11. Financial Liabilities	198.062.136	30.108.141	18.419.860	-	1.322.360
12.a. Monetary Financial Liabilities	13.534.020	-	-	-	13.534.020
12.b. Non-monetary financial Liabilities	-	-	-	-	-
13. Short-term liabilities (10+11+12)	**247.075.238**	**31.171.197**	**20.193.080**	**555.246**	**35.497.931**
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	1.069.420.272	249.854.772	27.883.510	-	1.085.073
16.a. Other Monetary Liabilities	3.905.548	-	-	-	3.905.548
16.b. Other Non-monetary Liabilities	-	-	-	-	-
17. Long-term Liabilities (14+15+16)	**1.073.325.820**	**249.854.772**	**27.883.510**	**-**	**4.990.621**
18. Total Liabilities (13+17)	**1.320.401.058**	**281.025.969**	**48.076.590**	**555.246**	**40.488.552**
19.Off-balance Sheet Foreign Currency Derivative Instruments Net Position (19a-19b)	**95.702.156**	**25.372.400**	**-**	**-**	**-**
19a. Foreign Currency Derivative Assets	95.702.156	25.372.400	-	-	-
19b. Foreign Currency Derivative Liabilities	-	-	-	-	-
20. Net Foreign Currency Asset/Liability Position (9-18+19)	**(1.054.995.508)**	**(232.107.274)**	**(43.751.293)**	**(550.728)**	**20.846.743**
21. Net Foreign Currency Position of monetary items (=1+2a+5+6a-10-11-12a-14-15-16a)	**(1.150.697.664)**	**(257.479.674)**	**(43.751.293)**	**(550.728)**	**20.846.743**
22. Fair Value of Derivative Instruments Held for Hedging	**728.960.528**	**193.260.381**	**-**	**-**	**-**
23. Derivative Assets Held for Hedging	**-**	**-**	**-**	**-**	**-**
24. Derivative Liabilities Held for Hedging	**728.960.528**	**193.260.381**	**-**	**-**	**-**
Export	**-**	**-**	**-**	**-**	**-**
Import	**-**	**-**	**-**	**-**	**-**

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

29 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS *(continued)*

Sensitivity analysis – foreign currency risk

A 10 percent strengthening or depreciation of the Turkish Lira against the following currencies as at 30 June 2018 and 30 June 2017 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.

30 June 2018	**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	(30.272.453)	30.272.453	-	-
2- Hedged portion against USD risk (-)	1.316.170	(1.316.170)	(88.140.262)	88.140.262
3- Net effect of USD (1+2)	**(28.956.283)**	**28.956.283**	**(88.140.262)**	**88.140.262**
	A 10 percent change in Euro against Turkish Lira:			
4- Net Euro asset/liability	(7.125.110)	7.125.110	-	-
5- Hedged portion against Euro risk (-)	4.634.447	(4.634.447)	-	-
6- Net effect of Euro (4+5)	**(2.490.663)**	**2.490.663**	-	-
	A 10 percent change in other currencies against Turkish Lira:			
7- Net other currencies asset/liability	315.575	(315.575)	-	-
8- Hedged portion against other currencies risk (-)	-	-	-	-
9- Net effect of other currencies (7+8)	**315.575**	**(315.575)**	-	-
TOTAL (3+6+9)	**(31.131.371)**	**31.131.371**	**(88.140.262)**	**88.140.262**

(*) Profit or loss excluded.

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

29 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS *(continued)*

Sensitivity analysis – Foreign currency risk *(continued)*

30 June 2017	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	(6.932.890)	6.932.890	-	-
2- Hedged portion against USD risk (-)	398.036	(398.036)	(84.508.811)	84.508.811
3- Net effect of USD (1+2)	**(6.534.854)**	**6.534.854**	**(84.508.811)**	**84.508.811**
	A 10 percent change in Euro against Turkish Lira:			
4- Net Euro asset/liability	(21.840.656)	21.840.656	-	-
5- Hedged portion against Euro risk (-)	(1.722.868)	1.722.868	-	-
6- Net effect of Euro (4+5)	**(23.563.524)**	**23.563.524**	-	-
	A 10 percent change in other currencies against Turkish Lira:			
7- Net other currencies asset/liability	432	(432)	-	-
8- Hedged portion against other currencies risk (-)	-	-	-	-
9- Net effect of other currencies (7+8)	**432**	**(432)**	-	-
TOTAL (3+6+9)	**(30.097.946)**	**30.097.946**	**(84.508.811)**	**84.508.811**

(*) Profit or loss excluded.

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

30 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

As at 30 June 2018 and 31 December 2017, the detail of assets held for sale is as below:

	30 June 2018	31 December 2017
Real estates	152.005	862.751
	152.005	**862.751**

Real estates

As at 30 June 2018, the Group's real estates held for sale can be summarized as land in the Bozüyük district of the Bilecik province, with a total area of 29.500 m2. As at 31 December 2017 the Group's real estates held for sale 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.

Real estate segment subsidiaries classified as assets held for sale

The Group classified its subsidiaries which operate in real estate segment as assets and liabilities held for sale as of reporting date.

As at 30 June 2018 details of the assets and liabilities held for sale of the Group's subsidiaries which operate in real estate segment are as follows:

Assets	30 June 2018
Cash and cash equivalents	11.772.976
Other receivables	8.599.046
Other current assets	47.338.111
Investment property	430.726.946
Tangible assets	2.605.693
Intangible assets	390.109
Goodwill	6.712.297
Other non-current assets	2.079.355
	510.224.533

Liabilities	30 June 2018
Financial liabilities	154.274.419
Trade payables	2.614.693
Other payables	781.694
Other current liabilities	5.498.586
Deferred tax liabilities	8.192.373
	171.361.765

(Currency:Amounts expressed in Turkish Lira ("TL") unless otherwise stated)

30 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS *(continued)*

As at 30 June 2018 income statement of assets held for sale of the Group's subsidiaries which operate in real estate segment are as follows:

Profit/(Loss) of Discontinued Operations	**1 January-30 June 2018**	**1 January-30 June 2017**
Revenue	35.211.105	14.475.805
Cost of revenues (-)	(16.687.661)	(1.543.894)
Gross profit/(loss)	***18.523.444***	***12.931.911***
Marketing expenses (-)	(399.618)	(718.702)
General administrative expenses (-)	(4.885.490)	(3.579.499)
Other operating income	204.174	137.894
Other operating expense (-)	(5.221)	(16.982)
Operating profit/(loss)	**13.437.289**	**8.754.622**
Finance income	139.566	203.315
Finance expenses (-)	(6.882.374)	(7.124.782)
Profit/(loss) before tax	**6.694.481**	**1.833.155**
Income tax credit /(expense)	3.115.440	(429.244)
- *Deferred tax benefit /(expense)*	*3.115.440*	*(429.244)*
Profit/(Loss) after tax	**9.809.921**	**1.403.911**
Profit/(loss) attributable to	**9.809.921**	**1.403.911**
-Non-controlling interests	194.167	(1.028.637)
-Owners of the company	9.615.754	2.432.548

31 EVENTS AFTER THE REPORTING PERIOD

The Company has issued bonds to qualified investors amounting to TL 15.000.000 with 181 days maturity and an interest rate of 23,00 % on 13 July 2018. The interest is paid every three months.

The Company has issued bonds to qualified investors amounting to TL 45.000.000 with 96 days maturity and an interest rate of 22,50 % on 13 July 2018. The interest is paid every three months.