IMPORTANT NOTICE

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached Offering Circular and you are therefore advised to read this disclaimer page carefully before reading, accessing or making any other use of the attached Offering Circular. In accessing the attached Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of your Representation: In order to be eligible to view the attached Offering Circular or make an investment decision with respect to the securities, you must: (i) not be a U.S. person (within the meaning of Regulation S under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**")) and be outside the United States; or (ii) be a "qualified institutional buyer" (within the meaning of Rule 144A under the U.S. Securities Act). You have been sent the attached Offering Circular on the basis that you have confirmed to the Joint Bookrunners set forth in the attached Offering Circular, being the senders of the attached, that either: (A)(i) you and any customers you represent are not U.S. persons; and (ii) the electronic mail (or e-mail) address to which it has been delivered is not located in the United States of America, its territories and possessions, any state of the United States and the District of Columbia; "possessions" include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands; or (B) you and any customers you represent are "qualified institutional buyers" and, in either case, that you consent to delivery by electronic transmission.

The attached Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and, consequently, neither the Joint Bookrunners nor any person who controls any of the Joint Bookrunners, Global Liman İşletmeleri A.Ş. ("**Global Ports Holding**"), any Guarantor named in the Offering Circular nor any director, officer, employer, employee or agent of theirs, or affiliate of any such person accepts any liability or responsibility whatsoever in respect any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Joint Bookrunners. The electronic form of the Offering Circular that you received may have been distributed in two parts due to file size restrictions, with the F-pages being provided separately by way of hyperlink. Please ensure that all such pages are reviewed when reading this Offering Circular.

You are reminded that the attached Offering Circular has been delivered to you on the basis that you are a person into whose possession the attached Offering Circular may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not nor are you authorized to deliver the attached Offering Circular to any other person. You will not transmit the attached Offering Circular (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person except with the consent of the Joint Bookrunners.

Restrictions: Nothing in this electronic transmission constitutes an offer to sell or a solicitation of an offer to buy securities in the United States or any other jurisdiction. Recipients of the attached Offering Circular who intend to subscribe for or purchase securities are reminded that any subscription or purchase may only be made on the basis of the information contained in the attached Offering Circular. Any securities to be issued will not be registered under the U.S. Securities Act and may not be offered or sold in the United States or to or for the account or benefit of U.S. persons (as such terms are defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act or pursuant to an exemption from such registration.

This communication is directed solely at persons who (i) are outside the United Kingdom, (ii) are investment professionals, as such term is defined in Article 19(1) of the Financial Promotion Order or (iii) are persons falling within Article 49(2) (a) to (d) of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (all such persons together being referred to as "relevant persons"). The attached Offering Circular must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which the attached Offering Circular relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on the attached Offering Circular or any of its contents.

OFFERING CIRCULAR

Global Liman İşletmeleri A.Ş.

US$250,000,000

8.125% Senior Unsecured Notes due 2021

Issue Price: 99.345%

The Issuer

Global Liman İşletmeleri Anonim Şirketi (the "**Company**" or "**Global Ports Holding**" or "**GPH**" or the "**Issuer**"), a joint stock company incorporated under the laws of the Republic of Turkey, and a wholly-owned subsidiary of Global Yatırım Holding Anonim Şirketi, ("**Global Investment Holdings**"), a joint stock company incorporated under the laws of the Republic of Turkey.

The Notes

Principal — The Issuer is offering (the "**Offering**") US$250,000,000 aggregate principal amount of its 8.125% Senior Unsecured Notes due 2021 (the "**Notes**").

Interest — The Issuer will pay interest on the Notes semi-annually, in arrears, on May 14 and November 14 of each year, commencing on May 14, 2015. Interest will accrue at the rate of 8.125% per annum.

Maturity — The Notes will mature on November 14, 2021.

Guarantees — The Notes will be guaranteed (the "**Guarantees**" and each, a "**Guarantee**") on a joint and several and senior basis by certain of the Issuer's subsidiaries (the "**Guarantors**").

Ranking — The Notes and the Guarantees will rank senior in right of payment to any and all future subordinated obligations of the Issuer and the Guarantors, and will rank *pari passu* in right of payment with all existing and future senior indebtedness of the Issuer and the Guarantors.

Security — The Notes and the Guarantees will be unsecured.

Use of Proceeds — The proceeds of the Offering of the Notes will be used for general corporate purposes including the payment of outstanding financial debt of the Issuer as described under "*Use of Proceeds*".

Optional Redemption — The Issuer may redeem some or all of the Notes at any time on or after November 14, 2018, at the redemption prices set forth herein. Prior to November 14, 2018, the Issuer may also redeem up to 35% of the Notes using the proceeds from certain equity offerings at the redemption price of 108.125% of the principal amount of such Notes, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption. Additionally, the Issuer may redeem all, but not less than all, of the Notes upon the occurrence of certain changes in applicable tax law at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption.

Change of Control Offer — Upon the occurrence of certain events constituting a change of control, the Issuer will be required to offer to repurchase all of the Notes at a redemption price equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption.

Concession Termination Event — Upon the occurrence of certain events constituting a concession termination event, the Issuer will be required to offer to repurchase all of the Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption.

Asset Sale Offer — In the event of the sale of certain assets, and subject to the occurrence of certain other events, the Notes will be subject to a mandatory redemption offer in respect of all of the Notes at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption.

INVESTING IN THE NOTES INVOLVES CERTAIN RISKS. PROSPECTIVE INVESTORS SHOULD CONSIDER THE RISK FACTORS SET FORTH UNDER "*RISK FACTORS*" BEGINNING ON PAGE 26 OF THIS OFFERING CIRCULAR.

Application has been made to the Irish Stock Exchange for the approval of this Offering Circular as "Listing Particulars." Application has been made to admit the Notes to the Irish Stock Exchange's Official List (the "**Official List**") and to trading on the Global Exchange Market. References in this Offering Circular to the Notes being "listed" (and all related references) will mean that the Notes have been admitted to the Official List and have been admitted to trading on the Global Exchange Market. The Notes are to be admitted to listing on the Official List and to trading on the Global Exchange Market and, for such purposes, these Listing Particulars do not constitute a "prospectus" for the purposes of the Prospectus Directive. The Irish Stock Exchange's Global Exchange Market is not a regulated market for the purposes of Directive 2004/39/EC.

Application has been made to the Capital Markets Board of Turkey (the "**CMB**") in its capacity as competent authority under Law No. 6362 of the Republic of Turkey (Turkey) relating to capital markets (the Capital Markets Law) for the issuance and sale of the Notes by the Company outside Turkey. The issuance of the Notes and the issuance certificate were approved by the CMB on January 29, 2014, and the series issuance certificate relating to the Notes is expected to be approved by the CMB on or about November 7, 2014.

Under current Turkish tax law, withholding tax at the rate of 0 per cent. applies to interest on the Notes. See "*Taxation—Certain Turkish Tax Considerations*".

The Notes and the Guarantees have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the laws of any other jurisdiction. The Joint Bookrunners named below are offering the securities only to qualified institutional buyers ("**QIBs**") under Rule 144A of the U.S. Securities Act ("**Rule 144A**") and to non-U.S. persons outside of the United States in compliance with Regulation S of the U.S. Securities Act ("**Regulation S**"). See the sections entitled "*Notice to Investors*" and "*Plan of Distribution*" for additional information about eligible offerees and transfer restrictions.

The Notes that are being offered and sold outside the United States pursuant to Regulation S and the Notes that are being offered and sold in reliance on Rule 144A will be issued in book-entry form in minimum denominations of US$200,000 and integral multiples of $1,000 in excess thereof. The Notes will initially be represented by global notes in book-entry form (the "**Global Notes**"). Beneficial interests in the Global Notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC, Euroclear and Clearstream and their participants. The Notes offered and sold in the United States to QIBs in reliance on Rule 144A (the "**Rule 144A Notes**") will be represented by beneficial interests in one or more permanent global notes in book-entry form without interest coupons (the "**Restricted Global Note**") and will be registered in the name of Cede & Co., as nominee for DTC and will be deposited on or about the Closing Date with The Bank of New York Mellon in its capacity as custodian for DTC. The Notes offered and sold outside the United States in reliance on Regulation S (the "**Regulation S Notes**") will be represented by beneficial interests in a single, permanent global note in book-entry form without interest coupons (the "**Unrestricted Global Note**") and will be registered in the name of The Bank of New York Depository (Nominees) Limited as nominee, and will be deposited on or about the Closing Date with a common depositary for, and in respect of interests held through, Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream**"). Except in certain limited circumstances, definitive notes in registered form will not be issued in exchange for beneficial interests in the Global Notes. See the section entitled "*Book-Entry; Delivery and Form*".

The Joint Bookrunners expect to deliver the Notes on or about November 14, 2014 (the "Issue Date")

Joint Bookrunners

Citigroup **J.P. Morgan**

The date of this Offering Circular is November 7, 2014.

IMPORTANT INFORMATION ABOUT THIS OFFERING CIRCULAR

The Group prepared this Offering Circular solely for use in connection with this Offering of the Notes and the Guarantees to qualified institutional buyers under Rule 144A under the U.S. Securities Act and to non-U.S. persons (within the meaning of Regulation S under the U.S. Securities Act) outside the United States under Regulation S under the U.S. Securities Act.

You may not reproduce or distribute this Offering Circular, in whole or in part, and you may not disclose any of the contents of this Offering Circular or use any information herein for any purpose other than considering an investment in the Notes. By accepting delivery of this Offering Circular, you expressly agree to the foregoing and expressly agree to maintain the disclosed information contained in this Offering Circular in confidence. You may not distribute this Offering Circular or disclose its contents to anyone, other than persons you have retained to advise you in connection with this Offering, without GPH's prior written consent.

This Offering Circular does not constitute a prospectus for the purpose of Article 5 of the Prospectus Directive. This Offering Circular is to be read in conjunction with the Financial Statements (as defined in "Presentation of Financial and Other Data"), which form part of this Offering Circular and are included herein.

The information in this Offering Circular is current only as of the date on its cover. For any time after the cover date of this Offering Circular, the information, including information concerning GPH's business, financial condition, results of operations and prospects may have changed. Neither the delivery of the Offering Circular nor any sale of any Notes shall, under any circumstances, create any implication that there have been no changes in GPH's affairs after the date of this Offering Circular.

This Offering is being made only on the basis of this Offering Circular. Any decision to purchase Notes in this Offering must be based only on the information contained herein and on your own evaluation of such information and the terms of this Offering, including the merits and risks of the investment. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Offering Circular or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal and interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behavior of financial markets in which they participate; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Citigroup Global Markets Limited and J.P. Morgan Securities plc, the Joint Bookrunners of the Notes, are not responsible for, and make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this Offering Circular, nor have the Joint Bookrunners acted on your behalf to independently verify the information in this Offering

Circular. Nothing in this Offering Circular is, or may be relied upon as, a promise or representation by the Joint Bookrunners as to the past, present or future.

GPH has not authorized any person to give any information or make any representations about itself in connection with this Offering that are not contained in this Offering Circular. If any information has been or is given or any representations have been or are made to you outside of this Offering Circular, such information or representations should not be relied upon as having been authorized by the Joint Bookrunners or GPH.

Summaries of documents contained in this Offering Circular may not be complete. GPH will make copies of certain actual documents available to you upon request. See "*Available Information*." None of the Issuer, the Guarantors or the Joint Bookrunners represent that the information in this Offering Circular is complete. All summaries of the documents contained herein are qualified in their entirety by this reference. You agree to the foregoing by accepting the Offering Circular.

This Offering may be withdrawn at any time. GPH and the Joint Bookrunners reserve the right to reject all or part of any offer to purchase Notes for any reason. GPH and the Joint Bookrunners also reserve the right to sell less than all of the Notes offered by this Offering Circular or to sell to any purchaser less than the principal amount of Notes such purchaser has offered to purchase. This Offering Circular is directed only to each person to whom it is delivered by, or on behalf of, the Joint Bookrunners or GPH, and is not an offer to any other person or to the public generally. This Offering Circular does not offer to sell or ask for offers to buy any Notes in any jurisdiction where it is unlawful, where the person making the offer is not qualified to do so, or to any person who cannot legally be offered the Notes.

This Offering is being made in reliance upon an exemption from registration under the U.S. Securities Act, for an offer and sale of securities that does not involve a public offering. **If you purchase Notes, you agree that your purchase will constitute your representation, warranty, acknowledgment and agreement to all of the statements about purchasers in the section entitled "*Notice to Investors.*"**

This Offering Circular is being provided (1) to a limited number of United States investors that the Issuer reasonably believes to be "qualified institutional buyers" under Rule 144A for informational use solely in connection with their consideration of the purchase of the Notes and (2) to investors outside the United States who are not U.S. persons in connection with offshore transactions complying with Rule 903 or Rule 904 of Regulation S.

The offering of the Notes has been authorized by the CMB only for the purpose of the sale of the Notes outside of Turkey in accordance with Article 15(b) of Decree 32 on the Protection of the Value of the Turkish Currency (as amended from time to time, Decree 32), the Capital Markets Law No. 6362 and the Communiqué No.II-31.1 on the Debt Instruments (the "**Communiqué**"). The Notes (or beneficial interests therein) have to be offered or sold outside of Turkey and the CMB has authorized the offering of the Notes; provided that, following the primary sale of the Notes, no transaction that may be deemed as a sale of the Notes (or beneficial interests therein) in Turkey by way of private placement or public offering may be engaged in. Pursuant to Article 15(d)(ii) of Decree 32, there is no restriction on the purchase or sale of the Notes (or beneficial interests therein) by residents of Turkey; provided that they purchase or sell such Notes (or beneficial interests) in the financial markets outside of Turkey and such sale and purchase is made through banks and/or licensed brokerage institutions authorized pursuant to CMB regulations and the purchase price is transferred through banks. As such, Turkish residents should use banks or licensed brokerage institutions when purchasing Notes (or beneficial interests therein) and transfer the purchase price through banks. The issuance of the Notes and the issuance certificate were approved by the CMB on January 29, 2014 and the series issuance certificate relating to the Notes is expected to be approved by the CMB on or about November 7, 2014. This Offering Circular is being provided on a confidential basis in the United States to a limited number of QIBs for informational use solely in connection with the consideration of the purchase of the Notes. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its

contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

According to the Communiqué, the Notes are required under Turkish law to be issued in an electronically registered form in the Central Registry Agency (Merkezi Kayıt Kuruluşu) (the "**CRA**") and the interests therein recorded in the CRA. However, upon the Company's request, the CMB may resolve to exempt the Notes from this requirement if the Notes are to be issued outside Turkey. The Company submitted an exemption request through its letter to the CMB dated November 22, 2013, the receipt of which was approved by the CMB on November 22, 2013 with no. 24165. GPH submitted further documents to the CMB on January 3, 2014, the receipt of which was approved by the CMB on January 6, 2014 with no. 172, where GPH informed the CMB, among others, of the guarantee structure, increase in the issuance limit and the capital decrease that was resolved in the Extraordinary General Assembly of Shareholders' Meeting held on November 14, 2013. Following such applications, GPH obtained an exemption from this registration requirement from the CMB in a letter dated January 29, 2014 numbered 29833736-105.03.01-230.

Neither GPH nor the Joint Bookrunners are giving you legal, business, financial or tax advice about any matter. You may not legally be able to participate in this private, unregistered Offering. You should consult with your own attorney, accountant and other advisors about those matters (including determining whether you may legally participate in this Offering).

You expressly agree, by accepting delivery of this Offering Circular, that:

- you will hold the information contained or referred to in this Offering Circular in confidence;
- you will not make copies of this Offering Circular or any documents referred to inside it; and
- neither GPH nor the Joint Bookrunners are giving you any legal, business, financial or tax advice.

Each purchaser of the Notes from the Joint Bookrunners will be furnished with a copy of this Offering Circular and any related amendments or supplements to this Offering Circular. Each person receiving this Offering Circular acknowledges that:

- such person has been afforded an opportunity to request from GPH, and to review and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;
- such person has not relied on the Joint Bookrunners or any person affiliated with the Joint Bookrunners in connection with its investigation of the accuracy of such information or its investment decision; and
- except as provided above, no person has been authorized to give any information or to make any representation concerning the securities offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by GPH or the Joint Bookrunners.

The Notes that are being offered and sold outside the United States pursuant to Regulation S and the Notes that are being offered and sold in reliance on Rule 144A will be issued in registered form in minimum denominations of US$200,000 and integral multiples of $1,000 in excess thereof. The Notes will be represented on issue by one or more global notes and the Joint Bookrunners expect to deliver the Notes in book-entry form through Euroclear Bank SA/NV, Clearstream Banking, Société Anonyme, Luxembourg and the Depository Trust Company. If you purchase the Notes, you will be deemed to have made certain acknowledgments, representations and warranties as detailed under "*Notice to Investors.*" You may be required to bear the financial risk of an investment in the Notes for an indefinite period. Neither the Issuer, the Guarantors nor the Joint Bookrunners are making an offer to sell the Notes in any jurisdiction where the offer and sale of the Notes is prohibited. Neither the Issuer nor the Guarantors makes any representation to you

that the Notes are a legal investment for you. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose.

An application has been made to admit the Notes to listing on the Official List and to have the Notes admitted to trading on the Global Exchange Market, however, no assurance can be given that such application will be accepted.

The Notes described in this Offering Circular have not been registered with, recommended by or approved by the U.S. Securities and Exchange Commission (the "SEC"), any state securities commission in the United States or any other securities commission or regulatory authority, nor has the SEC, any state securities commission in the United States or any such securities commission or authority passed upon the accuracy or adequacy of this Offering Circular. Any representation to the contrary is a criminal offense.

The distribution of this Offering Circular and the offer and sale of the Notes are restricted by law in some jurisdictions. This Offering Circular does not constitute an offer to sell or an invitation to subscribe for or purchase any of the Notes in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation.

Other than authorization by the CMB, the Notes and the Guarantees have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission or any other U.S., Turkish, Irish, United Kingdom or other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this Offering or the accuracy or adequacy of this Offering Circular. Any representation to the contrary may be a criminal offence.

Each prospective purchaser of the Notes must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the Notes or possesses or distributes this Offering Circular and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales. Neither GPH nor the Joint Bookrunners shall have any responsibility in connection with obtaining, or failing to obtain, any such consents, approvals or permissions.

If you have any questions relating to this Offering Circular or this Offering, or if you require additional information in connection with your investment in the Notes, you should direct your questions to GPH or the Joint Bookrunners.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the U.S. Securities Act and the applicable state securities laws pursuant to registration or exemption therefrom. As a prospective purchaser, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time and that their ability to transfer interests in these securities may be adversely affected if they are in possession of material non-public information concerning GPH's business. Please refer to the sections in this Offering Circular entitled "*Plan of Distribution*" and "*Notice to Investors.*"

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ("RSA 421-B") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF

STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

TURKISH TAX CONSIDERATIONS

The withholding tax rates on interest payments of bonds issued by Turkish legal entities outside of Turkey vary depending upon the original maturity of such bonds as specified under Decree No. 2010/1182 published on December 29, 2010 and Decree No. 2011/1854 published June 29, 2011 (together, the "**Decrees**"). According to the Decrees, the local withholding tax rate on interest payments is 0%. for notes with an initial maturity of five years and more. See "*Taxation—Certain Turkish Tax Considerations*".

RESPONSIBILITY STATEMENT

The Company accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of the Company, the information contained in this Offering Circular is in accordance with the facts and contains no omission likely to affect the import of such information. Each Guarantor accepts responsibility only for the information contained in the Offering Circular relating to itself and the Guarantees. To the best of the knowledge and belief of each Guarantor, the information relating to itself and the Guarantees contained in this Offering Circular is in accordance with the facts and contains no omission likely to affect the import of such information.

The Company and the Guarantors have extracted substantially all of the information contained in this Offering Circular concerning the markets in which it operates and its competitors from publicly available information, including press releases and filings made under various securities laws. Unless otherwise indicated, all data relating to the Turkish economy, including statistical data, has been obtained from the website of the Turkish Statistical Institute (Türkiye Istatistik Kurumu) ("**TurkStat**") at www.turkstat.gov.tr, the website of the Central Bank of Turkey (Türkiye Cumhuriyet Merkez Bankası) (the "**Central Bank**") at www.tcmb.gov.tr or the Turkish Treasury's website at www.hazine.gov.tr. Data have been downloaded/observed on various days and may be the result of calculations made by the Company using such date. Therefore, information may not appear in the exact form on such websites or elsewhere. Such websites do not, and should not, be deemed to be a part of, or to be incorporated into, this Offering Circular.

Where third-party information other than as described above has been used in this Offering Circular, the source of such information has been identified. In the case of the presented statistical information, similar statistics may be obtainable from other sources, although the underlying assumptions and methodology, and consequently the resulting data, may vary from source to source. Where information has been sourced from a third party, such publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed. Information regarding the Company's shareholders (including ownership levels and agreements) in the "*Business of the Issuer*" and "*Ownership*" sections has been based upon public filings and announcements by such parties. Such data (including from TurkStat and the Central Bank), while believed to be reliable and accurately extracted by the Company and the Guarantors for the purposes of this Offering Circular, has not been independently verified by the Company, the Guarantors, the Trustee or any other party and prospective investors should not place undue reliance upon such data included in this Offering Circular. As far as the Company and the Guarantors are aware and able to ascertain from the information published by such third-party sources, this information has been accurately reproduced and no facts have been omitted that would render the reproduction of this information inaccurate or misleading.

NOTICE TO CERTAIN EUROPEAN INVESTORS

European Economic Area

This Offering Circular has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), will be made pursuant to an exemption under the Prospectus Directive as implemented in that Relevant Member State from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Offering Circular may only do so in circumstances in which no obligation arises for the Issuer or any Joint Bookrunner to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Issuer nor any Joint Bookrunner has authorized, nor do they authorize, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Joint Bookrunner to publish a prospectus for such offer. The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

Italy

The offering of the Notes has not been registered with the Commissione Nazionale per le Società e la Borsa ("**CONSOB**") (the Italian Securities Exchange Commission) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may nor will copies of the Offering Circular or of any other document relating to the Notes be distributed in the Republic of Italy, except: (i) to qualified investors (investitori qualificati), as defined pursuant to Article 100, first paragraph, letter a) of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the "**Issuers Regulation**"); or (ii) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, including, without limitation, as provided under Article 100 of the Financial Services Act and Article 34-ter of the Issuers Regulation.

Any offer, sale or delivery of the Notes or distribution of copies of the Offering Circular or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be effected in accordance with all Italian securities, tax, exchange control and other applicable laws and regulations, and, in particular: (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007,as amended, and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**"); (b) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

The Offering Circular, any other document relating to the Notes, and the information contained therein are intended only for the use of its recipient and, unless in circumstances which are exempted from the rules governing offers of securities to the public pursuant to Article 100 of the Financial Services Act and Article 34-ter of the Issuers Regulation, are not to be distributed, for any reason, to any third party resident or located in Italy.

Malta

NO APPLICATION HAS BEEN MADE UNDER MALTESE LAW TO MARKET THE NOTES PUBLICLY IN OR OUT OF MALTA AND NO APPLICATION HAS BEEN MADE FOR THE APPROVAL OF THIS DOCUMENT AS A PROSPECTUS OR INVESTMENT ADVERTISEMENT BY THE MALTA FINANCIAL SERVICES AUTHORITY OR ANY OTHER OFFICIAL BODY IN MALTA. THE NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED IN MALTA OR TO ANY PERSON RESIDENT IN MALTA AND NO PERSON RESIDENT IN MALTA SHALL BE ELIGIBLE TO PURCHASE, ACQUIRE OR HOLD ANY NOTES ISSUED BY ISSUER OTHER THAN PURSUANT TO A SPECIFIC EXEMPTION UNDER MALTESE LAW.

No person may receive or transmit orders, execute orders on behalf of other persons, deal on their own account or give investment advice in relation to the Notes, underwrite or place the Notes (with or without a firm commitment basis) or hold himself out as providing such a service in or from within Malta unless he is in possession of a valid investment services licence issued by the Malta Financial Services Authority as competent authority under the Investment Services Act, Chapter 370 of The Laws of Malta or is the subject of an exemption under the Investment Services Act (Exemption) Regulations, Subsidiary Legislation 370.02, The Laws of Malta.

In no circumstances can the Notes be offered, sold or resold in an "offer to the public" as defined in Article 2.(1) of the Companies Act, Chapter 386 of The Laws of Malta. Pursuant to that Article, the following will not be regarded as offers of the Notes to the public: (i) an offer made only to qualified investors, (ii) an offer in respect of all of the Notes made to less than 150 persons per EU or EEA State (not including qualified investors) (iii) an offer where the minimum consideration which may be paid by any person for Notes acquired pursuant to the offer is at least EUR 100,000.00 (or its equivalent in another currency) for each separate offer, (iv) the nominal value of each Note amounts to at least EUR 100,000.00 (or its equivalent in another currency) or (v) the total consideration of the offer in the EU and the EEA in respect of all of the Notes does not exceed EUR 100,000.00 (or its equivalent in another currency) calculated over a period of twelve months. For these purposes, "qualified investors" includes (i) authorised or regulated financial institutions falling under point (1) of Annex II to Directive 2004/39/EC, as amended ("**MiFID**"); (ii) large undertakings, public bodies and supranational institutions and other institutions designated as professional clients falling under, respectively, points (2)-(4) of Annex II to MiFID; and (iii) eligible counterparties in accordance with Annex II to MiFID unless they have requested that they be treated as non-professional clients.

United Kingdom

This Offering Circular is for distribution only to, and is directed solely at, persons who: (i) are outside the United Kingdom; (ii) are investment professionals, as such term is defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**"); or (iii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Financial Promotion Order; (all such persons together being referred to as "**relevant persons**"). This Offering Circular is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Circular relates is available only to relevant persons and will be engaged in only with relevant persons. The Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this Offering Circular or any of its contents.

Turkey

THE OFFERING OF THE NOTES HAS BEEN AUTHORIZED BY THE CMB ONLY FOR THE PURPOSE OF THE SALE OF THE NOTES OUTSIDE OF TURKEY IN ACCORDANCE WITH ARTICLE 15(B) OF DECREE 32, THE CAPITAL MARKETS LAW NO. 6362 AND THE COMMUNIQUÉ. THE NOTES (OR BENEFICIAL INTERESTS THEREIN) HAVE TO BE OFFERED OR SOLD OUTSIDE OF TURKEY AND THE CMB HAS AUTHORIZED THE OFFERING OF THE NOTES; PROVIDED THAT, FOLLOWING THE PRIMARY SALE OF THE NOTES, NO TRANSACTION THAT MAY BE DEEMED AS A SALE OF THE NOTES (OR BENEFICIAL INTERESTS THEREIN) IN TURKEY BY WAY OF PRIVATE PLACEMENT OR PUBLIC OFFERING MAY BE ENGAGED IN. PURSUANT TO ARTICLE 15(D)(II) OF DECREE 32, THERE IS NO RESTRICTION ON THE PURCHASE OR SALE OF THE NOTES (OR BENEFICIAL INTERESTS THEREIN) BY RESIDENTS OF TURKEY OFFSHORE ON AN UNSOLICITED (REVERSE INQUIRY) BASIS IN BOTH PRIMARY AND SECONDARY MARKETS; PROVIDED THAT THEY PURCHASE OR SELL SUCH NOTES (OR BENEFICIAL INTERESTS) IN THE FINANCIAL MARKETS OUTSIDE OF TURKEY AND SUCH SALE AND PURCHASE IS MADE THROUGH BANKS AND/OR LICENSED BROKERAGE INSTITUTIONS AUTHORIZED PURSUANT TO CMB REGULATIONS AND THE PURCHASE PRICE IS TRANSFERRED THROUGH BANKS. AS SUCH, TURKISH RESIDENTS SHOULD USE BANKS OR LICENSED BROKERAGE INSTITUTIONS WHEN PURCHASING NOTES (OR BENEFICIAL INTERESTS THEREIN) AND TRANSFER THE PURCHASE PRICE THROUGH BANKS. THE SERIES ISSUANCE CERTIFICATE RELATING TO THE NOTES IS EXPECTED TO BE APPROVED BY THE CMB ON OR ABOUT NOVEMBER 7, 2014.

THE INITIAL PURCHASERS HAVE AGREED THAT NEITHER THEY, NOR ANY OF THEIR RESPECTIVE AFFILIATES, NOR ANY PERSON ACTING ON BEHALF OF ANY OF THE INITIAL PURCHASERS OR ANY OF THEIR RESPECTIVE AFFILIATES, HAVE ENGAGED OR WILL ENGAGE IN ANY DIRECTED SELLING EFFORTS WITHIN TURKEY IN CONNECTION WITH THE NOTES. THE INITIAL PURCHASERS HAVE FURTHER AGREED THAT NEITHER THEY NOR ANY OF THEIR RESPECTIVE AFFILIATES, NOR ANY PERSON ACTING ON BEHALF OF ANY OF THE INITIAL PURCHASERS OR ANY OF THEIR RESPECTIVE AFFILIATES (I) HAVE ENGAGED OR WILL ENGAGE IN ANY FORM OF GENERAL SOLICITATION OR GENERAL ADVERTISING IN CONNECTION WITH ANY OFFER AND SALE OF THE NOTES IN TURKEY, OR (II) WILL MAKE ANY DISCLOSURE IN TURKEY IN RELATION TO THE ISSUER, THE NOTES OR THE OFFERING CIRCULAR WITHOUT THE PRIOR CONSENT OF THE ISSUER, SAVE AS MAY BE REQUIRED BY APPLICABLE LAW, COURT ORDER OR REGULATION.

STABILIZATION

In connection with the issue of the Notes, Citigroup Global Markets Limited (the "**Stabilizing Manager**") (or person(s) acting on behalf of any Stabilizing Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period after the Issue Date. However, there is no obligation on the Stabilizing Manager (or person(s) acting on behalf of any Stabilizing Manager to do this and there is no assurance that the Stabilizing Manager (or person(s) acting on behalf of a Stabilizing Manager) will undertake stabilization action. Such stabilizing, if commenced, may be discontinued at any time and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Issue Date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilization action or over-allotment must be conducted by the relevant Stabilizing Manager (or person(s) acting on behalf of any Stabilizing Manager) in accordance with all applicable laws and rules.

PRESENTATION OF FINANCIAL AND OTHER DATA

GPH Financial Information

The consolidated financial statements of GPH as at and for the years ended December 31, 2011, 2012 and 2013, (the "**Annual Financial Statements**"), and the interim condensed consolidated financial statements as at and for the six months ended June 30, 2014 and June 30, 2013 (the "**Interim Financial Statements**", and together with the Annual Financial Statements, the "**Financial Statements**"), included elsewhere in this Offering Circular, have been prepared in accordance with IFRS. GPH acquired Port of Adria-Bar on December 30, 2013, see "*Business of the Issuer – Overview of Operational Structure*". Port of Adria-Bar is only fully consolidated for the purpose of the Interim Financial Statement for the six months ended June 30, 2014. In accordance with IFRS, GPH's 2013 Annual Financial Statement consolidates balance sheet items in relation to Port of Adria-Bar but not income items.

The Annual Financial Statements audited by Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., a member of KPMG ("**KPMG**") are included herein. KPMG is an independent auditor and member of the Turkish Institute of Accountants.

Certain figures contained in this Offering Circular, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables contained in this Offering Circular may not conform exactly to the total figure given for that column or row.

Creuers Historical Financial Information

With respect to Creuers del Port de Barcelona S.A ("**Creuers**"), this Offering Circular includes the audited annual financial statements of Creuers as at and for the years ended December 31, 2013, 2012 and 2011 (the "**Creuers Annual Financial Statements**"), and the interim condensed financial statements as at and for the six months ended June 30, 2014, including comparative information as at and for the six months ended June 30, 2013 (the "**Creuers Interim Financial Statements**", and together with the Creuers Annual Financial Statements, the "**Creuers Financial Statements**"). See "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Creuers del Port de Barcelona*". Creuers Annual Financial Statements are audited by Mazars Auditores, S.L.P.

The Creuers Financial Statements have been prepared in accordance with generally accepted accounting principles in the Kingdom of Spain ("**Spanish GAAP**"). Because the financial information of Creuers presented in this Offering Circular is derived from equity method stand-alone annual financial statements prepared and presented in accordance with Spanish GAAP (except in the case of the pro forma financial information prepared on the basis discussed below), it is not directly comparable with the financial information presented with respect to the Group, which was prepared and presented in accordance with IFRS.

The preparation of pro forma financial information to reflect the impact of the acquisition of Creuers on GPH, has required the preparation of Creuers' financial statements in accordance with IFRS (except for the application of IFRS 10), as at and for the year ended December 31, 2013, and as at and for the six months ended June 30, 2014. The Creuers accounts prepared for the pro forma financial information have been prepared on an IFRS basis, except with regards to the required consolidation under the application of IFRS 10 and the valuation of the associated SATS-Creuers Cruise Services under the application of IAS 28. Accordingly, the pro forma Financial Information does not comply with IFRS as adopted by the European Union. Neither the Creuers Financials Statements nor the Creuers pro forma financial information are being prepared on a consolidated basis. These exceptions do not materially impact the final presentation of GPH's consolidated financial information. Creuers del Port de Barcelona, S.A., Lisbon Cruise Terminals

Lda, and Cruceros Málaga, S.A., will be fully consolidated in GPH's future financial statements, and SATS-Creuers Cruise Services will be consolidated on an equity pick-up basis.

Pro Forma Financial Information

GPH also presents in this Offering Circular unaudited condensed combined pro forma financial information for the Group for the year ended December 31, 2013, and for the six months ended June 30, 2014 and June 30, 2013, giving pro forma effect to the acquisition of Creuers and the issuance of the Notes. See "*Unaudited Condensed Combined Pro Forma Financial Information*."

The unaudited condensed combined pro forma financial information is presented to illustrate the estimated effects of the acquisition on GPH's historical results of operations as if it had occurred on January 1, 2013. The information, which has been produced for illustrative purpose only, by its nature addresses a hypothetical situation, and is not intended to represent or be indicative of the results of operations or financial condition that GPH would actually have reported had the acquisition occurred on January 1, 2013, nor does such pro forma financial information purport to project GPH's results of operations or financial condition for any future period.

CMB Principles

In addition to the Annual Financial Statements and the Interim Financial Statements included elsewhere in this Offering Circular, the CMB requires that all public companies in Turkey prepare financial statements in accordance with the accounting principles of the CMB, which are identical to IFRS accounting principles except that, as declared by the CMB effective from January 1, 2005, IAS 29 is not applied, the presentation of the financial statements and notes is made based on CMB reporting requirements and the accounts are presented in Turkish Lira. GPH has prepared the Annual Financial Statements and the Interim Financial Statements included elsewhere in this Offering Circular in accordance with IFRS.

Non-IFRS Financial Measures

This Offering Circular contains EBITDA data and Adjusted EBITDA data. Earnings before interest, taxes, depreciation and amortization ("**EBITDA**") is a financial measure that has been derived from the Annual Financial Statements and the Interim Financial Statements. In this Offering Circular, EBITDA, as calculated by GPH and its subsidiaries, represents operating profit/(loss) plus depreciation and amortization expenses (related to property and equipment, and intangible assets). EBITDA Adjustments are adjustments for one-off expenses during the periods under review which do not relate to the ordinary course of business. For 2010, EBITDA Adjustments comprised adjustments for the negative goodwill and revaluation in 2010 relating to the acquisition of the remaining interests in Port Akdeniz-Antalya shares from Çelebi Yatırım and Antmarin, one-time project expenses, provisions for lawsuits and rental expenses. For 2011, EBITDA Adjustments comprised adjustments for the bargain purchase gain on acquiring a 54% interest in İzmir Liman İşletmeciliği A.Ş., as well as one-time project expenses, provisions for lawsuits and nominal rental expenses for the leasing of an area at Port Akdeniz-Antalya. For the other periods under review, EBITDA Adjustments comprised one-time project expenses, provisions for lawsuits and rental expenses in each of the periods under review. Adjusted EBITDA represents the sum of EBITDA and the EBITDA Adjustment for the relevant period.

Although EBITDA and Adjusted EBITDA are not measures under IFRS or accounting principles generally accepted in the United States, GPH has presented these figures in this Offering Circular because GPH management uses EBITDA as a tool to measure the Group's operational performance and the profitability of its operations. Prospective investors should use caution when reviewing EBITDA and Adjusted EBITDA calculations and should not consider EBITDA or Adjusted EBITDA as an absolute measure of GPH's financial performance or liquidity, as an alternative to operating profit, net income or any other performance measures derived in accordance with IFRS, or as an alternative to cash flow from operating activities as a measure of GPH's performance, or

consider them to be comparable to other companies, EBITDA or Adjusted EBITDA calculations. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations*".

EBITDA and Adjusted EBITDA are not uniformly or legally defined measures and are not recognized under IFRS or any other generally accepted accounting principles. GPH is not presenting EBITDA or Adjusted EBITDA as a measure of its financial performance. EBITDA and Adjusted EBITDA both have important limitations as analytical tools, and you should not consider them in isolation or as a substitute for analysis of GPH's results of operations. GPH considers EBITDA and Adjusted EBITDA to be important indicators of its representative recurring operations.

The Offering Circular also contains unaudited figures for the twelve months ended June 30, 2014, which are calculated as the sum of the results as at and for the six months ended June 30, 2014 and the results as at and for the year ended December 31, 2013, less the results as at and for the six months ended June 30, 2013. GPH has presented these figures to indicate the Group's operational performance and the profitability of its operations for the twelve months prior to June 30, 2014. Prospective investors should use caution when reviewing these figures and should not consider them as an absolute measure of GPH's financial performance or liquidity, or as an alternative to GPH's audited financial results. See "*Summary—Selected Statement of Comprehensive Income Data*" and "*Summary—Selected Statement of Financial Position Data*".

Market, Economic and Industry Data

Certain market, economic and industry data used throughout this Offering Circular has been derived from various industry and other independent sources. Such information contained in this Offering Circular relating to the ports and GPH's competitors (which may include estimates and approximations) was derived from publicly available information, including press releases and filings under various securities laws. GPH confirms that such information has been accurately reproduced from its sources and, as far as GPH is aware and are able to ascertain, no facts have been omitted that would render the reproduced information inaccurate or misleading, however none of the Issuer, the Guarantors or the Joint Bookrunners accepts further responsibility in respect of such information.

EXCHANGE RATE INFORMATION

The table below sets forth, for the periods indicated, the period-end, average and high and low rates determined by the Central Bank of Turkey, in each case for the purchase of Turkish Lira, all expressed in Turkish Lira per US dollar. The TL/US dollar exchange rate for the purchase of US dollars determined by the Central Bank of Turkey on November 6, 2014 was TL 2.2333 to US$1.00. The rates below may differ from the actual rates used in the preparation of the financial statements and other financial information appearing in this Offering Circular. The Group does not represent that the US dollar amounts referred to below could be or could have been converted into Turkish Lira at any particular rate indicated or any other rate for such periods or at such dates.

	TL per US$1.00			
	High	Low	Average[1]	Period end[2]
Year ended December 31,				
2013	2.1604	1.7459	1.9013	2.1343
2012	1.8889	1.7340	1.7925	1.7826
2011	1.9065	1.4955	1.6701	1.9065
2010	1.5978	1.3884	1.5004	1.5460
2009	1.7958	1.4365	1.5470	1.5057
2008	1.6956	1.1449	1.2929	1.5123

	TL per US$1.00			
	High	Low	Average[1]	Period end[2]
Six months ended June,				
2014	2.3428	2.0711	2.1642	2.1234
2013	1.9407	1.7459	1.8085	1.9272

	TL per US$1.00			
	High	Low	Average[1]	Period end[2]
Twelve months ended June,				
2014	2.3428	1.7459	2.0802	2.1234

	TL per US$1.00			
	High	Low	Average[1]	Period end[2]
November 2014 (up to and including November 6, 2014	2.2333	2.2027	2.2212	2.2333
October 2014	2.2880	2.2171	2.2583	2.2171
September 2014	2.2789	2.1564	2.2036	2.2789
August 2014	2.1776	2.1263	2.1583	2.1619
July 2014	2.1316	2.0903	2.1187	2.0919
June 2014	2.1434	2.0780	2.1157	2.1234
May 2014	2.1154	2.0711	2.0908	2.0922
April 2014	2.1557	2.0941	2.1275	2.1180
March 2014	2.2459	2.1873	2.2178	2.1898
February 2014	2.2696	2.1790	2.2128	2.2342
January 2014	2.3428	2.1304	2.2134	2.2658
December 2013	2.1604	2.0174	2.0578	2.1343
November 2013	2.0516	1.9895	2.0216	2.0174
October 2013	2.0365	1.9738	1.9903	1.9888
September 2013	2.0732	1.9522	2.0171	2.0342

Source: Turkish Central Bank.

Notes:

(1) For each of the years 2008 to 2013, this represents the yearly averages of the monthly averages of the TL/US$ exchange rates determined by the Central Bank of Turkey for the relevant period, such monthly averages were computed by calculating the average of the daily TL/US$ exchange rates on the business days of each month during the relevant period. For the months (or periods) of 2013 and 2014, this represents the monthly (or period) averages of the TL/US$ exchange rates determined by the Central Bank of Turkey for such month (or period), which averages were computed in the same manner described above.

(2) Represents the TL/US$ exchange rates for the purchase of US dollars determined by the Central Bank of Turkey on the last working day of the relevant period.

The value of the Turkish Lira against other major foreign currencies has historically been, and continues to be, highly volatile. The Central Bank of Turkey has since February 2001 adopted a floating exchange rate policy, resulting in increased volatility in the value of the Turkish Lira against these foreign currencies.

Past fluctuations in the exchange rates between the Turkish Lira and the US dollar are not necessarily indicative of fluctuations that may occur in the future. No representation is made that Turkish Lira amounts referred to in this Offering Circular could have been, or could be, converted into US dollars at the above exchange rates above or at any other rate.

A majority of the Group's costs are denominated and paid in Turkish Lira, and the Group's revenues are denominated in US dollars and Euros. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Major Factors Affecting Consolidated Financial Results—Exchange Rates*".

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

The following cautionary statements identify important factors that could cause GPH's actual results to differ materially from those projected in the forward-looking statements made in this Offering Circular. Any statements about GPH's expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as "will likely result," "are expected to," "will continue," "believe," "anticipated," "estimated," "intends," "expects," "plans," "seek," "projection" and "outlook." These statements involve estimates, assumptions and uncertainties, which could cause actual results to differ materially from those expressed in them. Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this Offering Circular. Among the key factors that have had and GPH expects to continue to have a direct bearing on its results of operations are:

- the outcome of litigation, including challenges to privatization and zoning of key assets of the Group;
- changes in regulation, including the terms of the concessions under which the Group's ports operate;
- the ability to manage operational risks;
- demand for commercial and cruise port services, which is influenced by economic conditions, regulatory changes and many other factors outside of the Group's control;
- the potential for labor disputes at the Group's ports;
- the effects of competition in the markets in which the Group operates;
- the Group's ability to execute its development plans;
- *force majeure* and other events beyond the Group's control;
- political, social and economic conditions in Turkey and globally;
- the other factors discussed in more detail under "*Risk Factors*;" and
- factors that are not known to GPH or considered by us to be material at this time.

These and other factors discussed in "*Risk Factors*" are not exhaustive.

Because the risk factors referred to in this Offering Circular could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made in this Offering Circular by GPH or on its behalf, you should not place undue reliance on any of these forward-looking statements. Furthermore, any forward-looking statement speaks only as of the date on which it is made, and GPH undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. New factors will emerge in the future, and it is not possible for GPH to predict such factors. In addition, GPH cannot assess the impact of each factor on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those described in any forward-looking statements.

CURRENCY PRESENTATION

In this Offering Circular, references to "**TL**" are references to the Turkish currency, references to "**US dollars,**" "**US$,**" "**USD**" and "**$**" are to the United States dollar, the lawful currency of the United States of America. References to "**€**", "**Euro**" and "**EUR**" are to the single currency of the participating member states in the Third Stage of European Economic and Monetary Union of the Treaty Establishing the European Community, as amended from time to time.

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OVERVIEW

The following summary may not contain all the information that may be important to you. Before making an investment decision, you should read this entire Offering Circular, including the "Risk Factors" section and the financial statements, together with the related notes, included in this Offering Circular.

Overview of Business

The Group is the world's largest cruise port operator with a diversified portfolio of ports in Turkey and the Mediterranean region, comprising eight ports in five different countries. The Group's business includes commercial port operations (specializing in container, bulk and general cargo handling), as well as cruise port operations (serving cruise liners, ferries, yachts and megayachts). The Group operates three ports in Turkey: one mixed-use commercial and cruise port on Turkey's Mediterranean coast and two cruise ports on Turkey's Aegean coast and has recently acquired interests in commercial port concessions in Montenegro and cruise port operations in Barcelona, Lisbon, Málaga and Singapore.

The Group's Turkish ports are Port Akdeniz-Antalya, Ege Ports-Kuşadası and Bodrum Cruise Port, each of which are described below.

- *Port Akdeniz-Antalya.* Port Akdeniz-Antalya focuses on commercial operations and also conducts cruise operations. For the twelve months ended June 30, 2014, 70.8% of the Group's total revenues and 78.6% of the Group's EBITDA were generated by Port Akdeniz-Antalya. As of June 30, 2014, 97.5% of the port's total revenues were generated by its commercial operations and 2.5% were generated by its cruise operations.
  - *Commercial Operations.* Port Akdeniz-Antalya is located in a mineral-rich region on Southern Turkey's Mediterranean coast that produces marble, chromium, cement, clinker and other commodities. Port Akdeniz-Antalya has ten berths that can accommodate container, dry bulk cargo and general cargo vessels for the transport and export of such commodities. The port's dry bulk and general cargo handling capacity is 5.0 million tonnes per year. Its container handling capacity is 500,000 TEU per year. According to the Undersecretariat for Maritime Affairs of Turkey (the "**UMA**"), approximately 3% of Turkey's entire maritime exports (measured by tonnage) in 2013 was shipped through Port Akdeniz-Antalya.
  - *Cruise Operations.* Port Akdeniz-Antalya also conducts cruise operations. It has three berths for cruise vessels, a 250-berth marina and a dry-dock capacity for 150 yachts. The port's total ship capacity is 2,970 per year, and had 167,974 cruise passengers in 2013. The port's cruise traffic increased ten fold following the commencement of turnaround/cruise Homeport operations for Aida Cruises in 2010 and TUI Cruises in 2012. Given the proximity of Port Akdeniz-Antalya to a major international airport and a variety of important archaeological sites, GPH management believes the port is well positioned to become one of the major turnaround/cruise Homeports in the Mediterranean.
- *Ege Ports-Kuşadası.* Ege Ports-Kuşadası is a cruise and ferry port on Turkey's Aegean coast. The port's total ship capacity is 2,000 per year, and it had 583,459 cruise passengers in 2013. For the twelve months ended June 30, 2014, 20.0% of the Group's total revenues and 26.4% of the Group's EBITDA were generated by Ege Ports-Kuşadası. Ege Ports-Kuşadası is located near Ephesus, an important and well-preserved ancient Greek and (later) Roman city, and a major tourist attraction. It is home to the Temple of Artemis, one of the seven wonders of the ancient world, and is near the House of the Blessed Virgin Mary, a Christian shrine reputed to be the final home of the Virgin Mary. According to the UMA, in 2013 Ege Ports-Kuşadası was the most heavily-visited cruise port of call in Turkey in terms

of vessels received (451 cruise calls) and, according to G.P. Wild (International Limited), it was the twentieth most visited cruise port of call in the Mediterranean region (with 583,459 cruise passengers) in 2013.

- *Bodrum Cruise Port.* Bodrum Cruise Port is a cruise, ferry and mega-yacht port located on Turkey's Aegean coast near the town of Bodrum. For the twelve months ended June 30, 2014, 3.1% of the Group's total revenues and 2.1% of the Group's EBITDA were generated by Bodrum Cruise Port. The port's total ship capacity is 730 per year, and it had 29,551 cruise passengers in 2013. The port commenced operations in the second quarter of 2008. Bodrum, which originated as an ancient Carian fishing village, has one of the best-preserved medieval castles in Europe. It is also one of Turkey's most popular seaside resorts, with leisure and luxury holiday resorts and high-end shopping. Since commencing operations in 2008, Bodrum Cruise Port has become a popular stop-over for luxury cruise vessels as well as mega-yachts. Bodrum Cruise Port provides port authority services to vessels and fresh water, power, duty-free fuel and provisions to yachts. Foreign military ships also visit this port for rest-and-recreation calls and shore leave.

The Group's ports outside Turkey are Creuers del Port de Barcelona ("**Creuers**"), Lisbon Cruise Port ("**LCP**") and Port of Adria-Bar, each of which are described below.

- *Creuers.* GPH holds a 62% interest in a holding company, Barcelona Port Investments SL ("**BPI**"), with Royal Caribbean Cruises Limited ("**RCCL**") holding the remaining 38%. BPI owns 100% of Creuers, which holds two twenty-seven year port concessions and an annually renewed operating license, which entitle Creuers to operate five, of the six, cruise terminals and six, of the seven, piers at Barcelona Cruise Port ("**BCP**"). Barcelona is one of the leading tourist destinations in Europe for local and international visitors, attracting 30.4 million visitors in 2013, according to Turisme de Barcelona. The port is ideally positioned to service cruise traffic destined to both the city of Barcelona itself and the region of Catalonia, both of which have strong historic, natural and cultural attractions for tourists. BCP is the leading international cruise terminal operator in Europe, offering international expertise and access to a network of key cruise-line operators. BCP is comprised of six cruise terminals and is one of the largest passenger ports in Europe in terms of passenger arrivals and cruise calls, with an annual throughput of 2.6 million passengers in 2013. According to Barcelona Port Authority ("**BPA**"), the port is the fourth largest cruise Homeport in the world after the Caribbean ports, and one of the busiest turnaround bases in the Mediterranean, with modern facilities to accommodate the new generation of cruise ships and a leader in security and specific logistics for cruise traffics. Across the five cruise terminals operated by Creuers, turnaround passengers numbered 1.4 million in 2012 and 1.5 million in 2013 (source: G.P. Wild (International)). On September 30, 2014, BPI acquired the outstanding 57% interest in Creuers bringing it wholly under the control of BPI. At the same time GPH purchased 13% of RCCL's shares in BPI, increasing its shareholding in BPI to 62% and giving GPH control of BPI.

- *LCP* – GPH holds a 46.2% interest (of which 40% is held directly and 6.2% is held indirectly through GPH's 62% interest in BPI's 100% holding in Creuers) in a holding company, Lisbon Cruise Terminals Lda, with RCCL, Creuers and Grupo Sousa each holding 20%, 10%, and 30%, respectively. Lisbon Cruise Terminals, Lda, holds exclusive operation rights over three cruise terminals for the next 15 years and a BOT concession agreement for a new cruise terminal at the Port of Lisbon ("**Lisbon Cruise Port**"). The port of Lisbon is located on the banks of the Tagus estuary and is port of call for cruises travelling between the Atlantic Coast and Europe, the western Mediterranean and the north of Europe, the Atlantic Isles and the north of Africa as well as for Trans Atlantic trips. On January 17, 2014, GPH announced that the tender commission selected the consortium as the winning bidder for the construction and operation rights of a new cruise terminal to be constructed at the LCP. The LCP currently consists of three cruise terminals (and various commercial terminals,

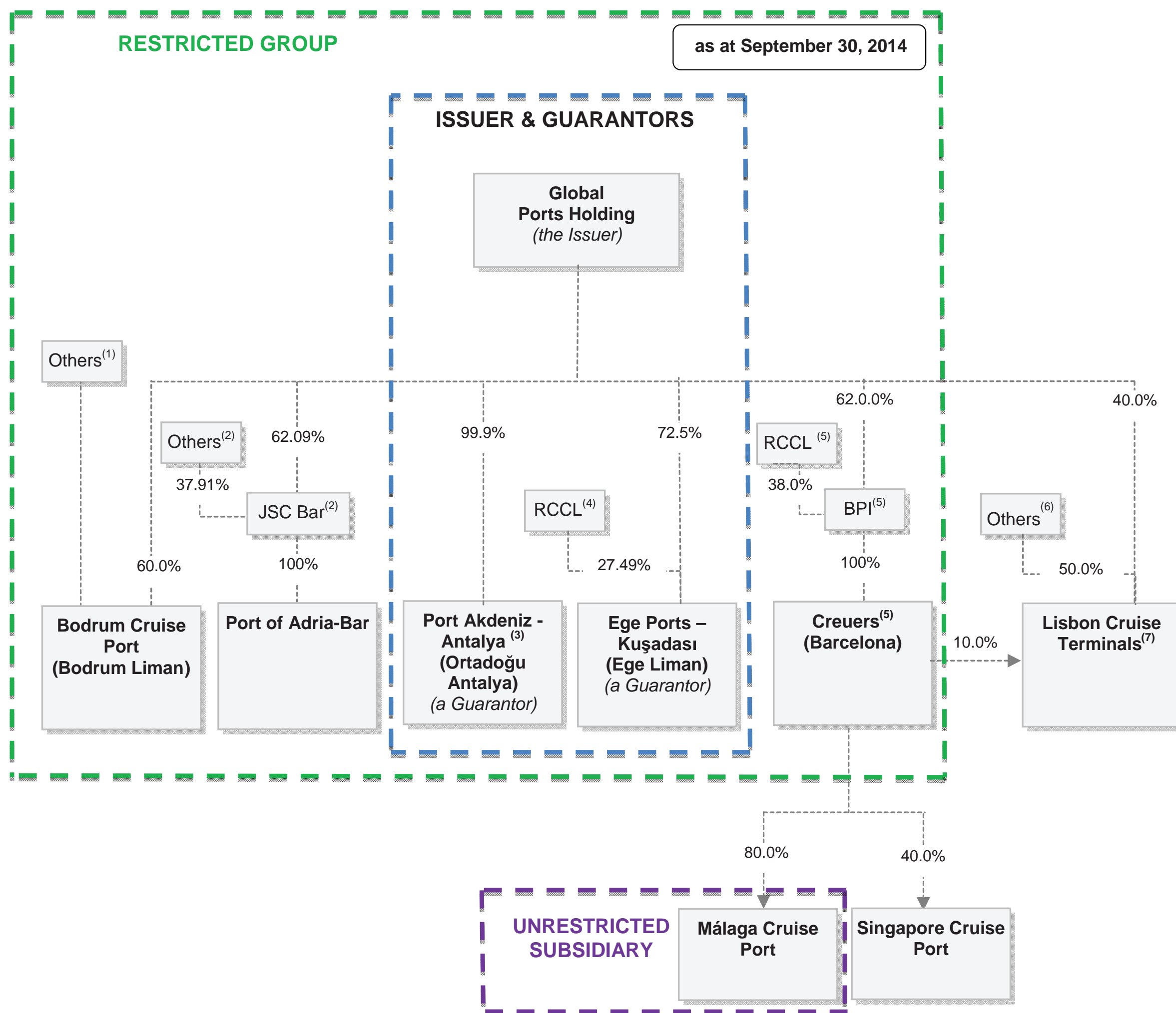
which are outside the scope of the concession). The construction of the new cruise terminal is expected to be completed in 2016. The requirements for the tender included committed capital expenditure of €22 million to complete the construction of the new cruise terminal and an annual cruise passenger volume of at least 550,000 once the new cruise terminal is fully operational. The Concession Agreement between the Lisbon Port Authority (Administracao do Porto de Lisboa, S.A.) and Lisbon Cruise Terminals, Lda. (the holding company established by the consortium members) was executed on July 18, 2014, and physical delivery of the concession area by the Lisbon Port Authority to Lisbon Cruise Terminals, Lda took place on August 26, 2014.

- *Port of Adria-Bar:* GPH owns 62.09% of the shares in the cargo terminal in Port of Adria-Bar, indirectly held through Container Terminal and General Cargo JSC-Bar, which has an operating concession for thirty years (terminating in 2043). The port represents an important link in the chain of intermodal transport in the region because of its integration with the Belgrade-Bar railway and road traffic network, and benefits from a Free Zone regime. The "Free Zone" regime covers the entire area of the Port of Adria-Bar and provides exemption from customs duties, taxes and other duties. The government of the Republic of Montenegro and the Municipality of the town of Bar have guaranteed foreign investors parity by reference to ownership rights and the ability to carry out economic activities in the zone, as well as security of investment and unrestricted movement of profit and capital invested. In 2013, the Port of Adria-Bar had a pier length of 1,440 meters, a discount shopping area of 295 square meters, 249 vessel arrivals, 539,265 tonnes of cargo, and US$9 million in revenue (source: Bar Port Authority).

These acquisitions are not reflected in the financial and operational information of the Group's port operations included in this Offering Circular except to the extent expressly stated. Only limited financial information in respect of the Port of Bar is available for the period prior to the Company's acquisition of the shares from the government of Montenegro on December 30, 2013. Accordingly only very limited financial information with respect to the Port of Bar has been included in this prospectus. The Group believes that in light of the size of the acquisition, the absence of such financial information in relation to the Port of Bar is not material in the context of the issue of the Notes. With regard to the acquisition of cruise port operations in Barcelona, unaudited condensed combined pro forma financial information has been prepared as at and for the year ended December 31, 2013, and as at and for the six months ended June 30, 2014, giving effect to the acquisition of Creuers (but excluding the subsidiaries of Creuers) on the consolidated accounts of the GPH Group, for illustrative purposes only.

Overview of Operational Structure

The following chart provides information about ownership interests in GPH's commercial and cruise ports, as of that date of this Offering Circular.



Notes:

(1) Yüksel Çağlar (a Turkish businessman and entrepreneur) holds 30% of the shares in Bodrum Liman and Setur Servis Turistik (a duty-free operator owned by the Koç Group of Turkey) holds 10%.

(2) GPH's interest in Port of Adria-Bar is indirectly held through Container Terminal and General Cargo JSC-Bar. 37.91% of the interests in Containder Terminal General Cargo JSC-Bar are listed on the Montenegro Stock Exchange and publicly held.

(3) TDI holds one share.

(4) RCCL holds 27.49% of the shares in Ege Liman and TDI holds one share.

(5) GPH's interest in Creuers is indirectly held. GPH holds a 62% interest in BPI and RCCL holds the remaining 38% interest in BPI. BPI holds a 100% interest in Creuers. Creuers has an 80% share in Cruceros Málaga S.A., which holds concession rights over three cruise terminals at the Port of Málaga ("**Málaga Cruise Port**"). Creuers has a 40% share in SATS-Creuers Cruise Services, which holds operation rights over Marina Bay Cruise Terminal in Singapore ("**Singapore Cruise Port**").

(6) The Concession Agreement was signed by the Lisbon Port Authority (Administracao do Porto de Lisboa, S.A.) and Lisbon Cruise Terminals Lda (a holding company established by the consortium members). GPH holds 40% of the shares in Lisbon Cruise Terminals, Lda directly. Grupo Sousa (a maritime and port operator based in Portugal) holds 30.0% of the shares, RCCL holds 20.0% of the shares and Creuers holds 10.0% of the shares. Lisbon Cruise Terminals Lda holds exclusive operation rights over three cruise terminals (for the next 15 years) and a BOT concession agreement for a new cruise terminal at the Port of Lisbon ("**Lisbon Cruise Port**").

(7) As a result of the Barcelona acquisition, GPH holds a 46.2% effective stake (40% directly, 6.2% indirectly through GPH's 62% interest in BPI's 100% holding in Creuers) in Lisbon Cruise Terminals, Lda.

Selected Financial and Operating Information

The following tables set forth, for the periods indicated, selected consolidated financial information of the Group derived from the Annual Financial Statements and Interim Financial Statements included elsewhere in this Offering Circular. Prospective investors should read the following information in conjunction with "*Presentation of Financial Information*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", and the Annual and Interim Financial Statements.

The unaudited condensed combined pro forma financial information has been prepared taking into consideration the significant accounting policies applied to prepare GPH's Annual Financial Statement December 31, 2013 and Interim Financial Statements as at June 30, 2014 consolidated Financial Statements, included elsewhere in this Offering Circular, but does not consolidate the subsidiaries of Creuers as these policies would require.

The unaudited condensed combined pro forma financial information has been prepared based upon information derived from GPH's Annual Financial Statements for the year ended December 31, 2013 and Interim Financial Statements as at and for the six month periods ended June 30, 2013 and 2014; and Creuers Financial Statements for the year ended December 31, 2014 and six month periods ended June 30, 2013 and 2014. The Creuers Financial Statements have been converted to IFRS (excluding the consolidation of subsidiaries under IFRS 10) from Spanish GAAP.

	US dollars per €1.00	
	Average	Period End
For the six months ended June 30, 2013	1.3133	—
For the year ended December 31, 2013	1.3274	1.3759
For the six months ended June 30, 2014	1.3708	1.3619

Exchange Rate Conversions from TL to USD for Financial and Operating Information

For the tables "Selected Statement of Comprehensive Income Data", "Selected Cash Flow Statement Data", and "Selected Other Financial Data", Turkish Lira information has been converted into US dollars for convenience using the following exchange rates:

- for the year ending December 31, 2011, TL 1.6701 per US dollar, being the official Turkish Lira to US dollar exchange rate as reported by the Turkish Central Bank as an average for the year ended December 31, 2011
- for the year ending December 31, 2012, TL 1.7925 per US dollar, being the official Turkish Lira to US dollar exchange rate as reported by the Turkish Central Bank as an average for the year ended December 31, 2012
- for the year ending December 31, 2013, TL 1,9013 per US dollar, being the official Turkish Lira to US dollar exchange rate as reported by the Turkish Central Bank as an average for the year ended December 31, 2013
- for the period ending June 30, 2013, TL 1.8085 per US dollar, being the official Turkish Lira to US dollar exchange rate as reported by the Turkish Central Bank as an average for the six month period ended June 30, 2013
- for the period ending June 30, 2014, TL 2.1642 per US dollar, being the official Turkish Lira to US dollar exchange rate as reported by the Turkish Central Bank as an average for the six month period ended June 30, 2014

For the table "Selected Statement of Financial Position Data", converted into US dollars for convenience using the following exchange rates:

- as at December 31, 2011, TL 1.9065 per US dollar, being the official Turkish Lira to US dollar exchange rate as reported by the Turkish Central Bank on December 31, 2011
- as at December 31, 2012, TL 1.7826 per US dollar, being the official Turkish Lira to US dollar exchange rate as reported by the Turkish Central Bank on December 31, 2012
- as at December 31, 2013, TL 2.1343 per US dollar, being the official Turkish Lira to US dollar exchange rate as reported by the Turkish Central Bank on December 31, 2013
- as at June 30, 2013, TL 1.9272 per US dollar, being the official Turkish Lira to US dollar exchange rate as reported by the Turkish Central Bank on June 30, 2013
- as at June 30, 2014, TL 2.1234 per US dollar, being the official Turkish Lira to US dollar exchange rate as reported by the Turkish Central Bank on June 30, 2014

Selected GPH Consolidated Statement of Comprehensive Income Data

	For the year ended December 31,			For the six months ended June 30,		For the twelve months ended June 30,
	2011	**2012**	**2013**	**2013**	**2014**	**2014[1]**
Consolidated Statement of Comprehensive Income Data (USD millions)						*(unaudited)*
Revenue	**64.8**	**68.3**	**75.5**	**33.6**	**39.4**	**81.3**
Operating expenses	(39)	(40)	(41)	(21)	(25)	(45)
Depreciation and amortization	23.0	23.4	23.6	11.6	13.3	25.3
Other operating income	1.7	0.1	27.9	0.1	0.3	28.1
Other operating expense	(14)	(7)	(8)	(8)	(8)	(7)
Operating profit	**13.5**	**21.2**	**54.4**	**4.4**	**7.2**	**57.3**
Finance income	7.8	12.6	13.1	5.4	20.8	28.5
Finance expenses	(12)	(13)	(21)	(5)	(26)	(41)
Profit before income tax	**9.4**	**20.9**	**46.9**	**4.4**	**3.4**	**46**
Income tax expense	(5)	(2)	(3)	(2)	(1)	(2)
Profit for the year	**4.8**	**18.9**	**44.3**	**2.8**	**2.0**	**43.5**

Note:

(1) Represents the sum of the results for the six months ended June 30, 2014 and the results for the year ended December 31, 2013, less the results for the six months ended June 30, 2013.

	For the year ended December 31,			For the six months ended June 30,		For the twelve months ended June 30,
	2011	2012	2013	2013	2014	2014[1]
Revenue and Cost of Sales by Port (USD millions)						*(unaudited)*
Revenue:						
Port Akdeniz-Antalya (total)	44.0	49.2	56.5	27.5	28.5	57.6
Commercial revenue	42.5	47.3	54.3	26.5	27.8	55.6
Cruise revenue	1.6	1.9	2.2	1.0	0.7	2.0
Ege Ports-Kuşadası	18.5	16.4	16.5	5.5	5.3	16.3
Bodrum Cruise Port	2.2	2.6	2.5	0.7	0.6	2.5
Port of Adria-Bar			—	—	5.0	5.0
Total revenue	**64.8**	**68.3**	**75.5**	**33.6**	**39.4**	**81.3**
Cost of Sales:						
Port Akdeniz-Antalya	32.9	33.5	34.8	18.2	17.9	34.5
Ege Ports-Kuşadası	3.7	3.8	4.0	1.9	1.7	3.8
Bodrum Cruise Port	2.8	2.6	2.5	1.1	1.4	2.8
Port of Adria-Bar					3.9	3.9
Total cost of sales	**39.4**	**40.0**	**4.3**	**21.2**	**24.9**	**45.0**
Gross profit	**25.4**	**28.3**	**34.1**	**12.4**	**14.5**	**36.3**

Note:

(1) Represents the sum of the results for the six months ended June 30, 2014 and the results for the year ended December 31, 2013, less the results for the six months ended June 30, 2013.

Selected GPH Consolidated Statement of Financial Position Data

	For the year ended December 31,			As at June 30,
	2011	2012	2013	2014
Consolidated Statement of Financial Position Data (USD millions)				*(unaudited)*
Cash and cash equivalents	19.9	12.5	20.0	0.9
Total current assets	42.5	35.8	57.2	82.8
Total assets	**417.7**	**391.6**	**479.6**	**505.1**
Total debt (including obligations under operating and financing leases)	**81.7**	**65.3**	**271.7**	**220.7**
Net debt (including obligations under operating and financing leases)	**61.8**	**52.9**	**190.5**	**219.8**
Total equity	**264.7**	**253.2**	**207.9**	**207.8**
of which retained earnings	147.8	145.4	145.3	146.7

Selected GPH Consolidated Cash Flow Statement Data

	For the year ended December 31,			For the six months ended June 30,		For the twelve months ended June 30,
	2011	**2012**	**2013**	**2013**	**2014**	**2014**
Consolidated Cash Flow Statement Data (USD millions)						*(unaudited)*
Net cash provided by operating activities	53	43	44	12	21	53
of which net working capital	1	(1)	(10)	(3)	(4)	(11)
Net cash used in investing activities	(23)	(1)	(46)	(8)	(9)	(47)
Net cash used in financing activities	(8)	(44)	37	(5)	(32)	10
of which net cash dividends paid/received ..	(1)	(21)	(3.7)	(2.7)	0.0	(1.0)
Net (decrease)/increase in cash and cash equivalents......................	**13**	**(9)**	**11**	**(7)**	**(19)**	**(1)**

EBITDA Financial Data

Combined Pro Forma EBITDA Financial Data[1]

The following table sets forth the EBITDA of the Group on a Pro Forma basis reflecting the acquisition of Creuers:

	for the year ended December 31, 2013				for the twelve month period ended June 30, 2014			
	GPH	**Creuers**	**Pro Forma Adjustments**	**Pro Forma**	**GPH**	**Creuers**	**Pro Forma Adjustments**	**Pro Forma**
USD million								
Revenue	75.5	27.1	—	102.6	81.3	25.0		106.3
Operating profit..................	54.4	14.7	—	69.1	57.2	11.9	—	69.1
EBITDA.............................	**50.4**	**18.4**	**—**	**68.8**	**56.1**	**15.8**	**—**	**71.9**

	for the six month period ended June 30, 2013				for the six month period ended June 30, 2014			
	GPH	**Creuers**	**Pro Forma Adjustments**	**Pro Forma**	**GPH**	**Creuers**	**Pro Forma Adjustments**	**Pro Forma**
USD million								
Revenue	33.6	10.7		44.3	39.4	8.6		48.0
Operating profit..................	4.4	4.9	—	9.3	7.2	2.1	—	9.3
EBITDA.............................	**15.9**	**6.7**	**—**	**22.6**	**21.6**	**4.1**	**—**	**25.7**

Note:

(1) The Pro Forma Financial Information is derived from the combination of GPH's Financial Statements (IFRS) and Creuers' Financial Statements, that have been converted to IFRS (excluding the consolidation of subsidiaries under IFRS 10) from Spanish GAAP. Accordingly, the Pro Forma Financial Information does not comply with IFRS as adopted by the European Union.

Breakdown of EBITDA & Total Assets

USD million	EBITDA for the year ended December 31, 2013[(1)]	%	for the twelve months ended June 30, 2014[(2)]	%
GPH/Issuer (Holding Company)[(3)]	(3.1)	-4.5%	(4.8)	-6.7%
Guarantor – Ortadoğu Antalya	39.5	57.4%	44.1	61.3%
Guarantor – Ege Liman	12.6	18.4%	14.8	20.6%
Non-guarantor – Bodrum Cruise Port	1.3	1.9%	1.2	1.7%
Non-guarantor – Port of Adria-Bar	—	0.0%	0.8	1.1%
Non-guarantor – Creuers[(4)]	18.4	26.8%	15.8	22.0%
Consolidated group EBITDA (including Creuers)	**68.8**	**100.0%**	**71.9**	**100.0%**
Guarantor + Issuer (including dividends from non-guarantor subsidiaries)[(5)]	**52.5**	**76.3%**	**57.6**	**80.1%**

Notes:

(1) Converted at exchange rate of 1.9013, except where stated differently.

(2) Represents the sum of six month ended June 30, 2014 converted at 2.1642 exchange rate, and the results for the year ended December 31, 2013 converted at 1.9013 exchange rate, less the results for the six months ended June 30, 2013 converted at 1.8085 exchange rate

(3) EBITDA of GPH is represented net of dividends received from its subsidiaries to avoid double counting, equal to operating cost of GPH stand-alone.

(4) See Combined Pro Forma Other Financial Data.

(5) Including dividends received from Creuers via BPI in 2014 up to the date of this Offering Circular in an amount of US$3.5 million.

USD million	Total Assets[(1)] As at December 31, 2013[(2)]	% [(3)]	As at June 30, 2014[(3)]	%
Guarantor – Ortadoğu Antalya	289.9	61.8%	276.4	57.7%
Guarantor – Ege Liman	49.2	10.5%	51.7	10.8%
Non-guarantor – Bodrum Cruise Port	13.7	2.9%	12.2	2.5%
Non-guarantor – Port of Adria-Bar	48.8	10.4%	70.4	14.7%
Non-guarantor – Creuers	67.4	14.4%	68.3	14.3%
Sum of Total Assets of the Restricted Group	**469.0**	**100.0%**	**478.9**	**100.0%**
Sum of Total Assets Guarantors	**339.1**	**72.3%**	**328.1**	**68.5%**

Notes:

(1) Excludes GPH/Issuer (Holding Company) to avoid double counting due to consolidation.

(2) Converted at exchange rate of 2.1343, except for Creuers: converted at exchange rate of 1.3759.

(3) Converted at exchange rate of 2.1234, except for Creuers: converted at exchange rate of 1.3619.

Combined Pro Forma Statement of Financial Position Data[1]

	as at December 31, 2013				for the six month period as at June 30, 2014			
	GPH	Creuers	Pro Forma Adjustments	Pro Forma	GPH	Creuers	Pro Forma Adjustments	Pro Forma
USD million								
Cash and cash equivalents	20.0	20.8	(5.2)	35.5	0.9	18.4	(5.2)	14.1
Total assets	**479.6**	**67.4**	**29.5**	**576.5**	**505.1**	**68.5**	**27.7**	**601.1**
Total debt (including obligations under operating and financing leases)	**190.5**	**3.2**	**74.4**	**268.1**	**220.7**	**3.1**	**73.7**	**297.5**
Net debt (including obligations under operating and financing leases)	**170.5**	**(17.6)**	**74.4**	**232.6**	**219.8**	**(15.3)**	**78.9**	**283.4**

Note:

(1) The Pro Forma Financial Information is derived from the combination of GPH's Financial Statements (IFRS) and Creuers' Financial Statements, that have been converted to IFRS (excluding the consolidation of subsidiaries under IFRS 10) from Spanish GAAP. Accordingly, the Pro Forma Financial Information does not comply with IFRS as adopted by the European Union.

Use of Proceeds

The Issuer expects to receive gross proceeds of the Offering of the Notes of US$248,362,500. The Issuer's estimated use of proceeds in connection with the issuance of the Notes as of the date of this Offering Circular include general corporate purposes, and the repayment in full of all outstanding loans other than finance leases, loans relating to the Bodrum Cruise Port, Port of Adria-Bar and the Creuers acquisition financing as described below.

Uses of proceeds

Repayment in full of all loans of the Issuer and Guarantors used to finance investments and projects[1][2]	US$193,560,293
Repayment in full of all loans of the Issuer and Guarantors used to finance working capital[2][3]	US$10,930,919
General corporate purposes	US$36,074,883
Transaction fees and expenses related to issuance of Notes	US$6,500,000

Notes:

(1) The Issuer expects to repay in full all loans used to finance investments and projects, with the exception of the loan relating to Bodrum Cruise Port amounting to US$0.8 million and the loan relating to Port of Adria-Bar amounting to €0.6 million, such existing indebtedness will be repaid as the respective loans mature in 2016 and 2017.

(2) The figures for the repayment of loans have been prepared on an IFRS basis and include certain adjustments to reflect IFRS rules. The total amount of the loans the Issuer expects to repay is US$205,787,617.

(3) The Issuer expects to repay in full all loans used to finance working capital, with the exception of the loan relating to Bodrum Cruise Port amounting to US$0.8 million and the loan relating to Port of Adria-Bar loan amounting to €0.4 million, such existing indebtedness will be repaid as the respective loans mature in 2015 and 2017.

GPH's loans used to finance investments and projects have been incurred in connection with the initial acquisition of the port operation rights for the Turkish ports and Port of Adria-Bar, investments and CAPEX, as well as the buy back of 22.114% of the shares of the Issuer held by Savina Holding GmbH for US$95.9 million on 24 December 2012.

The €56.4 million nominal amount of non recourse debt as of October 31, 2014 that BPI used to finance the acquisition of Creuers ("**Barcelona Acquisition Financing**") will not be repaid using the proceeds from the Offering.

GPH Pro Forma Financial Data and Ratios – Effect of the Issuance of the Notes and the Acquisition of Creuers (Unaudited)

	as at and for the twelve month period ended June 30, 2014		
	GPH Actual	**Pro Forma GPH[(1)]**	**Adjustment for issuance of Notes**
USD million			
Key financial data for Consolidated Group			
Cash and cash equivalents	0.9	14.1[(2)]	78.1[(3)]
Total debt (including obligations under finance leases)	220.7	290.5[(4)]	361.1[(5)]
Net debt (including obligations under finance leases)	219.7	276.4	283.0
Consolidated Group EBITDA	56.1	72.6[(6)]	71.9[(6)]
Cash flow pre debt service	40.7	71.9	65.9
Key ratios for Consolidated Group			
Total debt/consolidated Group EBITDA	3.9x	4.0x	5.0x
Net debt/consolidated Group EBITDA	3.9x	3.8x	3.9x
Key financial data for Issuer and Guarantors			
Issuer and Guarantors cash and cash equivalent	0.5	0.5	64.5
Issuer and Guarantors total debt (including obligations under finance leases)	217.9	211.6	282.1
Issuer and Guarantors net debt (including obligations under finance leases)	217.4	211.1	217.6
Issuer and Guarantors EBITDA	54.1	57.6[(7)]	57.6
Issuer and Guarantors cash flow pre debt service	40.2	43.7[(7)]	43.7
Key ratios for Issuer and Guarantors			
Issuer and Guarantors total debt/Issuer and Guarantors EBITDA	4.0x	3.7x	4.9x
Issuer and Guarantors net debt/Issuer and Guarantors EBITDA	4.0x	3.7x	3.8x

Notes:

(1) This column presents the data from the 'GPH – Actual' column adjusted for: (i) the effect of Barcelona Acquisition Financing: an initial amount of €60.2 million, including the refinancing of Creuers' outstanding debt at closing of the transaction and showing the effect of a repayment of €3.8 million made with cash from Creuers' cash balance immediately following the closing of the acquisition – see "*—Unaudited Condensed Combined Pro Forma Financial Information – Effect of the Acquisition of Creuers — Combined Pro Forma Statement of Financial Position Data*"; and (ii) the net change of GPH's outstanding debt from June 30, 2014 to the date of this Offering Circular.

(2) The sum of cash in GPH and Creuers as at June 30, 2014, plus the effect of the Barcelona Acquisition Financing, see "*—Unaudited Condensed Combined Pro Forma Financial Information – Effect of the Acquisition of Creuers — Combined Pro Forma Statement of Financial Position Data*".

(3) The sum of 'GPH – Actual' cash plus the net proceeds from the US$275 million issuance of the Notes and the expected outstanding borrowings refinancing – see "*Use of Proceeds*".

(4) 'GPH – Actual' Total debt (including obligation under the finance leases) adjusted for (i) the effect of the Barcelona Acquisition Financing (US$73.7 million); plus (ii) the net effect of scheduled debt payments and additional debt drawdowns of GPH's outstanding debt between June 30, 2014 and the date of this Offering Circular (US$6.9 million).

(5) 'GPH – Actual' column plus US$275 million issuance of the Notes, less the expected outstanding borrowings refinancing – see "*Use of Proceeds*".

(6) Calculated using Combined Pro Forma EBITDA, see "*—Unaudited Condensed Combined Pro Forma Financial Information – Effect of the Acquisition of Creuers — Combined Pro Forma Statement of Financial Position Data*".

(7) Including dividends received from Creuers via BPI, upto the date of this Offering Circular, in an amount of US$3.5 million.

Selected GPH Consolidated Yield Data

	For the year ended December 31,			For the six months ended June 30,		For the twelve months ended June 30,
	2011	2012	2013	2013	2014	2014[(1)]
Yields by operations (USD)						
Commercial port revenues						
Container revenue / TEU	142.8	148.0	162.4	156.8	173.0	178.7
General cargo revenue / tonnes	4.8	4.4	5.6	5.4	5.5	5.7
Bulk cargo revenue / tonnes	3.4	3.5	5.1	4.9	6.1	5.7
Cruise port revenues						
Cruise revenue / passengers	17.2	16.6	19.2	19.3	19.3	19.2
Cruise revenue / ship calls	23.1	22.3	22.8	19.4	23.2	24.3
Port Akdeniz-Antalya						
Cruise revenue / passengers	2.6	3.4	12.8	14.1	11.6	11.8
Ege Ports-Kuşadası						
Cruise revenue / passengers	20.8	21.3	20.6	20.8	22.1	21.0
Ferry revenue / passengers........	10.1	10.1	10.0	10.2	10.1	10.0
Bodrum Cruise Port						
Cruise revenue / passengers	21.5	20.7	27.2	35.2	26.0	25.3
Ferry revenue / passengers........	0.5	3.0	2.5	2.5	2.6	2.6

Note:

(1) Represents the sum of the results for the six months ended June 30, 2014 and the results for the year ended December 31, 2013, less the results for the six months ended June 30, 2013.

Selected Operational Data

Commercial port operations

The following table provides information regarding the commercial features and operations of Port Akdeniz-Antalya and Port Adria-Bar as of June 30, 2014.

	Port Akdeniz-Antalya	Port Adria-Bar
Features as of June 30, 2014		
Total quay length (*meters*)	1,732	1,440
Port area (m^2)	183,778	518,990
Commercial area (m^2)	11,570	295
Total ship capacity (*per year*)	2,970	3,240
Concession term	30 years	30 years
Concession end	2028	2043
Commercial Operations for the six months ended June 30, 2014:		
Total commercial ships served	439	117
Total gross tonnage (kt)	4,279,769	285,677
Capacity utilization	29.6%	2.9%
Cargo ships served	125	51
Average tonnage per call	7,261	2,442
Container ships served	121	66
Total TEU	1,000,889	20,357
Average TEU per call	834	308

Cruise port operations

The following table provides information regarding the cruise and ferry port features and operations of Ege Ports-Kuşadası, Bodrum Cruise Port, Port Akdeniz-Antalya and Creuers as of June 30, 2014.

	Ege Ports-Kuşadası	Bodrum Cruise Port	Port Akdeniz-Antalya	Creuers[(1)]
Features as of June 30, 2014				
Total quay length (*meters*)	1,437	660	1,732	2,934
Port area (m^2)	23,000	22,000	183,778	10,813,500
Commercial area (m^2)	4,600	1,460	11,570	1,624
Total ship capacity (*per year*)	2,000	800	2,970	2,190
Bus parking capacity (m^2)	3,800	4,100	—	—
Concession term	30 years	12 years	30 years	27 years
Concession end	2033	2019	2028	2026-2030
2013 Cruise Operations:				
No. of cruise passengers	583,459	29,551	167,794	763,367
No. of cruise ships	451	136	70	262
No. of ferries	484	495	—	—
No. of ferry passengers	62,263	88,399	—	—
Total gross tonnage	22,684,537	1,278,888	3,232,158	N/A
Market share in terms of passenger arrivals[(2)]	26%	1.3%	7.3%	25%
Market share in terms of cruise ships calling[(2)]	28%	7.4%	4.1%	17%
Capacity utilization	44%	25%	32%	31%

Note:

(1) Creuers, defined as Creuers del Port de Barcelona only, encompasses its cruise terminals and facilities at BCP.

(2) Market share calculated compared to respective country total ship calls.

Competitive Strengths and Strategy

Competitive Strengths

Leading port operator in Turkey and the Mediterranean region with a unique integrated network of cruise ports

Having established itself as a leading port operator in Turkey, GPH has grown a diversified portfolio of eight ports in five different countries and a combination of commercial port operations as well as cruise operations. The Group operates three ports in Turkey: one mixed-use commercial and cruise port on Turkey's Mediterranean coast and two cruise ports on Turkey's Aegean coast. The Group has recently acquired interests in commercial port concessions in Montenegro and cruise port operations in Barcelona, Lisbon, Málaga and Singapore, further enhancing its business model by providing an unmatched choice of destinations to cruise operators. GPH management believes that the Group's integrated network of cruise ports within the Mediterranean will be attractive to cruise operators and will further strengthen the Group's position in the market. GPH management believes that the expansion of GPH's network of ports will strengthen its negotiating position with cruise operators and will allow GPH to provide attractive pricing models across its portfolio of ports, for example by offering tariff incentives to vessels calling at multiple ports of GPH. GPH management also believes that its expansion will provide additional opportunities for value added cross-selling of port activities.

Through its acquisition of Creuers, GPH has obtained the operational rights to the largest cruise port in Europe, Barcelona Cruise Port. GPH has gained a number of general competitive strengths from the acquisition of Creuers. The acquisition has enabled GPH to further increase its negotiating power as well as capitalize operational efficiencies through the centralization of shared resources, such as marketing, finance, treasury and IT.

Attractive industry dynamics with favorable long-term trajectories

Demand for maritime transportation in Turkey has been increasing, supported by the country's growing economy and foreign trade volumes. GPH management believes that the Group's increasing revenue throughout the most recent global economic downturn reflects the strength of the maritime sector. GPH's total revenues grew at a CAGR of 7.9% between 2011 and 2013, and at a CAGR of 17.3% between the first six months of 2013 and of 2014.

The trend toward Containerization has also contributed to Turkey's maritime development. All else being equal, Containerization reduces transportation costs and increases processing speed at port facilities as compared with non-containerized cargo. This allows higher cargo volumes and faster turnaround times which support increased revenues. In the last ten years, across all Turkish ports, container handling volumes have grown approximately 4.4 times faster than the real GDP in Turkey and this trend is expected to continue, according to the United Nations Conference on Trade and Development "**UNCTAD**"). Between 2001 and 2012 container handling volumes at all Turkish ports grew at a CAGR of 20.6%, as compared to Turkish real GDP growth of 5.1% and global real GDP growth of 5.4% during the same periods, according to the Economist Intelligence Unit, Undersecretariat of Maritime Affairs and TurkStat. Although Containerization has increased significantly at all Turkish ports, Turkey has not yet achieved the same rate of Containerization as in many developed countries, which implies an opportunity for further growth. The Marine Transportation Structures Master Plan study prepared by the Ministry of Transportation in 2009 forecasts 25 million TEU container handling volume in Turkey in 2025, implying a CAGR of 10.3% of Turkish container handling volumes between 2010 and 2025.

Modern cruise ships are no longer viewed as just a means of transport, but as attractions in their own right with luxurious accommodation and a wide range of amenities. The cruise sector is the fastest growing within the global travel industry with a CAGR of 7.9% since 2003, according to the Cruise Market Watch. The Mediterranean region, which is comprised of the Greek Islands and Turkey, is one of the fastest growing destinations globally, based upon sales according to Cruise

Industry News Reports. Turkey is an attractive destination as it is strategically located between Europe, Asia and Africa, and it possesses many unique archaeological sites of great interest. In the last ten years through 2012, the number of cruise passengers visiting Turkey has grown approximately 3.2 times faster than the real GDP in Turkey. Between 2003 and 2012 cruise passengers visiting Turkey grew at a CAGR of 15.3%, as compared to cruise passengers visiting Europe (which grew at a CAGR of 8.8%) and cruise passengers worldwide (which grew at a CAGR of 7.9%) during the same periods, according to European Cruise Council, Cruise Market Watch and the UMA. During the same periods, Turkish real GDP grew 5.1% and global real GDP grew 3.1%, according to the Turkish Ministry of Economy and World Bank.

Management believes that the Group's recent acquisition strategy and geographical diversification will allow it to benefit from increased global demand for maritime transportation, while reducing its reliance on Turkey and its trading partners. See "*—Competitive Strengths and Strategy — Targeted Acquisitions in Turkey and other regions*".

Superior geographic location with limited competition

GPH's commercial ports have excellent connectivity to commercially active surrounding areas and its cruise ports are in close proximity to key tourist destinations, contributing to limited regional competition for GPH's ports.

GPH's main commercial port operations are strategically located in Antalya on the southern coast of Turkey near key shipping lanes in the Mediterranean. Several hundred mines operate within a 300 kilometer radius of Port Akdeniz-Antalya. Although no official statistics are currently readily available, GPH management expects this number to continue to increase based on the observed activity in the region. As a result of its location and surrounding mineral wealth and mining operations, Port Akdeniz-Antalya is well positioned as a strategic gateway to diverse global markets for exporters of marble, cement, clinker, chromium and aluminum.

GPH management believes that Port Akdeniz-Antalya is well-placed to continue to benefit from export of these products. According to the General Secretariat of the Istanbul Mineral and Metals Exporters' Association, the US dollar value of Turkish exports of marble grew at a CAGR of 8.3% between 2010 and 2012. Turkey contains 40% of the world's marble reserves and exports marble to over 200 countries, according to Drewry. Turkey is also a major exporter of cement and building materials. According to the Turkish Cement Manufacturers Association, the cement industry in Turkey is ranked first in Europe and fifth in the world in terms of production in 2012, and ranked first in Europe and fourth in the world in terms of exports in 2012. According to Drewry, Turkey is one of the top ten exporters of cement and clinkers in the world, and cement and clinker exports from Turkey are projected to grow at a CAGR of 4% between 2012 and 2033.

The recent acquisition of the port of Adria-Bar represents an important geographical diversification of the group's commercial port operations. The port, which benefits from being within a Free Zone regime, provides an important link in the chain of intermodal transport in the region as a result of its integration with the Belgrade-Bar railway and road traffic network.

GPH's current cruise port operations in Turkey provide convenient access to important heritage and archaeological sites as well as leisure and luxury holiday destinations. For example, Ege Ports-Kuşadası is in close proximity to the ancient city of Ephesus, a major tourist attraction which is still undergoing excavation, and the House of the Blessed Virgin Mary, a Christian shrine reputed to be the final home of the Virgin Mary. Ephesus, which is home of the Temple of Artemis (one of the seven wonders of the ancient world), attracted 1.9 million visitors in 2013, according to the Tourism Ministry's Central Directorate of Circulating Capital and ranked as the most popular tourist destination of the Aegean coast and the third most popular in Turkey by number of visitor in 2012. By way of comparison, Pompeii, the excavated Roman town near Naples, Italy, attracts approximately 2.5 million visitors per year according to UNESCO. Ege Ports-Kuşadası is attractive to cruise operators because it is located approximately 25 minutes by coach from Ephesus,

compared with approximately one hour and 20 minutes from the nearest competing port at İzmir. This proximity helps to support high passenger participation in onshore excursions, which generates high margin revenue for the cruise lines. Ege Ports-Kuşadası has become the busiest cruise port in Turkey in terms of vessels received (according to the UMA) and the twentieth most heavily visited port of call in the Mediterranean region (according to G.P. Wild (International) Limited) with a total of 583,459 cruise passengers in 2013. Ege Ports-Kuşadası had a 27% market share of the Turkish cruise market by number of calls in 2013 and a 9.5% market share of the European cruise market by passengers in the same period. Moreover, among the 55 cruise lines visiting the Mediterranean, 41 called at Ege Ports-Kuşadası in 2013.

The Group's other cruise port locations in Bodrum and Antalya represent luxury and leisure destinations. Bodrum has been featured as the new luxury and leisure destination in Turkey by top travel magazines such as Condé Nast Traveller and Lonely Planet Magazine, while Antalya has been rated the number one overall holiday destination in Turkey according to the Tourism Ministry's 2012 report on foreign tourism. Antalya is also ranked the seventh most visited city in the world according to Euromonitor in 2011, and it had a 19% market share of cruise passengers visiting Turkey in 2012, based on number of passengers, according to TurkStat. GPH management believes that Port Akdeniz-Antalya is well positioned to benefit from turnaround/cruise Homeport operations, which generate higher numbers of passengers, more regular vessel calls and various opportunities to generate additional revenue.

As part of Barcelona Cruise Port, Creuers is in a prime location where cruise operators have few alternative port destinations. GPH management believe that Creuers is unlikely to lose its popularity and expects to be able to increase turnaround traffic using the port.

Resilient and diversified business model with stable cash flows

GPH's diversified business model generates multiple cash flow streams from both cargo and passenger activities, enhancing the resilience of GPH's total revenues and EBITDA. On a pro forma basis (including the acquisition of Creuers), in the six months ended June 30, 2014, GPH derived 68% of its revenues from its commercial port operations and 32% from its cruise port operations, with total revenues of US$48.0 million. With the acquisition of Creuers, GPH has achieved a significant diversification in its ports portfolio and increased the percentage of revenue generated from cruise port operations in its Pro-forma revenues. For the six months ended June 30, 2014, GPH derived 83% of its revenues from its commercial port operations and 17% from its cruise port operations, with total revenues of US$39.4 million. For the six months ended June 30, 2014, GPH derived 83% of its commercial port revenues from cargo handling and 17% from its port authority activities, with total revenues of US$27.3 million and total volumes of 121,246 TEU and 997,241 tonnes. Cargo handling revenues were primarily derived from containers, as well as from vessel handling, cement and clinker, hard board, medium density fiberboard and coal. For the six months ended June 30, 2014, GPH derived 35% of its cruise port revenues from passenger handling, 39% from port authority activities and 16% from other sources, with total revenues of US$6.6 million and total volumes of 280,337 passengers. Passenger handling revenues came primarily from cruise passenger fees, as well as from duty free shopping commissions, ferry passengers and various other sources. The Group's revenue streams are predominantly denominated in US dollars and, to a lesser extent, in Euro, effectively insulating the Company from risks arising from a potential weakening of the Turkish Lira.

Strong competitive position due to high barriers to entry and strategic partnerships

GPH management believes that the location of Port Akdeniz-Antalya creates a strong barrier to potential competitors. The next closest commercial ports, Mersin and Iskenderun, are approximately 353 kilometers and 492 kilometers away, respectively. This distance makes these ports unattractive to local producers as the additional transportation would increase the cost of their commodity products. In addition, as the region to the port's west and northwest is primarily

devoted to leisure and tourism GPH management believes it is unlikely that regulatory and environmental approvals would be granted for a new major commercial port in the region. Furthermore, any competing port would also require high capital investment and a long lead-time for construction. As a result, GPH management expects Port Akdeniz-Antalya to continue as the main commercial port for its region.

GPH management believes there are also high barriers to entry for any additional cruise port operations in the Mediterranean. This is due to the high investment requirements and long construction lead times for comparable port operations, as well as lengthy procedures to obtain port licenses and regulatory approval and limitations on commercial port developments due to high volumes of tourism along the Mediterranean coast line.

GPH management believes its competitive position is also supported by its established ties with key strategic partners. These partners include RCCL, which is the second largest cruise operator in the world with a global market share of 23% based on world wide passengers, according to Cruise Market Watch, and Setur, which is the leading tour and travel agency in Turkey and maintains domestic exclusivity agreements with Cruise Line and Costa Cruises. GPH expects to continue to benefit from its relation with RCCL in expanding to global markets outside Turkey and its relationship with RCCL has been further strengthened by its recent joint investments in Creuers and BCP.

Diversified and well-established client base

GPH has a diversified, well-established client base for both its commercial and cruise port operations, including Botros & Levant, Mediterranean Shipping Company, ZIM, AS Cimento, and Goltas for its commercial port operations, and Royal Caribbean International, Celebrity Cruises, Thomson Cruises, Princess Cruises, and Louis Cruise Lines for its cruise port operations. GPH maintains arm's length relationships with its commercial port customers, and its top five commercial customers accounted for less than 46% of total revenues and 61% of its total cargo handling revenues in 2013. In the six months ended June 30, 2014, the top five, ten and twenty commercial customers accounted for approximately 79.6%, 88.1% and 93.8%, respectively, of Port Akdeniz-Antalya's total revenues. GPH's customers include shipping lines and direct customers (e.g.factories and mines), with container related traffic derived from shipping lines and cement related cargo derived from cement factories. In addition, recent regulations in Turkey grant domestic vessels exclusive right to transport goods between Turkish ports (where previously such rights had also extended to foreign vessels), which GPH management believes will increase the domestic transport of goods via ship, and, in turn, further increase GPH's potential customer base.

GPH's top five cruise port customers accounted for less than 11% of total revenues and 67.2% of its total cruise revenues in 2013. In the six months ended June 30, 2014 the top five, ten and twenty cruise port customers accounted for approximately 6%, 8% and 9%, respectively, of GPH's total revenues. GPH's customers are cruise operators who market under various brands to attract a broad range of cruise passengers, from luxury to budget travelers. GPH benefits from its diversified customer base, as each cruise line corporation operates under several brands targeted at different markets.

Best in class profitability performance with potential for further margin improvements

GPH management believes GPH has an established track record of generating industry leading EBITDA margins, with further upside provided by targeted margin enhancement measures. In 2011, 2012 and 2013 (with the 2013 information prepared on a pro forma basis) and the twelve months ended June 30, 2014 (with the information for the twelve months ended June 30, 2014 prepared on a pro forma basis), GPH's EBITDA was US$38.6 million, US$45.3 million, US$68.8 million and US$72.4 million, respectively, and its EBITDA margin was 62.7%, 59.6%, 67% and 68%, respectively, during the same periods.

GPH management believes its margins are sustainable in light of the low degree of local competition and the lack of regulatory tariff restrictions. GPH management also believes the Group's ports have potential for additional higher margin container handling activities, premium tariffs for servicing cargo that requires additional expertise and equipment, and additional value added cross-selling of ancillary port activities.

GPH management believes that Creuers enjoys an existing dominant Homeport position and that it will be able to increase the number of Homeport turnarounds while sustaining and improving its margins.

Robust long-term concession framework providing for operational certainty and commercial flexibility

GPH's concession framework includes long-term concessions, where GPH may set tariffs at its own discretion and is no longer subject to capital expenditure requirements. At Port Akdeniz-Antalya, GPH maintains a thirty-year operating concession that expires in 2028. Between 1998 and 2003, GPH's tariffs were subject to certain restrictions, although since August 2003 GPH management has been able to set tariffs at its own discretion. At Ege Ports-Kuşadası, GPH maintains a thirty-year operating concession that expires in 2033. Since July 2008 GPH management has had discretion to determine tariffs at the port. With respect to Bodrum Cruise Port, GPH maintains a twelve-year Build Operate Transfer Agreement ("BOT") that expires in 2019. A BOT is an arrangement whereby the private sector builds an infrastructure project, operates it for a period of time before transferring it to the public sector. The Turkish Ministry of Transportation may approve an extension of the BOT term of up to forty-nine years, and GPH management expects the BOT to be extended in 2018. For the first three years of the BOT, GPH paid the Turkish Ministry of Transportation a land utilization fee of US$125,000 in 2007, US$128,750 in 2008 and US$132,613 in 2009, and since 2009 such fee has increased by 3% per annum. GPH's recent acquisitions further diversify its concession framework.

Experienced management team with an established track record of operational and strategic excellence

GPH has a highly experienced management team with a strong track record of effectively managing ongoing operational enhancements and driving expansion. GPH's executive management team has a long-term commitment to the maritime sector, with a total of 80 years of combined experience in the sector and a history of acquiring and managing port assets. GPH's existing portfolio and extensive experience in the region provide a solid platform for targeted acquisitions of port concessions in the selected growth areas of the region and the integration of these operations into the portfolio in order to maximize the profitability of these investments. The senior management team splits key responsibilities, with separate teams focused on extensive traffic monitoring, business development, operations and maintenance, financing, and technical and technological capabilities. Moreover, GPH management and GPH maintain strong and supportive relationships with local governments, businesses and local and international members of the cruise tourism industry due to the importance that its ports have for local communities and economies. GPH management also seeks to maintain strong relationships with GPH's clients in order to address their specific needs and expectations.

In addition to operating ports, GPH management has a strong track record of identifying acquisition targets. The management team has successfully executed a number of recent acquisitions and has extensive experience of integrating these operations into the portfolio.

Strategy

Leverage expected export growth in Turkey and expected cruise tourism growth in the Mediterranean

GPH management expects both Turkish exports and Mediterranean cruise tourism to increase further, based on industry research. GPH will seek to capitalize on this expected growth through investments in modern facilities and equipment and centralized management systems to ensure that GPH's commercial port facilities meet the increasing demand for high turnaround container operations. In addition, GPH management will continue to market its services to industries in the hinterland for the transportation of new goods currently transported through different means. In its cruise ports business, GPH management will continue to work with the on-shore excursion and other key decision makers of the cruise and local tourism industry to market regional locations to cruise operators. GPH's portfolio approach to its ports provides it with the opportunity to cross-sell its services to cruise operators, for example by offering tariff incentives to the vessels calling at multiple ports of GPH.

Focus on higher margin cargo revenue and revenue from ancillary port activities

GPH management has significant experience in turning around underperforming ports by upgrading facilities and creating operational efficiencies. In order to increase operating margins in its commercial port business, GPH intends to increase its container handling capacity by modernizing Port Akdeniz-Antalya's docking areas to accommodate larger container vessels. It also intends to increase cargo throughput through investments in modern container handling and stacking equipment and storage areas in addition to investments in related facilities. Since the acquisition of the Port of Adria-Bar in December 2013, GPH has implemented this strategy through an ongoing program of investment and restructuring, intended to modernize the port facilities and improve operating efficiencies.

As containers usually generate higher margins, GPH management intends to promote Containerization by attracting more shipping lines and highlighting the benefits of Containerization to industries in the areas surrounding GPH's ports. GPH management also intends to offer economic incentives, including volume discounts, for container shipping lines to add existing and future Group ports to their itinerary.

Additionally, in order to increase operating margins in both its commercial and cruise port businesses GPH management intends to supplement GPH's revenue with value-added cross selling of ancillary port activities, such as electricity provision and office, retail and storage space rental at each of its ports.

Targeted acquisitions in Turkey and other regions

GPH targets existing commercial ports within Turkey, the Middle East and Europe, and ports in the Mediterranean, and Black Sea. GPH focuses on ports where it believes modernization and implementation of advanced port management systems offer the greatest potential. GPH aims to identify ports that offer access to important international trade routes and are critical economic contributors to their region. Additionally, GPH targets ports that it believes are undervalued, for example because of outdated equipment and facilities or management practices. GPH believes that the recent acquisitions of Creuers and Lisbon are good examples of this strategy.

In the commercial port business, GPH's primary focus is on acquiring non-container commercial ports with the potential to be converted into container ports, with the aim of reducing the inefficiencies and ramping up operations.

In its cruise port business, GPH's expansion strategy focuses on targets that are in promising locations (for example, close to high profile tourist and historical sites) but are currently undervalued or poorly managed. An important element of identifying cruise port opportunities is

identifying assets that provide opportunities to enhance the passenger experience and expand the services offered by building shopping complexes and leisure centers to create additional revenue sources.

GPH management believes that it is well placed to participate in future tenders and re-tenders arising in Turkey and the surrounding region. This is because GPH is a local operator with proven operational capabilities and previous experience of successfully participating in these types of tenders.

As part of its global expansion strategy of the cruise business, GPH continuously monitors potential public and private deals all around world. As the largest cruise port in Europe, Creuers had long been identified by GPH as a potential acquisition target. Acquiring the control of Creuers has increased synergies for GPH in terms stronger negotiating power, offering package deals and centralizing shared resources. Investing in Creuers represents another step for GPH in building a network of destinations that cruise operators cannot avoid using.

GPH management see its acquisition of interests in LCP as an investment in a destination that can be further developed into a prime destination, while increasing Homeport operations. By investing into a state of the art new terminal building, LCP will be able to turnaround larger ships, which will enable it to significantly increase traffic and increase its per passenger revenues.

Use integrated cruise marketing to maximize revenue

GPH is seeking to maximize revenue across its portfolio of cruise port assets. GPH centrally coordinates its marketing effort to market its services across its portfolio of cruise line clients and, ultimately, to increase its share of passenger spending. Between 2011 and 2013, GPH has been able to increase revenue per cruise call by 23%, 5.3% and 30.5%, at Port Akdeniz-Antalya, Ege Ports-Kuşadası and Bodrum Cruise Port, respectively. For Bodrum Cruise Port, the increase is mainly because of the change in focus from budget line (more passengers and large ships) cruises to luxury cruise lines (with fewer passengers per ship but higher revenues). For Port Akdeniz-Antalya, the increase in revenues was attributable in part to GPH's acquisition of an increased stake in the port and an increase in per passenger charges. Moreover, ancillary revenue such as retail lease revenue and duty-free revenue are optimized by promoting these retail outlets on the recommended shopping program of the cruise liners.

Optimize cash generation at existing facilities

In addition to its goal of increasing revenue, GPH is seeking to continue improving cash flow from its existing operations through a disciplined approach to capital expenditures. GPH is seeking to align its capital expenditures with changes in demand for its services while maintaining port facilities and equipment in accordance with international standards. Additionally, GPH will continue to control capital expenditures by moving equipment between ports where it is possible to do so rather than investing in new equipment. To help optimize operating costs, GPH centralizes all shared services, which include treasury, finance, IT, human resources, procurement and legal. Non-core activities, such as general cargo handling, stuffing and unstuffing, security, cleaning and cargo transportation within the ports are outsourced to third parties whom management believes can provide services at a lower cost and vary service levels to match demand. Moreover, GPH continuously reviews operating processes and efficiency to manage variances in revenue and operating costs in order to consistently increase EBITDA as a percentage of sales.

Recent Developments

Ratings

On October 27, 2014, Moody's (Moody's Investors Service, Inc.) assigned a first-time B1 Corporate Family Rating and B1-PD Probability of Default Rating to GPH. Concurrently, Moody's has also assigned a provisional (P)B1 rating to the company's proposed US$250 million guaranteed senior unsecured bond issuance due 2021. The outlook on the ratings is stable. On October 27, 2014, Fitch (Fitch Ratings Limited) also assigned a point-in-time, initial BB- public rating to GPH's US$250 million senior unsecured bonds. The outlook on the rating is stable. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time.

Merger of İzmir Liman İşletmeciliği A.Ş.

On July 3, 2014, İzmir Liman İşletmeciliği A.Ş., a fully-owned subsidiary of GPH and a non operative one-time project company, merged into GPH by way of absorption, and all its receivables and liabilities have been transferred to GPH as a result of universal succession and ceased to exist.

OVERVIEW OF THE OFFERING

The summary below describes the principal terms of the Notes and related Guarantees. Certain of the terms and conditions described below are subject to important limitations and exceptions. The "Description of the Notes" section of this Offering Circular contains a more detailed description of the terms and conditions of the Notes and the Guarantees, including definitions of certain terms used in this summary.

Issuer	Global Liman İşletmeleri Anonim Şirketi.
Notes Offered	US$250 million aggregate principal amount of 8.125% Senior Unsecured Notes due 2021.
Issue Date	November 14, 2014.
Issue Price	99.345%.
Maturity Date	November 14, 2021.
Interest Rate and Payment Dates	The Notes will bear interest at a rate per annum of 8.125%. Interest on the Notes will accrue from the Issue Date and will be payable semi-annually on May 14 and November 14 of each year, commencing on May 14, 2015.
Guarantors	The Guarantors of the Notes comprise Ortadoğu Antalya Liman İşletmeleri A.Ş. and Ege Liman İşletmeleri A.Ş. Notes will not be guaranteed by Creuers or any of its subsidiaries. See "*Risk Factors — Risks Relating to the Offering and the Notes — Creuers will not be a Guarantor of the Notes*".
Ranking	The Notes will: • be general, unsecured, senior obligations of the Issuer; • rank *pari passu* in right of payment with all existing and future Indebtedness of the Issuer that is not subordinated to the Notes; • rank senior in right of payment to any and all future obligations of the Issuer that are expressly subordinated to the Notes, if any; • be effectively subordinated to all existing and any future Indebtedness of the Issuer that is secured by property or assets, to the extent of the value of the assets securing such Indebtedness; and • be unconditionally and irrevocably guaranteed by the Guarantors on a joint and several basis as of the Issue Date, subject to limitations under applicable law. The Guarantees to be provided by each Guarantor will: • be a general, unsecured, senior obligation of each Guarantor;

- be effectively subordinated to all existing and any future Indebtedness of the Guarantors that is secured by property or assets, to the extent of the value of the assets securing such Indebtedness;
- be structurally subordinated to all obligations of any subsidiaries of the Guarantors which do not guarantee the Notes; and
- rank senior in right of payment to any and all future obligations of such Guarantor, if any, that are subordinated in right of payment to its Guarantee.

Form and Denomination	The Issuer will issue the Notes on the Issue Date in global form in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof.
Security; Enforcement of Security	The Notes and the Guarantees will be unsecured.
Use of Proceeds	The proceeds of the Offering will be used for general corporate purposes including the payment of GPH's outstanding financial debt. See "*Use of Proceeds*".
Additional Amounts	All payments in respect of the Notes or the Guarantees will be made without withholding or deduction for any taxes or other governmental charges, except to the extent required by law. If withholding or deduction is required by law, subject to certain exceptions, the Issuer (or the Guarantors, as appropriate) will pay additional amounts so that the net amount each holder of the Notes receives is no less than the holder would have received in the absence of such withholding or deduction. See "*Description of the Notes—Additional Amounts.*"
Optional Redemption for Tax Reasons	If certain changes in the law of any relevant taxing jurisdiction become effective that would impose withholding taxes or other deductions on the payments on the Notes, the Issuer may redeem the Notes in whole, but not in part, at any time, at a redemption price of 100% of the principal amount, plus accrued and unpaid interest and Additional Amounts, if any, to the date of redemption. See "*Description of the Notes—Redemption for Taxation Reasons.*"
Optional Redemption	At any time prior to November 14, 2018, the Issuer may redeem up to 35% of the aggregate principal amount of the Notes using the proceeds from certain equity offerings at the redemption price of 108.125% of the principal amount of such Notes, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption. See "*Description of the Notes—Optional Redemption upon Public Equity Offering prior to November 14, 2018.*"

	At any time prior to November 14, 2018, the Issuer may redeem some or all of the Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the date of redemption plus the applicable "make whole" premium. See "*Description of the Notes—Optional Redemption upon Public Equity Offering prior to November 14, 2018.*" At any time on or after November 14, 2018 the Issuer may redeem some or all of the Notes, at the redemption prices set forth in "*Description of the Notes—Optional Redemption on or after November 14, 2018.*"
Change of Control	Upon the occurrence of certain defined events constituting a "Change of Control," each holder of the Notes will have the right to require the Issuer to repurchase all or any part of the Notes at 101% of their aggregate principal amount thereof on the date of repurchase plus accrued and unpaid interest and Additional Amounts, if any, to the date of repurchase. See "*Description of the Notes—Repurchase at the Option of Holders—Change of Control.*"
Concession Termination Event	Upon the occurrence of certain defined events constituting a "Concession Termination Event", each holder of the Notes will have the right to require the Issuer to repurchase all or any part of the Notes at 100% of their aggregate principal amount thereof on the date of repurchase plus accrued and unpaid interest and Additional Amounts, if any, to the date of repurchase. See "*Description of the Notes—Repurchase at the Option of Holders—Concession Termination Event.*"
Certain Covenants	The Indenture will limit, among other things, the ability of the Issuer and its restricted subsidiaries to: • incur or guarantee additional indebtedness; • create or permit to exist certain liens; • make certain restricted payments; • make certain investments; • enter into agreements that restrict the ability of restricted subsidiaries to pay dividends; • transfer or sell assets; • merge or consolidate with other entities; • enter into certain transactions with affiliates; and • engage in any business other than a permitted business.

	Each of the covenants is subject to a number of important exceptions and qualifications. See "*Description of the Notes—Certain Covenants*."
Transfer Restrictions	The Notes and the Guarantees have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any other jurisdiction. The Notes are subject to restrictions on transfer and may only be offered or sold in transactions that are exempt from or not subject to the registration requirements of the U.S. Securities Act. See "*Notice to Investor*s" and "*Plan of Distribution*." Holders of the Notes will not have the benefit of any exchange or registration rights.
No Established Market for the Notes	The Notes will be new securities for which there is currently no market. Although the Joint Bookrunners have informed GPH that they intend to undertake limited market making activities, they are not obliged to do so and they may discontinue market making at any time without notice. Accordingly, GPH cannot assure you that a liquid market for the Notes will develop or be maintained.
Listing	Application has been made to list the Notes on the Official List of the Irish Stock Exchange and to trade the Notes on the Global Exchange Market.
Governing Law	The Indenture, the Notes and the Guarantees will be governed by the laws of the State of New York.
Trustee	The Bank of New York Mellon, London Branch.
Irish Listing Agent	The Bank of New York Mellon SA/NV, Dublin Branch.
Principal Paying Agent and Transfer Agent	The Bank of New York Mellon, London Branch.
Registrar	The Bank of New York Mellon (Luxembourg) S.A.
Risk Factors	Investing in the Notes involves substantial risks. See the "*Risk Factors*" section of this Offering Circular for a more complete description of risks that you should carefully consider before investing in the Notes.

RISK FACTORS

An investment in the Notes involves certain risks. Prior to making an investment decision, prospective investors should carefully read the entire Offering Circular. In addition to the other information in this Offering Circular, prospective investors should carefully consider, in light of their own financial circumstances and investment objectives, the following risks before making an investment in the Notes. If any of the following risks actually occurs, they may impact the ability of the Issuer to pay interest and principal on the Notes, and the market value of the Notes may be adversely affected. In addition, factors that are material for the purpose of assessing the market risks associated with the Notes are also described below. The Issuer believes the risks described below are the principal material risks affecting the Group. However, the risks described below are not the only risks that the Group faces. Additional risk factors not currently known or that are currently deemed immaterial may also have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Operational Risks

The privatization of Ege Ports-Kuşadası remains subject to legal challenges, which may have adverse consequences including the loss of the Group's operations there. In addition, there are challenges against zoning plans of Ege Ports-Kuşadası which could have an adverse effect on the Group's business.

Privatization

There is a finalized legal challenge against the privatization tender process by which Ege Ports-Kuşadası was awarded to Ege Liman. The challenge sought the return of Ege Ports-Kuşadası to the Türkiye Denizcilik İşletmeleri ("TDI").

The Tender: Ege Ports-Kuşadası was privatized and acquired by Ege Liman through the execution of the Transfer of Operation Rights Agreement on July 2, 2003 with Privatization Administration ("PA") and the TDI based on and explicitly referring to the Privatization High Council decision of April 28, 2003 No. 2003/17. Under this, the Privatization High Council decided that the second highest bidder, being the joint venture comprised of RCCL, Avrasya Yatırım Holding A.Ş. and Ege Ticaret Ltd. would be awarded with the operational rights of Ege Ports-Kuşadası for 30 years if Limaş A.Ş., being the highest bidder, did not perform its obligations under the tender specifications or refrained from entering into the transfer of operation rights agreement. Ege Liman's bid in the tender process was the second highest and the PA granted the tender rights to Ege Liman on the stated grounds of non-performance by the highest bidder.

The Legal Challenge: On June 25, 2003, Nilgün Öğünçlü, a shareholder of Limaş A.Ş., filed a lawsuit against the PA in the Aydın First Administrative Court to obtain the cancellation of the Privatization High Council 's approval of the Ege Ports-Kuşadası tender to Ege Liman. On June 2, 2010, Nilgün Öğünçlü's claims were granted by the Aydın First Administrative Court which issued a judgment cancelling the Privatization High Council's approval of the Ege Ports-Kuşadası tender to Ege Liman.

The First Appeal: On September 13, 2010, the PA filed an appeal against the Aydın First Administrative Court's decision before the Council of State. In addition, on the same date, Ege Liman petitioned the Council of State to be added as a new intervening party and also filed an appeal against the Aydın First Administrative Court's decision in respect of the cancellation of the tender with the Council of State. The Council of State approved the Aydın First Administrative Court's decision on March 8, 2011, cancelling the Privatization High Council's approval of the Ege Ports-Kuşadası tender to Ege Liman.

The Final Appeal: On September 7, 2011, the PA applied to the Council of State for a rectification, or revision (the "Final Appeal"), of such decision, on the basis of the same substantive arguments which had been put before the Aydın First Administrative Court and the Council of State, but

which had been rejected by those courts. On March 21, 2014, the Council of State, rejected the PA's claim and upheld the Aydın First Administrative Court's decision, which became definitive and unappealable.

The Obligation of the PA and the Current Situation: As of March 21, 2014, the date on which the final decision was given in relation to the Final Appeal, responsibility has been with the PA to pursue the enforcement of the decision cancelling the tender for Ege Ports-Kuşadası and return Ege Ports-Kuşadası to the TDI. In recent Turkish history there have been many instances in which the PA has ultimately not enforced decisions cancelling approvals of tenders on the basis of "impossibility of performance", where the parties cannot be put back into the position they were in before the award of the tender. For instance, while decisions have been rendered against the privatizations of Uçak Servisi A.Ş. ("USAŞ"), Türkiye Çimento ve Toprak Sanayi T.A.Ş. ("ÇİTOSAN"), Çeşme Port, Eti Alüminyum A.Ş., SEKA Türkiye Selüloz ve Kağıt Fabrikaları A.Ş. Türkiye Petrol Rafinerileri A.Ş. and Karabük Demir Çelik Fabrikaları Kardemir A.Ş., the decisions have not, to date, been enforced by the PA. GPH management is also not aware of any instance in which a privatized asset has in fact been returned to the State as a result of a challenge to the relevant tender process.

On the other hand, with its decision no. P.2011/4 dated September 12, 2011 (the "2011 Decision"), the Council of Ministers decided not to enforce court decisions that have been rendered for the cancellation of certain privatization transactions which have been completed pursuant to final transfer agreements as a result of the privatization acts, and are irrevocable for practical impossibilities, including the cancellation of the privatizations of Çeşme Port, Eti Alüminyum A.Ş., SEKA Türkiye Selüloz ve Kağıt Fabrikaları A.Ş. Türkiye Petrol Rafinerileri A.Ş. and Ege Ports-Kuşadası.

Consistent with this historic approach, the PA further declared with its decision no. 2014/82 dated August 7, 2014 (the "2014 Decision"), that it will not take any action with regards to claiming the return of Ege Ports-Kuşadası. Shortly after the 2014 Decision, on September 11, 2014, a new law entered into force introducing the Provisional Article 26 of the Privatization Law No. 4046 (the "Provisional Article 26"). Provisional Article 26 states that the PA cannot take any action in relation to courts' cancellation decisions for the return of privatized assets, in respect of which the final transfer to investors completed at least 5 years prior to September 11, 2014, except where such cancellation decisions relate to breaches of relevant transfer of operation rights agreements.

The PA, upon the entry into force of the Provisional Article 26, sent a confirmation letter dated September 17, 2014, with no. 31388994-102 S K009 / 6534 to Ege Liman (the "PA's Confirmation"), stating that the PA confirmed, based on the 2014 Decision and the Provisional Article 26 of the Privatization Law, that it would not take any actions for the enforcement of court decisions regarding the cancellation of Ege Ports-Kuşadası privatization. The PA also confirmed, in the PA Confirmation, that it will not initiate any lawsuit to enforce the return of Ege Ports-Kuşadası to the PA and informed Ege Liman that it could continue operating Ege Ports-Kuşadası in accordance with the transfer of operation rights agreement.

The main opposition party, CHP, filed a lawsuit before the Constitutional Court for the annulment of the Provisional Article 26 with a request for stay of execution. The Constitutional Court decided on October 2, 2014 to annul the Provisional Article 26 but refused the request for a stay of execution. Since the Constitutional Court's annulment decision has not yet been published in the Official Gazette, its reasoning behind the annulment decision is currently not clear and the annulment will not come into effect until such publication. Provisional Article 26 therefore remains in existence until the publication of the Constitutional Court's reasoned judgment, which may take up to six months after the judgment date.

If the PA refuses to enforce the court's decision to cancel the privatization, this may be challenged by the privatization lawsuit's claimants filing another lawsuit before the administrative courts to cancel the PA's refusal to enforce the court decision. The PA may, however, raise other arguments such as the 2011 Decision, the 2014 Decision and the argument that the annulled provision

validated the privatization of Ege Ports-Kuşadası at the time of its enactment and its annulment by the Constitutional Court cannot have retroactive effect. If the court decides for the PA to enforce the decision and the PA does not obey such ruling, the PA and its executives might be subject to civil and criminal liability.

Despite the Constitutional Court's decision of October 2, 2014 to annul the Provisional Article 26 the Group expects that the PA will not take any action based on its clear declaration in the PA's Confirmation that it will not enforce the court decision relating to the cancellation of the privatization of Ege Ports-Kuşadası, or initiate any lawsuit to ensure that Ege Ports-Kuşadası is returned to the PA and its notification to Ege Liman to continue operating Ege Ports Kuşadası in accordance with the transfer of operation rights agreement. Also, the Group believes that it should not ultimately be required to divest its interest in Ege Ports-Kuşadası, based on the grounds of "impossibility of performance" as set out above.

Potential compensation for Ege Liman: If the PA enforces the court decision cancelling the Privatization High Council's approval of the privatization of Ege Ports-Kuşadası and files a lawsuit in order to transfer Ege Ports-Kuşadası's title to the TDI and that lawsuit effectively achieves that transfer, Ege Liman would no longer be entitled to operate Ege Ports-Kuşadası and would lose its revenues from the port. In such a case, Ege Liman would be entitled to file a lawsuit against the PA to claim certain resulting damages. While the Group believes that, in such circumstances, damages with respect to the Group's investments in Ege Ports-Kuşadası (i.e. the amount paid to the PA for the concession of Ege Ports-Kuşadası, newly constructed buildings and other structures and any other investments made to Ege Ports-Kuşadası) may be awarded, damages for loss of profit would be more difficult to prove and obtain. However Ege Liman may also claim interest on the amount paid to the PA and loss of profit for the remaining term of the concession. Since there are no previous instances, of which GPH is aware, where a privatized asset has been returned to the respective administrative body (which strengthens the Group's belief that Ege-Ports Kuşadası will remain with the Group), GPH is not aware of a compensation lawsuit which may provide any clear guideline regarding compensation and related timing. There can be no assurance that Ege Liman would obtain sufficient amount of compensation for its investment in Ege Ports-Kuşadası or obtain such compensation on a timely basis. There can be no assurance that the loss of the Ege Ports-Kuşadası would not result in the Group having insufficient cash flows to meet its obligations as they fell due. No provisions have been recorded in the Group's financial statements in relation to the potential consequences of this litigation and there can be no assurance that provisions in relation to it will not need to be taken in the future.

While the Group remains optimistic for the reasons set out above, if this challenge prevails and the legal award is enforced, the Group's operation of Ege Ports-Kuşadası would be required to cease, which would have a material adverse effect on the Group's business, financial condition, results of operations and future prospects. In the six months ended June 30, 2014, Ege Ports-Kuşadası represented 13.4% of the Group's revenues and 16.9% of the Group's consolidated EBITDA and, in the year ended December 31, 2013, Ege Ports-Kuşadası represented 21.8% of the Group's revenues and 16.1% of the Group's consolidated EBITDA. The Notes contain provisions relating to certain events constituting a "concession termination event" in relation to a Guarantor. Upon the occurrence of a concession termination event, GPH is required to make an offer to purchase all outstanding Notes at a price equal to 100% of their principal amount plus accrued and unpaid interest and additional amounts, if any, to the date of purchase. See "*Description of the Notes—Concession Termination Event*."

Zoning

There are also challenges against the zoning plans of Ege Ports-Kuşadası.

The zoning plan for Ege Ports-Kuşadası was first issued by the Turkish Ministry of Public Works and Settlement on 29 June 2004. This zoning plan was replaced respectively by zoning plans in 2006 and 2010.

The current 2011 zoning plan, along with the preceding zoning plans of 2006 (the “Zoning Plan”) and 2010, remain subject to ongoing legal challenges initiated by local residents and the Municipality of Kuşadası that contest the change of destination of the port granted in such zoning plans. As a result of Aydın First Administrative Court’s decision of November 9, 2009 to cancel the Zoning Plan, the Municipality of Kuşadası cancelled the construction license and building use permit issued to Ege Liman and thereafter issued a cease and desist order, which was later followed with demolition decisions of 2010 and 2011. Ege Liman challenged these decisions of the Municipality of Kuşadası, which are still pending before the courts. The timing and outcome of such challenges are difficult to predict. If such challenges were to be successful, the Group might be required to demolish certain structures and buildings in Ege Ports-Kuşadası, which in turn would have a material adverse effect on the Group’s business, financial condition, results of operations or future prospects. No provisions have been recorded in the Group’s financial statements in relation to this litigation and there can be no assurance that provisions in relation to it will not need to be taken in the future.

The lawsuit filed against the zoning plan issued in 2006 is currently at the final stage of appeal, after having been decided in the first instance and appeal against the Turkish Ministry of Public Works and Settlement which applied for a rectification or revision of the decision. The lawsuits filed against the zoning plans issued in 2010 and 2011 are pending and there is currently no stay of execution. The Group believes that its investments in Ege Ports-Kuşadası may not need to be demolished in light of case law by the Council of State, which has vouched for the application of a “vested rights” doctrine in relation to these issues (The “vested rights” doctrine is a rule of zoning law according to which a developer is entitled to proceed in accordance with the prior zoning plan where there has been a substantial change of position, expenditures or incurrence of obligations made by a party acting in good faith in accordance with a building use permit or in reliance upon the probability of its issuance). However, there is no certainty that the courts will adhere to the vested rights doctrine in this instance.

Following the cancellation of the Ege Ports-Kuşadası Zoning Plan by the Council of State, the Municipality of Kuşadası cancelled the construction license and the building utilization permit issued in accordance with the plan, and on January 14, 2010, Ege Liman received notification from the Municipality of Kuşadası stating that both the construction and building utilization permits held by it had been cancelled.

Ege Liman filed a lawsuit on January 25, 2010 against the Municipality of Kuşadası before the Aydın First Administrative Court, requesting cancellation of the Municipality’s order to cancel construction and building utilization permits. On January 28, 2010, the Aydın First Administrative Court suspended the cancellation of Ege Liman’s construction and building utilization permits. However, the Aydın First Administrative Court eventually dismissed the case on May 6, 2011, and the Group appealed the dismissal, requesting a stay of execution. The stay of execution request was refused by the Council of State on August 17, 2011, and the appeal was rejected on February 20, 2014 confirming the decision of the Aydın First Administrative Court. Ege Liman applied for the rectification or revision of the decision and the case is still pending.

The Municipality of Kuşadası issued a cease and desist order on June 18, 2010 preventing Ege Liman from making building modifications in accordance with the zoning plan dated June 1, 2006. The Aydın First Administrative Court dismissed the case and Ege Liman and the TDI have appealed the decision. The lawsuit is still pending before the Council of State and there is currently no stay of execution. The Council of State rejected the appeal and confirmed the decision of the Aydın First Administrative Court on February 20, 2014. Ege Liman applied for a rectification of the decision and the case is still pending.

On October 18, 2010 and July 13, 2011 the Municipality of Kuşadası resolved that the buildings that are inconsistent with the zoning plan before 2004 in Ege Ports-Kuşadası should be demolished. Ege Liman filed lawsuits against the Municipality before the Aydın First Administrative Court requesting a cancellation of the Municipality’s order. The Aydın First Administrative Court

dismissed the cases on March 30, 2012 and Ege Liman appealed the decision and the Council of State accepted the appeal and dismissed the decisions of the Aydın First Administrative Court on February 20, 2014 on the grounds that the vested rights doctrine did not apply to Ege Liman's case but that the buildings and structures constructed in accordance with the then-existing zoning plans could not be demolished before paying the value of such buildings and structures to their owners. The Municipality of Kuşadası applied for the rectification of the decision dated February 20, 2014, and the lawsuit is pending.

If (i) these zoning plan lawsuits are finally decided against Ege Liman, i.e. the relevant zoning plans are cancelled or the decisions of the Municipality of Kuşadası are upheld, (ii) no new zoning plan is implemented and (iii) the values of the buildings and structures affected are fully paid to Ege Liman, then the cruise port operations at Ege Ports-Kuşadası may be terminated due to cease and desist orders, license cancellations and demolition of cruise port-related buildings. The demolition of the shopping mall built on Ege Ports-Kuşadası may result in claims for damages against Ege Liman by third parties operating in this shopping mall. GPH management cannot give any assurance that the vested rights doctrine will fully apply to Ege Ports-Kuşadası. GPH management believes that the relevant cease and desist orders relate to the shopping mall built on Ege Ports-Kuşadası and that these orders do not relate to the cruise port related-buildings and structures therein. Accordingly, GPH Management believes that these orders and the related lawsuits would not affect the cruise port operations at Ege Port-Kuşadası. If certain buildings and structures at Ege Ports- Kuşadası are demolished this could have a material adverse effect on the Group's business, financial condition, results of operations or future prospects. See "Business of the Issuer—Legal Proceedings—Challenges related to the Kuşadası Cruise Port zoning plan".

Ege Liman has recently reached a verbal understanding with the Municipality of Kuşadası on a new zoning plan that will be issued for Ege Ports-Kuşadası premises and the Group expects that such new zoning plan will be issued in the near future. If this new plan is issued, the Group believes it would supersede any negative outcome of the zoning litigation described above. There can however be no assurance that such verbal understanding will be formalized in a new zoning plan or that, if formalized, the zoning plan would in fact supersede any negative outcome of the ongoing zoning litigation.

The Group's operations are subject to governmental regulation, including the terms of the concession arrangements under which its ports operate

In conducting its port operations, the Group must comply with a number of local, national and international laws, regulations and standards. In addition, the Group conducts its operations under long-term operating concessions with the State entity that owns each of its ports. The Group must also obtain, maintain and renew various permits and licenses, including an operation license for each port. See "*Regulation*".

The majority of the Group's concession agreements are granted for a fixed term and do not grant the Group a right to extend the terms of such agreements. The Group's current concession agreements have remaining terms of 17 years on average, and will not begin to expire before 2019. The only exception, is the concession at Creuers for Terminal B (formerly named as Terminal C). This concession is granted by the Port Authority on an annual basis, and hence an application for renewal of the license has to be made before the expiry of the term of the license. The Barcelona Port Authority ("BPA") is not obliged to extend or renew the Operating License; however, it has been renewing this license each year since the concessions for the other terminals have been operating.

On June 6, 2013, the Constitutional Court annulled the provision of Article 8 of Law No. 4706 on Use of Treasury's Real Properties and Amendment of the Value Added Tax Law which excluded investors operating the properties owned by the Turkish Undersecretariat of Treasury or coastal facilities based on a right in rem or a use permit in accordance with a special law such as the Privatization Law from making an application for automatic extension of the operation rights at the end of the term of their agreements with the relevant government institutions.

Following the Constitutional Court's annulment of this provision, Ortadoğu Antalya, Ege Liman and Bodrum Liman applied to the relevant authorities for the extension of their operation rights for Port Akdeniz-Antalya, Ege Ports-Kuşadası and Bodrum Cruise Port.

These applications by Ortadoğu Antalya, Ege Liman and Bodrum Liman were rejected by the relevant authorities. Ortadoğu Antalya, Ege Liman and Bodrum Liman filed lawsuits with competent administrative courts for the cancellation of the rejection decisions and the grant of extension in respect of their port operation rights (the "Term Extension Lawsuits"). See "*Business of the Issuer — Legal Proceedings*".

To maintain its rights to operate a port on expiration of a concession agreement, the Group would need to successfully participate in a new tender, unless the Group succeeds in the Term Extension Lawsuits. There can be no assurance that the Group will succeed in any of the Term Extension Lawsuits, that the Group's concession agreements will be renewed or that the Group will be able to win any such new tender.

Concession agreements can impose obligations and restrictions on private port operators, including investment obligations, which can be substantial and maximum tariffs for an initial period of time. The Group's existing tariff limitation periods have expired. However, GPH may in the future enter into concession agreements with such obligations or restrictions.

In addition, concession agreements, licenses and permits may generally be terminated, or penalties may be assessed, if the port operators do not comply with their terms. There can be no assurance that the Group will remain in compliance with all of the terms of its concession arrangements, or that it will be in compliance with all other regulatory and licensing requirements, particularly as it may be subject to inconsistent local, national and international regulatory requirements. Even if the Group is in compliance, these concessions, licenses and permits can be terminated prior to their expiration under certain exceptional circumstances, including in the event of a national emergency. Regulatory non-compliance, including defaults under any TOORA, could also lead to substantial criminal, administrative or civil penalties and other adverse effects, including:

- increased regulatory scrutiny;
- default under financing agreements;
- judgments for damages, which may not be covered by insurance or in excess of insurance cover;
- termination of, or increased premiums on, insurance policies;
- difficulty in recruiting and retaining personnel, particularly where any non-compliance relates to matters affecting its employees;
- suspension of operations until the Group obtains the required certifications, permits or licenses or
- otherwise brings its operations into compliance with relevant regulatory requirements; and
- the representatives, directors or managers of the relevant Group company being subject to a fine or imprisonment.

Any of the foregoing could have a material adverse effect on the Group's business, financial condition, results of operations or future prospects.

The Group's operations are subject to regulatory oversight in Turkey, as well as maritime, customs, and environmental laws and regulations. The Group's operations are affected by administrative decisions of a number of local authorities. See "*Regulation*". These decisions relate to zoning plans, operating authorizations, security and customs. In addition, the Group's operations are subject to environmental laws which include an obligation to take necessary measures against

pollution resulting from port operations and to take necessary measures and establish premises to collect, store, transfer and dispose of waste. Violation of the environmental laws could result in the suspension of activities at the port, the imposition of fines and criminal sanctions for willful violations. Although GPH management believes that the Group has historically maintained compliance with the relevant regulations and good relations with the relevant authorities, there can be no assurance that it will continue to be successful in doing so in the future. Failure to do so could subject the Group to delays and additional difficulties in obtaining required approvals and authorizations. Any such difficulties or delays could hinder the Group's operations or strategy and could have a material adverse effect on the Group's business, financial condition, results of operations or future prospects.

Changes to existing regulations, the introduction of new regulations or licensing requirements or failure by the Group to comply with relevant regulations or to obtain, maintain and renew relevant licenses could lead to substantial penalties or other punitive measures which could, in turn, could adversely affect the Group's business by reducing its revenue, increasing its operating costs, or both. The Group may be unable to mitigate the impact of such changes. If any of these risks materialize, it could have a material adverse effect on the Group's business, financial condition, results of operations or future prospects.

As the Groups' operations have expanded internationally into Montenegro, Portugal, Spain and Singapore, its operations have become subject to regulatory agencies in those jurisdictions. The Company's ability to operate ports in those jurisdictions is contingent on its ability to comply with these laws and regulations and to obtain, maintain and renew relevant certifications, permits and licenses from governmental authorities. Failure to comply with all applicable regulations and/or obtain and maintain requisite certifications, permits and licenses could lead to substantial penalties, including criminal or administrative penalties, other punitive measures, increased regulatory scrutiny, or a temporary suspension of the Company's operations in that jurisdiction.

Although Montenegro has taken, and continues to take, steps aimed at developing a more mature legal system which is comparable to the legal systems of other EU countries, Montenegro's legal system remains in transition and therefore operating in Montenegro is subject to greater risks and uncertainties than operating in a country with a more mature legal system. In addition, changes to existing regulations or the introduction of new regulations, procedures or licensing requirements may be influenced by political, commercial or safety considerations and could adversely affect the Company's business. Any such expansion of the scope of regulations governing the operations of the Company may require additional investment by the Company in order to ensure compliance.

The Group could be affected by any of the risks inherent in port operations and losses resulting from these risks may not be fully covered by insurance

Port operations carry inherent risks, particularly with respect to cargo handling. These can include the possibility of:

- marine accidents, including collisions of ships with piers or the grounding of ships;
- damage resulting from adverse weather conditions or natural disasters, such as earthquakes, flash floods and tremors and other incidents (including machinery and equipment failures or the improper operation thereof); and
- business interruptions caused by mechanical failure, human error, war, terrorist attacks, political action in various countries, labor strikes and adverse weather conditions, which are not covered by insurance.

Disruptions in rail, trucking and other methods of transporting goods to ports may also have a significant operational impact on the ports. In addition, the port operations may need to be interrupted or suspended from time to time to accommodate routine maintenance, refurbishment

or construction within the port. GPH management also believes that port security is critical to address the risk of theft and other crimes or acts of terrorism and is one of the primary concerns of cruise and commercial shipping lines in selecting a port. The Group seeks to comply with the International Ship and Port Facility Security ("**ISPS**") Code, which provides an international framework for ports to evaluate risks. Although the Group believes that it maintains standards for security at its terminals that satisfy generally accepted industry standards, no security system can offer absolute protection to the passenger and cargo ships calling at the Group's ports. In practice, if a vessel possesses an ISPS Code certificate showing proper monitoring and inspection by the prior ports visited, a port is only required to undertake limited inspections of the vessel upon its landing. As a result, the Group necessarily relies, to some extent, on security procedures carried out by other ports, which may have less stringent security controls than the Group's. Security breaches, crime or terrorism could result in increased operating costs and loss of goodwill for the Group, as well as the possibility of litigation and, ultimately, civil liability and the temporary closure of a port. If any of these risks materialize, it could have a material adverse effect on the Group's business, financial condition, results of operations or future prospects.

The Group carries insurance as required by Turkish law and the terms of its project finance arrangements. However, it can offer no assurance that its insurance will be adequate to cover all losses or liabilities that may arise from the Group's operations. In particular, insurance may prove inadequate when the loss suffered is not easily quantifiable or results in essentially uninsurable damage to the Group's reputation. In addition, it is possible that, in the future, it may be unable to maintain the types or levels of insurance it deems necessary or advisable, and it may be unable to obtain insurance at premiums that it considers reasonable. To the extent that the losses the Group incurs as a result of any of the above risks are not covered, or not adequately covered, by its insurance, such losses could have a material adverse effect on the Group's business, financial condition, operating results and future prospects.

The Group's success depends on its senior management team and other key personnel

The Group depends on its senior management team, which has been together since 2010, and other key personnel at each port to maintain its competitive position and implement its business strategy. The Group must compete for the services of these key persons. The loss or decline in the services of senior management, or an inability to attract, retain and motivate qualified key personnel, could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group has experienced substantial growth and development in a relatively short period of time and GPH management expects continued growth to remain a key element of the Group's strategy for the foreseeable future. The operating complexity of the Group's business as well as the responsibilities of its management have increased as a result of this growth, placing increased strain on the resources of senior management.

Labor disputes could affect the Group's operations

The Group employed 728 employees as of June 30, 2014 and the Group depends on the productivity of this labor force. Port Akdeniz-Antalya and Port of Adria-Bar are the only ports at which the Group's employees are unionized, representing approximately 88% of the Group's total employees as of June 30, 2014. Ortadoğu Antalya, the Group company that operates Port Akdeniz-Antalya, is currently party to a collective bargaining agreement with a union representing equipment handlers, marine personnel and some unskilled workers at the port. The current collective bargaining agreement has been effective since January 1, 2014, and the term expires on December 31, 2016. Container Terminal General Cargo, the Group Company that operates Port of Adria-Bar, is currently party to a collective bargaining agreement with the union at the port. The current collective bargaining agreement has been effective since January 17, 2014 and expires on January 16, 2017. GPH can offer no assurance that the Group will continue to be able to negotiate mutually acceptable labor agreements at Port Akdeniz-Antalya and Port of Adria-Bar.

Failure to renew labor agreements on mutually acceptable terms or to otherwise maintain good relations with the Group's workforce could result in labor disputes, which could involve work stoppages, strikes or other industrial action or labor difficulties (including higher labor costs) which could, in turn, have a material adverse effect on the Group's business, financial condition, results of operations or future prospects.

Risks Relating to the Group's Commercial Ports

Demand for commercial port-related services is dependent on foreign trade volume, the liberalization of trade, cargo trade volumes, commodity and fuel prices and other factors beyond Global Port Holding's control

The Group's commercial port, Port Akdeniz-Antalya, is primarily used for the export of commodity products produced in the regions in which the port is located. This includes the export of marble to global markets, including China, chromium to Northern Europe and cement to Europe, North Africa and the Middle East. Accordingly, the demand for the Group's commercial port-related services is significantly influenced by regional demand for commodity construction materials and the competitiveness of Turkish suppliers of these materials. It is also influenced by foreign trade volumes, cargo trade volumes and commodity and fuel prices. Such demand may be sensitive to changes in general economic conditions, both globally and in important export markets of the Group's customers. As a result, if economic conditions deteriorate, the demand for commodities may decrease, thus driving down export volume and, consequently, the shipment volumes of such commodities. For example, in 2013, 78% of container volumes at Port Akdeniz-Antalya were comprised of marble exports to China, which was primarily driven by the US$2.2 trillion Chinese construction industry. If the Chinese construction activity decreases or the demand in China for Turkish marble decreases, then export and shipment volumes of marble will also decrease.

Other factors which could affect commercial port service revenue include changes in transportation patterns, weather patterns, delays in customs clearance, armed conflicts, embargoes and strikes, as well as competition from other ports or means of transporting cargo. Significant decreases in demand, or anticipated demand, for the Group's commercial port services could have a material adverse effect on the Group's business, financial condition, results of operations or future prospects.

The imposition or increase in the level of trade barriers, restrictions on imports or exports or trade disputes in Turkey or with principal trading partners of Turkey may adversely affect the Group

The success and profitability of GPH's commercial port operations depend, in part, on global economic growth and maritime trading volumes. Maritime trading volumes within a country and between countries will be affected by changes or developments in global economic and financial conditions are beyond the control. of the Group. The imposition of trade barriers (such as tariffs, minimum prices, export subsidies and import restrictions), imposition of embargoes or sanctions, extra duties resulting from trade litigation judgments (such as anti-dumping or countervailing duties) in respect of a major trading partner, any strikes, acts of piracy, or any change in maritime or other transportation patterns, or a change in government policies, could also lead to lower growth and/or a decline in the volume of domestic, regional and global trade and, consequently, a decline, or slower growth in cargo traffic. The import and export of certain commodities handled by the Group may be affected to a certain extent by government policies and initiatives. One example of such an extraneous factors is the imposition of economic sanctions, that could adversely affect trading volumes and lead to a material decline in the demand for the services offered by the Group. A significant decline in volume as a result of the foregoing could have a material adverse effect on the Group's business, financial condition, results of operations or future prospects.

The Group's business may be affected by the application of sanctions

The Group's operations could expose it to trade and economic sanctions or other restrictions imposed by the United States or other governments or organizations, including the United Nations, the European Union and their member countries. In particular, regulations may require that the Group refrain from doing business, or to take on customers doing business, in certain countries or with certain organizations. The Group is also subject to the risk of unilateral governmental action and regulation in the territories in which GPH's ports operate. Such risks include, but are not limited to, sanctions that prohibit or modify trade in particular areas, restrictive actions such as vessel arrest, limitations on vessel operations or local ownership requirements, loss of contractual rights, requisition of vessels. For example, GPH's Turkish businesses may be particularly affect given Turkey's position as a major transit point for Iran. The impact of any of these events may increase the costs of operating GPH's ports, decrease GPH's revenues or even preclude the operation of certain trade routes, any of which could have an adverse impact on GPH's business, financial condition, results of operations and prospects.

The Group's commercial ports may face increased competition in the future

Because GPH management believes that the coastline west and northwest of Port Akdeniz-Antalya is significantly developed and primarily devoted to leisure and tourism operations it is therefore unsuitable for the significant expansion of existing cruise and/or commercial ports or the establishment of new cruise and/or commercial ports. Although GPH management believes that Port Akdeniz-Antalya, therefore, currently faces limited competition, there can be no assurance that competition will not increase in the future and it is possible that a competing port could be constructed. To the extent that a new competing port is established or that an existing competing port increases its capacity, Port Akdeniz-Antalya's trade volumes or prices could be negatively affected. In addition, any commercial ports that the Group may acquire in the future may face substantial competition. Moreover, as the coastline is well developed and focused on tourism, geographical limitations and/or regulatory requirements could constrain the Group's ability to expand Port Akdeniz-Antalya's existing commercial port operations or otherwise effectively pursue any capital expenditure program. New or increased competition or limited expansion opportunities could have a material adverse effect on the Group's business, financial condition, results of operations or future prospects.

Risks Relating to the Group's Cruise Ports

Demand for cruise port-related services is subject to changes in economic conditions, as well as trends in the cruise industry and other factors beyond the Group's control

Although GPH management believes its cruise port customer base is diversified and expects the appeal of the tourist attractions associated with its ports will continue to generate demand for its cruise port services, demand for the Group's cruise port services may be affected by a number of factors, including increased customer concentration for the Group's cruise ports and a reduction in the levels of discretionary income available for leisure travel, which in turn would be influenced by a downturn in economic conditions generally. Demand also correlates with changes in consumer preferences for cruise travel over other forms of leisure and the popularity of Turkey as a tourist destination.

Demand for cruise port services may be negatively affected by a number of factors beyond the control of the Group, including:

- events that cause consumers to perceive cruise travel as unsafe or undesirable, such as changes in the international political climate, events affecting emerging markets generally, armed regional conflicts, terrorist attacks or threats, incidents involving cruise ships, including piracy, adverse media publicity concerning the cruise industry, and any recurrence of swine flu or the spread of other contagious diseases, including Ebola;

- the availability and pricing of other forms of travel;
- competition from other ports;
- changes in visa or other requirements making travel more difficult or expensive;
- factors affecting the cost of cruise travel, including fuel prices and currency fluctuations; and
- consumer concerns regarding the potentially adverse impact of cruise travel on the environment.

Decreased demand for cruises, as a result of any of these or other factors, could have a material adverse effect on the Group's business, financial condition, results of operations or future prospects. In addition, there can be no assurance that any particular cruise line will continue to use the Group's ports, and the loss of cruise line customers could materially affect the Group's results. For the year ended December 31, 2013, approximately 72% of the Group's cruise revenue came from three operators, Carnival Corporation, RCCL (the world's two largest cruise line operators) and Louis Cruise Lines. As a result, the loss of any of these cruise lines could have a significant impact on, and the loss of other cruise line customers could also adversely affect, the Group's port operations. If any of these risks materialize, it could have a material adverse effect on the Group's business, financial condition, results of operations or future prospects.

The continuing difficult economic conditions in Europe may affect GPH's revenues and the impact of any recovery on the issuer may be delayed. As cruise tours involve a significant lead time for organization by the cruise operator and advance passenger bookings, there may be a lag before a general recovery translates into additional cruise line passengers in countries in which GPH operates.

Decisions by cruise lines on itineraries can have a major impact on the number of calls GPH receives and any change in itineraries or loss of business as a result of any one or more of the existing cruise liners may have a material impact on the Group.

The Group's business and financial position may be affected by an outbreak of communicable diseases

A fundamental component of the Group's commercial and cruise ports is travel – either in the sense of the logistics of sending cargo between two locations, or passengers travelling between different locations. Thus an outbreak of a communicable or contagious disease may have an adverse effect on the economies of countries in which the Group operates and may adversely affect the Group and the business of the Group itself. An example of this is the current Ebola virus disease outbreak that originated in West Africa.

Although the disease initially remained localized in Guinea, Liberia and Sierra Leone, the outbreak is threatening to spread to a wider geographical area. On August 8, 2014, the World Health Organization ("WHO") declared the Ebola virus disease outbreak in West Africa to be an international public health emergency that requires an extraordinary response to stop its spread. As of October 25, 2014, there have been 10,141 suspected cases and 4,922 suspected deaths of Ebola in Guinea, Liberia and Sierra Leone. As of October 25, 2014, one Spanish health care worker based in Madrid and two health care workers based in Texas, U.S. have become infected after treating Ebola virus disease patients. Although all three of them have since tested negative for Ebola virus disease, the initial diagnosis raises concerns about both the U.S.'s and Europe's state of readiness to manage the virus.

According to the WHO, Ebola virus disease is a severe, often fatal illness with a death rate of up to 90%, that spreads in the community through human-to-human transmission, with infection resulting from direct contact (through broken skin or mucous membranes) with the blood, secretions, organs or other bodily fluids of infected people, and indirect contact with

environments contaminated with such fluids. No licensed vaccine for Ebola virus disease is currently available. During an outbreak of Ebola virus disease, the WHO reviews the public health situation regularly and may recommend travel or trade restrictions, if necessary and may inform national authorities to implement such restrictions. The WHO is currently reviewing its recommendations for travel and is expected to issue advice in the coming days.

In addition to GPH's port operations being manned by employees, any of the visiting commercial or cruise ships may have crew or passengers who contract or are suspected to have contracted a communicable diseases such as the Ebola virus disease, leading to quarantine under public health laws. This would interrupt the operations of the affected port, which would have an adverse effect on the Group's business and financial position. The further spread of the Ebola virus disease, or the measures taken by the governments of affected countries against such potential outbreaks, could seriously interrupt the Group's operations or the services or operations of the Group's suppliers and customers, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's cruise ports face competition

As ports of call, the Group's cruise ports face competition for cruise ship traffic from other ports, primarily within the Mediterranean region. GPH management believes that ports of call compete primarily on the basis of their proximity to historical sites, shopping opportunities and other places of interest to tourists, as well as the perceived security of the port. Although GPH management believes that, within the Mediterranean, competition is currently relatively limited and all of its ports of call are relatively competitive compared to the other cruise ports in the region (including anticipated privatizations of Turkish ports), there can be no assurance that competition will not increase in the future or that the Group's existing ports will continue to effectively compete. The Group believes that it currently benefits from the perception, particularly among North American and Western European cruise passengers, that Turkish destinations are relatively novel and exotic in comparison with other Mediterranean ports of call. However, this perception could change over time, in which case the Group's cruise ports would be at risk of losing business to other, less familiar destinations. Existing or future competition could result in a reduction of cruise ship traffic and could potentially put pressure on fee levels, which could, in turn, have a material adverse effect on the Group's business, financial condition, results of operations or future prospects.

The Group has also developed Port Akdeniz- Antalya as a turnaround/cruise Homeport, which commenced its turnaround/cruise Homeport operations in 2010 by making berths available for cruise vessels to embark and disembark passengers at the beginning and end of their cruises. Turnaround/cruise Homeports compete for cruise ship traffic based upon a number of factors, including local infrastructure (e.g., hotel and airport capacity and transport), security and proximity to intended ports of call. Port Akdeniz- Antalya currently faces limited competition as a turnaround/cruise Homeport, primarily from the Limassol Port in Cyprus and Valetta Port in Malta and, to a lesser extent, turnaround/cruise Homeports such as Cairo. However, existing or future competition could result in a reduction of cruise ship traffic and could potentially put pressure on fee levels, which may prevent the Group from achieving its strategic goals for Port Akdeniz-Antalya as a major turnaround/cruise Homeport. If any of these risks materialize, it could have a material adverse effect on the Group's business, financial condition, results of operations or future prospects.

Risks Relating to the Group's Investments and Strategy

The Group is subject to uncertainties relating to its future expansion plans, including its ability to acquire and successfully integrate additional port facilities or to achieve the expected benefits from its acquisitions

During the past several years, the Group has expanded its business both by acquiring new concessions and by increasing its shareholding in the entities holding these concessions. The selective acquisition of new concessions and private ports, both within and outside Turkey, particularly in the commercial port business, is an important part of the Group's strategy. However, there can be no assurance that the Group will be successful in this regard. This expansion strategy is expected to be financed through borrowings and possibly additional capital, as well as cash flows provided by operations. However, external financing and the cost of such financing are dependent on numerous factors, many of which are outside of the Group's control. GPH cannot provide any assurance that it will be able to arrange any such external financing on commercially reasonable terms, if at all. In addition, the Group's ability to achieve intended growth through strategic investments is likely to require the Group to, amongst other things:

- successfully integrate newly acquired concessions with existing operations;
- continue to develop its financial and management controls and IT systems and implement them in newly acquired businesses;
- maintain, expand or develop relationships with its customers, suppliers, contractors, lenders and other third parties, including any joint venture partners;
- maintain, expand or develop relationships with employees of newly acquired concessions, including hiring and training new personnel or implementing headcount reductions, and
- implement additional management controls and corporate governance structures.

If the Group is unable to ensure appropriate managerial resources and to successfully manage its growth or if its actual expenditures for newly acquired concessions are greater than budgeted expenditures, its ability to achieve its strategic goals could be impaired and the Group would face additional risks, including construction cost overruns and delays. If any of these risks materialize, it could have a material adverse effect on the Group's business, financial condition, results of operations or future prospects.

Furthermore, future acquisitions would likely involve competitive tenders, and the Group may not submit the lowest bid or may be unable to comply with the tender conditions. In addition, tenders may involve political or other subjective considerations or approvals by governmental authorities conducting the tenders, which create additional uncertainty as to the outcome. Even if the Group wins the tender, there is no assurance that it will be able to complete the acquisition as privatizations of public infrastructure are frequently subject to legal challenge in Turkey and in other countries, typically alleging breach of tender conditions or adverse impact on public interest. The plaintiffs in these actions are typically unsuccessful bidders, affected public workers or others with an interest in the transaction. The Group's inability to execute its growth strategy through acquisitions could have a material adverse effect on the Group's business, financial condition, results of operations or future prospects.

To the extent the Group succeeds in acquiring new concessions, it may have to expend substantial amounts of cash, incur debt and incur other types of expense. In particular, future concessions could result in increased indebtedness and significant commitments of management resources. In addition, GPH cannot guarantee that the integration of any future acquisitions will yield benefits to the Group that are sufficient to justify the expenses the Group incurred or will incur in integrating such concessions. Furthermore, concessions acquired in the future might not be as successful as the port businesses that the Group operates under its current concessions and the Group cannot give any assurance that it will be able to maintain its recent rate of growth

in the future. In addition, the Group's broader growth strategy could be unsuccessful and might fail to achieve expected benefits for the Group's future earnings and profitability. If any of these risks materialize, it could have a material adverse effect on the Group's business, financial condition, results of operations or future prospects.

Although currently the Group does not expect to require governmental approvals for its anticipated capital expenditures, under certain circumstances, the Group will be required to obtain governmental approvals in connection with future construction projects it may pursue in accordance with its growth strategy. There can be no assurance that the Group will be successful in obtaining such approvals, which may preclude the Group from completing planned projects. Any such failure could have a material adverse effect on the Group's business, financial condition, results of operations or future projects.

GPH is a holding company and depends on cash flows from its subsidiaries

As a holding company, GPH has no operations of its own and depends on the receipt of dividends and distributions from its subsidiary and investee companies to fund its expenses and to pay any dividends to its shareholders. Distributions by subsidiary and investee companies are contingent upon sufficient earnings and cash flows and, for certain entities, is limited or restricted by indebtedness covenants. Furthermore, under Turkish law certain percentages of profits (up to 20% of the relevant entity's paid-up capital) are to be set aside as legal reserves and cannot be distributed as dividends. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Significant Accounting Policies—Legal Reserve*". If the cash GPH receives from its subsidiaries is insufficient for it to fund any of its obligations, GPH may be required to raise cash through the incurrence of debt, the sale of assets or the issuance of additional equity. If any of these risks materialize, it could have a material adverse effect on the Group's business, financial condition, results of operations or future prospects.

The Group's future indebtedness could have an adverse effect on its operations and financial condition

The Group has historically used acquisition financing in connection with its investments and it currently maintains a relatively low leverage ratio. However, the Group may incur additional indebtedness in the future in connection with its growth strategy. Debt can make companies inherently more sensitive to declines in revenue, increases in expenses and interest rates, and adverse economic, market and industry developments. A leveraged company's income and net assets also tend to increase or decrease at a greater rate than would otherwise be the case if money had not been borrowed to the same extent. Leverage may also restrict such companies from making strategic acquisitions or cause them to make non-strategic divestitures and limit their ability to obtain additional financing. In addition, companies with relatively high fixed costs, like the Company, may have greater difficulty servicing higher debt levels. To the extent that the Group significantly increases its indebtedness, any of the foregoing consequences could have a material adverse effect on the companies in the Group which could, in turn, have a material adverse effect on the Group's business, financial condition, results of operations or future prospects.

The granting of the Guarantees may trigger certain liabilities for GPH

Article 202 of the TCC regulates the triggering events that may result in the liability of a controlling company or its directors for losses arising from abuse of dominance over their subsidiaries/affiliates. Transactions such as providing guarantees or securities, or transferring assets, debts or receivables that may result in a loss for the subsidiary are listed among transactions that abuse dominant position of the controlling company. In this respect, GPH (being a controlling company) is not allowed to resolve or give instructions for the provision of upstream guarantees to its subsidiaries that may create a loss for them, unless any losses are compensated during the same financial year, or the subsidiaries are granted, until the end of the same financial

year, a right of claim that determines the date and compensation method for the amount covering the losses.

If the losses are not compensated during the same financial year, or if the relevant subsidiary is not granted an equivalent right of claim, each shareholder of the relevant subsidiaries or its creditors may seek compensation from GPH or its directors responsible for the losses in a court case, or alternatively seek a ruling from the court against GPH requiring it to purchase their share. The court may issue the latter ruling upon request instead of compensation, if the circumstances so justify on a case by case basis.

Further, pursuant to Article 202, GPH or its directors will not be liable for losses that may have occurred if they prove that the same decisions by the board of any independent company acting prudently and in good faith, exercising due care and loyalty, would have been made (or would have been avoided) under the same or similar circumstances.

Considering the corporate structure of the Group and the minority shareholders in Ege Port and Port Akdeniz-Antalya, the limitations under Article 202 of the TCC may result in GPH having to compensate losses of the relevant subsidiaries or provide an equivalent right of claim to such subsidiaries in relation to the Guarantees.

The obligations and liabilities of the Guarantors under their Guarantees will be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, corporate purpose, maintenance of capital stock, or similar laws, regulations or defenses affecting the rights of creditors generally, such as those relating to bankruptcy, insolvency, liquidation, moratorium ad-hoc mandate, preventive concordat or reorganization) or other considerations under applicable laws.

The Group's strategy may in the future be subject to limitations imposed by competition authorities

In 2013, the Group had an approximately 39% share of the market for cruise port services (measured by the total number of cruise ship calls) and an approximately 2% share of the Turkish market for maritime exports (measured by container throughput), according to the Ministry of Transport and Maritime Affairs and Communication. GPH management expects the Group's market share to increase to the extent that the Group is successful in acquiring operating rights over additional ports. Although GPH management believes that it currently complies with applicable antimonopoly regulations, there can be no assurance that a substantial increase in its market share would not result in the initiation of proceedings or investigations by competition authorities. If any proceedings or investigations were to be adversely determined against the Group, it could be prohibited from engaging in certain activities that are regarded as restricting competition and/or financial penalties could be imposed on the Group. Such prohibitions or financial penalties could impair the Group's ability to pursue its strategic objectives and could have a material adverse effect on the Group's business, financial condition, results of operations or future prospects.

The Group's long-term business prospects are partly dependent on the Group's ability to execute its development plans

The success of the Group's long-term business development plans depends on a variety of factors, some of which are beyond the Group's control, including the timely completion of the project, an accurate assessment of the demand for such capacity, and the grant of licenses and other governmental and regulatory approvals for the development of such plans. In addition, the capital investment program is expected to take between one and two years to complete, during which time the Group is subject to a number of construction, operating and other risks beyond its control. Furthermore, there can be no certainty that the revenue generated by the Group from its capital investment program will be sufficient to cover the associated construction and development costs, that it will be able to meet its financial targets for the program or that such

investments will not result in excess capacity or otherwise become unprofitable. If any of these risks materialize, it could have a material adverse effect on the Group's business, financial condition, results of operations or future prospects.

The Group's expansion outside of Turkey may subject it to additional risks

Over the course of the last year, the Group has expanded its operations outside of Turkey through acquisitions of interests in ports in Montenegro, Barcelona and Lisbon (as well as indirect interests through Barcelona Port Investments SL ("BPI") in ports in Málaga and Singapore). See "*Business of the Issuer—Introduction*". There are substantial risks associated with international expansion, many of which are beyond the Group's control. These include the complexities of complying with the legislative and regulatory requirements, and structuring decisions and local legal compliance may be more difficult due to conflicting laws and regulations. In addition, the Group could be affected by the economic stability of such jurisdictions, which could be affected by the global financial crisis, the Eurozone crisis and other events affecting emerging markets. The Group's exposure to these risks will increase to the extent that it increases its investments outside of Turkey in the future. Furthermore, as a result of anticipated investments outside of Turkey, the Group could be subject to the jurisdiction of foreign courts in disputes relating to foreign ports, which could result in unpredictable or adverse outcomes. If any of these risks materialize, it could have a material adverse effect on the Group's business, financial condition, results of operations or future prospects.

The Group is exposed to risks related to its past acquisitions

In recent years, the Group has completed a number of commercial and cruise port acquisitions around the Mediterranean. The Group may make further acquisitions in the future. Growth by acquisition involves risks that could adversely affect its operating results, including the substantial amount of management time that may be diverted from operations to pursue and complete port acquisitions. Acquisitions could also result in the incurrence of additional indebtedness, costs, contingent liabilities, and impairment and amortization expenses, all of which could materially adversely affect the Group's businesses, financial condition and results of operations.

In addition, acquisitions may expose the Group to operational challenges and various risks, including:

- the ability to successfully centralize the shared resources of new port acquisitions, such as marketing, finance, treasury and IT, into the existing Group structure;
- the availability of funding sufficient to meet increased capital needs;
- the obligation to comply with new regulatory requirements;
- the ability to fund cash flow shortages that may occur if anticipated revenues are not realized or are delayed, whether by general economic or market conditions or unforeseen internal difficulties; and

the possibility that the value of investments acquired in an acquisition of a port, may be lower than expected or may diminish and that liabilities assumed may be greater than expected.

A failure to successfully manage the operational challenges and risks associated with or resulting from acquisitions could adversely affect the Group's business, present and future revenues, net income, cash flows, and financial position.

The success of acquired port operations will be impacted by the ability of the acquired entity to maintain or even expand its pre-acquisition client base, the ability of the Group's management to retain good relationships with the individual port concession right grantors and the ability of the Group to retain key employees at the acquired entities. Once integrated into the Group's cruise port network, the Group's ability to effectively develop, coordinate and market itself to cruise

operators as an network of attractive and profitable destinations will be the key to the successful integration of these companies into the Group. Difficulties encountered in integrations could entail higher costs and/or less significant savings or fewer synergies than expected.

The Group remains committed to exploring acquisition opportunities which may present themselves and will rely on the consistent application of its strategic plans. Due to the nature of the port tender process and the process of the previous acquisitions, despite pre-acquisition due diligence work carried out (the Group not having always been granted complete access to exhaustive data at the time of the acquisition) and the integration work performed to date, there is a risk that not all financial elements have been fully and/or correctly evaluated and that unknown or unexpected financial risks emerge, which may have significant consequences on the initially estimated impact of the relevant acquisition on the combined Group.

GIH will continue to control the Company

The Company is a wholly owned subsidiary of GIH which will, accordingly, continue to control the business and affairs of the Company, including approval of extraordinary transactions or changes to the Company's governing documents. Subject to compliance with the terms of the Notes, GIH is not obligated to act in the best interest of Noteholders. There may be circumstances in which GIH has different objectives from the holders of the Notes. If GIH chooses to cause the Company to pursue strategic objectives that conflict with the interests of the Noteholders, then the Noteholders could be disadvantaged by these actions.

The Group is subject to risks relating to joint ventures, including its ability to exercise control over its subsidiaries and other jointly controlled affiliates

The Group expects to continue to conduct a portion of its operations through partially-owned subsidiaries and other jointly controlled affiliates where the Group may or may not retain an effective majority interest in such entities. For example, the Group indirectly acquired a 62.09% interest in Port of Adria-Bar, a 46.2% effective stake in Lisbon Cruise Terminals, Lda and interests in Málaga and Singapore through Creuers. As such, the Group's ability to exercise control over some of its subsidiaries or affiliates is or may become dependent on the co-operation of third parties who are not under the Group's control. Co-operation between the Group and other shareholders is critical for the smooth operation and financial success of the ports in which the Group invests. If the Group is unable to control the decision-making process of the entities in which it invests, then business, financial, legal or managerial decisions may be made by other stakeholders although the Group does not support or agree with such decisions. In addition, the Group may be involved in deadlocks, disputes, litigation or other disagreements with other shareholders. If any of these risks materialize, it could impair the successful management and development of the ports in which the Group invests, which could, in turn, have a material adverse effect on the Group's business, financial condition, results of operations or future prospects.

Investors may be unable to effect service of process or enforce foreign judgments against the Group or its assets in the jurisdictions in which the Group operates or its executive officers reside

The Group's presence outside of the United States and the United Kingdom may limit an investor's legal recourse against the Group. GPH and the Guarantors are incorporated under the laws of the Republic of Turkey. All of the Group's directors and executive officers named in this offering circular reside outside the United States and the United Kingdom, principally in the Republic of Turkey. All or a substantial portion of the assets and the assets of the Group's directors and executive officers are located outside of the United States and the United Kingdom, principally in the Republic of Turkey.

Turkish law may make it difficult to enforce judgments against the Group that were entered into in foreign courts. Under Turkey's International Private and Procedure Law (Law No. 5718), a

judgment of a court established in a country other than the Republic of Turkey may not be enforced in Turkish courts in certain circumstances. There is no treaty between Turkey and the United States providing for reciprocal enforcement of judgments. As to de facto reciprocity, there is at least one Turkish commercial court decision, which was enforced in the courts of the State of New York in 2005. However, since de facto reciprocity is decided by the relevant court on a case-by-case basis, there is uncertainty as to the enforceability of court judgments obtained in the United States by Turkish courts in the future. Moreover, there is uncertainty as to whether Turkish courts would apply U.S. federal or any other non-Turkish securities laws if an investor were to bring an original action in Turkey. Please see "*Certain Insolvency and Enforceability Considerations*".

The Notes are governed by the laws of State of New York and the terms are specified with reference to that law as in effect as of the date of this Offering Circular. Similarly, the enforcement rights of the Noteholders against the Issuer and its assets in the Republic of Turkey assume the application of Turkish law as presently in effect. Any possible judicial decision or change to the laws of State of New York or Turkish law or administrative practice after the date of this Offering Circular may impact the Notes.

All of the Group's directors and executive officers reside outside the United States. As a result, investors may not be able to serve process on such persons or the Group in the United States or enforce judgments obtained in U.S. courts based on the civil liability provisions of U.S. federal securities laws against the Group, its directors or executive officers. It is unclear if original civil actions based solely upon U.S. federal securities laws are enforceable in courts outside the United States. Any enforcement action in a court outside the United States will be subject to compliance with procedural requirements under applicable local law, including the condition that the judgment does not violate the public policy of the applicable jurisdiction, and requirements relating to the service of process.

Risks Relating to Turkey

Over the past ten years Turkey has undergone significant political and economic transformation, which has resulted in increased stability and economic growth. However, Turkey has been affected by the global financial crisis and, more generally, is still considered by international investors to be an emerging market. In general, investing in the securities of issuers that have operations primarily in emerging markets like Turkey involves a higher degree of risk than investing in the securities of issuers with substantial operations in the United States, the countries of the European Union or other similar jurisdictions. Summarized below are a number of risks relating to operating in Turkey.

Political developments in Turkey may have a material adverse effect on the Group's business, financial condition, results of operations or future prospects

Negative changes in the government and political environment, including the failure of the government to devise or implement appropriate economic programs, may adversely affect the stability of the Turkish economy and, in turn, the Group's business, financial condition, results of operations or prospects. Turkey has been a parliamentary democracy since 1923. Unstable coalition governments have been common, and over 90 years since its formation Turkey had numerous, short-lived governments, with political disagreements frequently resulting in early elections. Furthermore, though its role has diminished in recent years, the Turkish military establishment has historically played a significant role in Turkish government and politics, intervening in the political process.

In May 2013, protests started in Istanbul and soon spread to Ankara and other major cities in Turkey against plans to replace Gezi Park, an urban park in Istanbul's central Taksim Square, with a commercial development. These protests resulted in confrontations among protestors and security forces and contributed to a significant increase in the volatility in Turkish financial markets. Related and similar protests have occurred from time to time since the original Gezi Park

events. While management does not believe that these conflicts will have a material long-term negative impact on Turkey's economy or the Group's business, financial condition, results of operations or prospects, it is possible that these (or other) protests and related circumstances could have such an impact and/or a negative impact on investors' perception of Turkey, the strength of the Turkish economy and/or the value and/or price of the Notes.

Beginning in late 2013, Turkish politics have been particularly volatile, commencing with a series of arrests of prominent businessmen and family members of some cabinet ministers (who have since resigned) on suspicions of corruption. While the causes of these events are uncertain, there is speculation that it reflects a division among important elements of Turkish Government, police and judiciary. The Government's responses to these events have included the removal of certain prosecutors and police from their offices and proposals to change the manner in which the police and judicial authorities are supervised by the national government, which has led to concerns about the separation of powers. These events have contributed to significant declines in the value of the Turkish stock market and the Turkish Lira. The occurrence of these events (which coincided with the U.S. Federal Reserve's decision to reduce monthly asset purchases) and when and in what manner they are resolved, have had and may continue to have: (i) a material negative impact on the Group's business, financial condition and/or results of operations and (ii) a negative impact on investors' perception of Turkey, the strength of the Turkish economy and/or the value and/or price of the Notes.

For the first time in the history of Turkey, Presidential elections were held involving the direct participation of the public on August 10, 2014. Recep Tayyip Erdoğan (the Prime Minister at the time of the elections) was elected President, receiving 51.79% of votes. The Minister of Foreign Affairs, Ahmet Davutoğlu, was thereafter appointed by Mr Erdoğan to serve as the new Prime Minister until the next parliamentary elections in 2015 and formed a new cabinet. As of the date of this Offering Circular, it is not possible to predict whether the Presidency will remain primarily a representative office, as is currently the case, or will be granted increased executive powers pursuant to a proposed constitutional amendment. The events surrounding any such amendment could contribute to the volatility of Turkish financial markets and/or have an adverse effect on investors' perception of Turkey. Actual or perceived political instability in Turkey could have a material adverse effect on the Group's business, financial condition, results of operations and prospects and on the value of the Notes.

Negative economic developments in Turkey may have a material adverse effect on the Group's business, financial condition, results of operations or future prospects

The Group derives substantially all of its operational revenue and cash from its Turkish operations. As a result, economic developments in Turkey impact the Group's results of operations to the extent they affect Turkish commercial trade in general, the creditworthiness of customers and the desirability of Turkey as a holiday destination. Over the past two decades, the Turkish economy has undergone a transformation from a highly protected and regulated system to a free market system. Despite significant economic development since 2001, following the global financial crisis, Turkey has experienced recent economic difficulties and remains vulnerable to both external and internal events that could harm its economy or exacerbate the harm caused by other factors. These may include: high prices for oil, gas and other fuels; a substantial current account deficit; high levels of government and domestic private debt; potential increases in financing costs resulting from an increase by the Turkish Central Bank of its overnight rate; potential increases in financing costs for both public and private borrowers in Turkey resulting from a tapering or cessation by the U.S. Federal Reserve of its quantitative easing activities; political instability and military crises in neighboring countries such as Syria and Iraq; potential domestic political uncertainty; and terrorist activity.

The global financial crisis and related economic slowdown negatively impacted many economies, including the Turkish economy as well as economies that include the principal external markets for Turkish goods and services. For example, Turkish GDP declined by 4.8% in 2009 as a result of

the economic slowdown, which also had a negative impact on the business, financial condition and results of operations of the Group. Following the implementation of fiscal and monetary measures during 2009 and a degree of recovery of global markets, the Turkish economy began to recover in the fourth quarter of 2009. Turkey's real GDP growth rate grew to 9.2% in 2010, and then decreased to 8.8% in 2011 and then decreased to 2.1% in 2012. In 2013, Turkey's real GDP increased to 4.1% (source: TurkStat).

On September 30, 2013, the IMF published a concluding statement describing the preliminary findings of its annual review of Turkey's economy. Despite generally positive findings, the IMF statement expressed concern regarding Turkey's current account deficit and inflation, noting that in the short-term, monetary policy needs to be tightened further to meet inflation targets. The IMF further stated that fiscal policy should be tightened to increase the structural primary surplus in 2014. Finally, the IMF highlighted the need to increase domestic savings and further implement structural reforms in the medium term to sustain an average growth rate of 4% to 5% per year.

There can be no assurance that the Turkish government will successfully implement its current and proposed economic and fiscal policies, and even if it does there can be no assurance that the strong economic growth achieved in recent years will continue, as a result of external and internal shocks, including macroeconomic and political factors, such as global economic conditions, commodity prices (including oil) and perceptions of the risk of investing in Turkey or other factors. There is no assurance that Turkey would remain economically and politically stable during any future periods of ongoing or renewed economic weakness abroad. Future negative economic and political developments could have a material adverse effect on the Group's business, financial condition, results of operations or future prospects.

The unemployment rate in Turkey could adversely affect the Turkish economy

According to TurkStat, the unemployment rate in Turkey was 9.1% in June 2014. While this represents a decline from its peak of 16.9% in February 2009, there can be no assurance that the unemployment rate will, in fact, continue to improve, or even that it will not increase in the future. Continuing high levels of unemployment may affect governmental policies or the political stability of Turkey. In addition, continuing high levels of unemployment may affect business confidence, which could impair the Group's business strategies which could, in turn, have a material adverse effect on the Group's business, financial condition, results of operations or future prospects.

Exchange rate fluctuations could adversely affect the Group's financial condition and results of operations

A majority of the Group's costs are denominated and paid in Turkish Lira, in respect of its operations in Turkey, and all of the Group's revenues and a majority of the Group's borrowings are denominated in US dollars or euros. Therefore, fluctuations between the Turkish Lira and US dollar could affect the Group's financial condition and results of operations. In addition, following the Group's acquisition of interests in Port of Adria-Bar, Creuers, LCP and Málaga, the Group will have costs and revenues denominated in euros and may also be affected by fluctuations between the Euro and other currencies.

The Turkish exchange markets have historically been, and continue to be, volatile. Until February 2001, it was a stated policy of the Turkish Central Bank to devalue the Turkish Lira in line with the local inflation rate. However, the Turkish Central Bank has since adopted a floating exchange rate policy resulting in increased volatility in the value of the Turkish Lira. The Turkish Lira depreciated against the US dollar from TL 1.5218 per dollar at December 31, 2008 to TL 1.5376 per dollar at December 31, 2010. The exchange rate has experienced increased volatility since 30 June 2011, with the Turkish Lira depreciating further against the US dollar. The exchange buying rate on December 31, 2011 was TL 1.8889 per US dollar, compared to TL 1.7776 per US dollar on December 31, 2012 and had further depreciated to TL 2.1343 per US dollar on December 31, 2013. See "*Exchange Rates*".

The Turkish Lira-US dollar exchange rate affects the Group because it reports its consolidated financial results in Turkish Lira, although it has foreign currency denominated revenues, assets and liabilities from certain business lines. Accordingly, the real appreciation of the Turkish Lira against the US dollar would negatively affect the Group's profitability, the comparability of its results between periods and the carrying value of its assets and liabilities. In addition, the Group has raised, and may in the future continue to raise, financing in currencies other than its reporting currency. Its US dollar-denominated indebtedness will increase as a result of the Offering.

There can be no assurance that Turkish currency devaluation will not occur again in the future. Furthermore, major devaluations of the Turkish Lira may also result in disruption in the international currency markets. Further depreciation or fluctuation of the Turkish Lira relative to other currencies could have a material adverse effect on the Group's business, financial condition, results of operations or future prospects.

Any claims against the Group under the Notes will be unsecured claims payable from, among other sources, the Group's funds in Turkey. The ability of the Group to make any such payments from Turkey will depend, among other factors, upon the Turkish government not having imposed any prohibitive foreign exchange controls.

Turkey's high current account deficit may result in Turkish Governmental policies that negatively affect the Group's business

In 2011 and 2010, Turkey's current account deficit widened significantly to US$75.1 billion in 2011 from US$45.5 billion in 2010 and US$ 12.2 billion in 2009, however it decreased to US$48.5 billion in 2012. The rapid acceleration in the current account deficit in 2011 and 2010 raised concerns regarding financial stability in Turkey, and the Central Bank, the BRSA, and the Ministry of Finance responded by implementing coordinated measures to lengthen the maturity of deposits, reduce short-term capital inflows and curb domestic demand. Accordingly, the Central Bank increased Turkish Lira reserve requirements, while the BRSA introduced amendments to its regulations on 18 June 2011 specifically designed to curb consumer lending. In late 2011, the Turkish Government declared its intention to take additional measures to decrease the current account deficit, including domestic production incentives and measures aimed at slowing imports and the high growth rate of loans. See "*Regulation*". There can be no assurances that these or any future regulations introduced by the BRSA or the Central Bank with respect to loan growth ratios would not have a material adverse effect on GPH's business, financial condition, results of operations and prospects.

The main aim of these measures in 2011 was to slow down the current account deficit by controlling the rate of loan growth. These measures, combined with the overall slowdown of economic growth in Turkey, have resulted in the recent decrease in the current account deficit. Turkey's current account deficit for 2013 was US$ 65.1 billion. It is unclear whether Turkey's current account deficit will decrease or whether measures might be needed to curtail domestic consumption. Any related reduction in economic growth could have a material adverse effect on GPH's business, financial condition, results of operations and prospects. Furthermore, on November 6, 2013, the Undersecretariat of Treasury announced that it had issued an eight-year bond with a total nominal value of €1.25 billion. With this issuance, the Treasury completed both its external debt program for 2013 and provided pre-financing for its external debt program for 2014. Should the current account deficit continue to widen persistently, this could cause a sudden downward adjustment in the Lira and increased inflationary risks, which could, in turn, have an adverse effect on Turkey's debt servicing ability. There can be no assurance that inflationary pressures in Turkey will slow down, or that government intervention designed to counteract such pressures will be effective.

Although Turkey's growth dynamics depend to some extent upon domestic demand, Turkey is also dependent upon trade with Europe. A significant decline in the economic growth of any of Turkey's major trading partners, such as the EU, could have an adverse impact on Turkey's balance of trade

and adversely affect Turkey's economic growth. Turkey has diversified its export markets in recent years, but the EU remains Turkey's largest export market. A decline in demand for imports into the EU could have material adverse effect on Turkish exports and on Turkey's economic growth and result in an increase in Turkey's current account deficit. To a lesser extent Turkey also exports to markets in the Middle East, and the continuing political turmoil in certain of those markets could lead to a decline in demand for such imports, with a similar negative effect on Turkish economic growth and Turkey's current account deficit as described immediately above.

Turkey is an energy-dependent country and recorded US$55.9 billion of energy imports in 2013. It should be noted that in that period Turkey's current account deficit reached US$65.1 billion and, as such, energy imports represented approximately 86% of the country's current account deficit during the period. As a result, any geopolitical development concerning energy security could have a material impact on Turkey's current account balance. With regard to this, the efforts of northern Iraq to export its oil reserves via Turkish territory might reduce Turkey's energy costs. However, in order to export its oil reserves, the regional government in northern Iraq will need to reach an agreement with Iraq's central government. Turkey might also be able to diversify its energy suppliers and lower its energy cost as a result of the interim arrangement between the P5+1 countries and Iran. Nonetheless, both of these approaches are subject to significant political and other risks and might not result in reduced energy costs to Turkey. Increased tensions with Iran could result in an increase in global energy prices thus having a negative impact on Turkey's current account deficit.

The level of inflation in Turkey could adversely affect the Group's business

As stated above, Turkey's current account deficit has widened considerably in recent years, mainly due to the widening trade deficit. In 2011 and 2010, Turkey's current account deficit widened significantly to US$75.1 billion in 2011 from US$45.5 billion in 2010 and US$12.2 billion in 2009, largely due to a deterioration in the foreign trade deficit which rose to US$56.4 billion in 2010, according to the Turkish Central Bank. Turkey's current account deficit for 2013 was US$65.1 billion, according to the Turkish Central Bank. Domestic demand saw imports grow at almost 8.8% between November 2010 and November 2011, amounting to US$18.6 billion, while exports rose 18.5% during the same period, amounting to US$11 billion, partly due to the continued impact of the global financial crisis and economic problems in Europe, Turkey's main trading partner (source: TurkStat). The Central Bank has cut interest rates and raised reserve requirements for certain sectors as precautionary measures to limit the widening of the current account deficit.

In the past, Turkey has experienced significant inflation. While levels of inflation have periodically dropped, Turkey has recently experienced rising levels of inflation. The PPI and CPI in Turkey increased to 8.9% and 6.4%, respectively, between December 2009 and December 2010, and to 13.3% and 10.5%, respectively, between December 2010 and December 2011, and to 2.5% and 6.2%, respectively, between December 2011 and December 2012 (source: TurkStat). In December 2013, PPI increased by 6.97% compared to December 2012, and CPI increased by 7.4% compared to December 2012 (source: TurkStat). Between August 2013 and August 2014 PPI increased to 9.88% and CPI increased to 9.4%. There can be no assurance that inflation will not increase further in the near future, particularly if the government fails to adhere strictly to current fiscal policies or there is any widening of Turkey's Current Account Deficit or due to other macroeconomic factors. There can be no assurance that inflation will not increase further in Turkey in the near future. In particular, recent increases in prices, such as food prices, could cause an increase in inflation. The Central Bank has recently reduced interest rates, which could in turn lead to inflationary pressures in the Turkish economy. Increases in inflation could affect the Group's expenses. To the extent that the Group is unable to pass on any increased costs, its margins would be negatively affected. Furthermore, if the level of inflation in Turkey were to fluctuate significantly, it may lead to further government intervention in the economy, including the introduction of government policies that may adversely affect the overall performance of the Turkish economy.

Future negative developments in the Turkish economy could impair the Group's business strategies and have a material adverse effect on the Group's business, financial condition, results of operations or future prospects.

The government's influence over the Turkish economy could adversely affect the Group's business

Traditionally, the government has exercised, and, to an extent, continues to exercise, significant influence over many aspects of the Turkish economy. The government is also directly involved in the Turkish economy through its ownership and administration of State Economic Enterprises ("**SEEs**") which, despite the divestments undertaken in the government's privatization program, continue to represent a significant portion of the Turkish economy. Although none of the SEEs operate in any business segment in which the Group competes directly, any decisions taken by the government with respect to the SEEs may significantly impact the Turkish economy and thus may indirectly have a material adverse effect on the Group's business, financial condition, results of operations or future prospects.

Uncertainties relating to Turkey's accession to the European Union may adversely affect the Turkish financial markets and result in greater volatility

Turkey has had a long relationship with the European Union ("EU"), but has not yet been granted membership and there is no clear timetable for joining. Turkey signed an association agreement with the EU in 1963 and a supplementary agreement in 1970 providing for a transitional second stage of Turkey's integration into the EU. Turkey has been a candidate country for EU membership since the Helsinki European Council of December 1999. The EU resolved on December 17, 2004 to commence accession negotiations with Turkey and affirmed that Turkey's candidacy will be judged by the same twenty-eight criteria (or "**Chapters**") applied to other candidates. These criteria require a range of political, legislative and economic reforms to be implemented. Among these legislative reforms are four new major laws: the Capital Markets Law, the Turkish Commercial Code, the Turkish Code of Obligations, and the Turkish Code of Civil Procedures. Both the Turkish Code of Obligations and the Turkish Commercial Code came into effect on July 1, 2012, the Turkish Code of Civil Procedures came into effect on October 1, 2011 and the Capital Markets Law came into effect on December 30, 2012. (see "*—Recent changes in Turkish law may have a significant impact*"). Although Turkey has implemented various reforms and continued with its efforts towards harmonization with the EU, the relationship between the EU and Turkey has at times been strained. Negotiations for Turkey's accession to the EU commenced on October 3, 2005 and negotiations concerning the Chapters relating to "Science and Research," "Free Circulation of Capital," "Taxation," "Environment," "Intellectual Property," "Company Law," "Statistic," "Financial Audit," "Information Society and Media," "Protection of Consumers," "Enterprise and Industrial Policy," "Trans-European Networks", "Regional Policy and Coordination of Structural Instruments" and "Food Safety, Veterinary Medicine and Plant Health" are still in progress. Negotiations concerning the Chapter relating to "Science and Research" have been provisionally terminated.

During 2006, the EU issued several warnings in connection with Turkey's undertakings under the additional protocol (the "**Additional Protocol**") dated July 2005 relating to the Customs Union and recognition of Northern Cyprus. In December 2006, the EU Council passed a resolution setting forth that the negotiations concerning eight of the Chapters be halted and that none of the Chapters be closed until the EU Commission verifies that Turkey has fulfilled its commitments related to the additional protocol and that Turkey be closely monitored for a period of three years. The EU Commission has not fully verified fulfillment of the commitments, and although various negotiations concerning chapters relating to taxation, the environment and food safety, veterinary medicine and plant health have commenced in 2009 and 2010, respectively, these developments may not be significant in light of the EU's stance on Turkey's non-fulfillment of commitments related to the Additional Protocol. These developments caused a material deceleration in Turkey's membership accession process. In addition, on October 16, 2013, the EU Commission published

the Turkey 2013 Progress Report and Enlargement Strategy Document. The report describes the political reforms realized in Turkey during 2012, and expresses concerns about Turkey's current political climate and recommends continued efforts towards legislative and institutional reform in the judicial system, fundamental rights, justice, freedom and security. In terms of economic criteria, although the report notes Turkey's growth performance, the report also notes Turkey's current account deficit and foreign debt structure, highlighting Turkey's economic vulnerability which may pose a risk to short-term growth. In November 2013, the negotiations on Chapters and Turkey's accession to the EU were recommenced. There can be no assurance that Turkey will be able to meet the criteria applicable to becoming a member state of the EU or that the negotiations will be successfully completed.

Greater volatility in the Turkish financial markets could negatively affect demand for Turkish goods shipped by sea, the attractiveness of Turkey as a cruise destination, the Group's ability to raise financing and could otherwise have a material adverse effect on the Group's business, financial condition, results of operations or future prospects.

Recent changes in Turkish capital markets law may have a significant impact

Recently, four major pieces of legislation have been subject to substantial amendment, namely the Capital Markets Law, the Turkish Commercial Code, the Turkish Code of Obligations and the Turkish Code of Civil Procedures. Both the Turkish Code of Obligations and the Turkish Commercial Code came into effect as of July 1, 2012, whereas the Turkish Code of Civil Procedures entered into force on October 1, 2011. The Capital Markets Law came into effect on December 30, 2012.

The Capital Markets Law abrogated the Capital Markets Law numbered 2499, which had been in effect since 1981, by granting an interim period for the preparation of the secondary legislation. The Capital Markets Law materially changes many mechanisms in the abrogated law numbered 2499 and introduces new mechanisms, thereby substantially changing Turkish capital markets legislation. On April 5, 2013, the new Borsa Istanbul, or BIST, began operations. BIST is the sole exchange entity of Turkey, combining the former Istanbul Stock Exchange, the Turkish Gold Exchange and the Derivatives Exchange of Turkey, bringing together all the exchanges operating in the Turkish capital markets.

These recent regulatory changes are expected to have a major impact on commercial life in Turkey, as all public companies, issuers of capital markets instruments, capital markets institutions, exchange markets and other markets fall within the scope of application of the Capital Markets Law. The Group and public companies in Turkey will therefore be affected by the newly enacted Capital Markets Law.

The Capital Markets Law requires that the secondary legislation under this law be enacted. Until the issuance of the new legislation the provisions of the current secondary legislation which do not contravene the Capital Markets Law shall continue to be in force. As of the date of this Offering Circular, CMB has issued a number of communiqués in accordance with the Capital Markets Law, such as the Communiqué on Shares, Communiqué on Offering Circular and Issuance Certificate, Communiqué on Sales of Capital Markets Instruments, Communiqué on Squeeze-out and Sell-out Rights, or Communiqué on Debt Instruments. The CMB has also issued a number of new regulations following the enactment of the new Capital Markets Law such as the Regulation on Stock Exchanges and Market Operators, the Regulation on Central Clearance Institutions or the Regulation on Investment Compensation Center.

This legislation implements substantial changes to Turkish law, and the potential impact of such changes cannot be quantified. However, it is anticipated that these substantial legislative changes will have a major impact on commercial life in Turkey and may, in turn, have a material effect on the Group's business, financial condition, results of operations or future prospects.

Conflict, civil unrest and terrorism within Turkey or nearby countries may have a material adverse effect on the Group's business, financial condition, results of operations or future prospects

Turkey is located in a region that has been subject to ongoing political and security concerns, especially in recent years. Political uncertainty within Turkey and in certain neighboring and nearby countries, such as Iran, Iraq, Georgia, Cyprus, Egypt, Tunisia, Armenia and Syria, has historically been one of the potential risks associated with an investment in Turkish securities.

In addition, since December 2010, political instability has increased markedly in a number of countries in the Middle East and North Africa, such as Syria, Egypt, Libya, Tunisia, Jordan, Bahrain and Yemen. Unrest in these countries (as well as global tensions with Iran) may have political implications in Turkey or otherwise have a negative impact on Turkish economy, including through both financial markets and the real economy.

The ongoing conflict in Syria has been the subject of significant international attention, is inherently volatile and its impact and resolution is difficult to predict. In early October 2012, Turkish territory was hit by shells launched from Syria, some of which killed Turkish civilians. On October 4, 2012, the Turkish government was authorized for a period of one year to send and assign military forces in foreign countries should such action be considered appropriate by the Government. The authorization has since been extended until October 2015 due to the events explained below.

The situation in Syria and Iraq remains uncertain and volatile due to the jihadist Islamic terrorist organization Islamic State of Iraq and Syria ("**ISIS**"). In June 2014, ISIS and aligned forces began a major offensive in northern Iraq against the Iraqi government, capturing several cities and other territories in this region and oil fields in eastern Syria. On June 11, 2014, ISIS seized the Turkish consulate in the northern Iraq town of Mosul, and took 49 people hostage, including the head of the Turkish diplomatic mission, along with 24 staff members and their families. All of the hostages were freed on September 20, 2014. In August 2014, the Syrian Observatory for Human Rights reported that ISIS had increased its strength to 50,000 fighters in Syria and 30,000 in Iraq. ISIS has also made threats to Turkey several times, proposing that it would launch a terrorist attack on one or more of Turkey's largest cities.

In October 2014, U.S. led forces began airstrikes against ISIS targets in Syrian towns close to Turkish borders. The Turkish parliament approved a motion authorizing possible Turkish military operations against militants in Iraq and Syria who threaten Turkey. The motion also allows for the use of Turkish military bases by foreign forces for the same purpose. The Turkish army reinforced the border area with Syria as fighting continued between Kurdish forces and ISIS for control of the Syrian border town of Kobane. Beginning in early October 2014, demonstrations have taken place throughout southeast Turkey, Istanbul and Ankara over concerns that the Turkish government has not done enough to assist the town of Kobane to resist attempts by ISIS to take control resulting in clashes between demonstrators and riot police. As of October 13, 2014, demonstrations over Kobane have resulted in at least 39 deaths. Such circumstances have had and could continue to have a material adverse effect on the Turkish economy and in turn have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

In early 2014, political unrest and demonstrations in Ukraine led to a change in the national government. While the United States and the EU recognized the new government, Russia claimed that that new government was illegitimate and was violating the rights of ethnic Russians living in the Crimean peninsula and elsewhere in Ukraine. Escalating military activities in Ukraine and on its borders, including Russia effectively taking control of Crimea (and Crimea's independence vote and absorption by Russia), have combined with Ukraine's very weak economic conditions to create great uncertainty in Ukraine and the global markets. The actions in Crimea have prompted condemnation from the international community and combined with the continuing political and economic uncertainties in Ukraine have had an adverse effect on the Ukrainian economy, and may adversely affect the Russian economy.

In April 2014, the United States Office for Foreign Assets Control ("OFAC") added certain individuals and entities to its list of Specially Designated Nationals. On 16 July 2014, the OFAC created the Sectoral Sanctions Identification List ("SSI List") and imposed limited, specific sanctions on certain Russian entities in the energy, defense and financial sectors. In addition, in July 2014 the EU imposed similar sanctions on five Russian banks in which the Russian state holds a majority stake. Since July 2014, both the EU and United States have broadened the scope of their respective sanctions which among other things, effectively restrict access for numerous Russian legal entities to the U.S. and EU capital markets by prohibiting purchasing, selling, brokering or assistance in issuance of their long or midterm debt securities, or in some instances new equity. Separate sanctions were also imposed by Canada, Japan and most recently Switzerland. The tensions in Ukraine further escalated following the alleged destruction of a civilian airliner by Ukrainian separatists on 17 July 2014.

Resolution of Ukraine's political and economic conditions will likely not be obtained for some time, and the situation could even degenerate into increased violence and/or economic collapse. While not directly impacting Turkey's territory, the disputes in Ukraine could materially negatively affect Turkey's economy, including through its impact on the global economy and the impact it might have on Turkey's access to Russian energy supplies, which, in turn, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Turkey is located in a high-risk earthquake zone

In 1999, two earthquakes with magnitudes greater than 7.0 on the Richter scale struck Turkey, the first in the İzmit area, the second in the city of Düzce, between Ankara and Istanbul. On March 8, 2010, an earthquake measuring 6.0 on the Richter scale struck the eastern province of Elazığ, and during October 2011, a series of earthquakes struck the eastern province of Van, including an earthquake measuring 7.2 on the Richter scale which caused more than 400 deaths and 4,000 injuries. Almost 45% of Turkey's population and most of its economic resources are located in a first-degree earthquake risk zone, that is, a zone with the highest risk of damage from earthquakes, and a number of the Group's properties and projects in Turkey are located in high-risk earthquake zones.

The occurrence of a severe earthquake could adversely affect one or more of the Group's facilities, causing an interruption in, and an adverse impact on, its business. Although the Group maintains earthquake insurance, as well as wider business interruption insurance and insurance for loss of profits (particularly covering its ports business), there can be no assurance that all potential losses resulting from an earthquake would be insured or that policy limits would be adequate to cover them. See "*—Risks relating to the Group—The Group's insurance policies may not cover, or fully cover, certain types of losses.*" In addition, a severe earthquake could harm the Turkish economy in general, which could also have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

Turkish corporate governance standards differ from those of more developed countries

The standards of corporate governance expected by Turkish law or regulation may not be as high (or cover the same areas) as those set out by the rules of other jurisdictions (such as the United States or the United Kingdom). On January 3, 2014, the Corporate Governance Communiqué of the CMB No. II-17.1 (the "**Corporate Governance Communiqué**") was published and entered into force in order to reflect the new principles under the Capital Markets Law No. 6362. The Corporate Governance Communiqué is designed to implement certain enhancements to Turkish corporate governance standards, and provides certain compulsory and non-mandatory principles applicable to all companies incorporated in Turkey and listed on the Borsa Istanbul.

Public companies are divided into three categories under the Corporate Governance Communiqué: (i) *first-tier companies*, public companies that have an average market capitalization over TL 3 billion and which have a free float with a value over TL 750 million; (ii)

second-tier companies, whose average market capitalization is over TL 1 billion and which have a free float with a value over TL 250 million; and (iii) *third-tier companies*, which do not fall into first two categories and the shares of which are traded on the National Market, Second National Market or the Corporate Products Market of Borsa Istanbul. Second-tier companies and third-tier companies are exempt from certain requirements set forth under the Corporate Governance Communiqué. The CMB is authorized to determine the corresponding category for each listed company considering the thresholds set out above.

The Corporate Governance Principles address four major topics: shareholders' rights and equal treatment of shareholders; public disclosure and transparency; stakeholders; and management. Material provisions include the following:

- If a cross-shareholding involves a control relationship, the companies in the cross-shareholding relationship may not vote at each other's general assembly meetings unless there are certain exceptional cases such as if it is necessary to meet quorum requirements. The affected companies must disclose the relationship publically.

- Boards of directors must be composed of at least five directors. At least one-third (and, in any case, a minimum of two) directors must be independent board members within the meaning of the Corporate Governance Communiqué. However, except for banks, if at least 51% of a company's share capital is equally owned by two independent shareholders contractually sharing equal management control but having no direct or indirect shareholding, management or audit relationship between themselves, the company may apply to the CMB to limit the number of independent board members to two. Third-tier companies may also limit the number of independent board members to two.

- Directors elected as representatives of, or upon nomination by, a shareholder group are not deemed independent.

- Material transactions are deemed void without the approval of the board of directors or the general assembly. This approval must include the affirmative votes of the majority of the independent directors. If it does not, the matter must be referred to the general assembly for a vote. Related parties involved in the transaction, if any, may not vote on the proposal. Under the Corporate Governance Communiqué, "material transactions" are deemed to include: the sale, purchase of or similar transactions in connection with the assets in substantial amounts determined by the Corporate Governance Communiqué.

- Prior to entering into a related party transaction, board of directors of the company and board of directors of its affiliates, are required to take a resolution to determine the essential points of the transaction. Depending on the nature and substantiality of the transaction, the company or its affiliate may be subject to further requirements such as public disclosure, obtain of an appraisal report, and/or a board of directors resolution including the affirmative votes of the majority of the independent directors, or if it does not, approval of the general assembly. The related parties involved in the transaction may not vote on the proposal both in board of directors and general assembly level.

- In their annual reports, companies must either confirm compliance with the corporate governance principles or explain the reasons for their non-compliance with its non-mandatory provisions.

- Listed companies and their affiliates may not grant any security, pledge or surety other than (i) for the their own benefit, (ii) consolidated affiliates, and (iii) for the benefit of third parties to carry out its ordinary commercial activities.

Turkish disclosure standards differ in certain significant respects from those in more developed markets, leading to a relatively limited amount of information being available

The disclosure obligations applicable to Turkish companies differ in certain respects from those applicable to similar companies in the United States and the United Kingdom. There is also less publicly available information regarding public companies in Turkey compared to public companies in the United States, the United Kingdom and other more developed markets. Although Turkish regulators have enhanced the disclosure requirements for public companies, such requirements are relatively new, therefore the consistency and uniformity of their interpretation and application remains uncertain. As a result, investors might not have access to the same depth of disclosure relating to the Group as they would for investments in companies in the United States, the EU and other more-developed markets.

Risks Relating to the Offering and the Notes

The Notes and the Guarantees are structurally subordinated to the indebtedness and other obligations of GPH's non-guarantor subsidiaries

Only Ortadoğu Antalya Liman İşletmeleri A.Ş., and Ege Liman İşletmeleri A.S. will have provided a Guarantee for the benefit of holders of the Notes on the Issue Date. GPH's other subsidiaries may guarantee the Notes in the future, but until then, any claim by GPH or any of its creditors, including holders of the Notes, against any such non-guarantor subsidiaries will be structurally subordinated to all of the claims of creditors of such subsidiaries.

As of June 30, 2014, GPH's subsidiaries that do not guarantee the Notes did not have any material financial indebtedness outstanding. The subsidiaries not guaranteeing the Notes generated 14.2% of our consolidated total revenue and 3.2% of our consolidated EBITDA for the six months ended June 30, 2014. In the event of insolvency, liquidation or other reorganization of any of these non-guarantor subsidiaries, creditors of such non-guarantor subsidiaries will generally be entitled to payment in full from their respective assets before GPH is entitled to receive any distribution from such assets as equity holder. GPH's non-guarantor subsidiaries are also subject to liabilities to other creditors as a result of obligations incurred in the ordinary course of business, which liabilities are also effectively senior to the Notes and the Guarantees.

The Notes and the Guarantee will each be unsecured

The Notes and the Guarantees will be unsecured. Claims of the secured creditors of GPH or any Guarantor will have priority with respect to the assets securing their indebtedness over the claims of any unsecured creditors.

In the event of any foreclosure, dissolution, winding up, liquidation, reorganization, administration or other bankruptcy or insolvency proceeding of GPH or a Guarantor, holders of secured indebtedness will have prior claims to the assets of GPH or such Guarantor that constitute their collateral. In the event that any of the secured indebtedness of GPH or a Guarantor becomes due or the creditors thereunder proceed against the operating assets that secured such indebtedness, the assets remaining after repayment of that secured indebtedness may not be sufficient to repay all amounts owing in respect of the Notes or a Guarantee. As a result, holders of Notes may receive less, ratably, than holders of secured indebtedness of GPH or a Guarantor.

Creuers will not be a Guarantor of the Notes

GPH holds a 62% interest in BPI which in turn holds a 100% interest in Creuers. For the twelve-month period ended 31 December 2013, on a pro forma basis 23.5% of GPH's revenues, 22.5% of Adjusted EBITDA and 18.3% of GPH's profit for the year, would have been generated by Creuers. See "*Unaudited Condensed Combined Pro Forma Financial Information*". The Group depends in part upon Creuers to provide the funds necessary to service the Issuer's payment obligations under the Notes and to meet their other cash requirements. Creuers has not

guaranteed the Notes, and has no obligation, contingent or otherwise, to pay amounts due under the Notes or to make funds available for these payments, whether in the form of liens, dividends or otherwise. Because Creuers has not guaranteed the Notes, its ability to distribute funds to GPH is the only mechanism for the holders of the Notes to benefit from its performance. Payments from Creuers to GPH and the Guarantors might not be able to be made in some circumstances, due to corporate law, contractual or other legal restrictions or other factors. Holders of the Notes will have a direct claim based on the Notes against the Issuer and the Guarantors, but will not have a direct claim based on the Notes against Creuers. The right of the holders of the Notes to receive payments under the Notes will be structurally subordinated to all liabilities of Creuers as a non-Guarantor operating subsidiary. In the event of a bankruptcy, liquidation, reorganization or similar proceeding relating to Creuers, the right of the holders of the Notes to participate in a distribution of the assets of Creuers will rank behind such Creuers' creditors (including trade creditors) and preferred stockholders (if any), except to the extent that the Issuer or the Guarantors have a direct claim against Creuers. Neither GPH nor the Guarantors guarantee any of the debt of Creuers.

Funds required to repurchase the Notes upon a change of control or a concession termination event might not be available to GPH

The Notes contain provisions relating to certain events constituting a "change of control" in relation to GPH. Upon the occurrence of a change of control, GPH is required to make an offer to purchase all outstanding Notes at a price equal to 101% of their principal amount plus accrued and unpaid interest and additional amounts, if any, to the date of purchase. If a change of control were to occur, GPH cannot assure that it will have sufficient funds to pay the purchase price of the outstanding Notes. See "*Description of the Notes—Change of Control*."

In addition, the Notes contain provisions relating to certain events constituting a "concession termination event" in relation to a Guarantor. Upon the occurrence of a Concession Termination Event, GPH is required to make an offer to purchase all outstanding Notes at a price equal to 100% of their principal amount plus accrued and unpaid interest and additional amounts, if any, to the date of purchase. If a Concession Termination Event were to occur, GPH cannot assure that it will have sufficient funds to pay the purchase price of the outstanding Notes also taking into account the negative impact that such termination would have on the Group's business, financial condition and results of operation. See "*Description of the Notes—Concession Termination Event*" and "*Risk Factors—The privatization of Ege Ports-Kuşadası remains subject to ongoing legal challenges, and it may have adverse consequences which could include the loss of the Group's operations there. In addition, there are challenges against zoning plans of Ege Ports-Kuşadası which could have an adverse effect on the Group's business.*"

If GPH is unable to comply with the restrictions and covenants in the Indenture governing the Notes, and other current and future debt agreements, or is unable to obtain waivers for any such non-compliance, there could be a default under the terms of the Indenture and these agreements, which could result in an acceleration of repayment

If GPH is unable to comply with the restrictions and covenants in the Indenture governing the Notes or in other current or future debt agreements, or is unable to obtain waivers for such non-compliance, there could be a default under the terms of the Indenture and these agreements.

Moreover, GPH's ability to comply with these restrictions and covenants, including meeting financial ratios and tests, may be affected by events beyond its control. As a result, GPH may not be able to comply with these restrictions and covenants or meet such financial ratios and tests. In the event of a default under these agreements, lenders could terminate their commitments to lend or accelerate the loans and declare all amounts borrowed due and payable. Borrowings under other debt instruments that contain cross-acceleration or cross-default provisions may also be accelerated and become due and payable. If any of these events occur, GPH's assets might not be sufficient to repay in full all of its outstanding indebtedness and GPH may be unable to find

alternative financing. Even if GPH could obtain alternative financing, it might not be on terms that are favorable or acceptable to GPH.

The insolvency laws of Turkey may not be as favorable to prospective investors as insolvency laws of other jurisdictions

GPH is a joint stock company organized under the laws of Turkey. Substantially all assets of GPH are located in Turkey. Turkey is presumed to be the center of main interests of GPH and GPH can be subjected to insolvency proceedings in this jurisdiction. Such insolvency proceedings applicable to GPH will be governed by Turkish insolvency laws. Turkish insolvency laws are different from the insolvency laws of other jurisdictions, and this may limit a prospective investor's ability to recover payments due on the Notes to an extent exceeding the limitations arising under other insolvency laws. See "*Certain Insolvency and Enforceability Considerations.*"

The market value of the Notes could decrease if the creditworthiness of GPH worsens

The market value of the Notes will suffer if the market perceives GPH to be less likely to fully perform all obligations under the Notes when they fall due. This could occur, for example, because of the materialization of any of the risks listed above. Even if GPH's ability to fully perform all obligations under the Notes when they fall due has not actually decreased, market participants could nevertheless have a different perception. In addition, market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business as the Issuer could adversely change, causing the market value of the Notes to fall. If any of these risks occurs, third parties would only be willing to purchase Notes for a lower price than before the materialization of these risks. Under these circumstances, the market value of the Notes will decrease.

Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time

One or more independent credit rating agencies may assign credit ratings to the Notes. The credit ratings address GPH's ability to perform its obligations under the terms of the Notes and credit risks in determining the likelihood that payments will be made when due under the Notes. The ratings may not reflect the potential impact of all risks related to the structure, the market, other risk factors discussed in this Offering Circular and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if in its judgment circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the credit rating assigned to the Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of the Group's financings and could adversely affect the value and trading of the Notes.

Early redemption of the Notes may reduce an investor's expected yield

The Notes may be redeemed at the option of GPH as more fully described in "*Description of the Notes.*" In the event that GPH exercises the option to redeem the Notes, you may suffer a lower than expected yield and may not be able to reinvest the funds on the same terms.

Transfer of the Notes will be subject to certain restrictions

GPH has not agreed to register and does not intend to register the Notes under the U.S. Securities Act or any U.S. state securities laws. You may not offer to sell the Notes, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. GPH has not undertaken to register

the Notes or to effect any exchange offer for the Notes in the future. Furthermore, GPH has not registered and does not intend to register the Notes under any other country's securities laws. You should read the discussion under the heading "*Notice to Investors*" for further information about these transfer restrictions. It is your obligation to ensure that your subscription for or subsequent offers, sales or transfers of the Notes within the United States and other countries comply with any applicable securities law.

Investors in the Notes may have limited recourse against GPH's independent auditors

In respect of the audit reports relating to the annual financial statements reproduced herein, KPMG, the Group's independent auditor, provides: "This report is made solely to the Group's shareholders, as a body. Our audit work has been undertaken so that we might state to the Group's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Group's shareholders as a body, for our audit work, for this report, or for the opinion we have formed."

Investors in the Notes should understand that these statements are intended to disclaim any liability to parties (such as purchasers of the Notes) other than to the Group and the Group's shareholders as a body with respect to those reports and to the independent auditor's audit work and opinion. The SEC would not permit such limiting language to be included in a registration statement or a prospectus used in connection with an offering of securities registered under the U.S. Securities Act, or in a report filed under the U.S. Exchange Act. If a U.S. court (or any other court) were to give effect to the language quoted above, the recourse that investors in the Notes may have against the independent auditors based on their reports or the consolidated financial statements to which they relate could be limited. The extent to which auditors have responsibility or liability to third parties is unclear under the laws of many jurisdictions, including Turkey, and the legal effect of these statements in the audit reports is untested in the context of an offering of securities. The inclusion of the language referred to above, however, may limit the ability of holders of the Notes to bring any action against our auditors for damages arising out of an investment in the Notes.

There is no established trading market for the Notes and no assurance that holders of the Notes will be able to sell them

There is no existing market for the Notes. GPH has made an application to list the Notes on the Official List of the Irish Stock Exchange in accordance with the rules of that exchange but cannot guarantee the liquidity of any market that may develop for the Notes, the ability of the Noteholders to sell the Notes or the price at which the Noteholder may be able to sell the Notes. Liquidity and future trading prices of the Notes will depend on many factors, including, among other things, prevailing interest rates, results of operations, the market for similar securities and general economic conditions. The Joint Bookrunners have informed GPH that they intend to make a market in the Notes after completing this Offering. They are not, however, obligated to do so. Any market-making that is commenced may be halted at any time. In addition, changes in the overall market for debt securities and changes in the Issuer's financial performance in the markets in which it operates may adversely affect the liquidity of any trading market in the Notes that does develop and any market price quoted for the Notes. As a result, GPH cannot ensure that an active trading market will actually develop for the Notes.

Historically, markets for non-investment grade debt such as the Notes have been subject to disruptions that have caused substantial volatility in the prices of such debt. Any market for the Notes may be subject to similar disruptions. Any such disruptions may affect the liquidity and trading of the Notes independent of our financial performance and prospects and may have an adverse effect on the holders of the Notes.

Change of law

The Indenture, the Notes and the Guarantees are governed by and construed in accordance with the laws of the State of New York in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to the laws of the State of New York or administrative practice after the date of this Offering Circular.

The Notes may not become, or remain, listed on the Irish Stock Exchange

Although GPH will, in the Indenture, agree to use its reasonable efforts to have the Notes listed on the Official List and admitted to trading on the Global Exchange Market of the Irish Stock Exchange within six months after the Issue Date and to maintain such listing as long as the Notes are outstanding, GPH cannot assure the Noteholders that the Notes will become or remain listed. If GPH cannot maintain the listing on the Official List on the Global Exchange Market of the Irish Stock Exchange or it becomes unduly burdensome to make or maintain such listing, GPH may cease to make or maintain such listing on the Official List on the Global Exchange Market of the Irish Stock Exchange, provided that it will use reasonable best efforts to obtain and maintain the listing of the Notes on another recognized listing exchange, although there can be no assurance that GPH will be able to do so. Although no assurance is made as to the liquidity of the Notes as a result of listing on the Official List on the Global Exchange Market of the Irish Stock Exchange or another recognized listing exchange in accordance with the Indenture, failure to be approved for listing or the delisting of the Notes from the Official List on the Global Exchange Market of the Irish Stock Exchange or another stock exchange in accordance with the Indenture may have a material adverse effect on a holder's ability to resell Notes in the secondary market.

Prospective investors may face foreign exchange risks by investing in the Notes

The Notes are denominated and payable in US dollars. If prospective investors measure their investment returns by reference to a currency other than US dollars, an investment in the Notes entails foreign exchange related risks due to, among other factors, possible significant changes in the value of US dollars, relative to the currency by reference to which such prospective investors measure their returns because of economic, political or other factors over which the Issuer has no control. Depreciation of US dollars against the currency by reference to which prospective investors measure a prospective investor's investment returns could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to investors when the return of the Notes is translated into the currency by reference to which such investors measure their investment returns. There may be tax consequences for prospective investors as a result of any foreign exchange gains or losses for any investment in the Notes. See "*Tax Considerations*."

The Irish Stock Exchange has approved the omission of the Guarantors' financial statements from this Offering Circular

Approval of a request for omission from inclusion of the consolidated and unconsolidated financial statements of the Guarantors for the years ended December 31, 2012 and 2013 and the six months ended June 30, 2014 as would otherwise have been required pursuant to Rule 3.3(3)(c) of the Irish Stock Exchange's guidelines for the application of guideline 2A.11.1 of the Listing and Admission to Trading Rules of the Global Exchange Market, for individual subsidiary guarantors, has been granted by the Irish Stock Exchange, under the Global Exchange Market Disclosure Requirements for Subsidiary Guarantor Structures. The Issuer's consolidated financial statements include all of the Guarantors. Because the Guarantors' financial results are fully reflected within the Issuer's consolidated financial statements, the inclusion of the Guarantors' financial statements in addition to those of the Issuer is considered by GPH to be of minor importance to assess the financial position of the Group and the credit underlying the Notes.

Ege Liman is not a wholly owned subsidiary of the Issuer

GPH owns a 72.5% shareholding of in Ege Liman İşletmeleri A.Ş.. GPH management believes that the fact that Ege Liman İşletmeleri A.Ş.is not a wholly owned subsidiary of the Issuer will not impact the status of the Guarantee.

The Notes will initially be held in book-entry form and therefore investors must rely on the procedures of the relevant clearing systems to exercise any rights and remedies

Unless and until the Notes in definitive registered form, or definitive registered Notes, are issued in exchange for book-entry interests, owners of book-entry interests will not be considered owners or holders of the Notes. The common depositary for Euroclear and/or Clearstream or its nominee will be the sole holder of the global notes representing the Notes. After payment to the common depositary, GPH will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests.

Accordingly, if the Noteholders own a book-entry interest, they must rely on the procedures of Euroclear or Clearstream, as applicable, and if the Noteholder is not a participant in Euroclear or Clearstream, on the procedures of the participant through which the holder owns their interest, to exercise any rights and obligations as a holder of the Notes. See "*Book-Entry; Delivery and Form*." Unlike holders of the Notes themselves, owners of book-entry interests will not have any direct rights to act upon GPH's solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if the holder owns a book-entry interest, such holder will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream or, if applicable, from a participant in these systems. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders to vote on any matters or otherwise exercise your rights with respect to the Notes on a timely basis.

Similarly, upon the occurrence of an event of default, unless and until definitive registered Notes are issued in respect of all book-entry interests, if the holder owns a book-entry interest such holder will be restricted to acting through Euroclear or Clearstream. GPH cannot assure the holders that the procedures to be implemented through Euroclear or Clearstream will be adequate to ensure the timely exercise of their rights under the Notes. See "*Book-Entry; Delivery and Form*."

Holders of the Notes may be subject to the EU Savings Directive

Under Council Directive 2003/48/EC (as amended by Council Directive 2006/98/EC) on the taxation of savings income (the "**EU Savings Directive**"), each Member State of the European Union is required to provide to the tax authorities of another Member State details of payments of interest and other similar income paid by a person within its jurisdiction to, or secured by such a person for, an individual beneficial owner resident in, or certain limited types of entity established in, that other Member State.

A proposal for amendments to the EU Savings Directive has been published, including a number of suggested changes that, if implemented, would broaden the scope of the rules described above.

Holders of the Notes who are individuals should note that, should any payment in respect of the Notes be subject to withholding or deduction imposed and required to be made pursuant to the EU Savings Directive (as amended from time to time) or any law implementing or complying with, or introduced in order to conform to, such Directive, no Additional Amounts (as defined in "*Description of the Notes—Taxation—Additional Amounts*") would be payable by the Issuer or any other person with respect to any Note as a result of the imposition of such withholding or deduction. The Issuer is required to maintain a Paying Agent having a specified office in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to the EU Savings Directive (as amended from time to time) or any law implementing or complying with, or introduced in order to conform to, such Directive.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to the purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk based capital or similar rules.

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the merits and risks of investing in the Notes;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behavior of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect their investment and their ability to bear the applicable risks.

Potential investors should not invest in the Notes unless they have the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio. The investment activities of investors are subject to applicable investment laws and regulations and/or review or regulation by certain authorities and each potential investor should consult its legal advisers or the appropriate regulators.

USE OF PROCEEDS

The Issuer expects to receive gross proceeds of the Offering of the Notes of US$248,362,500. The Issuer will incur various expenses in connection with the issuance of the Notes, including underwriting fees, legal counsel fees, accounting fees, rating agency expenses and listing expenses. The estimated total expenses relating to the issuance of the Notes are US$6.5 million.

The Issuer will retain broad discretion in the allocation of the net proceeds of the Offering. It will use the net proceeds for general corporate purposes, including the payment of outstanding financial debt of the Issuer. The following table sets forth the Issuer's estimated uses of proceeds in connection with the issuance of the Notes as of the date of this Offering Circular. The actual amounts set forth in the table are subject to adjustment and may differ at the time of the issuance of the Notes depending on several factors, including differences from the Issuer's estimation of fees and expenses. The Issuer's estimated use of proceeds in connection with the issuance of the Notes as of the date of this Offering Circular include general corporate purposes, and the repayment in full of all outstanding loans as described below.

Proceeds	
Gross proceeds of Notes offered hereby	US$248,362,500
Transaction fees and expenses related to issuance of Notes	US$6,500,000
Net proceeds of Notes offered hereby	US$241,862,500
General corporate purposes[(1)]	36,074,883
Uses of proceeds	*(USD)*
Total repayment of the loans of the Issuer and the Guarantors from the proceeds of the Offering	**204,491,212**[(2)]
Repayment in full of all loans of the Issuer and the Guarantors used to finance investments and projects[(3)]	193,560,293
Global Liman – USD – 2017 – Libor + 4.95	9,921,988
Global Liman – USD -2021- Libor + 5.35	79,444,995
Global Liman – USD – 2023 – Libor + 5.60	9,716,409
Global Liman – USD – 2023 – Libor + 5.60	10,262,145
Global Liman – USD – 2023 – Libor + 5.60	26,925,915
Global Liman – USD – 2023 – Libor + 5.60	16,647,212
Global Liman – USD – 2023 – Libor + 6.75	19,530,679
Ortadoğu Liman – USD – 2016- Libor +4.95%	12,510,299
Ortadoğu Liman – USD- 2016- 5.15%	1,470,258
Ortadoğu Liman – USD- 2017- Libor +5.05%	3,757,743
Ortadoğu Liman – USD- 2019- 5.65%	3,351,448
Ortadoğu Liman – TL- 2015- 11.76%	21,203
Repayment in full of all loans of the Issuer and the Guarantors used to finance working capital[(4)]	10,930,919
Ege Liman – USD -2016 – Libor + 5,05 %	804,335
Ege Liman – USD -2015- 4.75%	650,000
Ege Liman – USD -2015 – 3.51%	3,000,000
Ege Liman – USD -2015 – 6.25%	1,000,000
Ege Liman – TL -2015	94,189
Ortadoğu Liman – USD- 2016 – Libor +4.95%	5,382,395

Notes:

(1) Includes other costs which may be incurred in connection with the repayment in full of all loans used to finance investments and projects and all loans used to finance working capital, including accrued but unpaid interest after October 31, 2014.

(2) The figures for the repayment of loans have been prepared on an IFRS basis and include certain adjustments to reflect IFRS rules. The total amount of the loans the Issuer expects to repay is US$205,787,617.

(3) Reflects the Issuer's estimate of total amounts repayable based on the total carrying value of such loans as of October 31, 2014, which includes the principal amount outstanding and accrued but unpaid interest as of October 31, 2014. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Borrowings*" for additional description of such loans.

(4) Reflects the Issuer's estimate of total amounts repayable based on the total carrying value of such loans as of October 31, 2014, which includes the principal amount outstanding and accrued but unpaid interest as of October 31, 2014. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Borrowings*" for additional description of such loans.

These outstanding loans have been incurred in connection with the initial acquisition of the port operation rights for the Turkish ports and Port of Adria-Bar, investments and CAPEX, as well as the buy back of 22.114% of the shares of the Issuer held by Savina Holding GmbH for US$95.9 million on December 24, 2012. The Issuer expects to repay in full all loans of the Issuer and Guarantors used to finance investments and projects including share buy-back (which had a total carrying value of US$193.6 million as of October 31, 2014), for the avoidance of doubt this excludes the loans relating to Bodrum Cruise Port and the Port of Adria-Bar. The Issuer expects to repay in full all loans of the Issuer and Guarantors used to finance working capital (which had a total carrying value of US$10.9 million as of October 31, 2014), for the avoidance of doubt this excludes the loans relating to Bodrum Cruise Port and the Port of Adria-Bar. The Issuer does not expect to repay the finance lease obligation with the proceeds of the Offering. The €56.4 million of non recourse debt as of October 31, 2014 that BPI used to finance the acquisition of Creuers ("Barcelona Acquisition Financing") will not be repaid using the proceeds from the Offering.

CAPITALIZATION

The following table sets forth, as at June 30, 2014, cash and cash equivalents and consolidated capitalization of the Group. The table does not reflect the Offering of the Notes and the application of the gross proceeds therefrom as described under "*Use of Proceeds*".

This table should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the Annual Financial Statements and the Interim Financial Statements (and the notes thereto) included elsewhere in this Offering Circular.

	As at June 30, 2014	
	(TL '000)	(USD '000)[1]
Cash and cash equivalents[2]	1,976	931
Loans and borrowings	468,536	220,654
Total financial liabilities	**468,536**	**220,654**
Total equity	**441,342**	**207,847**
Total capitalization	**1,072,471**	**505,073**

Notes:

(1) Converted into US dollars for convenience using an exchange rate of TL 2.1234 per US dollar, being the official Turkish Lira to US dollar exchange rate as reported by the Turkish Central Bank on June 30, 2014.

(2) Cash and cash equivalents includes marketable short-term financial assets.

Except as described in this Offering Circular, there has been no material change in the capitalization of the Group since June 30, 2014.

For pro forma financial information that reflects the impact on cash, cash equivalents and the consolidated capitalization of the Group, of the acquisition of Creuers, the issuance of the Notes, and the application of the gross proceeds therefrom as described under "*Use of Proceeds*", see "*Unaudited Condensed Combined Pro Forma Financial Information — Unaudited Condensed Combined Pro Forma Financial Information – Effect of the Issuance of the Notes and the Acquisition of Creuers – Capitalization*".

SELECTED FINANCIAL INFORMATION

The following tables set forth, for the periods indicated, selected consolidated financial information of the Group derived from the Annual Financial Statements and Interim Financial Statements included elsewhere in this Offering Circular.

Prospective investors should read the following information in conjunction with "*Presentation of Financial Information*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", the Annual and Interim Financial Statements.

Statement of Financial Position Data

	As at December 31,				As at June 30,	
	2011	**2012**	**2013**	**2013**	**2014**	**2014**
	(TL '000)	*(TL '000)*	*(TL '000)*	*(USD '000)*[1]	*(TL '000)*	*(USD '000)*[2]
Consolidated Statement of Financial Position Data						
Assets						
Property and equipment, net	102,509	93,745	197,210	92,401	208,060	97,984
Intangible assets	565,243	501,194	597,063	279,747	589,582	277,660
Goodwill	24,292	22,925	27,448	12,860	27,308	12,860
Equity-accounted investees	—	—	46,420	21,750	45,853	21,594
Investments	101	101	101	47	101	48
Deferred tax assets	6,774	6,170	11,839	5,547	9,728	4,581
Due from related parties	5,030	5,030	5,030	2,357	5,030	2,369
Other non-current assets	4,885	5,047	16,374	7,672	11,096	5,225
Total non-current assets	**708,834**	**634,211**	**901,485**	**422,380**	**896,758**	**422,322**
Trade and other receivables	3,835	5,357	12,424	5,821	15,517	7,308
Due from related parties	460	3,818	20,701	9,699	112,125	52,805
Investments	32,447	24,692	33,045	15,483	29,883	14,073
Other current assets	5,971	7,721	13,224	6,196	16,212	7,635
Cash and cash equivalents	37,540	22,246	42,676	19,995	1,976	931
Total current assets	**80,254**	**63,834**	**122,070**	**57,194**	**175,714**	**82,751**
Total assets	**789,088**	**698,045**	**1,023,555**	**479,574**	**1,072,471**	**505,073**

	As at December 31,				As at June 30,	
	2011	2012	2013	2013	2014	2014
	(TL '000)	*(TL '000)*	*(TL '000)*	*(USD '000)*[1]	*(TL '000)*	*(USD '000)*[2]
Equity						
Share capital	85,017	85,017	66,270	31,050	66,270	31,209
Distribution to shareholders	—	—	(158,494)	(74,261)	(158,494)	(74,642)
Translation reserves..........	97,485	65,695	145,962	68,389	139,977	65,921
Fair value reserves............	—	—	—	—	—	—
Legal reserves	7,592	16,825	6,128	2,871	12,693	5,978
Retained earnings	279,266	259,191	310,095	145,291	311,593	146,743
Total equity attributable to equity holders of the Company	**469,359**	**426,728**	**369,961**	**173,341**	**372,038**	**175,209**
Non-controlling interests ..	**30,623**	**24,609**	**73,703**	**34,532**	**69,304**	**32,638**
Total equity	**499,982**	**451,338**	**443,633**	**207,873**	**441,342**	**207,847**
Liabilities						
Loans and borrowings	116,490	83,095	339,603	159,117	369,366	173,950
Trade and other payables..	2,764	703	—	—	—	—
Deferred tax liabilities	115,014	101,031	116,700	54,678	111,562	52,539
Long-term provisions				7,935	3,737	
Employee benefits............	1,225	1,411	3,641	1,706	3,567	1,680
Total non-current liabilities	**235,493**	**186,240**	**459,944**	**215,501**	**492,430**	**231,906**
Loans and borrowings	37,739	33,393	66,941	31,365	99,169	46,703
Trade and other payables....	11,094	21,850	27,415	12,845	33,392	15,726
Due to related parties[3]	1,450	940	19,618	9,192	830	391
Current tax liabilities............	2,571	3,503	5,017	2,350	4,460	2,100
Provisions	759	782	956	448	848	399
Total current liabilities	**53,613**	**60,467**	**119,947**	**56,200**	**138,699**	**65,319**
Total liabilities	**289,106**	**246,707**	**579,892**	**271,701**	**631,129**	**297,226**
Total equity and liabilities....	**789,088**	**698,045**	**1,023,555**	**479,574**	**1,072,471**	**505,073**

Notes:

(1) Converted into US dollars for convenience using an exchange rate of TL 2.1343 per US dollar, being the official Turkish Lira to US dollar exchange rate as reported by the Turkish Central Bank on December 31, 2013.

(2) Converted into US dollars for convenience using an exchange rate of TL 2.1234 per US dollar, being the official Turkish Lira to US dollar exchange rate as reported by the Turkish Central Bank on June 30, 2014.

(3) Due to a change in accounting policy, these figures are presented on a gross basis for the year ended December 31 2013 and all subsequent periods and on a net basis as at 31 December 2012 and 2011.

Statement of Comprehensive Income Data

	For the year ended December 31,				For the six months ended June 30,	
	2011	2012	2013	2013	2014	2014
	(TL '000)	*(TL '000)*	*(TL '000)*	*(USD '000)[(1)]*	*(TL '000)*	*(USD '000)[(2)]*
Consolidated Statement of Comprehensive Income Data						
Revenue	108,134	122,391	143,526	75,488	85,293	39,411
Cost of sales	(65,791)	(71,615)	(78,615)	(41,348)	(53,943)	(24,925)
Gross profit	**42,342**	**50,776**	**64,911**	**34,140**	**31,350**	**14,486**
Other income	2,865	154	53,123	27,940	630	291
Selling and marketing expenses	(528)	(519)	(490)	(257)	(132)	(61)
Administrative expenses	(12,463)	(11,164)	(12,992)	(6,833)	(11,433)	(5,283)
Other expenses	(9,687)	(1,167)	(1,042)	(548)	(4,737)	(2,189)
Operating profit	**22,529**	**38,079**	**103,512**	**54,442**	**15,678**	**7,244**
Finance income	13,019	22,504	24,965	13,131	45,019	20,802
Finance expenses	(19,842)	(23,105)	(40,056)	(21,068)	(55,514)	(25,651)
Net finance expenses	**(6,823)**	**(601)**	**(15,091)**	**(7,937)**	**(10,495)**	**(4,849)**
Share of profit of equity-accounted investees			**721**	**379**	**2,252**	**1,040**
Profit before income tax	**15,706**	**37,478**	**89,142**	**46,884**	**7,435**	**3,436**
Income tax expense	(7,614)	(3,597)	(4,948)	(2,603)	(3,079)	(1,423)
Profit for the year	**8,092**	**33,881**	**84,194**	**44,282**	**4,357**	**2,013**
Other comprehensive income						
Change in currency translation difference	89,758	(33,487)	84,119	44,243	(7,618)	(3,520)
Hedge accounting effect	—	—	(12,781)	(6,722)	4,471	2,066
Fair value	—	—	—	—	(336)	(155)
Other comprehensive income for the year, net of income tax	**89,758**	**(33,487)**	**71,371**	**37,538**	**(3,483)**	**(1,610)**
Total comprehensive income for the year	**97,850**	**394**	**154,565**	**81,820**	**873**	**403**

Notes:

(1) Converted into US dollars for convenience using an average exchange rate of TL1.9013 per US dollar, being the average of the daily official Turkish Lira to US dollar exchange rates. The average rate was computed by using the Turkish Central Bank's US dollar bid rates on each business day during the year ended December 31, 2013.

(2) Converted into US dollars for convenience using an average exchange rate of TL 2.1642per US dollar, being the average of the daily official Turkish Lira to US dollar exchange rates. The average rate was computed by using the Turkish Central Bank's US dollar bid rates on each business day during the six months ended June 30, 2014.

GPH Reporting Group EBITDA and Net Assets

The information provided in the following table is provided from the Issuer's audited consolidated financial information, prepared in accordance with IFRS for the year ended December 31, 2013. The EBITDA and net assets figures and the percentage of EBITDA and net assets that each of (i) the issuer, (ii) the guarantor(s) and (iii) the non-guarantor companies represent in that latest audited consolidated financial information included below, as of December 31, 2013:

	EBITDA		Net assets	
	TL	%	TL	%
Issuer (Holding Company)	47,429,062	31.8%	(72,847,135)[1]	-16.4%
Guarantor – Ortadoğu Antalya	75,131,638	50.4%	416,720,573	93.9%
Guarantor – Ege Liman	24,041,332	16.1%	76,806,631	17.3%
Non-guarantor – Bodrum Cruise Port	2,540,349	1.7%	22,983,250	5.2%

Notes:

(1) The net assets of the Issuer (GPH) are negative because as the holding company for the Group, the Issuer's equity investments in its subsidiaries are eliminated on consolidation.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS – GLOBAL PORTS

The following discussion should be read together with the Financial Statements and the notes thereto and the other information included elsewhere in this Offering Circular.

This section contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those discussed in such forward-looking statements as a result of various factors, including those discussed under "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements".

Overview

The Group is one of the leading port operators in Turkey and in the Mediterranean region. The Group's business includes commercial port operations (specializing in container, bulk and general cargo handling), as well as cruise port operations (serving cruise liners, ferries, yachts and mega-yachts). The Group operates three ports in Turkey and one port in Montenegro: one mixed-use commercial and cruise port on Turkey's Mediterranean coast, one commercial port in Montenegro and two cruise ports on Turkey's Aegean coast. The Group recently acquired majority interests in cruise port operations in Barcelona, which are described below under "*Major Factors Affecting Consolidated Financial Results—Acquisitions*". The Group's commercial port operations have a gross annual capacity of approximately 1,000,000 TEU and 7.5 million tonnes of general and bulk cargo as of June 30, 2014. For the six months ended June 30, 2014, 83% of the Group's total revenues were generated by its commercial port operations. The Group's cruise port operations have a total annual ship capacity of 5,770 calls as of June 30, 2014. For the six months ended June 30, 2014, 17% of the Group's total revenues were generated by its cruise port operations. For a more detailed breakdown of the Groups commercial port operations, see "*— Six Months Ended June 30, 2013 and 2014, and the Years Ended December 31, 2011, 2012 and 2013 — Revenue*".

The Group derives revenue primarily from the fees charged by the ports which it operates. The ports charge cargo and container handling fees based on the volumes passing through the port, per head landing fees for cruise ships and ship service fees. The ports also generate revenue from ancillary services provided and rental revenue from duty-free stores and the ports' marinas.

Major Factors Affecting Consolidated Financial Results

The most significant factors affecting the Group's consolidated financial results are the following:

Demand for commercial and cruise port services

The Group's results depend on demand for the services of its individual ports, which can be influenced by a number of factors.

The commercial port business has generated the majority of the Group's total revenues in the periods under review. The business generates revenues primarily from container handling, dry bulk cargo handling, general cargo handling and vessel handling revenue in connection with the export of commodity products used in construction, which are produced in the regions close to the port. The business also derives revenues from port authority revenues in its capacity as port authority for Port Akdeniz-Antalya, which includes pilotage, towage, shelter and mooring fees. The most significant portion of the commercial port revenues relates to the export of marble to global markets in general, and block marble to China in particular. Substantial revenues are also derived from the export of cement to the Middle East, North Africa, West Africa and South America, as well as the export of chromium to Northern Europe primarily for treating steel and for chrome plating, the export of agricultural products to Russia and transport of various goods within Turkey. In light of its key revenue sources, GPH management believes that Port Akdeniz-Antalya's

expected growth rate will be primarily volume driven requiring limited investments. See "*Industry Overview—Maritime Transportation*".

Accordingly, the commercial port revenues are affected by demand for the products produced in the hinterland surrounding Port Akdeniz-Antalya. Demand is influenced by levels of construction activity — in particular the use of block marble in China (which is typically used in luxury construction projects though increasingly used for general construction projects), cement in the Middle East and chromium in Northern Europe (which are widely used for general construction projects) — which is sensitive to, among other things, changes in general economic conditions. The economic downturn in the Middle East due to the Arab Spring had a material negative effect on construction activity in the Middle East and North Africa, and the export of cement to these regions, particularly in 2011. Demand for products produced in the hinterland surrounding Port Akdeniz-Antalya is also affected by the price of these products relative to suppliers in other regions. See "*Industry Overview—Cargo Handling at Turkish Ports*".

Other factors affecting commercial port service revenue include changes in transportation patterns of commercial shipping lines (which is primarily driven by the demand for commodities near commercial ports, as well as the export and import capabilities of commercial ports) and the rate of Containerization in Turkey and globally as the Group derives higher margins from containerized products. In line with the global trend, Containerization has been increasing in Turkey, but it remains lower than the global average. See "*Industry Overview—Cargo Handling at Turkish Ports*". GPH expects that Containerization will continue to increase in Turkey and globally due to the lower costs and greater speed that it generally offers, and such an increase would drive additional shipping volumes through Port Akdeniz-Antalya.

Cruise port revenues accounted for 28.1% of the Group's total revenues in 2013, and 16.8% of total revenues in the first six months of 2014 as a result of the increased growth rate of commercial port revenues in the first six months of 2014 as compared to 2013. The Group's cruise ports derive revenue from tourism, specifically from calls from cruise liners, ferries, yachts and mega-yachts. In the first six months of 2014, approximately 40% of total ship calls at the Group's cruise ports were cruise liners and 60% were ferries, yachts and mega-yachts, and approximately 84% of total passengers at the Group's cruise ports were from cruise liners and 16% were from ferries, yachts and mega-yachts. In addition, the Group receives revenue from Setur in relation to Kuşadası Cruise Port's duty-free operations and rental income from the Scala Nuova shopping complex in Kuşadası. GPH management believes that its cruise port customer base is diversified and expects that the attractions accessible to passengers calling at its ports will continue to generate basic demand. For example, Ege Ports-Kuşadası is in close proximity to the ancient city of Ephesus, which attracted 1.9 visitors in 2013 according to the Tourism Ministry's Central Directorate of Circulating Capital. However, the Group's cruise port segment may be affected by the levels of disposable income available for leisure travel, which is influenced by global economic conditions generally, and those of cruise passengers' home countries in particular. Demand also correlates with changes in consumer preferences for cruise travel over other forms of leisure, and the popularity of Turkey as a tourist destination. According to the United Nations World Tourism Organization ("**UNWTO**"), the growth rate in Turkish tourism through 2030 is expected to exceed the global tourism rate, although continuing economic uncertainties in Europe and North America combined with the effects of the Arab Spring are expected to contribute to a slower growth in Turkish tourism in the short-term. As cruise tours involve a significant lead time for organization by the cruise operator and advance passenger bookings, there may be a lag before a general recovery translates into additional cruise line passengers in Turkey. See "*Industry Overview—Cruise Industry*".

In addition, to reduce their total fuel costs major cruise lines have been increasing the size and passenger capacity of their ships, particularly for budget cruise lines as compared to luxury cruise lines, and this trend has in recent years increased the number of passengers while decreasing the number of ship calls at Port Akdeniz-Antalya and Ege Ports-Kuşadası. The net effect of this trend has been to increase the Group's cruise port revenues.

The Group also continues to promote Port Akdeniz-Antalya as a cruise Homeport due to its proximity to an international airport and numerous hotels. Demand for cruise Homeports is based upon local infrastructure (i.e., hotel and airport capacity and transport), security and proximity to intended ports of call.

The Group's ports' results may also be affected by competition as well as capacity constraints, which may become more significant as the size of vessels continue to increase. However, GPH management believes that its expansion programs will help the Group address such issues. See "*Business of the Issuer—Competitive Strengths and Strategy—Strategy*".

Pricing

The tariffs the Group charges for its services impact the Group's consolidated revenue and profitability. Although tariffs for services at the Group's main ports have been regulated by the Port Akdeniz-Antalya TOORA, the Ege Ports-Kuşadası TOORA, the Bodrum Cruise Port BOT Agreement and by Port of Adria-Bar TOORA agreement since 1998, 2003, 2007 and 2013, respectively, under these, the Group is permitted to set the tariffs for its services, subject to restrictions imposed by general competition laws.

The tariffs applicable to the Group's services currently comprise a base fee plus a surcharge for any additional service, equipment, facility or time committed. For both its commercial port and cruise port businesses, the Group sets tariffs annually in advance. The Group also applies volume discounts for certain services that are designed to encourage customers to direct more cargo and passengers to one of the Group's ports. The Group adjusted tariffs in 2014 and in each of the prior three years in line with commercial port and cruise port demand. For the years ended December 31, 2011, 2012, and 2013, the Group's yields were: for containers, US$141.1, US$147.2 and US$162.4 per TEU, respectively; for general cargo, US$4.8, US$4.4 and US$5.6 per ton, respectively; for bulk cargo, US$3.4, US$3.5 and US$5.0 per ton, respectively; for cruise operations, US$21.5, US$20.7 and US$27.2 per passenger, respectively; and for ferry operations, US$0.5, US$3.0 and US$2.5 per passenger, respectively. Tariffs for yachts and mega-yachts are based on the length and width of the vessel according to industry classifications, and are not based on number of passengers.

In addition, the ports generate revenue from ancillary services provided to ships and rental revenues from duty free shops and marinas.

Acquisitions

The Group's results are also affected by acquisitions. On July 1, 2013, GPH participated in the privatization of the cargo terminal in Port of Adria-Bar. By December 30, 2013, GPH had indirectly acquired 62.09% of the shares in Port of Adria-Bar from the Montenegro government through Container Terminal and General Cargo JSC-Bar, which has an operating concession for 30 years (terminating in 2043) for €8.1 million.

In June 2013, GPH formed a holding company, BPI, with RCCL for the purpose of acquiring Creuers. Initially, GPH held a 49% interest in BPI, with a call option to acquire an additional 1% interest from RCCL. On July 26, 2013, BPI acquired a 23% interest in Creuers for €16.7 million, and on December 30, 2013, BPI acquired a further 20% interest in Creuers for €14.5 million, increasing BPI's interest in Creuers to 43% and GPH's total interest in Creuers through BPI to 21.07%. On June 20 2014, GPH entered into an agreement to purchase the outstanding interests of Vapores Suardiaz and World Duty Free Group in Creuers. GPH subsequently assigned these rights to BPI. On September 30, 2014, therefore, BPI acquired the outstanding 57% interest in Creuers of Vapores Suardiaz (34%) and World Duty Free Group (23%), bringing it wholly under the control of BPI. At the same time GPH purchased 13% of RCCL's shares in BPI, increasing its shareholding in BPI to 62% and giving GPH control of BPI.

On December 12, 2013, GPH announced that it, together with its joint bidding partners RCCL, Creuers and Grupo Sousa – Investimentos SGPS LDA ("**Grupo Sousa**"), had submitted an offer for the construction and operation rights of a new cruise terminal to be constructed at the LCP. GPH holds a 40% interest in the holding company – Lisbon Cruise Terminals Lda, and RCCL, Creuers and Grupo Sousa each hold 20%, 10%, and 30%, respectively. On January 17, 2014, GPH announced that the tender commission selected the consortium as the winning bidder. On August 26, 2014, the consortium signed a part concession agreement granting Lisbon Cruise Terminals, Lda an exclusive 15 year operating rights concession over the three existing terminals and a BOT agreement for the new terminal. Construction of the new cruise terminal is expected to commence in late 2014 and be completed in early 2016, according to GPH Management. In line with its investment strategy, GPH intends to further increase its shareholding in Lisbon Cruise Terminals, Lda.

Seasonality

Generally, the number of cruise liner port calls and cargo volumes are lower during the winter months of December to February than at other times of the year, although this seasonality is more pronounced in the cruise segment as compared to the commercial segment. The third quarter is the busiest for cruise port calls as the cooler, dry weather of autumn is attractive to tourists. In the third quarter of 2011, 2012 and 2013, total cruise port calls were 294, 307 and 270, respectively, as compared to 187, 147 and 138 in the fourth quarter of the same periods.

GPH management believes that current developments and strategic measures by cruise line operators may gradually reduce seasonality. For example, cruise line operators generally offer discounted rates during the winter months, consistent with general practice in the tourism industry. The Group also offers discounted rates during the winter months. In addition, as the cruise market expands in Europe and other regions, differing regional holiday preferences are expected to contribute to a more even distribution of cruise traffic throughout the year.

Future capital requirements and commitments

The Group budgets, and will continue to budget, for capital expenditure relating to infrastructure and operational efficiency. The Group has planned capital expenditures of US$18.2 million, US$10.6 million of which has been incurred as of June 30, 2014. Total capital expenditures of US$18.2 million include the purchase of a tugboat and equipment, pavement of the yard area and renewal of concrete surfaces at Port Akdeniz-Antalya, investments into the cargo handling capacity of Port of Adria-Bar, and purchase of a tugboat and equipment at Ege Ports-Kuşadası. See "—*Liquidity and Capital Resources—Budgeted capital expenditures*" for a discussion of the Group's budgeted capital expenditures at Port Akdeniz-Antalya, Ege Ports-Kuşadası, Port of Adria-Bar and LCP.

At LCP, the future construction commitment under the terms of the tender, is estimated at €22 million, of which 46.2% is directly/indirectly GPH's commitment. Lisbon Cruise Terminals, Lda is currently seeking external finance and has entered into detailed term-sheet discussion with two major European banks. 60% of the construction project is projected to be financed with external resources, which would bring GPH commitment €6.8-8.8 million.

Exchange rates

A majority of the Group's costs are denominated and paid in Turkish Lira, and all of the Group's revenues and a majority of its borrowings are denominated in US dollars. Therefore, fluctuations between the Turkish Lira and US dollar impact results of operations to a certain extent. See "—*Quantitative and Qualitative Disclosures about Market Risk—Foreign currency risk*".

Taxation

The Group is subject to taxation in accordance with Turkish tax laws. The corporate tax rate is 20% for the periods under review. There is no Group consolidation for tax purposes in Turkey. In addition, in Turkey the tax legislation does not permit a parent company, its subsidiaries and associates to file a consolidated tax return. Each subsidiary is taxed based on its individual profit or loss.

The Turkish International Ship Registry Law is designed to accelerate the development of the Turkish maritime sector by providing tax incentives for the registration of ships in Turkey. In addition to providing incentives for ships to register in Turkey, the law exempts from taxation services provided at Turkish ports by Turkish flagged vessels. Accordingly, the Group does not pay tax on services provided to Turkish vessels at Port Akdeniz-Antalya, and services provided to such vessels at Ege Ports-Kuşadası and Bodrum Cruise Port are also exempt from VAT.

Current trading and prospects

For the period from July 1, 2014 to September 30, 2014, there were no decreases, as compared the period from July 1, 2013 to September 30, 2013, in the Group's total revenue, profit or total comprehensive income, except that the Group's profit decreased by TL 180,186 and its total comprehensive income decreased by TL 2,343,875. The change in the Group's profit between the two periods was primarily due to an increase in interest expense due to additional loans, as well as increases in financing expenses and project expenses in general and administration expenses. The change in the Group's total comprehensive income between the two periods was primarily due to a decrease in the US dollar / Turkish Lira exchange rate during the period, as well as a decrease in the net value of fixed assets due to depreciation.

Financial Reporting

The Group's audited consolidated financial statements for the years ended December 31, 2011, 2012 and 2013, and unaudited interim condensed consolidated financial statements for the first six months of 2014, including comparative information as of and for the first six months of 2013, contained in this Offering Circular have been prepared and presented in accordance with the accounting principles of IFRS.

Results of Operations

Set forth below are the consolidated results for the Group for the periods shown, expressed in TL and as a percentage of revenue.

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2011		2012		2013		2013		2014	
	(Amounts In TL '000)	*(% of total)[(1)]*	*(Amounts In TL '000)*	*(% of total)[(1)]*	*(Amounts In TL '000)*	*(% of total)[(1)]*	*(Amounts In TL '000)*	*(% of total)[(1)]*	*(Amounts In TL '000)*	*(% of total)[(1)]*
Revenue:										
Port Akdeniz-Antalya										
Commercial revenue	70,907	96.4	84,730	96.1	103,170	96.0	47,889	96.3	60,209	97.5
Cruise revenue	2,615	3.6	3,443	3.9	4,250	4.0	1,823	3.7	1,567	2.5
Total for Port Akdeniz-Antalya	73,521	68.0	88,173	72.0	107,420	74.8	49,712	81.8	61,776	72.4
Ege Ports-Kuşadası	30,933	28.6	29,476	24.1	31,314	21.8	9,873	16.2	11,428	13.4
Bodrum Cruise Port	3,679	3.4	4,741	3.9	4,791	3.3	1,208	2.0	1,330	1.6
Port of Adria-Bar ....—	—	—	—	—	—	—	—	10.759	12.6	
Total revenue	**108,134**	**100.0**	**122,391**	**100.0**	**143,526**	**100.0**	**60,793**	**100.0**	**85,293**	**100.0**
Cost of sales:										
Port Akdeniz-Antalya	54,924	83.5	60,114	83.9	66,188	84.2	32,989	85.88	38,834	72.0
Ege Ports-Kuşadası	6,249	9.5	6,815	9.5	7,695	9.8	3,491	9.09	3,711	6.9
Bodrum Cruise Port	4,619	7.0	4,686	6.5	4,732	6.0	1,933	5.03	2,966	5.5
Port of Adria-Bar	—	—	—	—	—	—	—	—	8.432	15.6
Total cost of sales	**65,791**	**100.0**	**71,615**	**100.0**	**78,615**	**100.0**	**38,413**	**100.0**	**53,943**	**100**
Gross profit	**42,343**	**39.2**	**50,776**	**41.5**	**64,911**	**45.2**	**22,380**	**36.8**	**31,350**	**36.8**
Other income	2,865	2.7	154	0.1	53,123	37.0	218	0.4	630	0.7
Selling and marketing expenses	528	0.5	519	0.4	490	0.3	151	0.2	132	0.2
Administrative expenses	12,463	11.5	11,164	9.1	12,992	9.1	10,804	17.8	11,433	13,4
Other expenses[(2)]	9,687	9.0	1,167	0.9	1,042	0.7	3,703	6.1	4,737	5.6
Operating profit	**22,529**	**20.8**	**38,079**	**31.1**	**103,512**	**72.1**	**7,940**	**13.1**	**15,678**	**18.4**
Finance income	13,019	12.0	22,504	18.4	24,965	17.4	9,815	16.1	45,019	52.8
Interest income	3,971	3.7	4,944	4	3,374	2.4	2,056	3.4	4,329	9.6
Foreign exchange gain	8,057	7.5	15,227	12.4	21,458	15.0	7,663	12.6	40,273	89.5
Other	991	0.9	2,333	1.9	133	0.1	96	0.2	417	0.9
Finance costs	19,842	18.3	23,105	18.9	40,056	27.9	9,870	16.2	55,514	65.1
Bank financing	9,384	8.7	7,872	6.4	15,085	10.5	3,488	5.7	15,527	28.0
Foreign exchange loss	8,676	8	10,289	8.4	24,688	17.2	6,052	10.0	37,885	68.2
Other	1,782	1.6	4,944	4	283	0.2	330	0.5	2,102	3.8
Net finance costs	**6,823**	**6.3**	**601**	**0.5**	**15,091**	**10.5**	**(56(5))**	**0.1**	**10,495(5)**	**12,3**
Profit before income tax	**15,706**	**14.5**	**37,478**	**30.6**	**89,142**	**62.1**	**7,884**	**13.0**	**7,435**	**8.7**
Income tax expense	7,614	7.0	3,597	2.9	4,948	3.4	2,772	4.6	3,079	3.6
Profit for the period	**8,092**	**7.5**	**33,881**	**27.7**	**84,194**	**58.7**	**5,112**	**8.4**	**4,357**	**3.6**
Other comprehensive income / (loss) for the period, net of income tax	89,758	83.0	(33,487)	(27.4)	71,338	49.7	33,922	55.8	(3,570)	(4.1)
Total comprehensive income for the period	**97,850**	**90.5**	**394**	**0.3**	**154,565**	**107.7**	**39,033**	**64.2**	**786**	**1.0**
Earnings before interest, tax, depreciation and amortization (EBITDA)(3)										
Port Akdeniz-Antalya	44,094	40.8	56,177	45.9	75,132	52.3	27,150	44.7	42,342	49.6
Ege Ports-Kuşadası	21,836	20.2	21,621	17.7	24,041	16.8	2,706	4.5	7,946	9.3
Bodrum Cruise Port	1,296	1.2	2,505	2.0	2,540	1.8	64	0.1	(197)	(0.2)
Port of Adria-Bar	—	—	—	—	—	—	—	—	1,675	2.0
Other	(8,442)	(7.8)	(287)	(0.2)	47426	32.5	(1.128)	(1.9%)	(5,023)	(5.9)
Adjustment for Consolidation to EBITDA[(4)]	2,154	2.0	—	—	(52,646)	(36.7)	—	—	—	—
Total EBITDA	**60,938**	**56.4**	**80,016**	**65.4**	**95,775**	**66.7**	**28,791**	**47.4**	**46,742**	**54.8**

Notes:

(1) Represents the percentage to the total revenues of Global Ports Holding, except with respect to the line items "commercial revenue" and "cruise revenue" under Port Akdeniz-Antalya which represent the proportion of these figures to the total revenues of that port.

(2) Includes expenses not attributable to the commercial or cruise segments; primarily administrative expenses of holding companies, professional fees and the costs of participating in tenders.

(3) EBITDA, as calculated by GPH and its subsidiaries, represents operating profit/(loss) plus depreciation and amortization expenses (related to property and equipment, and intangible assets). EBITDA is a supplemental performance measure that has not been prepared in accordance with IFRS and prospective investors should not consider it as an alternative to the applicable IFRS measure. See "*Presentation of Financial and Other Data—Non-IFRS Financial Measures*" and "*Summary Historical Financial Information*" for a reconciliation of EBITDA to the relevant IFRS line items.

(4) Adjustment for Consolidation to EBITDA represents the adjustment in 2011 related with the bargain purchase gain on acquiring 54% shares of İzmir Liman and net bargain purchase gain in 2013 due to the acquisition of Port of Adria – Bar.

(5) Change in Net Finance Costs due to higher interest expenses in the first six months of 2014, related to borrowings made to finance the purchase from VEI Capital of GPH shares for US$96.0 million, purchase of Creuers shares for US$10.5 million and Port of Adria-Bar for US$27.6 million. See "*—Six Months Ended June 30, 2013 and 2014, and the Years Ended December 31, 2011, 2012 and 2013 —Net finance costs*"

Six Months Ended June 30, 2013 and 2014 and the Years Ended December 31, 2011, 2012 and 2013

Revenue

The Group's revenue primarily consists of container and cargo handling fees based upon gross tonnage, for bulk and general cargo, and number of containers. The Group's revenue also includes cruise port fees based upon calls, gross registered tonnes ("**GRT**") and number of passengers. In addition, the Group receives vessel handling and ferry service fees, revenue from Setur in relation to Kuşadası Cruise Port's duty-free operations and rental income from the Scala Nuova shopping complex in Kuşadası and Marina in Antalya.

The table below shows the Group's revenue for the periods indicated.

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2011		2012		2013		2013		2014	
	(Amounts In TL '000)	*(% of total)*[(1)]	*(Amounts In TL '000)*	*(% of total)*[(1)]	*(Amounts In TL '000)*	*(% of total)*[(1)]	*(Amounts In TL '000)*	*(% of total)*[(1)]	*(Amounts In TL '000)*	*(% of total)*[(1)]
Revenue by port:										
Port Akdeniz-Antalya										
Commercial revenue	70,907	96.4	84,730	96.1	103,170	96.0	47,889	96,3	60,209	97.5
Cruise revenue	2,615	3.6	3,443	3.9	4,250	4.0	1,823	3.7	1,567	2.5
Total for Port Akdeniz-Antalya	73,521	68.0	88,173	72.0	107,420	74.8	49,712	81.8	61,776	72.4
Ege Ports-Kuşadası	30,933	28.6	29,476	24.1	31,314	21.8	9,873	16.2	11,428	13.4
Bodrum Cruise Port	3,679	3.4	4,741	3.9	4,791	3.3	1,208	2.0	1,330	1.6
Port of Adria-Bar	—	—	—	—	—	—	—	—	10,759	12.6
Total	**108,134**	**100.0**	**122,391**	**100.0**	**143,526**	**100.0**	**60,793**	**100.0**	**85,293**	**100.0**
Revenue by type:										
Container	40,413	37.4	49,471	40.4	67,138	46.8	29,183	48.0	45,333	53.1
Bulk cargo[(2)]	6,418	10.4	6,724	5.5	5,949	4.1	2,985	4.9	3,670	4.3
General cargo[(2)]	9,969	9.2	10,341	8.4	11,896	8.3	6,843	11.3	10,067	11.8
Cruise[(3)]	28,218	26.1	26,558	22.5	29,659	20.7	9,065	14.9	9,952	11.7
Ferry[(4)]	1,124	1.0	1,543	1.3	2,471	1.7	642	1.1	568	0.7
Vessel handling[(5)]	11,275	5.9	14,694	12.0	14,597	10.2	7,023	11.6	7,423	8.7
Rental and similar income[(6)]	7,047	8.1	7,853	6.4	7,233	5.0	3,261	5.4	4,678	5.5
Setur rental income[(7)]	2,474	0.7	2,609	2.1	2,951	2.1	772	1.3	826	1.0
Other income[(8)]	1,196	1.1	2,598	1.3	1,632	1.1	1,019	1.7	2,776	3.3
Total	**108,134**	**100.0**	**122,391**	**100.0**	**143,526**	**100.0**	**60,793**	**100.0**	**85,293**	**100.0**

Notes:

(1) Represents the percentage to the total revenues of Global Ports Holding, except with respect to the line items "commercial revenue" and "cruise revenue" under Port Akdeniz-Antalya which represent the proportion of these figures to the total revenues of that port.

(2) Bulk cargo and General cargo comprise the amounts shown in the line item Cargo revenue in the table of Revenue in footnote 8 to the Financial Statements.

(3) Cruise revenue represents revenue attributable to passenger vessels. It includes that portion of Port service revenue and Landing fees, as shown in the table of Revenue in footnote 10 to the financial statements, attributable to passenger vessels. It also includes the amounts shown as Domestic water sales in such table, which is revenue from the sale of potable water to ships.

(4) Represents revenue from landing fees charged to ferries using the Group's ports.

(5) Comprised of vessel handling fees for commercial vessels.

(6) Comprised primarily of income from the rental of storage and office space within the Group's ports, primarily Ege Ports-Kuşadası, to shipping and cruise ship companies.

(7) The increase in Setur rental income was due to the amendment of the lease agreement in 2011, which requires Setur to pay Ege Liman minimum rental payments of €2.94 million between September 15, 2010 and September 14, 2015. During this lease term, Setur will pay to Ege Liman as rental income 30% of its gross duty-free revenues per month, and at the end of the period if Setur's gross duty-free revenues are less than €9.8 million then Setur will pay Ege Liman the difference between the rental income paid to date and €2.94 million.

(8) Other income includes income from military ships, project cargo storage, yachts revenue, and advertisement and parking revenues.

Six Months Ended June 30, 2013 and 2014

The Group's revenue increased by TL 24.5 million, or 40.3%, from TL 60.8 million in the first six months of 2013 to TL 85.3 million in the first six months of 2014. This increase was mainly attributable to TL 10.8 million additional revenue derived from the consolidation of Port of Adria-Bar into the Group, after its acquisition on December 30, 2013, a 24.3% increase in the revenues of Port Akdeniz-Antalya, a 15.8% increase in the revenues of Ege Ports-Kuşadası, and a 10.1% increase in revenues at Bodrum Cruise Port. The increase in revenues was influenced by the strengthening of the US dollar, in which a substantial portion of the Group's revenues is denominated, as compared to the Turkish Lira. The average US Dollar to Turkish Lira exchange rate for the first six months of 2013 was TL 1.8085 to US$1.00, while the average rate for the same period of 2014 was TL 2.1642 to US$1.00, an increase of 19.7% from period to period.

Commercial revenue from Port Akdeniz-Antalya increased by TL 23.1 million, or 48.2%, from TL 47.9 million in first six months of 2013 to TL 71.0 million in first six months of 2014. TL 10.8 million of the TL 23.1 million increase was attributable to Port of Adria-Bar. Excluding the effect of the Port of Adria-Bar, which was not included in the 2013 figures, the increase was TL 12.3 million, or 25.7% taking into account commercial revenues from Port Akdeniz-Antalya of TL 60.2 million for the first six months of 2014.

The total containers handled at Port Akdeniz-Antalya decreased by 2,022 TEU, or 2%, to a total of 100,889 TEU in first six months of 2014, as compared to 102,911 TEU in first six months of 2013, while the price per TEU increased from $156.7 in first six months of 2013 to $173.8 in first six months of 2014.

Port of Adria-Bar handled 20,357 TEU in first six months of 2014 compared to 16,212 TEU in the same period of 2013; the Port of Adria-Bar figures for the first six months of 2013, are included for comparison only – as GPH's interest in the Port of Adria-Bar was only acquired on December 30, 2013 and is not generally reflected in GPH's 2013 Annual Financial Statements. The volume of general cargo passing through the Port of Adria-Bar was 89,596 tonnes with an average unit price of $13.4 for the first six months of 2014.

Both bulk and general cargo volumes at Port Akdeniz-Antalya decreased between the two years. Bulk and cargo volumes decreased by 17% and 9%, respectively, from period to period. However, bulk cargo revenues increased by 5%, and general cargo revenues increased by only 9% due to a 23% and a 3% increase in the average unit prices of bulk cargo and general cargo, respectively, primarily as a substantial portion of such cargo was subject to higher surcharge fees for additional services. The additional services were provided as a result of new regulations concerning the handling of environmentally sensitive material; meeting the requirements of this new regulation resulted in higher unit prices for environmentally sensitive cargo, due to the increased workload necessary to process the cargo.

Revenue from the cruise segment increased by TL 1.4 million, or 10.9%, from TL 12.9 million in first six months of 2013 to TL 14.3 million in first six months of 2014. The increase in cruise revenues was influenced by the strengthening of the US dollar, the currency in which a substantial portion of the Group's revenues is denominated, as compared to the Turkish Lira. The average Turkish Lira to US Dollar rate for the first six months of 2013 was 1.8085 while the average rate for the same period of 2014 was 2.1642, an increase of 19.7% from period to period. The total number of passengers at Ege Ports-Kuşadası decreased by 6,088, or 3%, to 168,823 cruise passengers in first six months of 2014, as compared to 174,911 cruise passengers in first six months of 2013. This decrease in numbers was partially offset an increase in the average revenue per passenger from $20.8 to $22.1 between the two periods. This increase in per passenger revenue was driven by new cruise line operators utilizing Ege Ports- Kuşadası, that paid higher per passenger fees than existing client cruise line operators, and an increase of luxury cruise line operators.

Ship calls at Bodrum Cruise Port decreased by 36, or 65%, to a total of 19 calls during first six months of 2014, as compared to 55 calls during first six months of 2013. The number of passengers decreased by 1,378, or 23%, from 4,583 passengers in first six months of 2013 to 5,961 passengers in first six months of 2014. Total GRT was 316,878 in first six months of 2013, as compared to 206,974 in first six months of 2014. The decrease in ship calls, passenger volumes and GRT was primarily attributable to the port's concentration of its portfolio on boutique and niche cruise operators, reflecting the new marketing approach pursued by Bodrum Cruise Port during 2013 – a change in focus from budget cruise line operators (more passengers and large ships) cruises to luxury cruise line operators (with fewer passengers per ship but higher revenues).

Ship calls at the Antalya Cruise Port decreased by 9, or 28%, to a total of 23 calls during first six months of 2014, as compared to 32 calls during first six months of 2013. The number of passengers decreased by 4,833, or 7%, from 68,966 passengers in first six months of 2013 to 64,133 passengers in first six months of 2014.

Years Ended December 31, 2012 and 2013

The Group's revenue increased by TL 21.1 million, or 17.2%, from TL 122.4 million in 2012 to TL 143.5 million in 2013. This was mainly attributable to a 21.8% increase in the revenues of Port Akdeniz-Antalya, a 6.2% increase in the revenues of Ege Ports-Kuşadası, and a 1.1% increase in revenues at Bodrum Cruise Port.

Commercial revenue from Port Akdeniz-Antalya increased by TL 18.4 million, from TL 84.7 million in 2012 to TL 103.2 million in 2013. The change reflected the continuing shift away from bulk and general cargo toward Containerization and related services and higher international demand for mining products from Turkey's hinterland.

The total containers handled at Port Akdeniz-Antalya increased by 30,921 TEU, or 17%, to a total of 217,384 TEU in 2013, as compared to 186,463 TEU in 2012, while the price per TEU increased from 2012 to 2013.

Both bulk and general cargo volumes at Port Akdeniz-Antalya decreased between two years. Bulk and cargo volumes decreased by 43% and 16%, respectively, from 2012 to 2013. However, general cargo revenues increased by 15%. Bulk cargo revenues decreased by only 17% due to a 46% and a 25% increase in the average unit prices of bulk cargo and general cargo, respectively, primarily as a substantial portion of such cargo was subject to higher surcharge fees for additional services in handling environmentally sensitive cargo.

Revenue from the cruise segment increased by TL 2.7 million, or 7.2%, from TL 37.7 million in 2012 to TL 40.4 million in 2013. This was primarily attributable to the total number of passengers at Ege Ports-Kuşadası increasing by 18,904, or 3%, to 583,459 cruise passengers in 2013, as compared to 564,555 cruise passengers in 2012. This increase was partially offset by the decrease in the total number of ship calls from 489 to 451 between the two periods primarily due to increased ship capacity and reduced number of ships, as well as the decrease in Mediterranean routes following the Arab Spring.

Ship calls at Bodrum Cruise Port decreased by 5, or 4%, to a total of 136 calls during 2013, as compared to 141 calls during 2012. The number of passengers decreased by 24,395, or 46%, from 53,480 passengers in 2012 to 29,085 passengers in 2013. Total GRT was 1,794,289 in 2012, as compared to 1,278,888 in 2013. The decrease in ship calls, passenger volumes and GRT was primarily attributable to the number of large budget cruise lines visiting the port in 2012 which did not visit the port in 2013, as Bodrum increasingly caters more to the luxury holiday market.

Ship calls at the Antalya Cruise Port increased by 12, or 21%, to a total of 70 calls during 2013, as compared to 58 calls during 2012. The number of passengers increased by 10,676, or 7%, from 157,118 passengers in 2012 to 167,794 passengers in 2013.

Years Ended December 31, 2011 and 2012

The Group's revenue increased by TL 14.3 million, or 13.2%, from TL 108.1 million in 2011 to TL 122.4 million in 2012. This was mainly attributable to the increase in commercial revenue from Port Akdeniz-Antalya.

Commercial revenue from Port Akdeniz-Antalya increased by TL 13.8 million, or 19.5%, from TL 70.9 million in 2011 to TL 84.7 million in 2012. This was primarily attributable to bulk cargo, general cargo and containers increasing by 1.0 million tonnes, or 22.8%, to 5.2 million tonnes in 2012, as compared to 4.2 million tonnes in 2011. Between the two periods, bulk cargo volumes decreased by 40,829 tonnes, or 3.7%, general cargo volumes increased by 79,955 tonnes, or 6.4%, and container traffic significantly increased by 17,039 TEU, or 10.1%. These factors reflect a shift toward Containerization of cargo, particularly with regard to marble product exports, for the reasons discussed above.

Revenue from the cruise segment (including ferries) increased by TL 0.5 million, or 1.3%, from TL 37.2 million in 2011 to TL 37.7 million in 2012. This was primarily attributable to the total number of passengers increasing by 19,988, or 14.3%, at Port Akdeniz-Antalya and 23,497, or 19.7%, at Bodrum Cruise Port, which was offset in part by the decrease in average GRT of visiting cruise ships (from 21,200 GRT in 2011 to 12,800 GRT in 2012) in line with the continued increase in the size and capacity of cruise liners. The increases in both Port Akdeniz-Antalya and Bodrum Cruise Port passenger traffic were also offset by the decrease in passengers at Ege Ports-Kuşadası by 101,480 passengers, or 16%, to a total of 623,353 cruise and ferry passengers in 2012, as compared to 724,833 cruise and ferry passengers in 2011. Although in general ferry traffic has remained stable during the periods under review, the decrease in ferry passengers in 2012 was primarily due to an economic slowdown in neighboring countries following the Arab Spring.

Ship calls at Bodrum Cruise Port increased by 101 calls, or 13.9%, to a total of 827 calls during 2012, as compared to 726 calls during 2011. The number of passengers increased by 23,497, or 19.7%, from 119,050 passengers in 2011 to 142,547 passengers in 2012. This increase was primarily attributable to the increase in number of cruise calls (from 82 calls in 2011 to 141 calls in 2012) and number of ferry calls (from 641 calls in 2011 to 684 calls in 2012), which, in turn, were offset due to a decrease in average GRT levels of visiting cruise ships (from 21,201 in 2011 to 12,777 in 2012).

Ship calls at the Antalya Cruise Port decreased by 17 calls, or 28%, to a total of 60 calls during 2012, as compared to 77 calls during 2011. The number of passengers increased by 19,988 passengers, or 14.3%, from 139,795 passengers in 2011 to 159,783 passengers in 2012. This increase was primarily attributable to an increase in GRT levels of cruise ships visiting the cruise port of Port Akdeniz-Antalya, which, in turn, was due to increased calls as cruise operators redirected routes away from Northern African ports following the Arab Spring.

Cost of sales

Cost of sales primarily comprises amortization of the port operation rights, personnel, depreciation of assets, subcontractor crane and insurance expenses, as well as commission fees to government authorities.

The table below shows the Group's cost of sales for the periods indicated. For a discussion on profitability by individual port, see "*Business of the Issuer —Introduction*".

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2011		2012		2013		2013		2014	
	(Amounts In TL '000)	*(% of total)*	*(Amounts In TL '000)*	*(% of total)*	*(Amounts In TL '000)*	*(% of total)*	*(Amounts In TL '000)*	*(% of total)*	*(Amounts In TL '000)*	*(% of total)*
Cost of sales by port:										
Port Akdeniz-Antalya..	54,924	83.5	60,114	83.9	66,188	84.2	32,989	85.88	38,834	72.0
Ege Ports-Kuşadası....	6,249	9.5	6,815	9.5	7,695	9.8	3,491	9.09	3,711	6.9
Bodrum Cruise Port ..	4,619	7.0	4,686	6.5	4,732	6.0	1,933	5.03	2,966	5.5
Port of Adria-Bar ....—	—	—	—	—	—	—	—	8,432	15.6	
Total	**65,791**	**100.0**	**71,615**	**100.0**	**78,615**	**100.0**	**38,413**	**100.0**	**53,943**	**100.0**
Cost of sales by type:										
Amortization expenses	30,060	45.7%	32,242	45.0%	33,946	43.2%	16,276	42.4%	19,467	36.1%
Personnel expenses ..	9,430	14.3%	11,329	15.8%	12,743	16.2%	7,214	18.8%	13,567	25.2%
Depreciation expenses	7,784	11.8%	9,037	12.6%	10,070	12.8%	4,194	10.9%	7,724	14.3%
Subcontractor crane expenses	6,211	9.4%	6,451	9.0%	7,507	9.5%	3,605	9.4%	4,043	7.5%
Commission fees to government authorities for services	1,361	2.1%	1,470	2.1%	1,586	2.0%	639	1.7%	711	1.3%
Insurance expenses ..	1,210	1.8%	1,063	1.5%	1,121	1.4%	518	1.3%	668	1.2%
Repair and maintenance expenses	1,201	1.8%	1,216	1.7%	1,551	2.0%	788	2.1%	1,152	2.1%
Container transportation expenses	1,431	2.2%	1,537	2.1%	1,995	2.5%	899	2.3%	966	1.8%
Security expenses… ..	1,040	1.6%	1,074	1.5%	1,184	1.5%	584	1.5%	824	1.5%
Shopping mall expenses	473	0.7%	735	1.0%	752	1.0%	340	0.9%	330	0.6%
Fuel expenses…………	3,006	4.6%	2,129	3.0%	2,389	3.0%	1,045	2.7%	1,475	2.7%
Fresh water expenses	357	0.5%	233	0.3%	235	0.3%	100	0.2%	118	0.2%
Electricity expenses ..	781	1.2%	1,153	1.6%	1,091	1.4%	503	1.3%	485	0.9%
Other expenses[(1)]	1,446	2.2%	1,946	2.7%	1,600	2.0%	1,197	3.2%	2,412	4.5%
Total	**65,791**	**100.0%**	**71,615**	**100.0%**	**78,615**	**100.0%**	**38,413**	**100.0%**	**53,943**	**100.0%**

Note:

(1) Other expenses is comprised of costs related to waste removal services and rental expenses for use of sovereign territory.

Six Months Ended June 30, 2013 and 2014

The Group's total cost of sales increased by TL 15.5 million, or 40.4%, from TL 38.4 million in first six months of 2013 to TL 53.9 million in first six months of 2014. Inclusion of the Port of Adria-Bar was responsible for an increase of TL 8.4 million in the cost of sales in first six months of 2014. Excluding the Port of Adria-Bar effect, the total increase was TL 7.1 million, or 18.5%, mostly due to a TL 5.9 million increase in the cost of sales at Port Akdeniz-Antalya, which, in turn, was principally the result of amortization and depreciation expense increases (which are calculated in US dollars), which was primarily due to a change in currency translation differences. The remaining portion was mostly due to a TL 1 million increase in the cost of sales at Bodrum Cruise Port, related naval vessel repair and maintenance for 5-year surveys, and increased marketing as a result of GPH's strategy to market Bodrum Cruise Port as a luxury destination for niche and boutique cruise operators.

Years Ended December 31, 2012 and 2013

The Group's total cost of sales increased by TL 7 million, or 8.9%, from TL 71.6 million in 2012 to TL 78.6 million in 2013. This increase was mostly due to a TL 6 million increase in the cost of sales at Port Akdeniz-Antalya, which, in turn, was due to increases in amortization expenses, depreciation expenses, personnel expenses and subcontractor expenses.

The increased cost of sales in 2013 in Port Akdeniz-Antalya was partly the result of amortization and depreciation expense increases (which are calculated in US dollars), which was primarily due to a change in currency translation differences. The increased cost of sales in 2013 in Port Akdeniz-Antalya was also partly the result of personnel expense increases. The number of Port Akdeniz-Antalya employees increased from 131 as of December 31, 2012 to 177 as of December 31, 2013, due to an increase in the number of personnel in general as well as shifting the status of contractors to employees. The increase was also due to an increase in variable costs, such as subcontractor expenses, container transportation expenses, and commission fees, in line with a 30,921 TEU, or 17%, increase in container load, from 186,463 TEU in 2012 to 217,384 TEU in 2013.

In Ege Ports, the minor increase of TL 0.9 million, or 13%, in the cost of sales in the first six months of 2014 resulted mainly from increased personnel expenses due to the inflation increase of 6.2% on wages and salary bonuses given in 2013.

Years Ended December 31, 2011 and 2012

The Group's total cost of sales increased by TL 5.8 million, or 8.9%, from TL 65.8 million in 2011 to TL 71.6 million in 2012. This increase reflected a TL 5.2 million increase in the cost of sales at Port Akdeniz-Antalya and a TL 0.6 million increase in the cost of sales at Ege Ports-Kuşadası.

The increased cost of sales in 2012 at Port Akdeniz-Antalya was partly the result of increases to variable costs (such as container transportation expenses, and commission fees) in line with a 17,039 TEU, or 10%, container load increase, from 169,424 TEU in 2011 to 186,463 TEU in 2012, as well as the inflation increase of 9.3% on wages in 2012. The increased cost of sales in 2012 was also partly due to an increase in personnel expenses following salary increases and adjustments to increase pay equality among personnel. However, efficient management of operations and cost control measures offset increased expenses. In particular, adapting the crane power source from fuel to electricity led to a substantial decline in fuel oil expenses. In addition, the Group streamlined its container storage and tracking systems to increase efficiencies and decrease costs.

In Ege Ports-Kuşadası, increased cost of sales in 2012 resulted in part from increased personnel expenses due to the inflation increase of 9.3% on wages in 2012. This was partially offset by a decrease in commission payments to the Marine Undersecretariat in line with a decrease in the number of ship calls and corresponding decrease in revenues at Ege Ports-Kuşadası.

Other income

Other income primarily comprises negative goodwill recognized on acquisitions, reversals of provisions and gains from revaluation of assets. Where the purchase price for an acquisition is less than the fair value of the net assets purchased, the difference is recognized as negative goodwill.

	For the Year Ended December 31,						**For the Six Months Ended June 30,**			
	2011		**2012**		**2013**		**2013**		**2014**	
	(Amounts In TL '000)	*(% of total)*	*(Amounts In TL '000)*	*(% of total)*	*(Amounts In TL '000)*	*(% of total)*	*(Amounts In TL '000)*	*(% of total)*	*(Amounts In TL '000)*	*(% of total)*
Other income[(1)]										
Reversed provisions	99	3.5	48	31.5	163	0.3	—	—	283.6	45
Gain on bargain purchase					52,646	99.1				
Negative goodwill	2,154	75.2	—	—	—	—	—	—	—	—
Revaluation income..	—	—	—	—	—	—	—	—	—	—
Other	612	21.4	105	68.5	315	0.6	218	100	346.4	55
Total	**2,865**	**100.0**	**154**	**100.0**	**53,123**	**100**	**218**	**100**	**630.1**	**100**

Note:

(1) A significant portion of other income in 2011 and 2010 included negative goodwill arising from acquisitions and expenses charged back to joint shareholders.

The Group recorded TL 0.6 million of other income in the first six months of 2014, as compared to TL 0.2 million of other income in the first six months of 2013, representing an increase of TL 0.4 million between the two periods. The increase was primarily related to reversed provisions provided for lawsuits against Port Akdeniz-Antalya in 2012. See "*Business of the Issuer—Legal Proceedings—Other Legal Proceedings*".

The Group recorded TL 53.1 million of other income in 2013, as compared to TL 0.2 million of other income in 2012, representing an increase of TL 53 million, between two years. The change was primarily related to the purchase of Port of Adria-Bar in December 2013, which resulted in a bargain purchase gain of TL 52.7 million in 2013. See note 8 of the 2013 Annual Financial Statements.

The Group recorded TL 0.15 million of other income in 2012, as compared to TL 2.8 million of other income in 2011, representing a decrease of TL 2.7 million, or 94.6%, between the two periods. The decrease was primarily related to an increase in the Group's ownership interest in Port Akdeniz-Antalya in July 2010, which resulted in a revaluation of the previously held interest and a bargain purchase gain of TL 2.2 million and negative goodwill of TL 2.15 million in 2011. See note 7 of the 2011 Annual Financial Statements.

Selling and marketing expenses

Selling and marketing expenses include personnel costs and other expenses related to sales and marketing, including advertising and promotion, consultancy and travel expenses.

In the first six months of 2014, selling and marketing expenses were TL 0.1 million, which was consistent with selling and marketing expenses of TL 0.1 million in the first six months of 2013. Similarly, in 2013, selling and marketing expenses were TL 0.5 million, which was consistent with selling and marketing expenses of TL 0.5 million in 2012.

In 2012, selling and marketing expenses were TL 0.5 million, which again was consistent with selling and marketing expenses of TL 0.5 million in 2011.

Administrative expenses

Administrative expenses include personnel costs, consultancy expenses, depreciation and amortization, communication, office operating and other expenses.

	For the Year Ended December 31,						**For the Six Months Ended June 30,**			
	2011		**2012**		**2013**		**2013**		**2014**	
	(Amounts In TL '000)	*(% of total)*	*(Amounts In TL '000)*	*(% of total)*	*(Amounts In TL '000)*	*(% of total)*	*(Amounts In TL '000)*	*(% of total)*	*(Amounts In TL '000)*	*(% of total)*
Personnel expenses ..	5,714	45.9	6,435	57.6	7,881	60.7	5,977	55.3	5,607	49.0
Consulting expenses..	2,916	23.4	1,840	16.5	1,097	8.4	1,910	17.7	1,159	10.1
Depreciation and amortization expenses	565	4.5	652	5.8	893	6.9	381	3.5	1,682	14.7
Taxes and duties	241	1.9	179	1.6	132	1.0	82	0.8	261	2.3
Travelling expenses	1,030	8.3	537	4.8	623	4.8	474	4.4	494	4.3
Vehicle expenses........	208	1.7	206	1.8	215	1.7	102	0.9	157	1.4
Representation expenses	209	1.7	327	2.9	402	3.1	158	1.5	451	3.9
Rent expenses...........	66	0.5	25	0.2	42	0.3	—	—	9	0.1
Communication expenses	175	1.4	196	1.8	233	1.8	103	1.0	141	1.2
Building management expenses (cleaning, warm-up fees, etc.)	148	1.2	140	1.2	177	1.4	116	1.1	131	1.1
Stationery expenses ..	80	0.6	64	0.6	131	1.0	53	0.5	86	0.8
Maintenance expenses	37	0.3	56	0.5	64	0.5	50	0.5	23	0.2
Other[(1)]	1,072	8.6	507	4.5	818	6.3	1,398	12.9	1,232	10.8
Total	**12,463**	**100.0**	**11,164**	**100.0**	**12,922**	**100.0**	**10,804**	**100.0**	**11,433**	**100.0**

Note:

(1) Other includes VAT expenses arising from acquisitions.

In the first six months of 2014, administrative expenses were TL 11.4 million, as compared to TL 10.8 million in the first six months of 2013, representing an increase of TL 0.6 million, or 5.6%, between the two periods. The increase was primarily related to an increase in depreciation and amortization expenses of TL 1.3 million. The increase in depreciation and amortization was mainly related to the Port of Adria-Bar. There was a TL 0.8 million decrease in GPH's ability to offset consulting and travelling expenses. In first six months of 2013, GPH was engaged in three transactions: the Port of Adria-Bar, Creuers and Port of Lisbon, while in 2014 during the same period, the only transaction being prepared by GPH was the additional share purchase in Creuers.

In 2013, administrative expenses were TL 12.9 million, as compared to TL 11.2 million in 2012, representing an increase of TL 1.7 million, or 15.1%, between two years. The increase was primarily related to an increase in personnel expenses of TL 1.4 million, or 22.5%, due to an increase in the number of personnel to meet increased demand due to increased container loads, bonuses awarded to GPH management and staff, and the inflation increase on wages.

In 2012, administrative expenses were TL 11.2 million, as compared to TL 12.5 million in 2011, representing a decrease of TL 1.3 million, or 10.4%, between the two periods. The decrease was primarily related to TL 1.5 million in consulting and travelling expenses incurred in 2011 in connection with the purchase of GPH shares by VEI Capital, which was partially offset by a TL 0.6 million, or 12.6%, increase in personnel expenses due to an increase in wages paid to employees due to inflation and new employee hires in 2012.

Other expenses

Other expenses include provision expenses as well as impairment losses, charitable donations, VAT receivable allowances and other expenses incurred outside the ordinary course of business.

	For the Year Ended December 31,						**For the Six Months Ended June 30,**			
	2011		**2012**		**2013**		**2013**		**2014**	
	(Amounts In TL '000)	*(% of total)*	*(Amounts In TL '000)*	*(% of total)*	*(Amounts In TL '000)*	*(% of total)*	*(Amounts In TL '000)*	*(% of total)*	*(Amounts In TL '000)*	*(% of total)*
Other expenses										
Tax amnesty expense[(1)]	3,743	38.6	28	2.4	—	—	—	—	—	—
Partial exception expenses	892	9.2	332	28.9	—	—	214	5.8	406	8.6
Project expense..........	4,467	46.1	153	13.3	407	39.1	880	23.8	3,189	67.3
Donations[(2)]	437	4.5	108	9.5	—	—	1,954	52.8	—	—
Provision expenses	147	1.5	12	1.1	—	—	—	—	275	5.8
Other	—	—	514	44.8	635	60.9	655	17.7	867	18.3
Total	**9,687**	**100.0**	**1,147**	**100.0**	**1,042**	**100.0**	**3,703**	**100.0**	**4,737**	**100.0**

Notes:

(1) Under a tax amnesty program implemented in 2011, GPH management decided to make payments on behalf of certain subsidiaries with respect to corporate tax and VAT, which included assessed amounts that had been disputed by the Group.

(2) The Group made a donation to fund the construction of a new building for a tourism college in the Aydin Municipality.

The Group recorded TL 4.7 million of other expenses in the first six months of 2014, as compared to TL 3.7 million of other expenses in the first six months of 2013, representing an increase of TL 1 million, or 27.0%, between the two periods. The increase was mainly due to an increase in project expenses in 2014 as a result of financing projects and the acquisition of Creuers in 2014. See "*—Recent Developments*".

The Group recorded TL 1 million of other expenses in 2013, which was consistent with other expenses of TL 1.1 million in 2012.

In accordance with the Tax Amnesty Law (The Law Numbered 6111) if applied until May 2, 2011, Turkish companies gained an alternative method for the settlement of previous disputes with the

tax authorities related to the years prior to 2009. In 2011, the Group decided to apply to the Turkish Ministry of Finance in order to restructure the corporate income tax pertaining to the years 2006-2007-2008-2009 and to pursue related negotiations. The Group companies applied to the Ministry of Finance related to the Tax Amnesty Law in 2011. According to the Tax Amnesty Law, current income tax was calculated as TL 2,451,875 (excluding the interest costs due to due date difference calculated in accordance with the law recognized under finance costs) in total for the years of 2006-2009. In accordance with the above mentioned progress, the Group management decided to recognize an accrual under trade and other payables.

The Group recorded TL 1.1 million of other expenses in 2012, as compared to TL 9.7 million of other expenses in 2011, representing a decrease of TL 8.6 million, or 88.2%, between the two periods. This decrease was primarily due to a decrease in tax amnesty expenses to TL 3.7 million in 2011 as compared to TL 0.04 million in 2012, an increase of project expenses to TL 4.5 million in 2011 as compared to TL 0.2 million in 2012, and an increase of partial exception expenses to TL 0.9 million as compared to TL 0.3 million in 2012. Under VAT Circular No. 60 issued by the Ministry of Finance on August 8, 2011, some partially exempted sales from September 1, 2011 are no longer exempted and, as a result, the Group's related partial exemption expenses decreased.

Net finance costs

Net finance costs comprise foreign exchange gain/loss, interest income/expense, dividend income commission incurred on letters of guarantee and gain/loss in the fair value of financial assets.

The Group realized net finance costs of TL 10.5 million in the first six months of 2014, as compared to net finance income of TL 0.1 million in the first six months of 2013, representing an increase of TL 10.4 million between the two periods. Interest expense was TL 15.5 million in the first six months of 2014, which was TL 12 million higher than the comparable period in 2013 with an interest expense of TL 3.5 million. Increase in borrowings in 2013 is mainly related to borrowings made to finance the purchase from VEI Capital of GPH shares for US$96.0 million, purchase of Creuers shares for US$10.5 million and Port of Adria-Bar for US$27.6 million. Net foreign exchange gains of TL 2.4 million in the first six months of 2014 were TL 0.8 million, higher than the TL 1.6 million of net foreign exchange gains incurred in the first six months of 2013. The increase was influenced by a small weakening of the US dollar in first six months of 2014, and the increase in total US dollar based loans in total of the Group's debt is denominated, as compared to the Turkish Lira. Interest income on marketable securities and interest income on banks and others increased by TL 2.3 million from period to period as a result of a increase in realizable market price of bonds held by the Group and higher cash amount at the beginning of 2014. In addition, the loss on sale of marketable securities TL 0.4 million affect net finance cost to increase while last year at the same period, Group made TL0.1 million gain on sale of marketable securities.

The Group realized net finance costs of TL 15.1 million in 2013, as compared to net finance costs of TL 0.6 million in 2012, representing an increase of TL 14.5 million between two years. Interest expense was TL 15.1 million in 2013, which was TL 7.2 million, or 91.1%, higher than TL 7.9 million in the comparable period 2012. The increase in borrowings in 2013 was mainly related to finance for the purchase from VEI Capital of GPH shares for US$96.0 million, purchase of Creuers shares for US$10.5 million and Port of Adria-Bar for US$27.6 million. Net foreign exchange losses of TL 3.2 million in 2013 has negative effect on net financial expense, while the Group had TL 4.9 million of net foreign exchange gains incurred in 2012. The change of foreign exchange income to losses was influenced by the strengthening of the US dollar, the currency in which a substantial portion of the Group's debt is denominated, as compared to the Turkish Lira. Interest income on marketable securities and interest income on banks and others decreased by TL 1.5 million from period to period as a result of a decrease in the amount of bonds held by the Group. In addition, the gain on sale of marketable securities declined by TL 2.2 million, or 94.3%, between two years due to the sale of bonds held by the Group during 2012, whereas all financial investments were held during 2013.

The Group realized net finance costs of TL 0.6 million in 2012, as compared to net finance costs of TL 6.8 million in 2011, an increase of TL 6.2 million, or 91%, between the two periods. Interest income on marketable securities and interest income on banks and others increased by TL 2.1 million from year to year as a result of changes in the Group's marketable securities portfolio, as the Group sold its bonds in September 2012 and bought them again in December 2012, whereas the Group held its entire portfolio throughout 2011. The change was also influenced by a TL 1.5 million decrease in interest expense on loans and borrowings due to a decrease in foreign exchange rates (as most of the Group's loans are denominated in US dollars) and a TL 0.8 million interest expense in 2011 on tax restructuring relating to the tax amnesty program which commenced in 2011. In addition, the Group had net foreign exchange gains amounting to TL 5.0 million in 2012, as compared to TL 0.6 million net foreign exchange losses in 2011, due to the weakening of the US dollar against TL in 2012 and the strengthening of the US dollar against TL in 2011.

Income tax expense

In the first six months of 2014, income tax expense was TL 3.1 million, as compared to TL 2.8 million in the first six months of 2013, representing an increase of TL 0.3 million, or 10.7%, between the two periods. The Group's corporate tax was TL 6.2 million in the first six months of 2014, TL 1.1 million higher than the corporate tax of TL 5.1 million in the first six months of 2013, because the Group had higher taxable income in 2014. The increase on deferred tax benefit in income partially offsets the increase in income tax, from TL 2.3 million in the first six months of 2013 to TL 3.1 million in the first six months of 2014.

In 2013, income tax expense was TL 4.9 million, as compared to TL 3.6 million in 2012, representing an increase of TL 1.3 million, between two years. The Group's corporate tax was TL 9.9 million in 2013, TL 0.5 million lower than the corporate tax of TL 10.4 million in 2012. Main reason for the increase was the decrease on deferred tax benefit in income, from TL 6.8 million in 2012 to TL 4.9 million in 2013. The main items generating deferred income are directly affected by fluctuations in the US dollar / TL exchange rates. When the US dollar strengthens against the TL, deferred income decreases.

In 2012, income tax expense was TL 3.6 million, as compared to TL 7.6 million in 2011, representing a decrease of TL 4.0 million, or 52.6%, between the two periods. While in both years tax charges were approximately equal (TL 10.3 million for 2012, and TL 10.6 million for 2011), the change in income tax expense was primarily due to the increase on deferred tax benefit in income for the reasons discussed above. The weakening of the US dollar by approximately 6% during 2012 caused deferred tax benefit in income to increase while the strengthening of the US dollar by approximately 22% in 2011 caused deferred tax benefit in income to decrease during 2011.

Other comprehensive income/(expense) for the period net of income tax

In the first six months of 2014, the Group's other comprehensive loss for the period net of income tax was TL 3.5 million, as compared to TL 33.9 million income in the first six months of 2013, representing a loss of TL 37.4 million between the two periods. The decrease was mainly due to the change in currency translation differences. The significant effect of foreign currency change in comprehensive income was due to the fact the Group's financial statements are presented in TL, which is GIH's functional currency, although the US dollar is significant to the operations of GPH's Ege Liman, Ortadoğu Liman and Bodrum Liman ports. Therefore, the US dollar is the functional currency of the subsidiaries and translated into TL in the consolidated accounted in accordance with applicable accounting standards. The effect of this translation partially accounts for other expenses in the financial statements. The decrease relates to a 0.5% weakening of the US dollar against the TL during the first six months of 2014, as compared to a 8.0% strengthening during the first six months of 2013.

In 2013, the Group's other comprehensive income for the period net of income tax was TL 71.3 million, as compared to TL 33.5 million expense in 2012, representing a gain of TL 104.8 million between years. The increase relates to a 20% strengthening of the US dollar against the TL in 2013, as compared to a 6% weakening in 2012.

In 2012, the Group's other comprehensive expense for the period net of income tax was TL 33.5 million, as compared to TL 89.8 million income in 2011, representing a change of TL 123.3 million between the two periods. The change was mainly due to a 6% weakening of the US dollar against the TL during 2012 as compared to a 22% strengthening during 2011.

Liquidity and Capital Resources

Historically, the Group's liquidity needs have arisen principally from the need to finance its acquisitions and any capital expenditures. In the periods under review, the Group has met most of its liquidity needs out of net cash generated from bank borrowings and operating activities. In general, the Group's commercial and cruise port customers pay tariffs approximately seven to ten days in advance, which GPH management believes assists the Group in managing its liquidity needs.

The Company is not restricted in its ability to distribute cash to shareholders. However, as a holding company, the Company has no operations of its own and depends on the receipt of dividends and distributions from its subsidiary and investee companies to fund its expenses and to pay any dividends to its shareholders. Distributions by subsidiary and investee companies are contingent upon sufficient earnings and cash flows and, for certain entities, is limited or restricted by covenants limiting the amount of dividends that might be distributed, which are included in certain loan agreements, all of which GPH management expects to repay in full from the proceeds from the Offering (see "—*Borrowings*").

The dividend policies of each of Ege Liman, Bodrum Liman and Ortadoğu Antalya are set forth in their respective articles of incorporation. Ege Liman distributes dividends from net profits of each accounting period. After deducting corporate taxes and setting aside 5% of net profit less corporate taxes as legal reserve, an amount sufficient to distribute a 5% initial tier dividend for the paid in portion of unredeemed shares is deducted. Unless the shareholders' meeting resolves otherwise, such amount is distributed among shareholders pro rata to their shareholdings. Bodrum Liman distributes dividends from net profits of each accounting period. After setting aside 5% of net profit as legal reserve, an amount sufficient to distribute a 10% initial tier dividend for the paid in portion of unredeemed share certificates is deducted. The shareholders resolve through a shareholders' resolution on the distribution of the remaining amount. 10% of the amount that will be distributed to board members, founders or employees and 10% of the second tier dividend or dividends for institutions participating in profit will be set aside and added to legal reserves. Ortadoğu Antalya distributes dividends from net profits of each accounting period. After deducting corporate taxes and setting aside 5% of net profit less corporate taxes as legal reserve, and an amount sufficient to distribute a 5% initial tier dividend for the paid in portion of unredeemed share certificates is deducted. Unless the shareholders' meeting resolves otherwise, such amount is distributed among shareholders pro rata to their shareholdings. The shareholders through a shareholders resolution may distribute a portion of the remaining amount as bonus for board members or employees, or may resolve to set aside an amount as extraordinary reserve. An amount equal to 10% of the amount that will be distributed to board members, founders or employees and 10% of the second tier dividend or dividends for institutions participating in profit will be set aside and added to legal reserves. For further discussion of the Group's dividend payments, see "—*Cash flows —Net cash generated from/used in financing activties*".

The Group has incurred long-term borrowings, amounting to TL 439.4 million as of June 30, 2014, constituting 93.8% of total borrowings of TL 468.5 million, primarily used to finance the Group's acquisitions.

The Group provides for its liquidity by seeking to maintain a sizeable balance in cash and cash equivalents, and by accessing global funding sources. 90.2% of the Group's indebtedness as of June 30, 2014 was project-based and, therefore, non-recourse to the Group.

Borrowings

The following table sets forth the Group's loans and finance lease obligations as of June 30, 2014.

Loan Type	Company Name	Currency	Maturity	Interest Type	Interest Rate %	Carrying Value as of June 30, 2014		`Outstanding as of October 31, 2014[(2)]
Loans used to finance investments and projects						*(TL)*	*(USD)[(1)]*	*(USD)[(1)]*
Secured Loan	Global Liman	USD	2017	Floating	LIBOR+4.95%	21,068,350	9,921,988	9,921,988
Secured Loan	Global Liman	USD	2021	Floating	LIBOR+5.35%	168,693,503	79,444,995	79,444,995
Secured Loan	Global Liman	USD	2023	Floating	LIBOR+5.60%	20,631,822	9,716,409	9,716,409
Secured Loan	Global Liman	USD	2023	Floating	LIBOR+5.60%	21,790,639	10,262,145	10,262,145
Secured Loan	Global Liman	USD	2023	Floating	LIBOR+5.60%	57,174,487	26,925,915	26,925,915
Secured Loan	Global Liman	USD	2023	Floating	LIBOR+5.60%	35,348,689	16,647,212	16,647,212
Secured Loan	Global Liman	USD	2023	Floating	LIBOR+6.75%	41,471,442	19,530,679	19,530,679
Secured Loan	Bodrum Liman	USD	2014	Fixed	7.95%	522,551	246,092	0
Secured Loan	Bodrum Liman	USD	2016	Fixed	7.75%	1,245,650	586,630	451,442
Secured Loan	Ortadoğu Antalya	USD	2016	Floating	LIBOR+4.95%	34,275,479	16,141,791	12,510,299
Secured Loan	Ortadoğu Antalya	USD	2016	Fixed	5.15%	4,027,064	1,896,517	1,470,258
Secured Loan	Ortadoğu Antalya	USD	2017	Floating	LIBOR+5.05%	7,979,191	3,757,743	3,757,743
Secured Loan	Ortadoğu Antalya	USD	2019	Fixed	5.65%	7,116,465	3,351,488	3,351,448
Secured Loan	Ortadoğu Antalya	TL	2015	Fixed	11.76%	59,894	28,207	21,203
Secured Loan	Port of Adria-Bar	EUR	2017	Fixed	7.80%	1,374,054	647,101	536,769
						422,779,281	**199,107,870**	**194,548,503**
Loans used to finance working capital								
Unsecured Loan	Bodrum Liman	TL	2015	Fixed	11.00%	1,700,000	800,603	800,603
Unsecured Loan	Ege Liman	USD	2016	Floating	LIBOR+5.05 %	1,707,925	804,335	804,335
Unsecured Loan	Ege Liman	USD	2015	Fixed	4.75%	1,380,210	650,000	650,000
Unsecured Loan	Ege Liman	USD	2015	Fixed	3.51%	6,370,200	3,000,000	3,000,000
Unsecured Loan	Ege Liman	USD	2015	Fixed	6.25%	2,123,400	1,000,000	1,000,000
Unsecured Loan	Ege Liman	USD	2015	Fixed		0	0	94,189
Secured Loan	Ortadoğu Antalya	USD	2016	Floating	LIBOR+4.95%	13,924,321	6,557,559	5,382,395
Secured Loan	Port of Adria-Bar	EUR	2017	Fixed	7.62%	931,464	438,666	375,891
						28,137,520	**13,251,163**	**12,107,413**
Finance lease obligations								
Leasing	Ortadoğu Antalya	USD	2015	Fixed	5.92%	1,048,339	493,708	382,780
Leasing	Ortadoğu Antalya	USD	2017	Fixed	5.75%	477,123	224,698	207,316
Leasing	Ortadoğu Liman	USD	2020	Fixed	7.35%	0	0	1,740,683
Leasing	Ortadoğu Liman	USD	2019	Fixed	7.35%	0	0	410,033
Leasing	Ege Liman	EUR	2020	Fixed	7.75%	16,093,486	7,579,112	4,326,067
						17,618,948	**8,297,517**	**7,066,878**

Note:

(1) Converted into US dollars for convenience using an exchange rate of TL 2.1234 per US dollar, being the official Turkish Lira to US dollar exchange rate as reported by the Turkish Central Bank on June 30, 2014.

(2) The final column of October 31, 2014 values is calculated by taking into account repayments already made and scheduled.

The Issuer's expected repayments of loans used to finance investments and projects and loans used to finance working capital total US$204.5 million. The Issuer expects to repay in full all loans of the Issuer and Guarantors used to finance investments and projects including share buy-back (which had a total carrying value of US$193.6 million as of October 31, 2014), for the avoidance of doubt this excludes the loans relating to Bodrum Cruise Port and the Port of Adria-Bar, amounting to US$0.5 million and to €0.6 million, such existing indebtedness will be repaid as the

respective loans mature in 2016 and 2017. The Issuer expects to repay in full all loans of the Issuer and Guarantors used to finance working capital (which had a total carrying value of US$10.9 million as of October 31, 2014), for the avoidance of doubt this excludes the loan related to Bodrum Cruise Port amounting to US$0.8 million and the Port of Adria Bar loan amounting to €0.4 million, such existing indebtedness will be repaid as the respective loans mature in 2015 and 2017. The Issuer does not expect to repay the finance lease obligation with the proceeds of the Offering. The €56.4 million of non recourse debt as of October 31, 2014, the Barcelona Acquisition Financing, will not be repaid using the proceeds from the Offering. See "*Use of Proceeds*".

The following table sets forth the Group's outstanding indebtedness as of June 30, 2014:

	As of June 30, 2014	
Short term financial liabilities:	*(TL)*	*(USD)*[(1)]
Short-term bank loans	11,573,810	5,450,603
-TL Loans	1,700,000	800,603
-Foreign currency loans	9,873,810	4,650,000
Short-term portion of long-term bank loans	78,078,427	36,770,475
-TL Loans	48,582	22,879
-Foreign currency loans	78,029,845	36,747,596
Finance lease obligations	9,517,139	4,482,028
Total	**99,169,376**	**46,703,106**
Long-term loans and borrowings:		
Long-term bank loans	361,264,564	170,134,955
-TL Loans	11,312	5,327
-Foreign currency loans	361,253,252	170,129,628
Finance lease obligations	8,101,809	3,815,489
Total	**369,366,373**	**173,950,444**
Total Short & Long-term	**468,535,749**	**220,653,550**

Note:

(1) Converted into US dollars for convenience using an exchange rate of TL 2.1234 per US dollar, being the official Turkish Lira to US dollar exchange rate as reported by the Turkish Central Bank on June 30, 2014.

The Group's long-term borrowings increased from TL 83.1 million as at December 31 2012 to 369.4 million as at June 30, 2014 as a result of financing the acquisition of Creuers (see "—*Financing of investments into Creuers*") and Port of Adria-Bar (see "—*Financing of investments into Port of Adria-Bar*") as well as additional capital expenditure at the Group's Turkish ports as detailed below.

On December 24, 2013, an amount equal to US$10.5 million was drawn under the loan agreement entered into with Garanti Bank to fund the acquisition of an additional 20% of the shares of Creuers and an amount equal to US$27.6 million was drawn under the loan agreement entered into with Garanti Bank to fund the acquisition of 62.09% of the shares of Port of Adria-Bar. See "—*Financing of the acquisition of GPH shares from VEI Capital*".

On March 7, 2014, an amount of US$ 37.05 million was drawn under the loan agreement entered into with Garanti Bank.

As of June 30, 2014, interest rates on bank loans of the Group varied between 11% and 11.76% for TL-denominated borrowings, between LIBOR+4.95% and LIBOR+6.75% for US dollar-denominated floating borrowings, and between 3.51% and 7.95% for US dollar-denominated fixed borrowings.

As of the date of this Offering Circular, GPH has not provided any guarantees. As of the date of this Offering, except as disclosed in "—Borrowings", none of the Guarantors have provided any guarantees.

Financing of the acquisition of GPH shares from VEI Capital

On December 24, 2012, GIH acquired from Savina Holding GmbH, a special purpose subsidiary of Venice Shipping and Logistic S.p.a, a strategic partner of VEI Capital, a 22.114% interest in GPH shares, following which GIH owns 100% of the share capital of GPH. The share purchase price together with the accrued dividends was US$96.0 million. Part of the total consideration paid by GIH was financed by a US$83.7 million long-term loan from Garanti Bank. The loan to fund the consideration was initially entered into by GIH. Following GIH's acquisition of GPH shares, GIH sold its 22.114% interest in GPH to Adonia Deniz ve Liman Yatırımları ve İşletmeciliği A.Ş., a wholly-owned subsidiary of GIH ("**Adonia**") for US$83.7 million, which was financed by Adonia through a US$83.7 million long-term loan from Garanti Bank. GIH repaid the first US$83.7 million long-term loan from Garanti Bank with the proceeds from the sale of its interests in GPH to Adonia. Following Adonia's acquisition of GPH shares, Adonia was merged into GPH on June 26, 2013, and GPH assumed the role of debtor under the second US$83.7 million long-term loan from Garanti Bank. On July 30, 2013, the loan was amended to increase the facility to US$170 million, and provide for a tranche A for US$83.7 million (which was drawn down on June 26, 2013 to finance the merger of Adonia into GPH), tranche B for US$66.3 million and tranche C for US$20 million maturing in 2023. US$11.2 million was drawn down on July 30, 2013. US$10.5 million was drawn down on December 24, 2013 to fund the acquisition of an additional 20% of the shares of Creuers. US$27.6 million was drawn down on December 24, 2013 to fund the acquisition of 62.09% of the shares of Port of Adria-Bar.

The tranche A loan has an eight year maturity and an interest rate of LIBOR+5.35%. The tranche B and tranche C loans have a ten year maturity and an interest rate of LIBOR+5.60%. Principal and interest are payable annually in June. The loan imposes financial covenants on GPH, and includes terms limiting its financing activities, investment, dividend payments, the sales of assets, and mergers and acquisitions of related subsidiaries. In addition, under the amended loan agreement, for tranche B and tranche C drawn down exceeding US$40 million, GPH is required to establish a first-degree pledge over its shares corresponding to 51% of its share capital. Consequently, in connection with the tranche B and tranche C drawdowns in December 2013, GPH established a first-degree pledge over 51% of its shares on December 24, 2013. In addition, all of the equity shares of GPH in Ortadoğu Antalya, corresponding to 99.8% of the share capital of Ortadoğu Antalya, are subject to a fourth degree pledge and all of the equity shares of GPH in Ege Ports-Kuşadası, corresponding to 72.5% of the share capital of Ege Ports-Kuşadası, are subject to a second degree pledge. GPH's project accounts and Ortadoğu Antalya's bank accounts are subject to a first degree pledge. In addition, Ortadoğu Antalya and GIH provided corporate guarantees under the loan agreement.

Financing of the acquisition of Port Akdeniz-Antalya

In October 2006, Akdeniz Liman İşletmeleri A.Ş acquired a 39.8% interest in Ortadoğu Antalya, the operator of Port Akdeniz-Antalya. The total consideration for the acquisition was US$61.0 million, of which GPH, Çelebi Yatırım and Antmarin contributed US$8.4 million, US$8.4 million and US$4.2 million, respectively for 40%, 40% and 20% interests, respectively. Each of GPH, Çelebi Yatırım and Antmarin funded their respective contributions through a combination of equity and a shareholder loan to Akdeniz Liman İşletmeleri A.Ş. (the "**Shareholder Loan**"). The remaining US$40.0 million was funded through a bank loan (the "**Akdeniz Liman Loan**") from Türkiye Garanti Bankasi A.Ş. ("**Garanti Bank**") to Akdeniz Liman İşletmeleri A.Ş pursuant to a loan agreement dated October 30, 2006 (the "**Akdeniz Liman Loan Agreement**").

In December 2006, Ortadoğu Antalya assumed the borrower obligations under the Akdeniz Liman Loan Agreement following its merger with Akdeniz Liman İşletmeleri A.Ş. At the same time, the Akdeniz Liman Loan Agreement was amended and the aggregate principal amount was increased to US$50.0 million. The Akdeniz Liman Loan matures in October 2016 and incurred interest at LIBOR+2.9% until July 29, 2010 and interest at LIBOR+4.95% after that date. GPH pledged (by way of first degree pledge) its shares in Ortadoğu Antalya and Ortadoğu Antalya's receivables,

accounts and proceeds under bank letters of guarantee, its other guarantees, all of its insurance policies and the concession agreement to secure the Akdeniz Liman Loan. The terms of the Akdeniz Liman Loan impose certain restrictions on GPH incurring future indebtedness, entering into partnerships in connection with new projects and providing guarantees in relation to future indebtedness. In addition, the revocation or premature termination of Ortadoğu Antalya's concession agreement in respect of Port Akdeniz-Antalya prior to the maturity of the Akdeniz Liman Loan is an event of default.

On July 29, 2010, GPH acquired substantially all of the remaining shares in Ortadoğu Antalya from Çelebi Yatırım and Antmarin (the "**Selling Shareholders**") for a total consideration of US$56.0 million, increasing its shareholding in Ortadoğu Antalya to 99.99%. In addition, Ortadoğu Antalya paid the Selling Shareholders a further US$2.8 million, representing their *pro rata* share of interest accrued on the Shareholder Loan until the date of the share transfer.

GPH funded the July 29, 2010 acquisition through a US$35.0 million loan from Garanti Bank with a seven year maturity and an interest rate of LIBOR+4.95% dated July 20, 2010 (the "**Ortadoğu Antalya Loan**"), US$10.0 million of new equity capital contributed by GIH and US$4.4 million representing GPH's share of Ortadoğu Antalya's dividends declared at a shareholders' meeting on April 15, 2010. GPH pledged Ege Liman and Ortadoğu Antalya's receivables and GPH's shares (by way of second degree pledge) in Ege Liman and in Ortadoğu Antalya (by way of third degree pledge) to secure the Ortadoğu Antalya Loan. The terms of the Ortadoğu Antalya Loan impose restrictions on the transfer of GPH's shares other than by means of a permitted public offering. In addition, certain factors (including a cross-default as a result of a default under any finance agreements in respect of which Ortadoğu Antalya is a guarantor) that may have a material adverse effect on the business of GPH are events of default. Furthermore, the revocation or premature termination of Ortadoğu Antalya's concession agreement in respect of Port Akdeniz-Antalya prior to the maturity of the Ortadoğu Antalya Loan is an event of default.

GPH refinanced its debt on August 12, 2010 in connection with the acquisition of substantially all of the remaining shares in Ortadoğu Antalya. Ortadoğu Antalya repaid US$17.0 million to GPH (representing the Shareholder Loan and part of the accrued interest on that loan) with the following:

- a US$10.0 million loan from Garanti Bank (which is subject to the same material terms as the Akdeniz Liman Loan and has an interest rate of LIBOR+4.95%);
- US$1.0 million cash generated from its operations in the first seven months of 2010; and
- US$6.0 million of cash made available because Garanti Bank waived Ortadoğu Antalya's obligation under the Akdeniz Liman Loan to pay down the principal amount of the Akdeniz Liman Loan with some of its available free cash flow (a cash sweep obligation).

In turn, GPH used these funds to pay down the Ortadoğu Antalya Loan from Garanti Bank.

Financing of investments into Port Akdeniz-Antalya

In 2011, 2012, and 2013 and the six months ended 2014, Port Akdeniz-Antalya invested US$8.9 million, US$2.4 million, US$5.2 million and US$3.1million, respectively, in Port Akdeniz-Antalya.

Port Akdeniz-Antalya entered into a 62 month financial leasing agreement on August 28, 2010 with Garanti Finansal Kiralama A.Ş. ("**Garanti Finansal**") in order to finance the purchase of a tugboat for an aggregate consideration of US$2.04 million. The principal amount under the financial leasing agreement is to be repaid in 60 installments. Port Akdeniz-Antalya has an option to purchase the tugboat from Garanti Finansal for US$1,000 on September 4, 2015. The tugboat, which cannot be sold or otherwise transferred without Garanti Finansal's consent, is insured by a policy naming Garanti Finansal as beneficiary. Ortadoğu Antalya has agreed to pay the premiums on this policy during the term of the financial leasing agreement.

Port Akdeniz-Antalya entered into a loan with Malta Branch of Garanti Bank on May 24, 2013, amounting to US$4,000,000 in total with a 6-year maturity for financing of 2013 investments. The interest rate is 5.65%. With reference to the loan agreement signed, in the event of default, the crane and the other machinery purchased by this loan are pledged to the bank.

On July 1, 2013, Port Akdeniz-Antalya assumed the rights and obligations of Bali Orman Ürünleri Gemi Acentalığı Liman Hizmetleri Lojistik Taşımacılık İnşaat Sanayi ve Ticaret Limited Şirketi under a 49 month financial leasing agreement with Burgan Finansal Kiralama A.Ş. dated May 3, 2013 with respect to the financial leasing of a forklift. Port Akdeniz-Antalya is obligated to pay the remaining principal amount of US$284.519 in equal installments until June 2, 2017. Port Akdeniz-Antalya also obtained an option to purchase the forklift from Burgan Finansal Kiralama A.Ş. for US$236 (including VAT) on or after June 30, 2017, provided certain conditions are satisfied.

On June 18, 2008, Port Akdeniz-Antalya granted a commercial enterprise pledge in favor of Garanti Bank for a maximum amount of TL 17,303,000 in relation to the general credit agreement dated May 24, 2007, which has now been fully repaid. This commercial enterprise pledge was amended on June 8, 2011, and the value of the commercial enterprise pledge was increased to TL 31,503,000 for the purpose of the additional general credit agreement with Garanti Bank dated October 13, 2010. On June 12, 2014, the amended commercial enterprise pledge was amended again and its value was increased to a maximum amount of TL 33,631,090 in in favor of Garanti Bank as a security of the general credit agreements dated October 13, 2010 and May 23, 2013. The commercial enterprise pledge creates pledge in favor of Garanti Bank on all movable and immovable assets, equipment, machinery, vehicles, trade name, intellectual property of Port Akdeniz-Antalya.

Financing of investments into Ege Ports-Kuşadası

Ege Ports-Kuşadası entered into a 72 month financial leasing agreement on June 25, 2014 with Garanti Finansal Kiralama A.Ş. ("**Garanti Finansal**") in order to finance the purchase of a tugboat for an aggregate consideration of €5.6 million. The principal amount under the financial leasing agreement is to be repaid in 72 installments. Port Akdeniz-Antalya has an option to purchase the tugboat from Garanti Finansal for €2,912 on May 15, 2020. The tugboat, which cannot be sold or otherwise transferred without Garanti Finansal's consent, is insured by a policy naming Garanti Finansal as beneficiary. Ege Ports-Kuşadası has agreed to pay the premiums on this policy during the term of the financial leasing agreement.

Financing of investments into Bodrum Cruise Port

In 2011, 2012, and 2013 and the six months ended 2014, Bodrum Liman invested US$1.5 million, US$0.04 million, US$0.7 million, and US$0.02 million, respectively, in Bodrum Cruise Port.

Bodrum Liman partially financed these investments through a five-year US$2.0 million loan from Garanti Bank pursuant to a loan agreement dated August 6, 2009 (the "***Bodrum Liman Investments Loan***"). The Bodrum Liman Investments Loan is for a term of five years and carries interest at 7.95% semi-annually.

Bodrum Liman partially financed the tugboat purchase through a five-year US$1.3 million loan from Garanti Bank pursuant to a loan agreement dated June 9, 2011. This Loan is for a term of five years and carries interest at 7.75% semi-annually.

Financing of investments into Creuers

In July 2013, GPH entered into a loan facility of US$11.2 million with an interest rate of Libor+5.35% from Garanti Bank. The facility's intended purpose was the purchase of a 23% interest in Creuers, which at that time was owned by Transmediterranea Company through BPI (a holding company created by GPH and RCCL for the acquisition of Creuers. In December 2013, GPH financed BPI's second share purchase of a 20% interest in Creuers, which at that time was

owned by the BPA. The investment was financed by GPH with a loan facility of US$10.5 million granted by Garanti Bank, with an interest rate of Libor+5.6%. On September 30, 2014, BPI acquired the outstanding 57% interest in Creuers from Vapores Suardiaz (34%) and World Duty Free Group(23%), bringing Creuers wholly under the control of BPI. This final share purchase was financed by a consortium of four banks, Banco Bilbao Vizcaya Argentaria (BBVA), Banco Santander (Santander), Caixabank (Caixa), and Demir-Halk Bank (Nederland) (DHB). BPI borrowed €60.3 million from this consortium, at an interest rate of Euribor+4%. At the same time GPH purchased 13% of RCCL's shares in BPI, increasing its shareholding in BPI to 62% and giving GPH control of BPI. GPH's purchase of the 13% interest in BPI was funded by €4.1 milllion of its own working capital.

Financing of investments into Port of Adria-Bar

By December 30, 2013, GPH had indirectly acquired a 62.09% interest in the Port of Adria-Bar from the Government of Montenegro for €8.1 million; the acquisition ocurred through Container Terminal and General Cargo JSC-Bar, who have an operating 30 year concession right (terminating in 2043). At the time, GPH borrowed US$27.5 million at an interest rate of Libor+5.60% to finance this share purchase, any potential future investments, and the redundancy programs related to the Port of Adria-Bar.

Cash flows

The following table sets forth the Group's cash flows for the periods presented.

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2011	2012	2013	2013	2014
			(TL '000)		
Operating cash flow before changes in working capital	87,893	78,822	101,465	28,701	54,508
Changes in working capital	974	(912)	(18,431)	(6,239)	(8,929)
Net cash flows from/(used in) operating activities	**88,866**	**77,910**	**83,034**	**22,462**	**45,579**
Net cash flows (used in)/from investing activities	(38,309)	(2,011)	(87,277)	(13,629)	(18,639)
Net cash flows from/(used in) financing activities	(13,164)	(78,589)	70,538	(9,074)	(68,733)
Net (decrease)/increase in cash and cash equivalents	21,813	(15,297)	20,412	(13,515)	(40,700)
Cash and cash equivalents	**37,510**	**22,213**	**42,625**	**8,698**	**1,925**

Cash flow from operating activities

In general, the Group's customers pay tariffs and fees in advance, which is a source of funding the Group's working capital requirements. Cash flow from operating activities in first six months of 2014 was a net inflow of TL 63.5 million, an increase of TL 41 million, or 182.2%, from TL 22.5 million of cash flow from operating activities in the first six months of 2013. The increase reflected a TL 13.0 million increase in working capital contributions between the two periods, which was supported by a TL 28.1 million increase in operating cash flow before changes in working capital. The increase in operating activities was due to unrealized foreign exchange differences on loans and borrowings, depreciation and amortization expenses (TL 2.3 million out of TL 7.9 million increase is being the effect of Port of Adria-Bar) and interest expense (considering US$83.7 million was dated June 26,2013 and US$86.3 million loan was after June 30, 2013), while net profit TL 4.4 million for the first six months of 2014 is TL 0.7 million below the net profit TL 5.1 million in the first six months of 2013.

Cash flow from operating activities in 2013 was a net inflow of TL 83.0 million, an increase of TL 5.1 million, or 6.5%, from TL 77.9 million of cash flow from operating activities in 2012. The increase reflected a TL 22.7 million increase in operating cash flow before changes in working capital, mainly from a TL 14.1 million increase from unrealized foreign exchange differences on loans and borrowings and a TL 7.2 million increase related to interest expenses. The increase in unrealized foreign exchange difference was driven by the fluctuations between the US dollar and Turkish Lira and the increase in the interest expenses resulted from an increase in the underlying borrowing of the Group. These increases were offset by a TL 17.5 million decrease in working capital contributions, as a result of additional tax contributions, (a TL 9.5 million decrease in trade and other payables and a TL 5.1 million decrease in other receivables) between the two periods. The increase in operating activities was due to unrealized foreign exchange differences on loans and borrowings, increasing the lower net profit for 2013 as compared to 2012, and offset by bargain purchase gain from acquisition of Port of Adria-Bar.

Cash flow from operating activities in 2012 was a net inflow of TL 77.9 million, a decrease of TL 11 million, or 12.3%, from TL 88.9 million of cash flow from operating activities in 2011. The increase was mainly due to unrealized foreign exchange differences on loans and borrowings, decreasing the lower net profit in 2012, compared to 2011, and the effect of higher deferred income tax in 2012, offset by a bargain purchase gain during 2011.

Net cash used in investing activities.

Net cash flows used in investing activities in the first six months of 2014 were TL 34.6 million, as compared to TL13.6 million in the first six months of 2013, representing an increase of TL 21 million between the two periods. The decrease was primarily due to capital expenditures (including advances given) of TL 38.4 million made in the first six months of 2014 as compared to TL 7.0 million in the same period of 2013, which in turn was offset in part by an increase in financial investments as GPH management used excess cash to purchase high income bonds in 2013. During the first six months of 2014, the Group sold part of its bonds, which increased cash flow from investing activities in the first six months of 2014.

Net cash flows used in investing activities in 2013 were TL 87.3 million, as compared to TL 2.0 million in 2012, representing a decrease of TL 85.3 million between the two periods. The decrease was primarily due to the TL 41.9 million equity-accounted investees in BPI, as well as the change in financial investments as GPH management used excess cash to purchase high income bonds. In 2012, the Group sold all of its bonds (that had a face value of US$17.1million) at a premium, and repurchased bonds for US$15.6 million at a discounted value. These actions resulted in a positive cash inflow of TL 7.8 million for 2012, whilst during 2013, GPH only purchased share certificates, and no bond transactions were carried out, resulting in a decrease of TL 8.4 million, related to investing activities. The acquisition of Port of Adria-Bar on December 30, 2013, also contributed to a fall of TL 23.2 million in net cash flows.

Net cash flows used in investing activities in 2012 were TL 2.0 million, as compared to TL 38.3 million in 2011, representing a decrease of TL 36.3 million between the two periods. The primary reason for the decrease was the acquisitions made in 2011 amounting to TL 24.8 million, representing a TL 18.1 million increase from 2012. Another reason for the decrease was the increase in financial investment in 2011 by TL 18.3 million.

Net cash generated from/used in financing activities

Net cash flows used in financing activities in the first six months of 2014 were TL 64.2 million, as compared to TL 9.1 million in the first six months of 2013. During the first six months of 2013, Global Liman and Adonia merged under GPH. As a result of the merger, GPH purchased 22.11% of its own shares resulting in a decrease by TL 18.7 million. The new borrowings made by GPH for investment purposes increased the cash inflows from financing activities during first six months

of 2014, whilst the resulting cash inflow increase from new borrowings in the first six months of 2013 was offset by distributions to shareholders associated with the share buy-back.

Net cash flows from financing activities in 2013 were TL 70.5 million, as compared to net cash flows used in financing activities TL 78.6 million in 2012. During 2013, Global Liman and Adonia merged under GPH. As a result of the merger, GPH purchased 22.11% of its shares with a bank loan of US$83.7 million obtained from Garanti Bank. In order to comply with the provisions of the Turkish Commercial Code, GPH's share capital decreased by TL 18.7 million. This decreased financing activities. New borrowings received for investing activities increased the cash inflows on financing activities during 2013, while during 2012 the Group did not use borrowings for financing. Dividends paid amounting to TL 37.6 million during 2012 decreased net cash from financing activities, as compared to TL 7.9 million in dividends paid in 2013.

Net cash flows used in financing activities in 2012 were TL 78.5 million, as compared to net cash flows used in financing activities of TL 13.2 million in 2011. The change reflected dividend payments of TL 37.6 million in 2012, as compared to dividend payments of TL 1.6 million in 2011. Another reason for the change was increased borrowings in 2011 as the Group borrowed US$1.3 million for Bodrum Cruise Port and US$2 million for Ege Port-Kuşadası for working capital purposes, and US$7.5 million for the Port Akdeniz-Antalya for new equipment.

Change in cash and cash equivalents

The Group's net cash and cash equivalents decreased from TL 8.7 million as of June 30, 2013 to TL 1.9 million as of June 30, 2014. This was primarily the result of interest and principal payments of borrowings during 2014.

The Group's net cash and cash equivalents increased from TL 22.2 million as of December 31, 2012 to TL 42.6 million as of December 31, 2013. This was primarily the result of a loan relating to the Acquisition and investment requirements of Port of Adria-Bar received on December 30, 2014 but not wholly used at the end of 2013, while a sale of financial assets available for sale in the third quarter of 2012 (TL 32.4 million) and the repurchase in the fourth quarter of 2012 has an offsetting effect on total increase.

The Group's net cash and cash equivalents decreased from TL 37.5 million as of December 31, 2011 to TL 22.2 million as of December 31, 2012. This was primarily the result of a net change in borrowings (repayments less proceeds) of TL 28.9 million in 2012, as compared to TL 4.7 million in 2011, which was offset by less property and equipment acquisitions in 2012 as compared to 2011.

Budgeted capital expenditures

The Group has planned capital expenditures of approximately US$32.9 million as follows:

- US$7.8 million for Port Akdeniz-Antalya through 2014 for a tugboat and resurfacing pavements;
- US$6.5 million for Ege Ports-Kuşadası through 2014 for a tugboat;
- €13.7 million (approximately US$18.6 million) for Port of Adria-Bar through 2017, mostly in superstructure investments, equipment, two mobile harbor cranes, and a reinforcing quay, pursuant to the terms of the concession agreement; and
- €6.8-8.8 million for LCP through 2014, 2015 and 2016 for the construction of a new terminal building.

Currently, the Group does not have any other planned capital expenditure commitments. At its discretion, the Group may make capital expenditures from time to time that are not currently budgeted based on the needs of its operations. As of June 30, 2014, the Group has incurred US$10.6 million of these budgeted capital expenditures. See "*Business of the Issuer—Principal*

Businesses—Commercial Port Business—Investments in Port Akdeniz-Antalya", "*Business of the Issuer—Principal Businesses—Cruise Port Business—Ege Ports-Kuşadası—Investments in Ege Ports-Kuşadası*", "*Business of the Issuer—Principal Businesses—Cruise Port Business—Bodrum Cruise Port—Investments in Bodrum Cruise Port*", and "*Business of the Issuer—Principal Businesses—Cruise Port Business—Port Akdeniz: Port Akdeniz-Antalya — Cruise Port Operations—Investments in Port Akdeniz-Antalya's cruise operations*", for a description of the Group's historical investments in its ports.

Contractual obligations

The following table sets forth Group's material contractual commitments, excluding interest, as of June 30, 2014:

	Payments due by period							
	Total	**Less than 1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**More than 5 years**	**Unallocated**
				(TL)				
Loans and borrowings	468,535,750	73,376,643	61,555,902	56,156,686	40,448,442	48,662,140	188,335,934	—
Trade and other payables	24,956,065	24,956,065	—	—	—	—	—	—
Due to related parties	830,088	830,088	—	—	—	—	—	—
Other liabilities	—	—	—	—	—	—	—	—
Total	494,321,903	99,162,796	61,555,902	56,156,686	40,448,442	48,662,140	188,335,934	—

Treasury Operations

The Group's treasury function has been part of the centralized Treasury Department maintained by GIH, which is responsible for cash management, asset and liability management and risk management of all companies that GIH controls.

Off-Balance Sheet Transactions and Contingent Obligations and Liabilities

As of June 30, 2014, the Group has the following off-balance sheet liabilities:

Letters of guarantee:	**in TL**
Given to Privatization Administration[1]	1,157,576
Given to Courts	154,590
Given to Electricity Distribution Companies	119,184
Others	265,696
Total	1,697,046
Operating Lease (as Lessee)	
Less than one year	473,158
Between one and five years	1,406,672
More than five years	—
Total	1,879,830
Operating Lease (as Lessor)	
Less than one year	7,605,903
Between one and five years	16,582,086
More than five years	15,754,143
Total	39,942,132

Note:

(1) Relates to a guarantee under the concession agreement for Port Akdeniz-Antalya.

The Group's main operating lease as lessee is the port rent agreement of Bodrum Liman (until 2019). The Group's main operating leases as lessor are a marina lease for Ortadoğu Antalya (until

2028) and various shopping center rental agreements of Ege Liman and Bodrum Liman (until 2018).

Quantitative and Qualitative Disclosures about Market Risk

The most significant risks facing the Group are discussed below.

Interest rate risk

The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or reprice at different times or in differing amounts. In the case of floating rate assets and liabilities the Group is also exposed to basis risk, which is the difference in repricing characteristics of the various floating rate indices, such as six months LIBOR and different types of interest. Risk management activities are aimed at optimizing net interest income, given market interest rate levels consistent with the Group's business strategies.

The Group uses interest rate derivatives (swaps) to manage its exposure to interest rate movements on their bank loans.

As of June 30, 2013 and 2014, the interest rate profile of the Group's interest-bearing financial instruments was as follows:

	June 30, 2013	June 30, 2014
	(in TL)	
Fixed rate instruments		
Financial assets[(1)]	65,694,845	29,946,480
Financial liabilities	(12,671,146)	(44,469,900)
Total	**53,023,699**	**(14,523,420)**
Floating rate instruments		
Financial assets	—	—
Financial liabilities	(103,817,096)	(424,065,849)
Total	**(103,817,096)**	**(424,065,849)**

Note:

(1) Includes Global Investment Holding bonds with a fixed rate of 11% 6-month coupon payment. These were acquired at the end of 2012 and they have a maturity of September 30, 2017 with an annual nominal interest rate of 11% and a nominal amount of US$ 14,750,000 as at September 30, 2014. The acquisition was made at a time when the Group had significant cash balances in excess of capital expenditure requirements.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and financial investments.

GPH management has a credit risk policy in place to monitor the exposure to credit risk on an ongoing basis. The Group has the ability to receive collaterals for its financial assets. Furthermore, the Group obtains letters of guarantee or similar collaterals from third parties for specific agreements and projects, if necessary.

Regarding the credibility of the counterparty, letters of guarantee or advance payments are received as collaterals of trade receivables from port operations. Within the context of credit risk policies described in this paragraph, the Group does not have significant credit risk from port operations.

As of June 30, 2014, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivatives, in the consolidated balance sheet.

Liquidity risk

Liquidity risk arises in the general funding of the Group's activities and in the management of positions. It includes both risk of being unable to fund assets at appropriate maturities and rates and risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame. The Group has access to funding sources from banks and keeps certain levels of assets as cash and cash equivalents. The Group continuously assesses liquidity risk by identifying and monitoring changes in funding required in meeting business goals and targets set in terms of the overall Group strategy.

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Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Market risk for all subsidiaries is monitored and managed by the Group's Treasury and Fund Management Department. This department uses forward transactions and option contracts to minimize possible losses from money market fluctuations.

Foreign currency risk

Currency risk is defined as the risk that the value of a financial obligation will fluctuate due to changes in foreign exchange rates. The Group is exposed to currency risk mainly through foreign currency denominated financial liabilities. However, the Group has limited exposure to currency risk arising from its US dollar denominated financial liabilities due to a natural currency hedge. Although operational expense items are denominated in TL, the the functional currency of the Group's entities is the US dollar. Thus the Group's exposure to currency risk arising from its US dollar denominated financial liabilities is limited to the extent that port tariffs are also denominated in US dollars, providing a natural currency hedge.

The Group has transactional currency exposures with respect to bank borrowings. As the currency in which the Group presents its consolidated financial statements is the TL, the consolidated financial statements are affected by movements in relevant foreign currency exchange rates against TL. As of June 30, 2014, TL 466.8 million (US$219.8 million), or 90.6%, of TL 515.1. million total financial liabilities were denominated in foreign currencies, especially US dollars.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities and the net foreign currency exposure of the Group as of June 30, 2014 were as follows:

TL equivalent in thousands	U.S. dollar	Euro	British Pounds	TL	Total
Total assets	19,129,540	5,631,441	—	126,389,429	**183,294,658**
Total liabilities	211,601,266	12,262,333	—	30,275,470	**515,051,040**
Net Foreign Currency Exposure	**(192,471,726)**	**(6,630,892)**	**—**	**96,113,959**	**(331,756,382)**

See also Note 27 to the June 30, 2014, Interim Financial Statements (**F-272**) and Note 29 to the December 31, 2013, Financial Statements (**F-80**), which includes a sensitivity analysis of the impact of a 10% strengthening or depreciation of the Turkish Lira against the US dollar and the Euro.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and the enterprises controlled by it.

Subsidiaries

Subsidiaries are fully consolidated if the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The subsidiaries in which the Group owns a majority shareholding and/or effectively controls operations are as shown below:

	Effective ownership (%)				
	December 31,			June 30,	
Entity (Asset Operated)	2011	2012	2013	2013	2014
Ege Liman (Ege Ports-Kuşadası)	72.50	72.50	72.50	72.50	72.50
Bodrum Liman (Bodrum Cruise Port)	60.00	60.00	60.00	60.00	60.00
Ortadoğu Antalya (Port Akdeniz-Antalya)	99.80	99.80	100.00	99.80	99.99
Port of Adria-Bar	—	—	62.09	—	62.09
Global Depolama A.Ş. (warehouses)	99.99	99.99	99.99	99.99	100.00
İzmir Liman İşletmeciliği A.Ş.	79.00	79.00	100.00	100.00	—

	Voting power held (%)				
	December 31,			June 30,	
Entity (Asset Operated)	2011	2012	2013	2013	2014
Ege Liman (Ege Ports-Kuşadası)	72.50	72.50	72.50	72.50	72.50
Bodrum Liman (Bodrum Cruise Port)	60.00	60.00	60.00	60.00	60.00
Ortadoğu Antalya (Port Akdeniz-Antalya)	100.00	100.00	100.00	100.00	99.99
Port of Adria-Bar	—	—	62.09	—	62.09
Global Depolama A.Ş. (warehouses)	100.00	100.00	100.00	100.00	100.00
İzmir Liman İşletmeciliği A.Ş.	79.00	79.00	100.00	100.00	—

Joint ventures

The Group classifies its interests in joint arrangements as either joint operations (if the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement) or joint ventures (if the Group has rights only to the net assets of an arrangement). When making this assessment, the Group considered the structure of the arrangements, the contractual terms of the

arrangements and other facts and circumstances. The Group recognizes its interest in a joint venture as an investment and accounts for that investment using the equity method.

The joint ventures of the Group, together with effective ownership and voting percentages are given below:

	Effective ownership (%)				
	December 31,			June 30,	
Entity (Asset Operated)	2011	2012	2013	2013	2014
Barcelona Ports Investment	—	—	21.07	—	21.07
Port of Adria-Bar	—	—	—	—	—
Lisbon Cruise Port	—	—	—	—	—

	Voting power held (%)				
	December 31,			June 30,	
Entity (Port Operated)	2011	2012	2013	2013	2014
Barcelona Ports Investment	—	—	21.07	—	21.07
Port of Adria-Bar	—	—	—	—	—
Lisbon Cruise Port	—	—	—	—	—

Available for sale financial assets

Torba İnşaat ve Turistik Yatırımlar A.Ş., a holding company that owns a plot of land in Bodrum, has been classified in the balance sheet, at cost, as an available for sale financial asset in accordance with IAS 39 Financial Instruments: Recognition and Measurement.

Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by the Group entities.

Basis of consolidation

The accompanying consolidated financial statements include the accounts of the parent company, Global Liman, its subsidiaries and joint ventures as at the date of the respective financial statements on the basis set out in sections below. The financial statements of the entities included in the consolidation have been prepared as at the date of the consolidated financial statements. For the avoidance of doubt, the acquisition of Creuers is not reflected in these financial statements.

Subsidiaries

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

For each business combination, the Group elects to measure any non-controlling interests in the acquiree at fair value.

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

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

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

As at December 31, 2013 and 2012, the subsidiaries in which the Group owned a majority shareholding and/or effectively controlled their operations are as shown below:

	Effective ownership (%)		Voting power held (%)_	
	2013	2012	2013	2012
Ege Liman	72.50	72.50	72.50	72.50
Ortadoğu Liman	99.99	99.80	99.99	99.99
Bodrum Liman	60.00	60.00	60.00	60.00
Port of Adria-Bar	62.09	—	62.09	—
Global Depolama	100	99.99	100.00	100.00
İzmir Liman	100.00	79.00	100.00	79.00

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in joint ventures. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in the joint venture are accounted for using the equity method. They are recognized initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

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

	Effective ownership rates		Voting power held	
	December 31,		December 31,	
	2013	2012	2013	2012
	(%)	*(%)*	*(%)*	*(%)*
BPI	49.00	—	50.00	—

Available for sale financial assets

As at December 31, 2013 and 2012, Torba, in which the Group owns 79% of the shares but does not have control, and Randa in which the Group owns 99.99% of shares but is inactive, were not consolidated and are classified and measured as an available for sale financial assets in accordance with IAS 39 Financial Instruments: Recognition and Measurement.

Non-controlling interests

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

between any proceeds received and the relevant share of non-controlling interests are also recorded in equity.

Transactions eliminated on consolidation

Subsidiaries are consolidated by using the full consolidation method. Therefore, the carrying value of subsidiaries is eliminated against the related shareholders' equity. The equity and net income attributable to non-controlling interests are shown separately in the consolidated statement of financial position and profit or loss and other comprehensive income. Intra-group balances, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Business combinations

Acquisitions from third parties are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus (up to December 31, 2009) any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 Business Combinations are recognized at their fair values at the acquisition date.

The excess of the consideration transferred over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is accounted for as goodwill. Goodwill arising from business combinations is not amortized, but tested for impairment annually or more frequently if there is any evidence that the goodwill may be impaired. If the fair value of the identifiable assets, liabilities and contingent liabilities or the cost of the combination is temporarily determined, initial recognition of the business combination is performed based on the transitional amounts. After the initial recognition, which is allowed to be performed during 12 months after the acquisition, corrections in relation to the initial recognition are accounted for in accordance with IFRS 3 Business Combinations and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

If the share of the fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree exceed the cost of a business combination, the difference is recognized as income (gain on a bargain purchase).

In a business combination achieved in stages, the acquirer remeasures its previously held equity interest in the acquiree at its acquisition-date fair value and recognises the resulting gain or loss in profit or loss.

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses ultimately are controlled by the same party or parties both before and after the combination. The acquisition of an entity under common control is accounted for using book values, and in its consolidated financial statements the acquirer is permitted, but not required, to restate its comparatives as if the combination had been in existence throughout the reporting periods presented. The Group has, however, elected to account for the acquisition of an entity under common control from the acquisition date.

Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Group entities by using exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional

currency at the exchange rate at that date. Foreign currency differences arising on retranslation are recognized in profit or loss.

The Group entities use USD, Euro or TL as their functional currency since these currencies are used to a significant extent in, or have a significant impact on, the operations of the related Group entities and reflect the economic substance of the underlying events and circumstances relevant to these entities. All currencies other than the currency selected for measuring items in the financial statements are treated as foreign currencies. Accordingly, transactions and balances not already measured in the functional currency have been re-measured to the related functional currencies in accordance with the relevant provisions of IAS 21 The Effect of Changes in Foreign Exchange Rates. The Group uses TL as the reporting currency.

Assets and liabilities of those Group entities with a different functional currency than the reporting currency of the Group are translated into the reporting currency of the Group at the rate of exchange ruling at the reporting date. The income and expenses of the Group entities are translated into the reporting currency at the average exchange rates for the period. Equity items, except for net income, are presented at their historical costs. These foreign currency differences are recognized in "other comprehensive income", within equity, under "Translation Reserves". As at December 31, 2013 and 2012, foreign currency exchange rates of the Central Bank of the Turkish Republic were as follows:

	2013	2012
USD/TL	2,1343	1,7826
Euro/TL	2,9365	2,3517

For the year ended December 31, 2013 and 2012, average foreign currency exchange rates of the Central Bank of the Turkish Republic were as follows:

	2013	2012
USD/TL	1,9013	1,7925
Euro/TL	2,5248	2,3155

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to TL at exchange rates at the reporting date. The income and expenses of foreign operations are translated to TL at exchange rates at the dates of the transactions. Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation differences is allocated to non-controlling interests ("NCI").

When a foreign operation is disposed of in its entirely or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, then foreign currency differences arising from such item form part of the net investment in the foreign operation. Accordingly, such differences are recognized in OCI and accumulated in the translation reserve.

Hedge of a net investment in foreign operation

The Group applies hedge accounting to foreign currency differences arising between the functional currency of the subsidiaries and the Company's functional currency (TL).

To the extent that the hedge is effective, foreign currency differences arising on the translation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in OCI and accumulated in the translation reserve. Any remaining differences are recognised in profit or loss. When the hedged net investment is disposed of, the relevant amount in the translation reserve is transferred to profit or loss as part of the gain or loss on disposal.

The functional currency of the Group's entities in the ports business is US dollar. Although the Group's port operations are exposed to currency risk mainly through foreign currency denominated financial liabilities, the Group's exposure to currency risk arising from its US dollar denominated financial liabilities is limited to the extent that port tariffs are also denominated in US dollars, thus providing a natural currency hedge.

Financial instruments

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

The Group classifies non-derivative financial liabilities into the other financial liabilities category.

Non-derivative financial assets and financial liabilities- recognition and derecognition

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

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

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

Non-derivative financial assets – measurement

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is designated as such upon initial recognition or is classified as held for trading. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

Loans and receivables

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

Loans and receivables comprise bank deposits and trade and other receivables. Bank deposits with original maturities of three months or less are classified as cash and cash equivalents.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, bank deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Available for sale financial assets

Available for sale financial assets are measured at fair value subsequent to initial recognition. Unrealized gains or losses from the changes in fair value of the available for sale financial assets are accounted for in the statement of profit or loss and other comprehensive income and "fair value reserve" under equity. If the market for an available for sale financial asset is not active, the Group establishes fair value by using a valuation technique. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same and discounted cash flow analysis. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment losses. Fair value reserves accounted for under equity are recycled to the profit or loss when available for sale financial assets are derecognized.

Non-derivative financial liabilities – measurement

Financial liabilities are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

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

The Group has the following non-derivative financial liabilities: loans and borrowings and trade and other payables. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

Share capital

Ordinary shares

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

Derivative financial instruments

The Group holds derivative financial instrument to hedge its foreign currency risk exposure.

On initial designation of the derivative as a hedging instrument, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value.

Derivatives are recognised initially at fair value; any attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below:

Net investment hedge accounting

A net investment hedge is a hedge of the foreign currency exposure arising from a net investment in a foreign operation using derivative or non-derivative financial items as the hedging instrument. If a monetary item is a part of net investments made to subsidiaries of the Company whose functional currency is other than TL, foreign exchange differences arise in financial statements of the Company. Those foreign exchange differences are recognised in other comprehensive income in consolidated financial statements when the differences are considered as hedging instruments.

Transactions for the purpose of avoiding net investment risk made to subsidiaries whose functional currency is other than TL are recognised as transactions for the purpose of cash flow accounting hedge including financial accounting hedge transactions of monetary items which are recognised as a part of net investment.

The effective portion of gain or loss arising from financial hedging instrument is recognised in other comprehensive income or expense and Non effective portion of gain or loss arising from financial hedging instrument is recognised in profit or loss.

Gain or loss on financial hedging instrument related to effective portion of financial hedging transaction and recognised in other comprehensive income or expense is excluded from equity and classified to profit or loss as reclassification adjustment when there is a disposal of related subsidiary or disposal period.

Property and equipment

Recognition and measurement

Items of property and equipment related to operations whose functional currency is TL and were acquired before January 1, 2006 are measured at cost restated for the effects of inflation in TL units current at December 31, 2005 less accumulated depreciation and accumulated impairment losses, and items of property and equipment acquired after December 31, 2005 are measured at cost less accumulated depreciation and accumulated impairment losses.

Property and equipment of companies, whose functional currencies are not TL, are denominated in the original currencies, stated at cost, less accumulated depreciation and accumulated impairment losses and are translated to TL by using the exchange rate ruling at the reporting date.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Borrowing costs related to the acquisition, construction or production of qualifying assets are capitalized up to the end of the period that relevant asset was ready to use.

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

Subsequent costs

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amounts substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Leasehold improvements are amortized over the periods of the respective leases, also on a straight-line basis.

The estimated useful lives for the current and comparative periods are as follows:

	Years
Leasehold improvements	4-30
Furniture and fixtures	4-20
Machinery and equipment	4-30
Motor vehicles	4-18

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

De-recognition

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognized net within profit or loss.

Intangible Assets

Recognition and measurement

Intangible assets comprise port operation rights, contract-based customer relationships and software.

Intangible assets related to operations whose functional currency is TL and which were acquired before January 1, 2006 are restated for the effects of inflation in TL units current at December 31, 2005, less accumulated amortization and accumulated impairment losses. Intangible assets acquired after January 1, 2006 are stated at cost less accumulated amortization and permanent impairment losses.

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

Subsequent expenditures

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred.

Intangible assets recognized in a business combination

In a business combination or acquisition, the Group recognizes separately an intangible asset of the acquiree at the acquisition date only if it meets the definition of an intangible asset in IAS 38 Intangible Assets and its fair value can be measured reliably. The Group's intangible assets recognized in a business combination comprise the port operation rights and the customer relationships.

Amortization

Amortization is calculated over the cost of the asset, or other amount substituted for cost less its residual value.

Amortization is recognized in profit or loss on a straight line basis over the estimated useful lives of intangible assets from the date they are available for use, since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the assets.

The estimated useful lives for the current and comparative periods are as follows:

	Years
Port operation rights	12-30
Customer relationships	12
Software	5

Goodwill

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

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

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

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

Leased assets

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease. This will be the case if the following two criteria are met:

At inception or on reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate

Leased assets

Assets held by the Company under leases which transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of financial position.

Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Impairment

Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes;

- default or delinquency by a debtor,
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise,
- indications that a debtor or issuer will enter bankruptcy,
- adverse changes in the payment status of borrowers or issuers.

Financial assets measured at amortised cost

The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between asset's carrying amount, and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between acquisition cost (net of any principle repayment and amortization) and the current fair value reserve, less any impairment loss previously recognized in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be

related objectively to an event occurring after the impairment loss was recognized, then the impairment loss is reversed through profit or loss; otherwise, it is reversed through OCI.

Equity-accounted investees

An impairment loss in respect of equity-accounted investees is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognized in profit or loss, and is reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "**cash-generating unit**"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss for an asset other than goodwill is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Employee benefits

In accordance with the existing labor law in Turkey, the entities operating in Turkey are required to make lump-sum payments to employees who have completed one year of service and whose employment is terminated without cause, or due to retirement, military service or death. Retirement pay liability is calculated by using lower of an employee's monthly salary and the retirement pay ceiling, which at December 31, 2013 was TL 3.254 (December 31, 2012: TL 3.034), for each year of the employee's service. The Group recognizes the retirement pay liability as the present value of the estimated total reserve of the future probable obligation of the Group. The key assumptions used in the calculation of the retirement pay liability are detailed in Note 25.

Provisions, contingent assets and liabilities

A provision is recognized in the accompanying consolidated financial statements if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the

obligation. Contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. Unless the possibility of any outflow in settlement is remote, contingent liabilities are disclosed in the notes to the financial statements. Where an economic inflow of economic benefits is probable, contingent assets are disclosed in the notes to the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

Revenue

Revenue is recognized on an accruals basis when services are rendered, the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable and the amount of revenue can be measured reliably.

Port administration services

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

Rental income

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

Other service revenue and other sales

Other service revenues and other sales are presented on profit or loss on an accrual basis.

Finance income and finance costs

Finance income comprises interest income, gains on sale of marketable securities and net foreign currency gains that are recognized in the profit or loss. Interest income is recognized as it accrues, using the effective interest method.

Finance costs comprise interest expense on borrowings, net foreign currency losses and losses on sale of marketable securities. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Borrowing costs are capitalized if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred.

Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or in OCI.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Corporate income tax is levied on the statutory corporate income tax base, which is determined by modifying income for certain tax exclusions and allowances.

Deferred tax

Deferred tax is recognised in respect of for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and the Group has not recognised deferred tax assets and liabilities. Deferred tax is measured at the tax notes that are expected to be applied to temporary differences when they reverse, using tax notes enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if certain criteria are met.

Earnings per share

The Group presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, less own shares acquired.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings and inflation adjustments on equity items. Such kind of bonus shares are taken into consideration in the computation of earnings per share as issued share certificates. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the period has been adjusted in respect of bonus share issues without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and each earlier period.

Related parties

Parties are considered related to the Company if;

(a) directly, or indirectly through one or more intermediaries, the party:

(b) controls, is controlled by, or is under common control with the Company (this includes parent, subsidiaries and fellow subsidiaries);

(c) has an interest in the Company that gives it significant influence over the Company; or

(d) has joint control over the Company;

(e) the party is an associate of the Company;

(f) the party is a joint venture in which the Company is a venturer;

(g) the party is member of the key management personnel of the Company and its parent;

(h) the party is a close member of the family of any individual referred to in (a) or (d);

(f) the party is an entity that is controlled or significantly influenced by, or for which significant voting power in such entity resides with directly or indirectly, any individual referred to in (d) or

(g) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any entity that is a related party of the Company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

A number of transactions are entered into with related parties in the normal course of business on an arm's length basis.

Government subsidies and incentives

All subsidies and incentives, including non-monetary incentives stated at fair market values, are included in the consolidated financial statements when there is reasonable certainty that the Group will qualify and receive such subsidies and incentives. Government incentives utilized by the Group comprises investment allowances (Note 18 to the December 31, 2013, Financial Statements – **F–51**).

Lease payments

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

For the years ended December 31, 2013 and 2012, the operating segments of the Group are Kuşadası Port, Antalya Port and Bodrum Port, which are operated by Ege Liman, Ortadoğu Liman and Bodrum Liman, respectively. The detailed information is disclosed in Note 5.

Events after the reporting date

Events after the reporting date include all events up to the date when the financial statements are authorized for issue, even if those events occur after the public announcement of profit or of other selected information.

The Group adjusts the amounts recognized in its consolidated financial statements to reflect adjusting events after the reporting date. Non-adjusting events are disclosed in the notes to the consolidated financial statements, if material.

Statement of cash flows

Cash flows for the period are classified as cash flows from operations, investing activities and financing activities. Cash flows from operations are the cash flows generated from the principal activities of the Group. The Group presents the cash flows from operating activities by using the indirect method such as adjusting the accruals for cash inflows and outflows from gross profit/loss, other non-cash transactions, prior and future transactions or deferrals.

Cash flows from investing activities represent the cash flows used in/provided from investing activities (purchase of tangible and intangibles assets and investments).

Cash flows from financing activities represent the funds used in and repayment of the funds during the period.

For purposes of preparation of the statement of cash flows, cash and cash equivalents include cash on hand, bank deposits and highly liquid investments with maturity of less than three months having no impairment risk exposure.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2014, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group set out below. The Group does not plan to adopt these standards early.

IFRS 9 Financial Instruments (2010), IFRS 9 Financial Instruments (2009)

IFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under IFRS 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 (2010) introduces additional charges relating to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and new requirements to address the impairment of financial assets and hedge accounting.

IFRS 9 (2010) and IFRS 9 (2009) are effective for annual periods beginning on or after January 1, 2017, with early adoption permitted. The adoption of these standards is not expected to significant impact on the Group's financial statements.

The mandatory effective date will be decided upon when the entire IFRS 9 project is completed. The Group does not plan to early adopt these Standards and did not evaluate the effect of these Standards / it is not expected that the abovementioned Standard would have pervasive effect on the Group's financial position or financial performance.

IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial liabilities (Amended)

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

IAS 36 Recoverable amount disclosures for non-financial assets

The amendments clarify the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal. These amendments are to be retrospectively applied for annual periods beginning on or after January 1, 2014.

IFRIC 21 Levies

Levies have become more common in recent years, with governments in a number of jurisdictions introducing levies to raise additional income. A new interpretation has provided more clarity as to when a liability for a levy should be recognized. The IFRS Interpretations Committee has defined the term "levy" and confirmed that the trigger for recognizing a liability is the obligating event specified in the legislation. These amendments are to be retrospectively applied for annual periods beginning on or after January 1, 2014.

The Group does not plan to adopt these standards early and the extent of the impact has not been determined yet.

UNAUDITED CONDENSED COMBINED PRO FORMA FINANCIAL INFORMATION

Unaudited Condensed Combined Pro Forma Financial Information – Effect of the Acquisition of Creuers

The following unaudited condensed combined pro forma financial information has been prepared to illustrate the impact on the consolidated financial statement of financial position and statement of income and other financial data of GPH for the year ended December 31, 2013, for the twelve-month period ended June 30, 2014 and for the six month periods ended June 30, 2013 and 2014, of the acquisition of a controlling interest of 62% in BPI, which has a 100% interest in Creuers, and the financing thereof.

The unaudited condensed combined pro forma financial information is presented to illustrate the estimated effects of the acquisition, and the financing thereof on GPH's historical results of operations and financial condition as if they had occurred on January 1, 2013. The information, which has been produced for illustrative purpose only, by its nature addresses a hypothetical situation, and is not intended to represent or be indicative of the results of operations or financial condition that GPH would actually have reported had the acquisition occurred on January 1, 2013, nor does such pro forma financial information purport to project GPH's results of operations or financial condition for any future period.

The unaudited pro forma combined financial information has not been prepared in accordance with the requirements of Regulation S-X of the U.S. Securities Act or any generally accepted accounting standards, and should not be relied on as if it had been carried out in accordance with those standards.

The unaudited condensed combined pro forma financial information is not directly comparable to GPH's historical financial information presented elsewhere in this Offering Circular.

The unaudited condensed combined pro forma financial information should be read in conjunction with the information contained in "*Presentation of Financial and Other Data*", "*Selected Financial Information*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations— Global Ports*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Creuers del Port de Barcelona*" and the historical financial statements of GPH and Creuers included elsewhere in this Offering Circular.

Description of the Transaction – Acquisition of Creuers

In June 2013, GPH formed a holding company, BPI, with RCCL for the purpose of acquiring Creuers. Initially, GPH held a 49% interest in BPI, with a call option to acquire an additional 1% interest from RCCL. On July 26, 2013, BPI acquired a 23% interest in Creuers for €16.7 million, and on December 30, 2013, BPI acquired a further 20% interest in Creuers for €14.5 million, increasing BPI's interest in Creuers to 43% and GPH's total interest in Creuers through BPI to 21.07%. On June 20 2014, GPH entered into an agreement to purchase the outstanding interests of Vapores Suardiaz and World Duty Free in Creuers. GPH subsequently assigned these rights to BPI. On September 30, 2014, therefore, BPI acquired the outstanding 57% interest in Creuers of Vapores Suardiaz (34%) and World Duty Free Group (23%), bringing it wholly under the control of BPI. At the same time GPH purchased 13% of RCCL's shares in BPI, increasing its shareholding in BPI to 62% and giving GPH control of BPI.

Basis of Preparation of Condensed Combined Pro Forma Financial Information

The unaudited condensed combined pro forma financial information has been prepared taking into consideration the significant accounting policies applied to prepare GPH's Annual Financial Statements for the year ended and as at December 31, 2013 and GPH's unaudited interim condensed financial statements as at and for the six month period ended June 30, 2014 and 2013,

included elsewhere in this Offering Circular but does not consolidate the Port of Málaga subsidiaries of Creuers as these policies would require. The Port of Málaga is an Unrestricted Subsidiary under the Indenture. See "*Description of the Notes.*"

The unaudited condensed combined pro forma financial information has been prepared based upon information derived from GPH's audited financial statements for the year ended and as at December 31, 2013, and unaudited interim financial statements for the six-month periods ended and as at June 30, 2014 and 2013; and Creuers' audited statutory accounts for the year ended and as at December 31, 2013 and unaudited interim financial statements for the six month periods ended and as at June 30, 2014 and 2013. The table below sets forth the period-end and average rates for the conversion of the Creuers financial information from Euros into US dollars:

	US dollars per €1.00	
	Average	**Period End**
For the six months ended June 30, 2013	1.3133	—
For the year ended December 31, 2013	1.3274	1.3759
For the six months ended June 30, 2014	1.3708	1.3619

The figures for GPH and Creuers as at and for the twelve months ended June 30 2014 represent the sum of their results for the six months ended June 30, 2014 and their results for the year ended December 31, 2013, less the results for the six months ended June 30, 2013 and have not been audited or reviewed.

The information related to Creuers and included under the heading "Creuers" in the tables below is presented on an unconsolidated basis, excluding Creuers' holdings in the Port of Málaga. Accordingly, such financial information does not comply with IFRS 10, "Consolidated Financial Statements". Furthermore, the financial information does not comply with IAS 28 in relation to Creuer's minority holding in Singapore Cruise Port. Accordingly, this financial information does not comply with IFRS as adopted by the European Union.

Combined Pro Forma Statement of Income Data

	for the year ended December 31, 2013				for the last twelve months ended June 30, 2014[1]			
	GPH[1]	Creuers[2]	Pro forma adjustments	Pro forma	GPH	Creuers	Pro forma adjustments	Pro forma
USD million								
Revenue	**75.5**	**27.1**		**102.6**	**81.3**	**25.0**		**106.3**
Operating expenses	(41.3)	(12.6)		(53.6)	(44.8)	(13.4)		(58.2)
Depreciation and amortization	23.6	2.1		25.7	25.0	2.2		27.2
Other operating income	27.9	1.1		29.0	28.1	0.9		29.0
Other operating expense	(7.7)	(1.0)		(9.0)	(7.4)	(0.7)		(8.1)
Operating profit	**54.4**	**14.7**	**—**	**69.1**	**57.2**	**11.9**	**—**	**69.1**
Finance income	13.1	0.4		13.5	28.5	0.3		28.8
Finance expenses	(21.0)	(0.3)		(21.3)	(41.5)	(0.4)		(41.9)
Share of profit of equity-accounted investees	0.4	—	(0.4)[4]	—	1.4	—	(1.4)[5]	—
Profit before income tax	**46.9**	**14.9**	**(0.4)**[4]	**61.4**	**45.6**	**11.9**	**(1.4)**[5]	**56.1**
Income tax expense	(2.6)	(4.5)		(7.1)	(2.1)	(3.6)		(5.7)
Profit for the year	**44.3**	**10.4**	**(0.4)**[4]	**54.3**	**43.5**	**8.3**	**(1.4)**[5]	**50.4**

	for the six months ended June 30, 2013				for the six months ended June 30, 2014			
	GPH[6]	Creuers[7]	Pro forma adjustments	Pro forma	GPH[8]	Creuers[9]	Pro forma adjustments	Pro forma
USD million								
Revenue	**33.6**	**10.7**		**44.3**	**39.4**	**8.6**		**48.0**
Operating expenses	(21.2)	(5.7)		(26.9)	(25.0)	(6.5)		(31.5)
Depreciation and amortization	11.6	1.0		12.6	13.0	1.1		14.1
Other operating income	0.1	0.4		0.5	0.3	0.2		0.5
Other operating expense	(8.1)	(0.5)		(8.6)	(7.5)	(0.2)		(7.7)
Operating profit	**4.4**	**4.9**	**—**	**9.3**	**7.2**	**2.1**	**—**	**9.3**
Finance income	5.4	0.2		5.6	20.8	0.1		20.9
Finance expenses	(5.5)	(0.1)		(5.6)	(26.0)	(0.2)		(26.2)
Share of profit of equity-accounted investees	—	—	—	—	1.0	—	(1.0)	—
Profit before income tax	**4.3**	**5.0**	**—**	**9.3**	**3.0**	**2.0**	**(1.0)**	**4.0**
Income tax expense	(1.5)	(1.5)		(3.0)	(1.0)	(0.6)		(1.6)
Profit for the year	2.8	3.5	—	6.3	2.0	1.4	(1.0)	2.4

Notes:

(1) Represents the sum of the results of operations for six months ended June 30, 2014 and the results of operations for the year ended December 31, 2013, less the results for the six months ended June 30, 2013.

(2) Converted at an exchange rate of TL 1.9013 per dollar.

(3) Converted at an exchange rate of €1.3274 per dollar.

(4) Correcting equity pick-up (in the income statement of GPH) in the fiscal year 2013 for minority shareholding which GPH previously accounted for as its indirect, minority shareholding in Creuers of 21.5.%

(5) Correcting equity pick-up (in the income statement of GPH) in the period up to June 30, 2014 for minority shareholding which GPH previously accounted for as its indirect, minority shareholding in Creuers of 21.5.%

(6) Converted at an exchange rate of TL 1.8085 per dollar.

(7) Converted at an exchange rate of €1.3133 per dollar.

(8) Converted at an exchange rate of TL 2.1642 per dollar.

(9) Converted at an exchange rate of €1.3708 per dollar.

Combined Pro Forma Statement of Financial Position Data

	as at December 31, 2013				for the six month period as at June 30, 2014			
	GPH	Creuers	Pro forma adjustments	Pro forma	GPH	Creuers	Pro forma adjustments	Pro forma
	USD million							
Cash and cash equivalents	20.0	20.8	(5.2)[1]	35.5	0.9	18.4	(5.2)[2]	14.1
Total current assets	57.2	23.5		80.7	82.8	25.3		108.1
Total assets	**479.6**	**67.4**	**29.5**[3]	**576.5**	**505.1**	**68.3**	**27.7**[4]	**601.1**
Total debt (including obligations under operating and financing leases)	**190.5**	**3.2**	**74.4**[1]	**268.1**	**220.7**	**3.1**	**73.7**[2]	**297.5**
Net debt (including obligations under operating and financing leases)	**170.5**	**(17.6)**	**79.7**[1]	**232.6**	**219.8**	**(15.3)**	**78.9**[2]	**283.4**
Total equity	**207.9**	**50.2**	**(50.2)**[5]	**207.9**	**207.9**	**51.2**	**(51.2)**[6]	**207.9**
of which retained earnings	145.3	45.3	(45.3)[5]	145.3	146.7	46.3	(46.3)[6]	146.7

Notes:

(1) The effect of the Barcelona Acquisition Financing – an initial amount of €60.2 million, including the refinancing of Creuers' outstanding debt at closing of the transaction (see Creuers column, net effect shown in Pro-Forma Adjustments). Immediately following the closing of the acquisition a repayment of €3.8 million was made with cash from Creuers' balance sheet. All Euro values converted with exchange rate of 1.3759 as of December 31, 2013.

(2) The effect of the Barcelona Acquisition Financing – an initial amount of €60.2 million, including the refinancing of Creuers' outstanding debt at closing of the transaction (see Creuers column, net effect shown in Pro-Forma Adjustments). Immediately following the closing of the acquisition a repayment of €3.8 million was made with cash from Creuers' balance sheet. All Euro values converted with exchange rate of 1.3619 as of June 30, 2014.

(3) The correction of the investment representing the indirect minority shareholding that GPH previously held in Creuers (21.5%), including goodwill.

(4) The correction of the investment representing the indirect minority shareholding that GPH previously held in Creuers (21.5%), including goodwill.

(5) Correction to reflect the acquisition of Creuers' outstanding equity and the inclusion of retained earnings as of December 31, 2013 as part of the pro-forma consolidation.

(6) Correction to reflect the acquisition of Creuers' outstanding equity and the inclusion of retained earnings as of June 30, 2014 as part of the pro-forma consolidation.

Combined Pro Forma Other Financial Data

	for the year ended December 31, 2013			
	GPH	Creuers	Pro forma adjustments	Pro forma
	USD million			
EBITDA	50.4	18.4	—	68.8
EBITDA margin	67%	68%	—	67%

	for the last twelve months ended June 30, 2014			
	GPH	Creuers	Pro forma adjustments	Pro forma
	USD million			
EBITDA	56.1	15.8	0.0	71.9
EBITDA margin	69%	63%	—	68%

	for the six months ended June 30, 2013			
	GPH	Creuers	Pro forma adjustments	Pro forma
	USD million			
EBITDA	15.9	6.7	—	22.6
EBITDA margin	47%	63%	—	51%

	for the six months ended June 30, 2014			
	GPH	Creuers	Pro forma adjustments	Pro forma
	USD million			
EBITDA	21.6	4.1	—	25.7
EBITDA margin	55%	48%	—	54%

Pro Forma EBITDA and Total Assets for Issuer, Guarantors and Non-Guarantors – Effect of the Acquisition of Creuers and the Financing for the Acquisition of Creuers

The information provided in the following table is provided on a pro forma basis to reflect the effect of the acquisition of Creuers and the financing thereof on the Issuer's EBITDA and Total Assets, prepared in accordance with IFRS. The EBITDA and total assets figures and the percentage of EBITDA and total assets that each of (i) the Issuer, (ii) the Guarantor(s) and (iii) the non-guarantor companies represent in that pro forma financial information is included below, for the six month period ended and as at and for the year ended December 31, 2013 and as at and for the twelve months ended June 30, 2014:

Breakdown of EBITDA & Total Assets

	EBITDA			
	for the year ended December 31, 2013[1]	**%**	**for the twelve months ended June 30, 2014[2]**	**%**
USD million				
GPH/Issuer (Holding Company)[3]	(3.1)	-4.5%	(4.8)	-6.7%
Guarantor – Ortadoğu Antalya	39.5	57.4%	44.1	61.3%
Guarantor – Ege Liman	12.6	18.4%	14.8	20.6%
Non-guarantor – Bodrum Cruise Port	1.3	1.9%	1.2	1.7%
Non-guarantor – Port of Adria-Bar	—	0.0%	0.8	1.1%
Non-guarantor – Creuers[4]	18.4	26.8%	15.8	22.0%
Consolidated group EBITDA (including Creuers)	**68.8**	**100.0%**	**71.9**	**100.0%**
Guarantor + Issuer (including dividends from non-guarantor subsidiaries)[5]	**52.5**	**76.3%**	**57.6**	**80.1%**

Notes:

(1) Converted at exchange rate of 1.9013, except where stated differently.

(2) Represents the sum of the results for the six months ended June 30, 2014 converted at 2.1642 exchange rate, and the results for the year ended December 31, 2013 converted at 1.9013 exchange rate, less the results for the six months ended June 30, 2013 converted at 1.8085 exchange rate

(3) EBITDA of GPH is represented net of dividends received from its subsidiaries to avoid double counting, equal to operating cost of GPH stand-alone.

(4) See Combined Pro Forma Other Financial Data.

(5) Including dividends received from Creuers via BPI in 2014 up the date of this Offering Circular in an amount of US$3.5 million.

	Total Assets[1]			
	As at December 31, 2013[2]	**% [3]**	**As at June 30, 2014[3]**	**%**
USD million				
Guarantor – Ortadoğu Antalya	289.9	61.8%	276.4	57.7%
Guarantor – Ege Liman	49.2	10.5%	51.7	10.8%
Non-guarantor – Bodrum Cruise Port	13.7	2.9%	12.2	2.5%
Non-guarantor – Port of Adria-Bar	48.8	10.4%	70.4	14.7%
Non-guarantor – Creuers	67.4	14.4%	68.3	14.3%
Sum of Total Assets of the Restricted Group	**469.0**	**100.0%**	**478.9**	**100.0%**
Sum of Total Assets Guarantors	**339.1**	**72.3%**	**328.1**	**68.5%**

(1) Excludes GPH/Issuer (Holding Company) to avoid double counting due to consolidation.

(2) Converted at exchange rate of 2.1343, except for Creuers: converted at exchange rate of 1.3759.

(3) Converted at exchange rate of 2.1234, except for Creuers: converted at exchange rate of 1.3619.

Unaudited Condensed Combined Pro Forma Financial Information – Effect of the Issuance of the Notes and the Acquisition of Creuers *and the Financing for the Acquisition of Creuers*

The following unaudited pro forma financial information has been prepared to illustrate the impact on certain key ratios and other financial data of GPH, and the debt and EBITDA ratios from the consolidated financial statements of GPH, as of June 30, 2014, as if the issuance of the Notes and the application of the proceeds as set out in "*Use of Proceeds*" and the acquisition of Creuers and the financing thereof, had occurred on January 1, 2013.

The information, which has been produced for illustrative purpose only, by its nature addresses a hypothetical situation, and nor does such pro forma financial information purport to project GPH's results of operations or financial condition for any future period.

The unaudited pro forma financial information has not prepared in accordance with the requirements of Regulation S-X of the U.S. Securities Act or any generally accepted accounting standards, and should not be relied on as if they had been carried out in accordance with those standards.

The unaudited pro forma financial information is not directly comparable to GPH's historical financial information presented elsewhere in this Offering Circular. The unaudited pro forma financial information should be read in conjunction with the information contained in "*Presentation of Financial and Other Data", "Selected Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations — Global Ports"* and the historical financial statements of GPH included elsewhere in this Offering Circular.

GPH Pro Forma Financial Data and Ratios – Effect of the Issuance of the Notes and the Acquisition of Creuers (Unaudited)

	as at and for the twelve month period ended June 30, 2014		
	GPH Actual	Pro Forma GPH[(1)]	Adjustment for issuance of Notes
USD million			
Key financial data for consolidated group			
Cash and cash equivalents	0.9	14.1[(2)]	78.1[(3)]
Total debt (including obligations under finance leases)	220.7	290.5[(4)]	361.1[(5)]
Net debt (including obligations under finance leases)	219.7	276.4	283.0
Consolidated group EBITDA	56.1	71.9[(6)]	71.9[(6)]
Cash flow pre debt service	40.7	65.9	65.9
Key ratios for consolidated group			
Total debt/consolidated group EBITDA	3.9x	4.0x	5.0x
Net debt/consolidated group EBITDA	3.9x	3.8x	3.9x
Key financial data for Issuer and Guarantors			
Issuer and Guarantors cash and cash equivalent	0.5	0.5	64.5
Issuer and Guarantors total debt (including obligations under finance leases)	217.9	211.6	282.1
Issuer and Guarantors net debt (including obligations under finance leases)	217.4	211.1	217.6
Issuer and Guarantors EBITDA	54.1	57.6[(7)]	57.6
Issuer and Guarantors cash flow pre debt service	40.2	43.7[(7)]	43.7
Key ratios for Issuer and Guarantors			
Issuer and Guarantors total debt/Issuer and Guarantors EBITDA	4.0x	3.7x	4.9x
Issuer and Guarantors net debt/Issuer and Guarantors EBITDA	4.0x	3.7x	3.8x

Notes:

(1) This column presents the data from the 'GPH – Actual' column adjusted for: (i) the effect of Barcelona Acquisition Financing: an initial amount of €60.2 million, including the refinancing of Creuers' outstanding debt at closing of the transaction and showing the effect of a repayment of €3.8 million made with cash from Creuers' cash balance immediately following the closing of the acquisition – see "*—Unaudited Condensed Combined Pro Forma Financial Information – Effect of the Acquisition of Creuers — Combined Pro Forma Statement of Financial Position Data*"; and (ii) the net change in GPH's outstanding debt from June 30, 2014 to the date of this Offering Circular.

(2) The sum of cash in GPH and Creuers as at June 30, 2014, plus the effect of the Barcelona Acquisition Financing, see "*—Unaudited Condensed Combined Pro Forma Financial Information – Effect of the Acquisition of Creuers — Combined Pro Forma Statement of Financial Position Data*".

(3) The sum of 'GPH – Actual' cash plus the net proceeds from the US$275 million issuance of the Notes, and the expected outstanding borrowings refinancing – see "*Use of Proceeds*".

(4) 'GPH – Actual' Total debt (including obligation under the finance leases) adjusted for (i) the effect of the Barcelona Acquisition Financing (US $73.7 million); plus (ii) the net effect of scheduled debt payments and additional debt drawdowns of GPH's outstanding debt between June 30, 2014 and the date of this Offering Circular (US$6.9 million).

(5) 'GPH – Actual' column plus US$275 million issuance of the Notes, less the expected outstanding borrowings refinancing – see "*Use of Proceeds*".

(6) Calculated using Consolidated Pro Forma EBITDA, see "*—Unaudited Condensed Combined Pro Forma Financial Information – Effect of the Acquisition of Creuers — Combined Pro Forma Statement of Financial Position Data*".

(7) Including dividends received from Creuers and from Creuers via BPI up to the date of this Offering Circular in an amount of US$3.5 million.

GPH Pro Forma Capitalization – Effect of the Issuance of the Notes and the Acquisition of Creuers (Unaudited)

The following unaudited pro forma financial information has been prepared to illustrate the impact on the cash and cash equivalent and consolidated capitalization of the Group, as of the date of this Offering Circular, as if the issuance of the Notes and the application of the proceeds as set out in "Use of Proceeds" and the acquisition of Creuers and the financing thereof, had occurred as of June 30, 2014.

	As at June 30, 2014			
	GPH (*IFRS*)		**Pro Forma GPH (*Creuers Acquisition and GPH debt evolution*)**	**Adjustment for issuance of Notes**
	(TL '000)	*(USD '000)*[1]	*(USD '000)*[2]	*(USD '000)*[3]
Cash and cash equivalents[4]	1,976	931	14,125	78,094
Loans and borrowings (including finance lease)	468,536	220,654	290,545	86,054
Notes outstanding	0	0	0	275,000
Total financial liabilities	**468,536**	**220,654**	**290,545**	**361,054**
Total equity	**441,342**	**207,847**	**207,847**	**207,847**
Total capitalization	**1,072,471**	**505,073**	**505,073**	**561,901**

Notes:

(1) Converted into US dollars for convenience using an exchange rate of TL 2.1234 per US dollar, being the official Turkish Lira to US dollar exchange rate as reported by the Turkish Central Bank on June 30, 2014.

(2) Including Barcelona Acquisition Financing and repayment of GPH debt until the date of this Offering Circular.

(3) Adjusted for the issuance of a $275 million Notes, and repayment of bank loans of the Issuer and Guarantors.

(4) Cash and cash equivalents includes marketable short-term financial assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS – CREUERS DEL PORT DE BARCELONA

The following discussion should be read together with the Creuers Financial Statements and the notes thereto and the other information included elsewhere in this Offering Circular.

This section contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those discussed in such forward-looking statements as a result of various factors, including those discussed under "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements".

Overview

In June 2013, GPH formed a holding company, BPI, with RCCL for the purpose of acquiring Creuers. Initially, GPH held a 49% interest in BPI, with a call option to acquire an additional 1% interest from RCCL. On July 26, 2013, BPI acquired a 23% interest in Creuers for €16.7 million, and on December 30, 2013, BPI acquired a further 20% interest in Creuers for €14.5 million, increasing BPI's interest in Creuers to 43% and GPH's total interest in Creuers through BPI to 21.07%. On June 20 2014, GPH entered into an agreement to purchase the outstanding interests of Vapores Suardiaz and World Duty Free in Creuers. GPH subsequently assigned these rights to BPI. On September 30 2014, therefore, BPI acquired the outstanding 57% interest in Creuers from Vapores Suardiaz (34%) and World Duty Free (23%), bringing it wholly under the control of BPI. At the same time GPH purchased 13% of RCCL's shares in BPI, increasing its shareholding in BPI to 62% and giving GPH control of BPI. Creuers holds two twenty-seven year port concessions (terminating in 2026 for the World Trade Center wharf and in 2030 for the Adossat wharf), and an annually renewed operating license, that combined, entitle Creuers to operate five, of the six, cruise terminals and six, of the seven, piers at the BCP. Creuers holds an 80% interest in Cruceros Málaga which holds the port operation rights for the Málaga Cruise Port (terminating in 2038) and a 40% interest in SATS Creuers Cruise Services which holds the port operation rights for the Marina Bay Cruise Terminal, Singapore. Net turnover from the Málaga Cruise Port in the first six months of 2014 was €964,584 as compared to €6,306,258 from Creuers itself, and this discussion will therefore focus on the financial condition and results of operations of Creuers, itself.

In terms of cruise operations, Creuers operates the World Trade Centre ("WTC") wharf – which has three piers with two terminals, (Terminal S and Terminal N, as E is only a pier that uses Terminal N or Terminal S), and the Adossat Wharf – which has three terminals and three piers (Terminal A, Terminal B and Terminal C. With the addition of Terminal D (which is operated by Costa Crociere), BCP has 6 terminals in total.

BCP is one of the largest passenger ports in Europe in terms of passenger arrivals and cruise calls, with an annual throughput of 2.6 million passengers in 2013 (source: G.P. Wild (International)). The port is the fourth largest cruise Homeport in the world after the Caribbean ports and one of the busiest turnaround bases in the Mediterranean, with modern facilities to accommodate the new generation of cruise ships and a leader in security and specific logistics for cruise traffics, with aggregate historic growth in passenger numbers of 147% between 2003 and 2013 (Source: G.P. Wild (International)). Across the five cruise terminals at Creuers, turnaround passengers numbered 1.4 million in 2012 and 1.5 million in 2013. The facilities at BCP include restaurants, duty free shopping, souvenir shops, and a shuttle bus to the city center. Creuers derives its revenues primarily from passenger and luggage fees based upon type and number of passengers (either in turnaround or in transit). In addition, Creuers generates revenue from the shops and other facilities at its five terminal buildings and from the provision of turnaround services. Changes in the tariffs at BCP, Málaga and Singapore are subject to the approval of the respective port authorities.

Major Factors Affecting Financial Results

The most significant factors affecting Creuers' financial results are the following:

Demand for cruise port services

Creuers' financial results depend on the demand for the services of its individual ports, which can be influenced by a number of factors.

BCP is located near the center of the city, at the foot of La Rambla – Barcelona's best-known thoroughfare. Barcelona is a major tourist destination, attracting 30.4 million visitors in 2013 according to the local tourism authority. However, BCP may be affected by the levels of disposable income available for leisure travel, which is influenced by global economic conditions generally, and those of cruise passengers' home countries in particular. Demand also correlates with changes in consumer preferences for cruise travel over other forms of leisure, and the popularity of Spain as a tourist destination. Continuing economic uncertainties in Europe and North America combined are expected to contribute to a slower growth in Spanish tourism in the short-term as people take fewer overseas holidays. As cruise tours involve a significant lead time for organization by the cruise operator and advance passenger bookings, there may be a lag before a general recovery translates into additional cruise line passengers in Spain. See "*Industry Overview—Cruise Industry*". In 2012, 19% of passengers using BCP were Spanish, according to BPA. The financial results of Creuers will therefore be directly affected by the condition of the Spanish economy. Demand for cruise Homeports is based upon local infrastructure (i.e., hotel and airport capacity, and transport links), security and proximity to intended ports of call. Barcelona is the Mediterranean's largest turnaround port due to its proximity to an international airport and numerous hotels and constant expansion of its facilities through new and revitalized terminals (Source: G.P. Wild (International)). Additionally, Creuers Barcelona is the only cruise port in the Mediterranean with the facilities required to act as Homeport for the world's largest cruise ships such as RCCL's 'Allure of the Seas' and 'Oasis of the Seas'. 'Oasis of the Seas' completed three Homeport calls at Creuers in September 2014. In 2013, 60% of passengers using BCP were starting and finishing their cruises. Turnarounds typically generate higher fees for port operators than transit passengers so this trend has increased the relative profitability of the port (see "—*Pricing*").

In addition, demand for cruise port services will be affected by decisions taken by cruise liners on which ports and regions to include in their itineraries. For instance, ship calls at Creuers decreased by 56 or 20% to a total of 220 calls during the first six months of 2014 as compared to 276 calls during the first six months of 2013 due mainly to a decrease in the number of calls scheduled by RCCL as RCCL changed the itineraries of some of its cruise ships to the Far East.

Pricing

The tariffs Creuers charges for its services impact the port's consolidated revenue and profitability. Tariffs are decided annually in advance by the BPA, and Creuers does not currently apply any additional discounts The tariffs applicable to the port's services currently comprise a base fee plus a surcharge for any additional service, equipment, facility or time committed.

The pricing of the tariffs is determined by Creuers, however it is regulated and subject to the approval of the BPA. As a general rule for the calculation of tariffs, local regulation sets forth that tariffs should be enough to pay the necessary wastes, fiscal charges, the depreciation of assets and installations, financial obligations and to obtain reasonable profit.

As at the date of this Offering Circular, the base fee charged by Creuers was €4 and is payable on a per capita basis in respect of all passengers. A further fee of €10 is charged per turnaround passenger.

In addition, BCP generates revenue from ancillary services provided to ships and rental revenues from shops in the terminals.

Seasonality

Generally, the number of cruise liner port calls and cargo volumes are lower during the winter months of December to February than at other times of the year, although this seasonality is more pronounced in the cruise sector as compared to the commercial sector. The third quarter is the busiest for cruise port calls as the cooler, dry weather of autumn is attractive to tourists. In the third quarter of 2011, 2012 and 2013, total cruise port calls were 249, 194 and 194, respectively, as compared to 149, 143 and 156 in the fourth quarter of the same periods.

GPH management believes that current developments and strategic measures by cruise line operators may gradually reduce seasonality. For example, cruise line operators generally offer discounted rates during the winter months, consistent with general practice in the tourism industry. In addition, as the cruise market expands in Europe and other regions, differing regional holiday preferences are expected to contribute to a more even distribution of cruise traffic throughout the year.

Future capital requirements and commitments

Currently, Creuers does not have any planned capital expenditure commitments with respect to the Malaga and Singapore ports. In Barcelona Creuers has a planned investment program to develop a new passenger bridge on Terminal B for new cruise ships above 160,000 GRT, such as RCCL's Voyage class *Oasis of the Seas*.

By the end of 2014, Creuers will commence an investment program on the construction of a new passenger boarding bridge and refurbishment and reorganization of Terminal B, which is expected to be finalized in May 2015. This planned investment program will provide Creuers with the capability of receiving new cruise ships above 160,000 GRT, such as RCCL's Voyage class *Oasis of the Seas*, at both Terminals B and C. The level of the investment is projected at €1,500,000 with an extra investment of €100,000 (for maintenance and security). All of the planned investment will be financed by Creuers' internal cash flow.

Exchange rates

A majority of the Creuers' costs and revenues are denominated and paid in Euros. Therefore, fluctuations between the Turkish Lira and the Euro may impact the return on GPH's investment in Creuers and may also impact on the translation of its financials.

Taxation

Creuers is subject to taxation in accordance with Spanish tax laws. The corporate tax rate is 30% for the periods under review.

In 2013, Corporate Income Tax payable by Creuers was €0.8 million, as compared to €0.4 million in 2012, representing an increase of €0.4 million or 100% between the two periods, because the taxable income of Creuers was significantly higher in the last three months of 2013 than 2012. This was as a result of the procedure for the payment of Corporate Income Tax in Spain, whereby the tax is paid in arrears in the quarter immediately following that during which it was incurred.

In 2012, Corporate Income Tax payable by Creuers was €0.4 million compared to €0.8 million in 2011, representing a decrease of €0.4 million or 50% between the two periods, due principally to lower withholding and interim payments of tax in the course of 2012.

Current trading and prospects

At September 30, 2014 there was no change in the share capital, no increase in long term loans and borrowings, or decrease in total net equity of Creuers as compared with amounts shown in the June 30, 2014 financial statements, and for the period from January 1, 2014 to September 30, 2014, there were no decreases, as compared with the corresponding period in the preceding year, in net turnover or profit for the period of Creuers, except that: the net turnover and the profit for the period decreases by €2.6 million and €2.1 million respectively.

Financial Reporting

Creuers' audited financial statements for the years ended December 31, 2012 and 2013, including comparative information as of and for the year ended 31 December 2011, and unaudited interim condensed consolidated financial statements for the first six months of 2014, including comparative information as of and for the first six months of 2013, are contained in this Offering Circular and have been prepared and presented in accordance with the accounting principles of Spanish GAAP.

Results of Operations

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2011	2012	2013	2013	2014
	(EUR)	*(EUR)*	*(EUR)*	*(EUR)*	*(EUR)*
Net turnover	**20,641,709**	**19,600,153**	**20,453,092**	**8,145,985**	**6,306,258**
Services rendered	20,641,709	19,600,153	20,453,092	8,145,985	6,306,258
Other operating income	**419,983**	**667,732**	**823,883**	**295,724**	**152,642**
Non-trading and other operating income	419,983	667,732	823,883		
Supplies	**(4,489,169)**	**(3,668,854)**	**(3,548,628)**	**(1,486,576)**	**(1,165,088)**
Subcontracted work	(4,489,169)	(3,668,854)	(3,548,628)	(1,486,576)	(1,165,088)
Personnel Expenses	**(471,426)**	**(568,598)**	**(575,004)**	**(271,347)**	**(249,624)**
Wages, salaries and similar	(356,889)	(423,177)	(450,009)	(197,035)	(185,805)
Employees Benefit expense	(114,537)	(145,421)	(124,995)	(74,312)	(63,819)
Other operating expenses	**(3,978,079)**	**(4,437,640)**	**(4,497,074)**	**(2,189,719)**	**(2,686,683)**
External Services	(2,278,855)	(2,273,910)	(2,383,045)	(1,108,000)	(1,841,311)
Taxes	(149,150)	(148,836)	(145,990)	(67,097)	(75,203)
Losses, impairments and changes in trade provisions	(1,114,307)	(1,170,023)	(1,228,524)	(614,262)	(646,475)
Other operating expense	(435,767)	(844,871)	(739,515)	(400,360)	(123,894)
Amortization and depreciation	**(1,524,553)**	**(1,547,791)**	**(1,577,210)**	**(787,387)**	**(793,362)**
Results from operating activities	**10,598,465**	**10,045,002**	**11,079,059**	**3,706,680**	**1,563,943**
Finance income	130,120	204,661	312,312		
Market able securities and other financial instruments				150,000	75,951
Foreign exchange gain/loss	346				
Finance costs					
Debts with third parties	(230,563)	(198,337)	(196,849)	(39,256)	(29,142)
Update reposition provision				(58,501)	(92,140)
Finance income/(expense)	**(100,097)**	**6,324**	**115,463**	**52,242**	**(45,331)**
Profit before income tax	**10,498,368**	**10,051,326**	**11,194,522**	**3,758,922**	**1,518,612**
Corporate Income tax	(3,149,510)	(3,015,398)	(3,358,357)	(1,127,677)	(455,583)
Negative adjustments to tax	—	(23,588)	—		
Profit/(loss) from continued operations	**7,348,858**	**7,012,340**	**7,836,165**	**2,631,245**	**1,063,029**
Profit/(loss) for the period	**7,348,858**	**7,012,340**	**7,836,165**	**2,631,245**	**1,063,029**

Net turnover

Creuers' net turnover primarily consists of passenger and luggage fees based upon type and number of passengers (depending whether the passenger is on a turnaround or in transit). In addition, Creuers receives revenue from the shops and other facilities at its five terminal buildings and from the provision of turnaround services.

Creuers' revenue decreased by €1.8 million, or 23%, from €8.1 million in the first six months of 2013 to €6.3 million in the first six months of 2014. Ship calls decreased by 56, or 20%, to a total

of 220 calls during the first six months of 2014, as compared to 276 calls during the first six months of 2013. The number of cruise passengers decreased by 182,041 or 24% from 764,367 in the first six months of 2013 as compared to 582,326 in the first six months of 2014. This was mainly attributable to the decrease in number of RCCL calls, as RCCL changed the itineraries of some of its cruise ships to the Far East. However, from the beginning of September 2014, RCCL began to replace these calls with visits from larger cruise ships with more passengers such as RCCLs "Oasis of the Seas".

Creuers' revenue increased by €0.9 million, or 4%, from €19.6 million in the year 2012 to €20.5 million in the year 2013. Ship calls increased by 45, or 8%, to a total of 612 in 2013, as compared to 567 calls in 2012. The number of cruise passengers increased by 85,557 or 5 % from 1,803,343 in 2012 as compared to 1,888,900 in 2013. This increase was in line with the growth in the Western Mediterranean (France, Spain and Italy) cruise market.

Creuers' revenue decreased by €1.0 million, or 5%, from €20.6 million in year 2011 to €19.6 million in the year 2012. Ship calls decreased by 100, or 15 %, to a total of 567 in 2012, as compared to 667 calls in 2011. The number of cruise passengers decreased by 134,776 or 7% from 1,938,109 in 2011 to 1,803,343 in 2012. This decrease was mainly as a result of a fall in the total number of ship calls between the two periods, which can primarily be attributed to a reduced number of cruise ships in the Western Mediterranean due to a cyclical reallocation of cruise ships to other markets as well as a reduction in the number of Mediterranean routes following the Arab Spring.

Creuers recorded €0.3 million of other income in the first six months of 2013, as compared to €0.2 million of other income in the first six months of 2014, representing a decrease of €0.1 million, or 48%, between the two periods. The decrease was primarily related to an invoice paid under an agreement to one of the shipping agencies that provided Creuers with intermediary services in procuring bookings in 2013, in contrast to the usual practice whereby such invoices are settled by the cruise lines themselves. This agreement has now lapsed and no further invoices will be payable under it in the future.

Creuers recorded €0.8 million of other income in 2013, as compared to €0.6 million of other income in 2012, representing an increase of €0.2 million, or 23%, between the two periods. The difference was primarily related to the increased expenses for 2013 caused by the shipping agency invoice discussed above (€50,000 in 2012 and €180,000 in 2013).

Supplies

Supplies primarily represents payments to third-party suppliers of goods and services (including subcontractors) and also the payment of occupancy and utilization royalties by Creuers. Under the terms of the concession agreement, Creuers pays occupancy and royalty fees to the BPA, yearly, calculated on the basis of per m2 of each terminal and per passenger handled respectively.

Creuers expended €1.2 million on subcontracted work in the first six months of 2014, as compared to €1.5 million in the first six months of 2013, representing a decrease of €0.3 million, or 22%, between the two periods. The decrease was primarily related to a fall in passenger numbers: as Creuers' subcontractor services use per passenger costing to determine the royalty fees charged, a fall in the passenger numbers resulted in lower passenger embarkation and disembarkation costs charged to Creuers.

Creuers expended €3.5 million on supplies in 2013, as compared to €3.7 million of supplies in 2012, representing a decrease of €0.1 million, or 3%, between the two periods. The decrease was primarily related to a fall in payments due to third parties that was realized by more effective cost controls including a new agreement for subcontracted services in relation to the embarkation and disembarkation of passengers, with lower tariffs; however this was partially offset by an increase in occupation and utilization royalties payable by Creuers.

Creuers expended €3.7 million on supplies in 2012, as compared to €4,.5 million in 2011, representing an increase of €0.8 million, or 18%, between the two periods. The decrease was primarily related to a fall the occupation and utilization royalties payable by Creuers.

Other operating expenses

Other operating expenses include repairs, security expenses, professional services and other expenses incurred outside the ordinary course of business (including the invoice paid to a shipping agency discussed under "—Net Turnover", certain other professional services provided by third parties and remuneration paid to the CEO and certain board members).

Creuers recorded €2.7 million of other expenses in the first six months of 2014, as compared to €2.2 million of other expenses in the first six months of 2013, representing an increase of €0.5 million, or 22%, between the two periods. The increase was mainly related to the increase by €0.7 million in professional service expenses amounting €1.3 million in first six months of 2014 compared to €0.6 million at the same period of 2013. Two main items explaining this increase were accruals of extraordinary remunerations to the former President and the former Secretary of the Board of Directors and to the CEO amounting €0.4 million and accrued expenses made by SATS Creuers amounting €0.3 million. This increase is partially offset due to a fall in other operating expense of €0.3 million as a result of the decrease in costs related to the invoice paid to a shipping agency discussed above. Creuers recorded €4.5 million of other expenses in 2013, as compared to €4.4 million of other expenses in 2012, representing an increase of €59,434, or 1%, between the two periods. The increase was mainly due to security expenses related to subcontracting of security services amounting to €0.65 million in 2012 and €0.72 million in 2013.

Creuers recorded €4.4 million of other expenses in 2012, as compared to €4.0 of other expenses in 2011, representing an increase of €459,561, or 12%, between the two periods. The increase was mainly due to the costs related to one-time (non-recurring transaction in nature) service given to a shipping company (€0.5 million in 2012, none in 2011).

Amortization and Depreciation

Creuers undertakes regular annual maintenance of its terminals both to comply with the terms of its concessions and to maintain its competitive position.

Creuers recorded €0.8 million of amortization and depreciation in the first six months of 2014, as compared to €0.8 million of amortization and depreciation in the first six months of 2013, representing an increase of €5,975, or 1%, between the two periods.

Creuers recorded €1.6 million of amortization and depreciation of 2013, as compared to €1,.5 million of amortization and depreciation of 2012, representing an increase of €29,419, or 2%, between the two periods.

Creuers recorded €1.5 million of amortization and depreciation of 2012, as compared to €1.5 million of amortization and depreciation of 2011, representing an increase of €23,238, or 2%, between the two periods.

Results from Operating Activities

Operating activities in first six months of 2014 generated €1.6 million, a decrease of €2.1 million, or 57.8%, from €3.7 million attributed to operating activities in the first six months of 2013. The decrease is mainly due to a €1.8 million, or 23%, decrease in revenue from €8.1 million in the first six months of 2013 to €6.3 million in the first six months of 2014. The main reason for the decrease in revenue was the decrease in number of cruise passengers by 182,041 or 24% from 764,367 in the first six months of 2013 as compared to 582,326 in the first six months of 2014. This was mainly attributable to the decrease in number of RCCL calls, as RCCL changed the itineraries of some of its cruise ships to the Far East. The proportionally larger fall in profit during this period is

attributable to the fixed nature of the occupancy fees paid to the BPA, regardless of the number of passengers received, and therefore the revenue generated by Creuers, and additionally extraordinary expenses related to remuneration for Creuers' participation in the Singapore Cruise Port.

Operating activities in 2013 consisted of income of €11.1 million, an increase of €1.1 million, or 10.0%, from €10.0 million of results from operating activities in 2012. The increase was mainly related to Creuers' revenue increase by €0.9 million, or 4%, from €19.6 million in 2012 to €20.5 million in 2013 as a result of the increase in the number of cruise passengers by 85,557 or 5% from 1,803,343 to 1,888,900 in 2013. Additionally, Creuers' subcontracted work cost item was €0.1 million, or 3%, less in 2013 than in 2012. The decrease was primarily related to a fall in payments due to third parties that was realized by more effective cost controls including a new agreement for subcontracted services in relation to the embarkation and disembarkation of passengers, with lower tariffs.

Operating activities in 2012 generated €10.0 million, a decrease of €0.6 million, or 5.7%, from €10.6 million in 2011. Creuers' revenue decreased by €1.0 million, or 5%, from €20.6 million in year 2011 to €19.6 million in the year 2012 mainly as a result of a reduction in the number of Mediterranean routes following the Arab Spring, which was partially offset by a decrease in subcontracted work of €0.8 million, or 18%, between these two years. The decrease was primarily related to a fall in the royalties (per passenger royalties) payable by Creuers. Additionally, an invoice paid to a shipping agency in 2012 under the now-lapsed agreement (see "—*Net turnover*") decreased total net income in 2012 by €0.5 million.

Cash Flows

The following table sets forth Creuers' cash flows for the periods presented:

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2011	2012	2013	2013	2014
	(EUR)	*(EUR)*	*(EUR)*	*(EUR)*	*(EUR)*
Cash flows from operating activities ..	8,929,894	8,654,100	12,828,021	4,147,068	1,110,457
Cash flow from investing activities......	(4,128,090)	(5,660,731)	2,344,165	748,364	(472,723)
Cash flows from financing activities....	(3,896,540)	(5,224,881)	(8,267,881)	0	(2,306,845)
Net increase/decrease in cash and cash equivalents	905,264	(2,231,512)	6,904,305	4,895,431	(1,669,111)
Cash and cash equivalents at the end of the period.............................	3,336,503	1,104,991	8,009,296	6,000,422	6,340,186

Cash flows from operating activities

In general, Creuers' requires payment from its customers within 15 days of invoicing, which is a source of funding for working capital requirements.

Operating cash flows were €1.1 million in the first half of 2014, a decrease of €2.9 million from €4.0 million in the same period of 2013 due primarily to a lower trade and other accounts receivable inflow of €1.0 million during first half of 2014 compared to same period in 2013 and to a €2.2 million fall in income during the first half of 2014 compared to same period of 2013, partially offset by the effect of an increase in provisions of €0.2 million.

Operating cash flows were €12.8 million in 2013, an increase of €4.1 million or 47.1% from €8.7 million in 2012 due primarily to an additional trade and other accounts receivable inflow to Creuers of €1.5 million during 2013 compared to a €0.9 million additional outflow compared to the same period in 2012. That inflow is mainly related to a doubtful receivable from 2012 which is tied to a payment schedule in 2013 and partially to a €0.4 million lower payment of corporation tax of €2.7 million in 2013 compared to €3.1 million in 2012. The lower tax rate is a product of the payment procedure for taxes in Spain: accrued corporate taxes are paid during the following quarter, which

in this instance caused a significant shift in taxation from the fourth quarter of 2011 to the first quarter of 2012 and from the less profitable fourth quarter of 2012 to the first quarter of 2013. A similar shift is observable between the fourth quarter of 2013 and the first quarter of 2014.

Operating cash flows were €8.7 million in 2012, a decrease of €0.3 million or 3.3% from €9.0 million in 2011 due primarily to a higher charge to corporate income tax of €3.1 million compared to €2.8 million in 2011 and recorded in accordance with the procedure outlined in the paragraph above.

Cash flows from investing activities

Cash outflows from investing activities amounted to €0.5 million in first half of 2014 compared to inflows of €0.8 million during same period in 2013 due to a €1.3 million increase in long-term time-deposits during first half of 2013 compared to the same period of 2014.

Cash flows from investing activities were €2.3 million in 2013, an increase of €8.0 million as against an outflow of €5.7 million in 2012 due to the disposal of financial assets amounting to €9.0 million.

Cash flows used in investment were €5.7 million, an additional cash flow of €1.6 million or 39.0% from €4.1 million used in 2011. The outflow was caused by the reclassification in 2012 of long-term time deposits and was partially offset by income generated from long-term time deposits in the prior period.

Cash flows from financing activities

Cash flows from financing activities were €2.3 million in the first half of 2014. Creuers did not generate any cash flows from financing activities during the same period in 2013, as it repaid its outstanding loan later in the year.

Cash flows used for financing were €8.3 million in 2013, difference of €3.1 million as against an outflow of €5.2 million or 59.6% in 2012 due to a dividend payment of €6.0 million in 2013 compared to a dividend payment of €2.9 million in 2012.

Cash flows from financing activities were €5.2 million in 2012, an additional cash outflow of €1.3 million or 33.3% as against an outflow of €3.9 million in 2011, due to a dividend payment of €2.9 million in 2012 compared to a dividend payment of €1.6 million in 2011.

Cash and cash equivalents

Creuers' cash and cash equivalents increased by €6.9 million from €1.1 million as of 31 December 2012 to €8.0 million as of 31 December 2013 as a result of increased cash flows from operating activities and investing activities.

Creuers' cash and cash equivalents decreased by €2.2 million from €3.3 million as of 31 December 2011 to €1.1 million as of 31 December 2012, as a result of reclassification short-term financial assets as investments held to maturity and a dividend payment of €2.9 million in 2012 compared to a dividend payment of €1.6 million in 2011.

Finance Income and Expenses

Finance Income and Expenses comprise (i) finance income earned on marketable securities; (ii) interest earned or paid by Creuers; and (iii) commission incurred on letters of guarantee.

Creuers realized net finance costs of €0.45 million in the first six months of 2014, as compared to a net gain of €0.52 million in the first six months of 2013, representing a decrease of €0.1 million, or 187%, between the two periods. The decrease was mainly due to a reduction in interest income from deposits as a result of dividend payments in 2013 which reduced Creuers' retained

earnings and consequently its net interest income while the overall level of interest payable on its finance costs remained broadly stable.

Creuers realized net finance income of €0.1 million in 2013, as compared to net finance income of €6,324 in 2012, an increase of €0.1 million, between the two periods. The increase was mainly due to an increase in long-term deposits, while interest expenses for long-term financial liabilities decreased. On December 18 2013, Creuers approved the payment of an interim dividend of €1.9 million which was ratified at the Company's General Shareholders's Meeting on June 16, 2014 (payment of €0.8 million of which was deferred until the 2014 financial year). A further dividend of €6.0 million was proposed for payment in 2014 out of profits from 2013 and ratified at the Company's General Shareholder's Meeting on June 16, 2014. On October 8, 2014, the sole Shareholder of the Company decided to approve the payment of an extraordinary dividend charged to voluntary reserves in an amount of €10.8 million. The extraordinary dividend was paid to the sole Shareholder on October 10, 2014. Dividends of €3.5 million were distributed to shareholders in 2013 from profits accrued in 2012 and €2.9 million were distributed in 2012 from profits accrued in 2011.

As a result of no dividend distribution being made between 2011 and 2013, the level long-term deposits increased during these years, resulting in an increase in financial income from interest. Additionally, the cumulative effect of the repayments of the short-term portion of Creuers' long-term financial liabilities resulted in lower interest payments through the years.

Creuers realized net finance income of €6,324 in 2012, as compared to net finance costs of €0.1 million in 2011, an increase of €0.1 million, between the two periods. The increase was mainly due to an increase in the value of long-term deposits during years while interest payments for long-term financial liabilities fell.

Liquidity and Capital Resources

In the periods under review, Creuers has met most of its liquidity needs out of net cash generated from operating activities. Creuers has incurred long-term borrowings, amounting to €15 million as of May 23, 2008. As of June 30, 2014, the remaining portion of the borrowing was €2,292,576; this was refinanced by the loan facility received by BPI from the consortium of BBVA, Santander, Caixa, and DHB on September 26, 2014, for the purpose of acquiring the remaining 57% interest in Creuers.

Borrowings

Creuers entered into a syndicated loan for an initial amount of €15 million with Caja Madrid, signed on May 23, 2008 and due in December 2014. The loan's annual interest rate is referenced to EURIBOR. The average rate during 2013 amounted to 1.74% and during 2012 to 1.57%.

€2.3 million was outstanding under the loan December 31, 2013. On September 30, 2014, Creuers refinanced this outstanding loan, which then amounted to €2,305,405, replacing it with a loan facility granted to BPI as part of the acquisition finance for the purchase remaining 57% of Creuers shares the security arrangements for which included a pledge of Creuers' rights under certain insurance policies. The drawing under this new loan is due to be repaid on June 13, 2024.

Off-Balance Sheet Liabilities

Guarantees and commitments towards third parties are not included in Creuers' on-balance sheet liabilities.

As of both 31 December 2013 and 2012, Creuers had guaranteed the syndicated loan described under "—Borrowings" and had guaranteed payments made by banks on behalf of Creuers in an amount of €1.0 million.

Quantitative and Qualitative Disclosures about Risk

Information on the nature and risk level of financial instruments

Creuers' financial risk management is focused on financial management, which has established mechanisms to control the exposure to variations on interest and exchange rates, as well as to credit and liquidity risks. The main financial risks which affect Creuers are discussed below:

Credit risk

In general, Creuers holds its cash and equivalent liquid assets with financial entities with high credit ratings.

As a matter of policy, Creuers monitors its customers to ensure creditworthiness and ensures that transaction are properly documented.

Liquidity risk

In order to ensure the liquidity and to face all payment commitments derived from its activity, Creuers has the cash included on its balance sheet, as well as the credit and financing lines detailed on Note 11 to its financial statements.

Market risk (including interest rate, exchange rates and other price risks)

Both Creuers' cash and the financial debt are exposed to the risk of interest rate changes, which could adversely affect the financial results and cash flows.

INDUSTRY OVERVIEW

Certain of the industry information provided in this section is based on or taken from publicly available sources and has not been independently verified by us or the Joint Bookrunners. In this section, statements regarding industry outlook, trends and future product development, as well as other non-historical statements, are forward-looking statements that are subject to numerous risks and uncertainties. See "Information Regarding Forward-Looking Statements" and "Risk Factors".

Introduction

This section aims to provide an overview of the industry environment directly affecting the Group's freight and passenger operations. For that reason, two distinct industries as defined below will be explored at both an international and a local level:

- The maritime transportation industry, consisting of the marine and inland water transportation services of freight, including container, bulk and general cargo.
- The cruise industry, consisting of the marine and inland water transportation services of passengers, including cruise liners, ferries, yachts and mega-yachts.

In addition, this section provides an overview of the main Turkish commercial ports

Maritime transportation

The maritime transportation industry is the most important mode of transport globally (Maritime transport handles over 80% of the volume of global trade and accounts for over 70% of its value) (source: United Nations, World Economic Situation and Prospects report, 2012). It is an important link in international trade and an efficient method of transporting large volumes of goods. The industry is generally divided into three distinct segments based on the type of cargo:

- Containers: standardized intermodal containers used for the storage and movement of materials and products, which are loaded and sealed intact onto container ships. Containers generally come in 20, 40 and 45 foot sizes and can carry a wide range of products. Goods that fit into this category include marble, chrome and aluminum. It is currently the smallest category of maritime trade by tonnage.
- Bulk cargo: commodity cargo that is transported unpackaged in large quantities. It can either be dry ("**dry bulk**") or liquid ("**liquid bulk**"). Major dry bulk cargo products include iron ore, coal, grain, bauxite/alumina and phosphate rock. Liquid bulk cargo typically oil and gas.
- General or break bulk cargo: good that requires special handling at port and which are typically transported in bags, boxes, crates or barrels. They must be loaded and unloaded individually. Goods that fit into this category include motor vehicles (transported in roll on/roll off vessels), refrigerated cargo in reefer vessels, large pieces of equipment or other items that do not fit in containers.

Global maritime trade

Global maritime trade has grown significantly in recent years in line with the growth in international trade, as shipment by sea remains one of the most cost-effective means of transporting goods internationally. In recent years, international trade has benefited from the liberalization of international trade policies and increased movement of manufacturing from consumer countries with higher production costs to countries with lower production costs ("**off-shoring**"). The opening of economies, particularly China, has facilitated trade, and off-shoring has enhanced trade as intermediate and finished goods are more likely to be produced outside of the country of final consumption.

According to the UNCTAD, in 2012 and for the first time on UNCTAD's record, the volume of international trade carried by sea surpassed 9 billion tons. Estimated at 4.3%, growth in volume in international seaborne trade during the year outpaced growth in the world economy. A rise in China's domestic demand as well as increased intra-Asian and other South–South trade flows have been the main force driving the expansion (source: UNCTAD, Review of Maritime Trade, 2013).

Key trends in global maritime trade:

- Developing countries continue to contribute larger shares to both growth and volume of seaborne merchandise trade. In 2012, 60% of world seaborne exports and 58% of imports have been, respectively, loaded and unloaded in developing countries' ports (source: UNCTAD, Statistics at a glance, 2014). But contributions by individual countries remain uneven, reflecting their varying levels of integration into global trading networks and supply chains.
- In 2013 intra-regional merchandise trade was larger than trade between different regions. The rise of trade blocks within more regions may continue to support intra-regional trade growth for the next 20 years. The key trade routes that will dominate global seaborne trade with the strongest growth are Intra-Far East, between Oceania and Far East, Far East and Latin America, and Far East and the Middle East (source: Qinetiq, Global Marine Trends 2030 report, 2013).
- China will see the largest growth in fleet ownership above all regions, growing from 15% in 2010 to 19%-24% in 2030, rivaling Greece and the rest of the European countries. Japan, with a large fleet ownership share today, will shrink from 12% in 2010 to 5.6%-6.7% in 2030.

Development of Global Seaborne Trade (million tons loaded)

	Container	Other dry cargo	Main Bulks(*)	Oil and Gas	Total
1980	102	1,123	608	1,871	3,704
1985	152	819	900	1,459	3,330
1990	234	1,031	988	1,755	4,008
1995	371	1,125	1,105	2,050	4,651
2000	598	1,928	1,295	2,163	5,984
2005	969	2,009	1,709	2,422	7,109
2006	1,076	2,112	1,814	2,698	7,700
2007	1,193	2,141	1,953	2,747	8,034
2008	1,249	2,173	2,065	2,742	8,229
2009	1,127	2,004	2,085	2,642	7,858
2010	1,275	2,027	2,335	2,772	8,409
2011	1,421	2,084	2,486	2,794	8,785
2012	1,480	2,184	2,665	2,836	9,165
2013	1,578	2,300	2,786	2,904	9,568
CAGR 1980–2013	**8.7%**	**2.2%**	**4.7%**	**1.3%**	**2.9%**

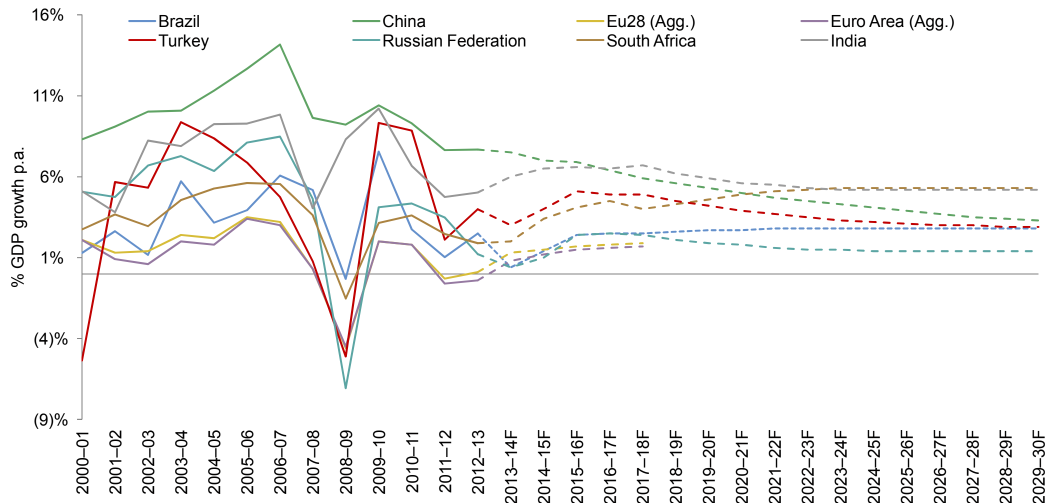
Source: UNCTAD, Review of Maritime Transport report, 2013 (Figure 1.2.: International seaborne trade)

(*) Main bulks includes iron ore, grain, coal, bauxite/alumina and phosphate

Maritime trade in Turkey

The GDP growth rate of Turkey is expected to be in line with other emerging market economies over the next decade. The country's GDP is growing at a higher pace than the EU-27 region, and with its heavy reliance on maritime trade, Turkey presents a supportive environment for commercial ports.

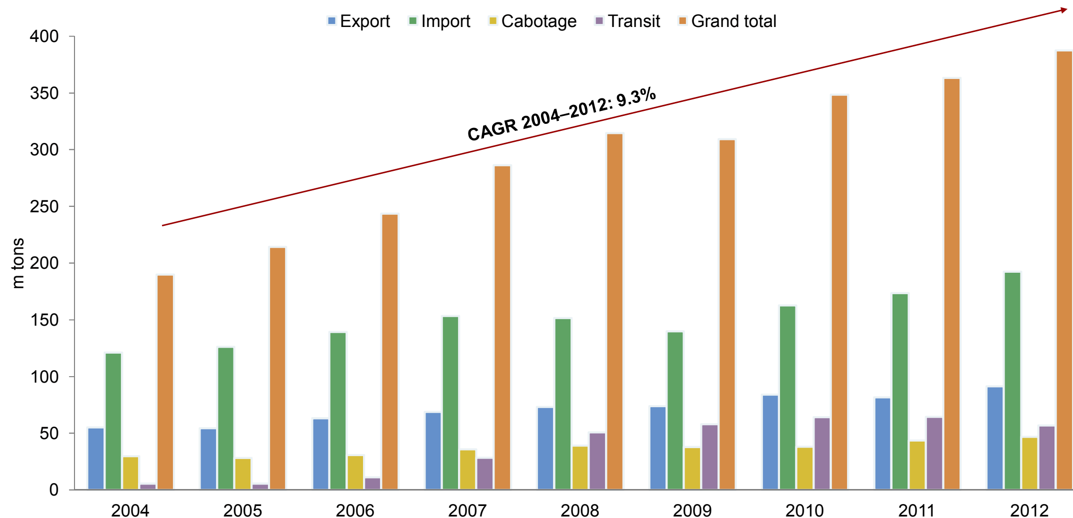
% GDP growth (historical & forecast)



Source: EIU, 2014

The cargo handled by Turkish ports has experienced a sustained growth averaging 9.3% p.a. in the 2004–2012 period as shown in the below chart.

Cargo handling at Turkish ports (million tons)



Source: Ministry of Transport and Maritime Affairs and Communications

Furthermore, Turkey's national policies support an aggressive program of bilateral and multi-lateral trade growth. In the medium-term, Turkey is likely to benefit from international agency agreements. For example, in 2011, the Asian Development Bank (ADB) signed Trade Finance Program (TFP) agreements with five banks to support Turkish exports to developing Asian countries. The agreements will expand the range of trading options for Turkish companies and should bolster trade cooperation between Turkey and developing Asia. In 2012, Turkey and China announced a goal to boost bilateral trade from the current $24 billion to $100 billion over the next

eight years. Historically, it is estimated that 60% of Turkey's sales to China came from mining but Chinese companies were expected to switch to processing mining products inside Turkey rather than importing the raw material.

Finally, Turkey's geographic location, between the Mediterranean and the Black Sea, in the center of trade among Europe, Asia and the Middle East, as well as its accessible 8,333 km-long coastal line, provide distinct advantages in global maritime trade.

Container market

According to the UNCTAD, for many decades, containerized trade has been the fastest-growing market segment accounting for over 16% of global seaborne trade by volume in 2012. Growth was mainly generated by increased demand for imports in developing regions, with container trade volumes expanding strongly on the non-mainlane East–West, North–South and intraregional lanes. According to data from Clarkson Research Services, containerized trade volumes expanded by 4.6% in 2013 to reach 159 million TEUs. This contrasts with the 13% and 7% volume increase in 2010 and 2011 respectively, and is mainly due to the depressed volumes on the Asia-Europe route, reflecting the crisis in the Euro region.

Following are certain key developments in the Container market:

- Increasing container ship sizes (such as the Maersk Triple-E class with a 18,000 TEU capacity and the 19,000 TEU Hyundai Heavy Industries containership) and decreasing number of carriers (source: Maersk, Building the world's biggest ship, 2013; Seatrade, HHI starts building largest boxships ever for China Shipping, 2014). Regarding the number of carrier companies, the average per country has decreased by 27% during the last 10 years, from 22% in 2004 to 16% in 2013.

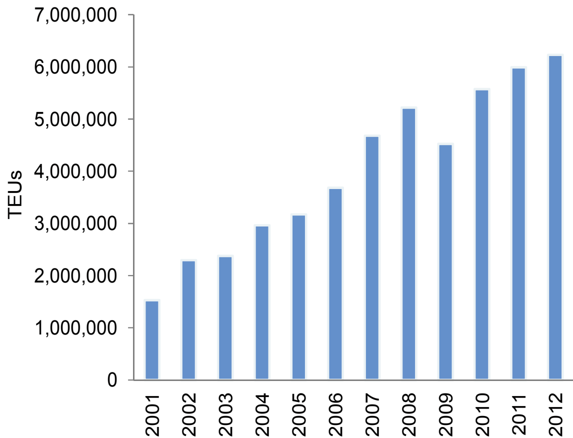
- The Far East-Middle East trade lane is expected to experience the highest growth in container trade for the next two decades. The Indian Ocean and Asia Pacific regions will be the center of the global container market. There will also be significant growth in trades between the Far East and Latin America. (source Qinetiq, Global Marine Trends 2030 report, 2013).

- While Asia continues to lead the global demand for container port services (in 2013, 15 of the world's 20 leading container ports by throughput were Asian), growth is slowing. However, compared to shipping, which is affected by an oversupply of vessels and declining freight rates, the container port business is growing. (source: Containerization International, 2013).

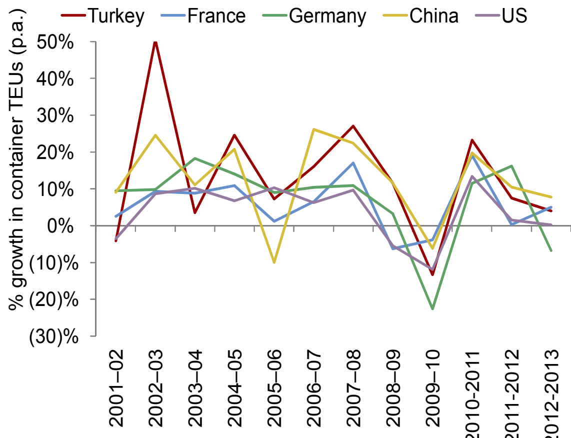
- Global demand volumes are forecast to increase by 4.9% in 2014, representing a significant advance on the 3.4% growth recorded for 2013. Stronger-than-expected headhaul cargo flows on Asia-North America and Asia-Europe trades have been one of the main contributing factors for this growth. (source: Drewry Maritime Research, Container Forecaster, Q2 2014 Edition).

Turkey has recorded strong container growth of 10.5% per annum over the last decade. As shown in the chart below (Source: World Bank Indicators, 2013). During the crisis, the country's container traffic has shown relative resilience in comparison to some of its main trade partners, reflecting the country's success in finding new export and import markets.

Observed growth in container, throughput, Turkey



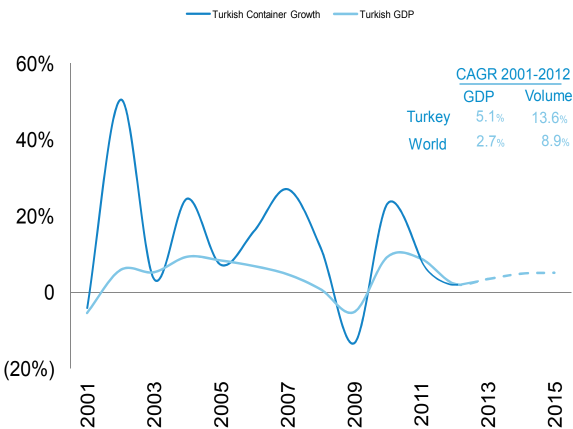
Container traffic growth – Turkey & main trade partners



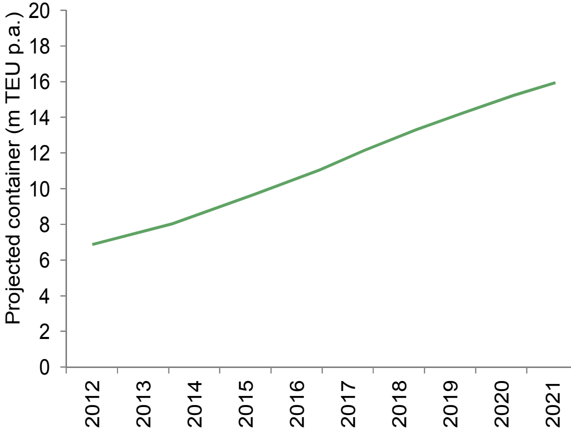
Source: EIU and World Bank Indicators, 2013

It is widely accepted that there is a close relationship between GDP growth and general cargo and container traffic. Turkey is no exception: in the last ten years, container handling volumes have grown approximately five times faster than the real GDP. Based on the GDP forecast from the EIU and assessment of the current country's multiple, Arup estimates that Turkey's container traffic will grow at a rate of 10% per annum between 2015 and 2020 to reach a total volume of 16 million TEUs at the end of the period.

Turkey container growth dynamics (Rebased to 100)



Projected containers, Turkey (mTEUs)



Source: EIU and World Bank Indicators, 2013; Arup top-down projections, 2013

Turkey's relatively low level of Containerization, as compared to the EU, suggests that future container growth is likely to be strong as penetration rates increase. Turkey has a relatively low level of Containerization, as compared to the EU, and could potentially lead to future container growth as penetration rates increase. Current Containerization level in the mature ports of Turkey is about 40% to 50%. Smaller ports lag behind. Compared to the average level of Containerization in the EU of approximately 78%, this suggests a potential scope for increase. The following exhibit compares TEUs per head for Turkey and selected trade partners. Clearly Turkey has potential to grow significantly as compared to other mature markets such as Spain, Germany, UK and USA.

Containers per head (TEUs/person)

	2012
Spain	0.31
Germany	0.20
United Kingdom	0.15
United States	0.14
France	0.09
Turkey	0.08
Russian Federation	0.03

Source: World Bank Indicators, 2013

A large number of mines lie within Port Akdeniz‘s catchment area giving access to a large marble mining market. The principal markets for Turkey‘s processed marble include the United States, Iraq, Saudi Arabia, the UK and Canada while the principal markets for the block marble markets include: China, India, Syria, Taiwan and Italy. Turkey is the largest block marble supplier to China, which is both the world‘s largest marble raw material importer and the largest stone product exporter.

The construction industry in China is a key driver of demand for marble imports. It is forecasted by third party analysts that the Chinese construction industry will grow at a steady rate – approximately 4-8% annually up to 2021. Drivers behind the growth of the construction industry include the pace of urbanization and urban population in China. According to a McKinsey report “Preparing for China’s Urban Billion” from March 2009, an estimated 64% of China‘s population will live in cities by 2025.

Bulk and General cargo

Turkey has an abundance of the resources required in the manufacture of cement. Combined with a skilled work force and a strong industrial base, these resources allow Turkey to produce large quantities of cement, benefiting from economies of scale. Turkey is an important regional and global player in the production and export of cement. It is the fourth global producer of cement in weight behind China, India and the United States (by order of importance), the country’s total production being 63,900 metric tonnes in 2012 and an estimated 70,000 metric tonnes in 2013 (source: U.S. Geological Survey, Mineral Commodity Summaries, February 2014).

To date, fluctuation in Turkey‘s domestic cement demand and consumption has been offset by strong export growth. The table below provides the cement exports from Turkey for the twelve-year period ending in 2013. Cement exports experienced a significant growth of 6.75% p.a. in average throughout the period.

Historical trends in cement export in Turkey

	Cement exports (tons)
2001	5,213,104
2002	5,958,979
2003	7,362,923
2004	8,206,317
2005	7,737,666
2006	5,638,351
2007	6,619,842
2008	10,584,662
2009	14,027,538
2010	15,063,000
2011	11,061,092
2012	9,702,083
2013	9,627,438
H12013	4,046,624

Source: Turkish Cement Manufacturing Association (TCMA), 2013

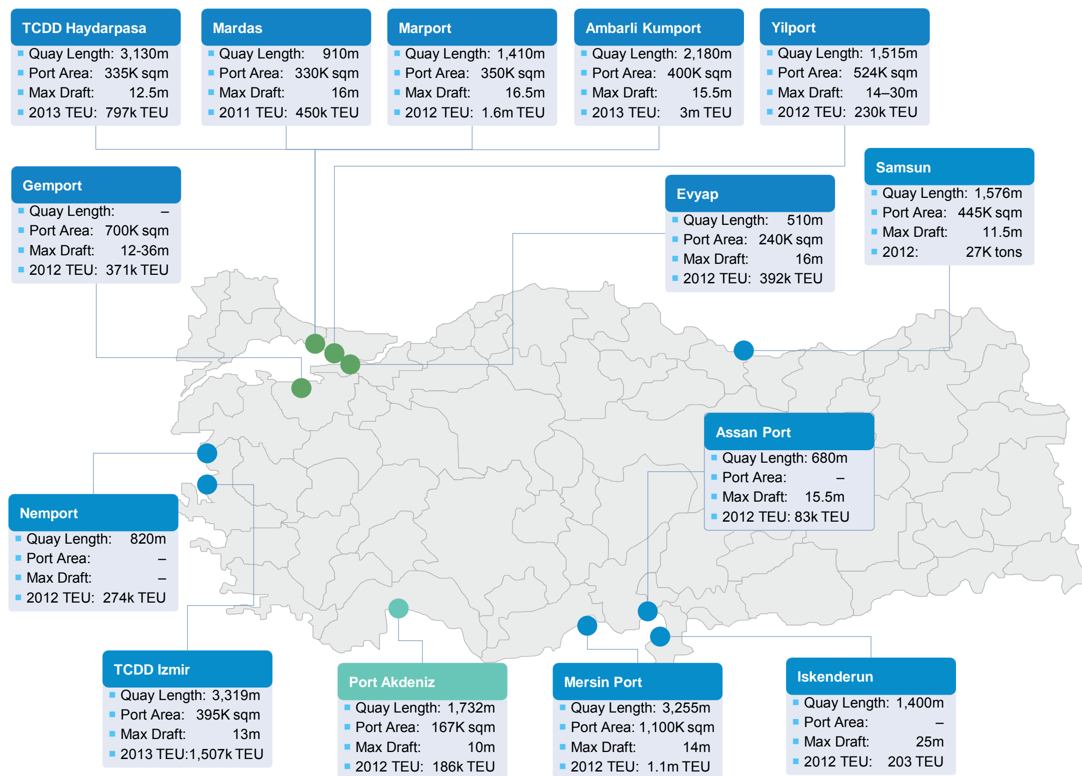
Key drivers of the country's cement and clinker export include the growing construction markets in the Middle East and North Africa (MENA), the western Mediterranean (France, Spain, Italy) and the Black Sea (Russia, Georgia, Bulgaria) as well as China. The outlook in the short-term suggests that demand from construction activities in the non-GCC (Gulf Cooperation Council) nations is still likely to be high. In the long-term industry journal Global Cement forecasts the following export potential for Turkey.

Year	Forecast Cement production (Mt/ yr)	Potential volume for export (Mt)
2012	70	15
2014	75	16
2015	78	17
2020	90	20

Source: Global Cement, May 2011

Overview of main Turkish commercial ports

Turkey consists of three distinct port regions: the Black Sea region and the Marmara Sea region in the north and northwest of Turkey, the Aegean Sea region in the west of Turkey and the Mediterranean Sea region in the south and southwest of Turkey. Most of Turkey's container throughput is handled in southern and western Turkey, namely at the non-Black Sea ports in the Mediterranean, Aegean and Marmara Seas. The following graph highlights the major ports in Turkey:



Source: Containerization International, Port disclosure, Ministry of Transport and Maritime Affairs and Communications', Business Monitor International Turkey Shipping Report, 2014

Cruise Industry

International Cruise Sector

The number of passenger in the global and in the European cruise market grew at an annual rate of around 5% and 10% between 2007 and 2013 respectively (Source: 2014 European Cruise Council report). Cruising is considered less well-developed in Europe than in North America, and the market has potentially not yet reached saturation point. As a result, passenger numbers have been increasing faster in the region than globally in spite of the recession. Also, as shown in the below table, there has been a small decline in the number of ships operating in the industry as ship sizes have grown steadily larger.

Cruise Market Development

Global cruise market	No. of ships	Passengers (m)
2007	294	15.4
2008	294	16.2
2009	279	16.9
2010	281	17.8
2011	270	19.7
2012	284	19.3
2013	292	20.4
2014	296	21.4
CAGR 2007-2014	**0.1%**	**4.8%**

European cruise market	No. of ships	Passengers (m)
2007	117	3.7
2008	117	4.5
2009	119	5.0
2010	116	5.2
2011	120	6.1
2012	115	5.9
2013	113	6.2
2014	114	6.4
CAGR 2007-2014	**(0.4)%**	**8.1%**

Source: Cruise Industry News, European Cruise Council

Modern cruise ships are no longer viewed just as a means of transport, but as attractions in their own right. These ships contain larger, more luxurious cabins and offer a wide range of amenities including restaurants, bars, shopping, entertainment venues, sport facilities and other attractions. According to the 2010 Cruise Market Overview by the Cruise Lines International Association ("**CLIA**"), the cruise sector is the fastest growing sector within the global travel industry.

One of the key drivers behind the growth in cruise passenger is the expansion of international tourism. According to the World Tourism Barometer Report published by the United Nations World Tourism Organization ("**UNWTO**"), international tourism has recovered faster than expected from the impacts of the global financial crisis and economic recession of late 2008 and 2009, boosted by improved economic conditions worldwide. International tourist arrivals were up by 4.6% in first six months of 2014, as compared to the same period in 2013 (Source: World Tourism Barometer Report). The arrivals were up by 5% in 2013, as compared to 2012, with positive growth reported in all world regions. Worldwide, the number of international tourist arrivals reached 517 million for the six months of 2014, 22 million more than in the same period in 2013 (Source: World Tourism Barometer Report). The arrivals were a record 1,087 million in 2013, having reached 1,000 million in 2012, from the pre-crisis peak level of 2008 of 855 million. While all regions realized some growth in international tourist arrivals, emerging economies experienced higher than average growth, and remain the primary drivers of economic recovery in the industry. According to World Tourism Barometer Report, emerging economies' growth rate in international tourist arrivals are expected to grow 4.4% a year from 2010 to 2030, as compared to 2.2% a year for advanced economies.

North America continues to be the largest source of cruise passengers, but, over the past five years, Europe has become increasingly important both as a source for cruise passengers and as a cruise destination. Cruise passengers from North America has stagnated in recent years, whereas cruise passengers from Europe has rapidly increased, and the total number of cruise passengers from Europe in 2011 was nearly four times that of 1999 according to European Cruise Council. According to the CLIA, the development of Europe as the fastest-growing major cruise

destination is due to a combination of the deployment of international brand ships sourcing some passengers from outside Europe and the growth of Europe's own source markets. The UK remains the leading market within Europe, although Germany, Italy and Spain have been growing even faster in recent years.

The cruise sector in Turkey

World cruise capacity by top 10 regions

Region	2014
Caribbean/Bahamas	42.2%
Mediterranean	17.7%
North/West Europe	9.0%
Asia/Pacific	9.1%
Alaska	4.2%
South America	2.6%
West Coast (Mexico)	3.5%
Australia	2.3%
Canary Islands	2.1%
Trans-Atlantic	1.4%

Source: Cruise Industry News, 2014 report

The Mediterranean is an established cruise area, within which Turkey is a new and fast growing destination. The country is strategically located between Europe, Asia and Africa. Its rich history, architecture and climate make it a popular destination for international tourists:

- Turkey was at the crossroads of and a trade center for Ancient Greek, Roman, Early Christian, Byzantine and Ottoman cultures and civilizations. As a result, it contains many important religious and historical sites of great interest.

- Pursuant to the Tourism Incentive Law of 1982, approximately 41 million square meters of total land (according to Ministry of Tourism) were allocated by the Turkish government for tourism related investments and activities. Turkey has positioned itself as a premier tourist destination, with several well developed, new, luxury resorts.

Between 2000 and 2010, Turkey showed a strong average growth of 10.9% per annum for international tourist arrivals from 2010 to 2013, international tourist arrivals grew from 31.4 million to 37.8 million (Source: UNWTO 2014). German, British and Russian citizens comprise a significant portion of total foreign tourists in Turkey (source: TurkStats, 2013).

According to 2008 CLIA Market Research, approximately 20% of luxury and premium cruise customers indicated their next destination preference as the Mediterranean and Greek Islands or Turkey, second only to the Caribbean/Eastern Mexico, identified by 31.5% of customers. The number of European packages offered by the two leading cruise companies departing from European ports, Carnival Group (with a market share of 47.7%) and RCCL (with a market share of 22.7%), (Source: CLIA 2014). is growing. Turkey is a relatively new destination within the well-established Mediterranean cruise market. As a result, cruise passenger numbers at Turkish ports have been increasing rapidly – from 0.6 million in 2004 to just under 2.1 million in 2012 – a compound annual growth rate of approximately 15%.

The Tourism Strategy 2023 Report published by the Tourism Ministry states that the Turkish government aims to have 63 million foreign tourists generating US$86 billion in tourism revenue (or US$1,350 per visitor) by 2023. Further analysis of tourism receipts by activity revealed that package tours account for nearly a quarter of total income spent by foreigners in Turkey.

Turkey's tourism growth is expected to continue to increase above global growth rates in the short-term but will converge with world tourism growth rates in the longer term. However, short-term estimated annual growth was adjusted downwards to account for a slower growth post-2008

and continuing economic uncertainties in Europe and North America combined with the effects of the Arab Spring.

Cruise ports in Turkey

Istanbul and Piraeus provide popular starting points for East Mediterranean cruises, with frequent international air services, a wide range of differently-priced hotels, and world-famous tourist attractions of their own. Barcelona, Venice and Civitavecchia are the main boarding points for longer cruises. However strong growth in Turkish tourism as a whole means that some other cities such as Antalya now receive many international charter flights, allowing tour operators to put together lower-cost fly-cruise packages.

Until 1999, the Greek cruise sector operated under cabotage conditions, with only cruise ships flying the Greek flag having the right to offer cruise programs to Greek destinations from a Greek cruise Homeport. This included cruises calling in Turkey if the final destination port was also in Greece. Cabotage restrictions were lifted in 1999 for cruise ships flagged in EU member states, but remained in force for other foreign flag cruise ships until August 2010. They have now been lifted, and are expected to trigger renewed interest in East Mediterranean cruises amongst lines operating.

Three main cruise ports, Ege Ports-Kuşadası (Global Ports Group's first cruise port investment), Galata Port (officially referred to as İstanbul Salıpazarı Port) and İzmir Port handled 73% of total calls and 79% of total passengers in Turkey in 2010 according to the UMA.

BUSINESS OF THE ISSUER

Introduction

The Group is the world's largest cruise port operator with a diversified portfolio of ports in Turkey and the Mediterranean region, comprising eight ports in five different countries. The Group's business includes commercial port operations (specializing in container, bulk and general cargo handling), as well as cruise port operations (serving cruise liners, ferries, yachts and megayachts). The Group operates three ports in Turkey: one mixed-use commercial and cruise port on Turkey's Mediterranean coast and two cruise ports on Turkey's Aegean coast and has recently acquired interests in commercial port concessions in Montenegro and cruise port operations in Barcelona, Lisbon, Málaga and Singapore.

The Group's commercial port operations have a gross annual capacity of approximately 1,000,000 TEU and 7.5 million tonnes of general and bulk cargo as of June 30, 2014. The Group's commercial port operations generated gross throughput of 100,889 TEU and 907,645 tonnes of general and bulk cargo for the six months ended June 30, 2014 and 217,384 TEU and 1.7 million tonnes of general and bulk cargo for the year ended December 31, 2013. For the six months ended 30 June 2014, 83% of the Group's total revenues were generated by its commercial port operations.

The Group's cruise port operations have a total annual ship capacity of 5,770 calls as of June 30, 2014. For the year ended December 31, 2013, the Group hosted 657 cruise calls, 979 ferry calls, 780,804 cruise passengers and 150,662 ferry passengers. Total capacity of the 657 cruise ships and the 979 ferry ships served by the Group in 2013 reached 27.2 million GRT. For the year ended December 31, 2012, the Group hosted 687 cruise calls, 1,168 ferry calls, 778,818 cruise passengers, and 145,954 ferry passengers. Total capacity of the 687 cruise ships and the 1,168 ferry ships served by the Group in 2012 reached 27.8 million GRT. The Group's total passengers were 910,430 in 2011, 924,587 in 2012, 931,000 in 2013 and 280,337 for the first six months of 2014. For the six months ended June 30 2014, 17% of the Group's total revenues were generated by its cruise port operations.

In 2013, on a consolidated basis, the Group generated revenue of TL 143.5 million (US$79.3 million) and Adjusted EBITDA of TL 96.4 million (US$50.4 million).

The following table shows the Group's revenue, EBITDA and Adjusted EBITDA for the periods shown. For clarification these financials exclude Creuers and LCP but include Port of Adria-Bar since 2013:

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2011	2012	2013	2013	2014
Revenue (in TL '000):					
Port Akdeniz-Antalya	73,521	88,173	107,421	49,712	61,776
Ege Ports	30,933	29,476	31,314	9,873	11,428
Bodrum Cruise Port	3,679	4,741	4,791	1,208	1,330
Other[3]				**—**	**10,759**
Total	**108,134**	**122,391**	**143,526**	**60,793**	**85,293**
EBITDA (in TL '000):					
Port Akdeniz-Antalya	44,094	56,177	75,132	27,150	42,342
Ege Ports	21,836	21,621	24,041	2,706	7,946
Bodrum Cruise Port	1,296	2,505	2,540	64	(197)
Other	(6.288)	(288)	47,429	(1,128)	(3,348)
Total	**60,938**	**80,016**	**149,142**	**28,791**	**46,742**
EBITDA Adjustments (in TL '000)[1]	2,878	818	52,646	—	—
Adjusted EBITDA (in TL '000):[2]					
Port Akdeniz-Antalya	46,143	56,996	75,132	27,150	42,342
Ege Ports	22,087	21,621	24,041	2,706	7,946
Bodrum Cruise Port	1,296	2,505	2,540	64	197
Other	(5,709)	(288)	(5,938)	(1,128)	(3,348)
Total	**63,817**	**80,834**	**95,775**	**28,791**	**46,742**

Notes:

(1) EBITDA Adjustments are adjustments for one-off expenses during the periods under review which do not relate to the ordinary course of business. See "*Presentation of Financial and Other Data—Non-IFRS Financial Measures*" for a summary of the EBITDA Adjustments made in each of the periods under review.

(2) Adjusted EBITDA represents the sum of EBITDA and the EBITDA Adjustment for the relevant period.

(3) Includes EBITDA from Port of Adria-Bar

The following table shows the Group's revenue yields by operation and by port for the periods shown:

	For the year ended December 31,			For the six months ended June 30,		For the twelve months ended June 30,
	2011(1)	2012(2)	2013(3)	2013(4)	2014(5)	2014
Yields by operations (USD)						
Commercial port revenues						
Container revenue / '000s TEU	142.8	148.0	162.4	156.8	173.0	178.7
General cargo revenue / '000s tonnes	4.8	4.4	5.6	5.4	5.5	5.7
Bulk cargo revenue / '000s tonnes	3.4	3.5	5.1	4.9	6.1	5.7
Cruise port revenues						
Cruise revenue / passengers	17.2	16.6	19.2	19.3	19.3	19.2
Cruise revenue / ship calls	23.1	22.3	22.8	19.4	23.2	24.3
Port Akdeniz-Antalya						
Cruise revenue / passengers	11.2	12.1	12.8	14.1	11.6	11.8
Ege Ports-Kuşadası						
Cruise revenue / passengers	20.8	21.3	20.6	20.8	22.1	21.0
Ferry revenue / passengers	10.1	10.1	10.0	10.2	10.1	10.0
Bodrum Cruise Port						
Cruise revenue / passengers	21.5	20.7	27.2	35.2	26.0	25.3
Ferry revenue / passengers	0.5	3.0	2.5	2.5	2.6	2.6

Notes:

(1) Converted into US dollars for convenience using an exchange rate of TL 1.6701 per US dollar, being the official Turkish Lira to US dollar exchange rate as reported by the Turkish Central Bank as an average for the year ended December 31, 2011.

(2) Converted into US dollars for convenience using an exchange rate of TL 1.7925 per US dollar, being the official Turkish Lira to US dollar exchange rate as reported by the Turkish Central Bank as an average for the year ended December 31, 2012.

(3) Converted into US dollars for convenience using an exchange rate of TL 1.9013 per US dollar, being the official Turkish Lira to US dollar exchange rate as reported by the Turkish Central Bank as an average for the year ended December 31, 2013.

(4) Converted into US dollars for convenience using an exchange rate of TL 1.8085 per US dollar, being the official Turkish Lira to US dollar exchange rate as reported by the Turkish Central Bank as an average for the six month period ended June 30, 2013.

(5) Converted into US dollars for convenience using an exchange rate of TL 2.1642 per US dollar, being the official Turkish Lira to US dollar exchange rate as reported by the Turkish Central Bank as an average for the six month period ended June 30, 2014. Represents the sum of the results for the six months ended June 30, 2014 and the results for the year ended December 31, 2013, less the results for the six months ended June 30, 2013. This calculation is based on the assumption that port operations were even through the year.

In 2013, the Group's commercial port operations generated revenue of TL 103.2 million (US$ 54.3 million), and the Group's cruise port operations generated revenue of TL 40.3 million (US$21.2 million).

The Group's Turkish ports are Port Akdeniz-Antalya, Ege Ports-Kuşadası and Bodrum Cruise Port, each of which are described below.

- *Port Akdeniz-Antalya.* Port Akdeniz-Antalya focuses on commercial operations and also conducts cruise operations. For the twelve months ended June 30, 2014, 70.8% of the Group's total revenues and 78.6% of the Group's EBITDA were generated by Port Akdeniz-Antalya. As of June 30, 2014, 97.5% of the port's total revenues were generated by its commercial operations and 2.5% were generated by its cruise operations.

  – *Commercial Operations.* Port Akdeniz-Antalya is located in a mineral-rich region on Southern Turkey's Mediterranean coast that produces marble, chromium, cement, clinker and other commodities. Port Akdeniz-Antalya has ten berths that can accommodate container, dry bulk cargo and general cargo vessels for the transport and export of such commodities. The port's dry bulk and general cargo handling capacity is 5.0 million tonnes per year. Its container handling capacity is 500,000 TEU per year. According to the Undersecretariat for Maritime Affairs of Turkey (the "**UMA**"), approximately 3% of Turkey's entire maritime exports (measured by tonnage) in 2013 was shipped through Port Akdeniz-Antalya.

  – *Cruise Operations*. Port Akdeniz-Antalya also conducts cruise operations. It has three berths for cruise vessels, a 250-berth marina and a dry-dock capacity for 150 yachts. The port's total ship capacity is 2,970 per year, and had 167,974 cruise passengers in 2013. The port's cruise traffic increased ten fold following the commencement of turnaround/cruise Homeport operations for Aida Cruises in 2010 and TUI Cruises in 2012. Given the proximity of Port Akdeniz-Antalya to a major international airport and a variety of important archaeological sites, GPH management believes the port is well positioned to become one of the major turnaround/cruise Homeports in the Mediterranean.

- *Ege Ports-Kuşadası.* Ege Ports-Kuşadası is a cruise and ferry port on Turkey's Aegean coast. The port's total ship capacity is 2,000 per year, and it had 583,459 cruise passengers in 2013. For the twelve months ended June 30, 2014, 20.0% of the Group's total revenues and 26.4% of the Group's EBITDA were generated by Ege Ports-Kuşadası. Ege Ports-Kuşadası is located near Ephesus, an important and well-preserved ancient Greek and (later) Roman city, and a major tourist attraction. It is home to the Temple of Artemis, one of the seven wonders of the ancient world, and is near the House of the Blessed Virgin Mary, a Christian shrine reputed to be the final home of the Virgin Mary. According to the UMA, in 2013 Ege Ports-Kuşadası was the most heavily-visited cruise port of call in Turkey in terms of vessels received (451 cruise calls) and, according to G.P. Wild (International Limited), it was the twentieth most visited cruise port of call in the Mediterranean region (with 583,459 cruise passengers) in 2013.

- *Bodrum Cruise Port.* Bodrum Cruise Port is a cruise, ferry and mega-yacht port located on Turkey's Aegean coast near the town of Bodrum. For the twelve months ended June 30, 2014, 3.1% of the Group's total revenues and 2.1% of the Group's EBITDA were generated by Bodrum Cruise Port. The port's total ship capacity is 730 per year, and it had 29,551 cruise passengers in 2013. The port commenced operations in the second quarter of 2008. Bodrum, which originated as an ancient Carian fishing village, has one of the best-preserved medieval castles in Europe. It is also one of Turkey's most popular seaside resorts, with leisure and luxury holiday resorts and high-end shopping. Since commencing operations in 2008, Bodrum Cruise Port has become a popular stop-over for luxury cruise vessels as well as mega-yachts. Bodrum Cruise Port provides port authority services to vessels and fresh water, power, duty-free fuel and provisions to yachts. Foreign military ships also visit this port for rest-and-recreation calls and shore leave.

The Group's ports outside Turkey are Creuers, LCP and Port of Adria-Bar, each of which are described below.

- *Creuers.* GPH holds a 62% interest in a holding company, BPI, with Royal Caribbean Cruises Limited ("RCCL") holding the remaining 38%. BPI owns 100% of Creuers, which holds two twenty-seven year port concessions and an annually renewed operating license, which entitle Creuers to operate five, of the six, cruise terminals and six, of the seven, piers at the BCP. Barcelona is one of the leading tourist destinations in Europe for local and international visitors, attracting 30.4 million visitors in 2013, according to Turisme de Barcelona. The port is ideally positioned to service cruise traffic destined to both the city of Barcelona itself and the region of Catalonia, both of which have strong historic, natural and cultural attractions for tourists. BCP is the leading international cruise terminal operator in Europe, offering international expertise and access to a network of key cruise-line operators. BCP is comprised of six cruise terminals and is one of the largest passenger ports in Europe in terms of passenger arrivals and cruise calls, with an annual throughput of 2.6 million passengers in 2013 (source: G.P. Wild (International)). According to BPA, the port is the fourth largest cruise Homeport in the world after the Caribbean ports, and one of the busiest turnaround bases in the Mediterranean, with modern facilities to accommodate the new generation of cruise ships and a leader in security and specific logistics for cruise traffics. Across the five cruise terminals operated by Creuers, turnaround passengers numbered 1.4 million in 2012 and 1.5 million in 2013. On September 30, 2014, BPI acquired the outstanding 57% interest in Creuers bringing it wholly under the control of BPI. At the same time GPH purchased 13% of RCCL's shares in BPI, increasing its shareholding in BPI to 62% and giving GPH control of BPI.

- *LCP* – GPH holds a 46.2% interest (of which 40% is held directly and 6.2% is held indirectly through GPH's 62% interest in BPI's 100% holding in Creuers) in a holding company, Lisbon Cruise Terminals Lda, with RCCL, Creuers and Grupo Sousa each holding 20%, 10%, and 30%, respectively. Lisbon Cruise Terminals, Lda holds exclusive operation rights over three cruise terminals for the next 15 years and a BOT concession agreement for a new cruise terminal at the Port of Lisbon ("Lisbon Cruise Port"). The port of Lisbon is located on the banks of the Tagus estuary and is port of call for cruises travelling between the Atlantic Coast and Europe, the western Mediterranean and the north of Europe, the Atlantic Isles and the north of Africa as well as for Trans Atlantic trips. On January 17, 2014, GPH announced that the tender commission selected the consortium as the winning bidder for the construction and operation rights of a new cruise terminal to be constructed at the LCP. The LCP currently consists of three cruise terminals (and various commercial terminals, which are outside the scope of the concession). The construction of the new cruise terminal is expected to be completed in 2016. The requirements for the tender included committed capital expenditure of €22 million to complete the construction of the new cruise terminal and an annual cruise passenger volume of at least 550,000 once the new cruise terminal is fully operational. The Concession Agreement between the Lisbon Port Authority (Administracao do Porto de Lisboa, S.A.) and Lisbon Cruise Terminals, Lda. (the holding company established by the consortium members) was executed on July 18, 2014, and physical delivery of the concession area by the Lisbon Port Authority to Lisbon Cruise Terminals, Ld. took place on August 26, 2014.

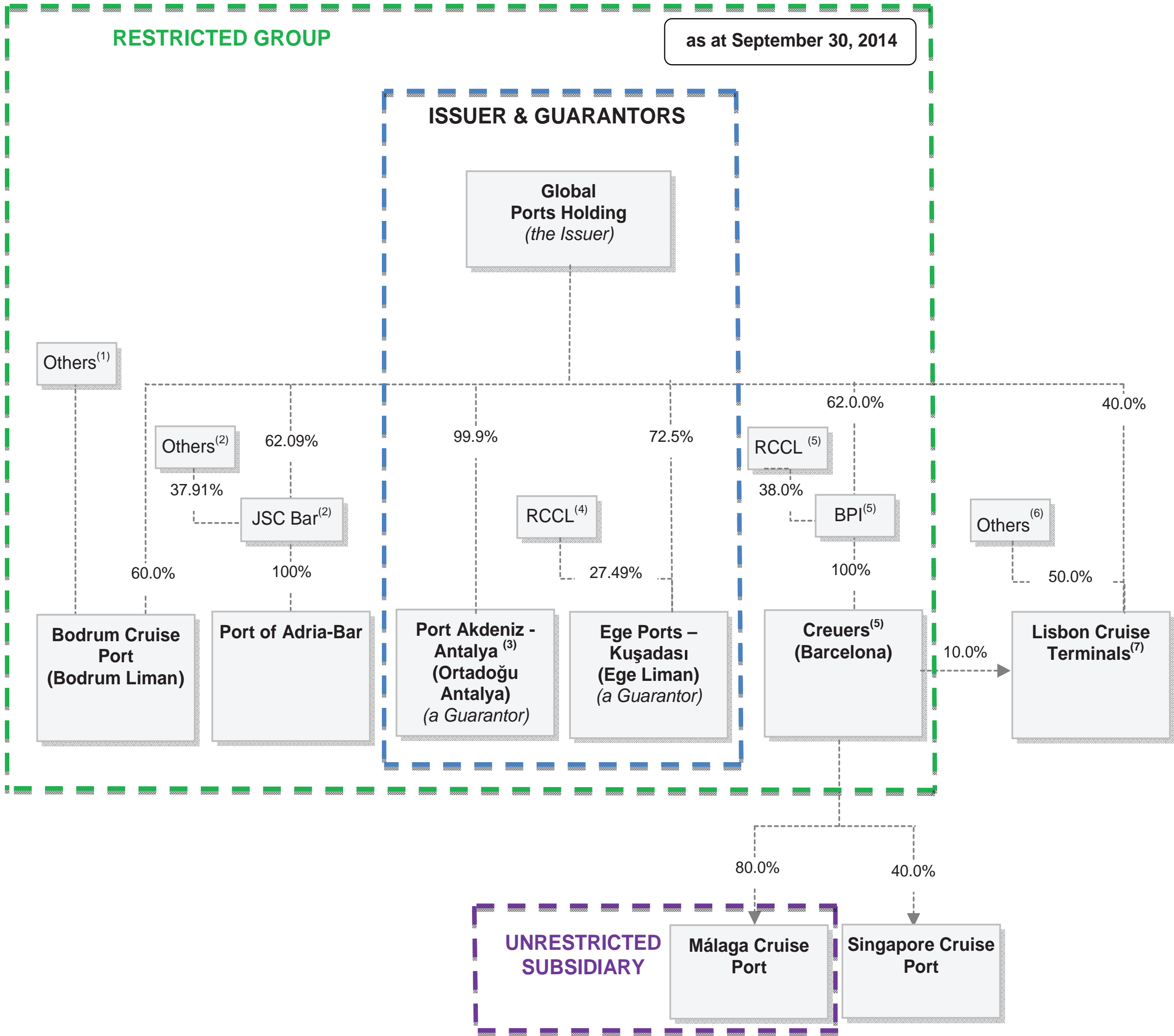
- *Port of Adria-Bar:* GPH owns 62.09% of the shares in the cargo terminal in Port of Adria-Bar, indirectly held through Container Terminal and General Cargo JSC-Bar, which has an operating concession for thirty years (terminating in 2043). The port represents an important link in the chain of intermodal transport in the region because of its integration with the Belgrade-Bar railway and road traffic network, and benefits from a Free Zone regime. In 2013, the Port of Adria-Bar had a pier length of 1,440 meters, a discount shopping area of 295 square meters, 249 vessel arrivals, 539,265 tonnes of cargo, and US$9 million in revenue (source: Bar Port Authority). The "Free Zone" regime covers the entire area of the Port of Adria-Bar and provides exemption from customs duties, taxes and other duties. The

government of the Republic of Montenegro and the Municipality of the town of Bar have guaranteed foreign investors parity by reference to ownership rights and the ability to carry out economic activities in the zone, as well as security of investment and unrestricted movement of profit and capital invested.

These acquisitions are not reflected in the financial and operational information of the Group's port operations included in this Offering Circular except to the extent expressly stated. Only limited financial information in respect of the Port of Bar is available for the period prior to the Company's acquisition of the shares from the government of Montenegro on December 30, 2013. Accordingly only very limited financial information with respect to the Port of Bar has been included in this prospectus. The Group believes that in light of the size of the acquisition, the absence of such financial information in relation to the Port of Bar is not material in the context of the issue of the Notes With regard to the acquisition of cruise port operations in Barcelona, unaudited condensed combined pro forma financial information has been prepared as at and for the year ended December 31, 2013, and as at and for the six months ended June 30, 2014, giving effect to the acquisition of Creuers (but excluding the subsidiaries of Creuers) on the consolidated accounts of the GPH Group, for illustrative purposes only.

Overview of Operational Structure

The following chart provides information about ownership interests in GPH's commercial and cruise ports, as of that date of this Offering Circular.



Notes:

(1) Yüksel Çağlar (a Turkish businessman and entrepreneur) holds 30% of the shares in Bodrum Liman and Setur Servis Turistik (a duty-free operator owned by the Koç Group of Turkey) holds 10%.

(2) GPH's interest in Port of Adria -Bar is indirectly held through Container Terminal and General Cargo JSC-Bar. 37.91% of the interests in Container Terminal and General Cargo JSC-Bar are listed on the Montenegro Stock Exchange and publicly held.

(3) TDI holds one share.

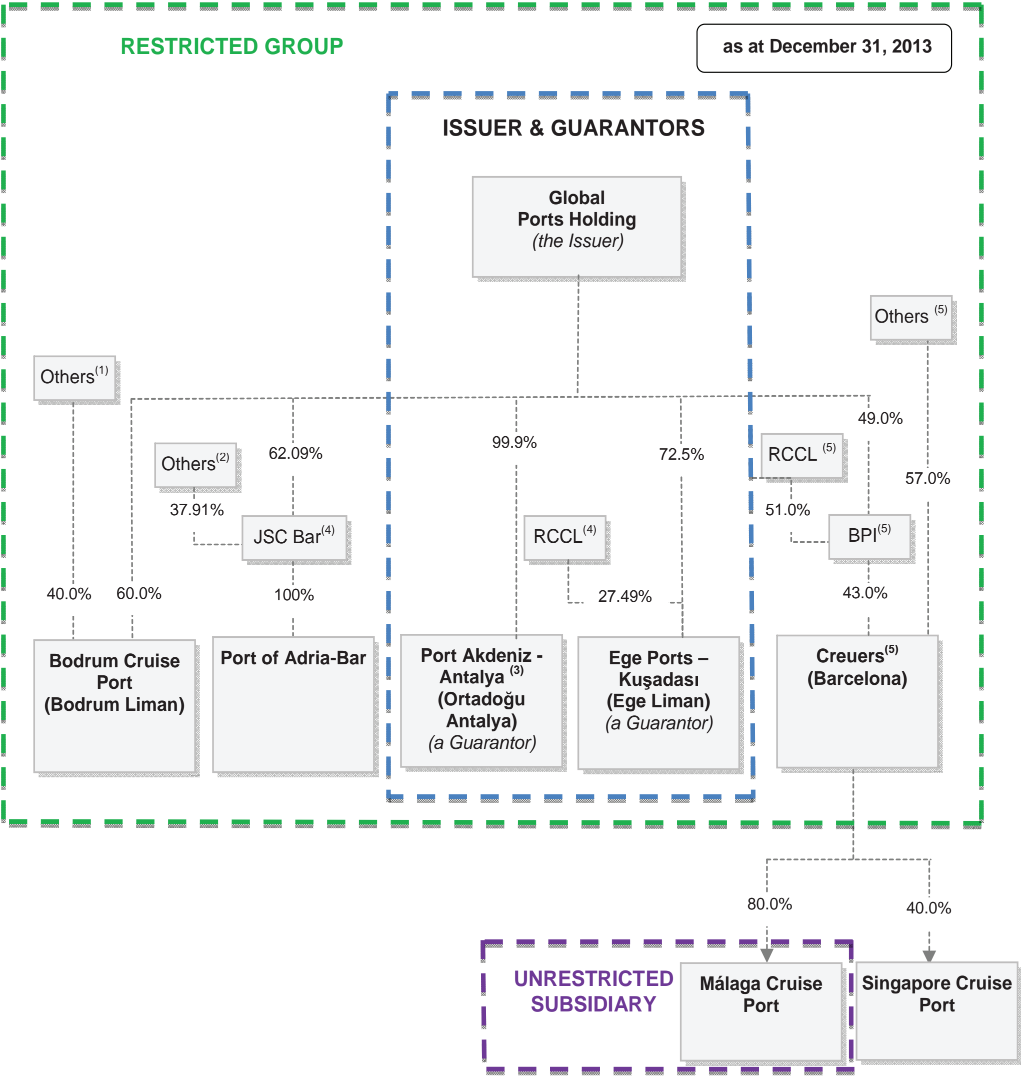
(4) Royal Caribbean Cruises Limited ("**RCCL**") holds 27.49% of the shares in Ege Liman and TDI holds one share.

(5) GPH's interest in Creuers is indirectly held. GPH holds a 62% interest in BPI and RCCL holds the remaining 38% interest in BPI. BPI holds a 100% interest in Creuers. Creuers has an 80% share in Cruceros Málaga S.A., which holds concession rights over three cruise terminals at the Port of Málaga ("Málaga Cruise Port"). Creuers has a 40% share in SATS-Creuers Cruise Services, which holds operation rights over Marina Bay Cruise Terminal in Singapore ("Singapore Cruise Port").

(6) The Concession Agreement was signed by the Lisbon Port Authority (Administracao do Porto de Lisboa, S.A.) and Lisbon Cruise Terminals, Lda. (a holding company established by the consortium members). GPH holds 40% of the shares in Lisbon Cruise Terminals Lda directly. Grupo Sousa (a maritime and port operator based in Portugal) holds 30.0% of the shares, RCCL holds 20.0% of the shares and Creuers holds 10.0% of the shares. Lisbon Cruise Terminals Lda holds exclusive operation rights over three cruise terminals (for the next 15 years) and a BOT concession agreement for a new cruise terminal at the Port of Lisbon ("Lisbon Cruise Port").

(7) As a result of the Barcelona acquisition, GPH holds a 46.2% effective stake (40% directly, 6.2% indirectly through GPH's 62% interest in BPI's 100% holding in Creuers) in Lisbon Cruise Terminals Lda.

The following chart provides information about ownership interest in GPH's commercial and cruise ports, as of December 31, 2013.



Notes:

(1) Yüksel Çağlar (a Turkish businessman and entrepreneur) held 30% of the shares in Bodrum Liman and Setur Servis Turistik (a duty-free operator owned by the Koç Group of Turkey) held 10%.

(2) GPH's interest in Port of Adria-Bar is indirectly held through Container Terminal and General Cargo JSC-Bar. 37.91% of the interests in Container Terminal and General Cargo JSC-Bar are listed on the Montenegro Stock Exchange and publicly held.

(3) TDI held one share.

(4) Royal Caribbean Cruises Limited ("**RCCL**") held 27.49% of the shares in Ege Liman and TDI held one share.

(5) GPH's interest in Barcelona Cruise Port was indirectly held. GPH held a 49% interest in Barcelona Port Investments, a special purpose 50/50 joint venture between GPH and RCCL (BPI), and a call option right to acquire a further 1% and RCCL held the remaining 51% interest in BPI. BPI held a 43% interest in Creuers. Vapores Suardiaz Meditterraneo held a 34% interest and Aldeasa, S.A. held a 23% interest in Creuers. Creuers has an 80% share in Cruceros Málaga S.A., which holds concession rights over three cruise terminals at the Port of Málaga ("Málaga Cruise Port"). Creuers has a 40% share in SATS-Creuers Cruise Services, which holds operation rights over Marina Bay Cruise Terminal in Singapore ("Singapore Cruise Port").

GPH is a wholly-owned subsidiary of Global Investment Holdings ("**GIH**"), a Turkish holding company listed on the Borsa Istanbul with a diverse portfolio of businesses.

The Group's first acquisition, made in 2003, was of an interest in the operator of Ege Ports-Kuşadası, Ege Liman, as part of a joint venture. GPH currently owns a 72.5% interest in Ege Liman. "RCCL" holds a 27.49% interest in Ege Liman. Turkey Maritime Organization ("**TDI**") holds one share (representing 0.00001279%). See "*Management*".

In October 2006, the Group acquired an indirect 39.8% interest in the then operating company of Port Akdeniz-Antalya, Ortadoğu Antalya Liman İşletmeleri A.Ş. ("**Ortadoğu Antalya**"). The acquisition was made in the context of a joint venture which involved Akdeniz Liman İşletmeleri A.Ş as the joint venture entity acquiring Ortadoğu Antalya. In December 2006, Ortadoğu Antalya and Akdeniz Liman İşletmeleri A.Ş merged, with Ortadoğu Antalya as the surviving entity. In July 2010, GPH acquired substantially all of the shares in Ortadoğu Antalya from the other joint venture partners. The TDI holds one share in Ortadoğu Antalya (representing a 0.00000454% interest). See "*Management*".

In January 2008, the Group acquired the operating company of Bodrum Cruise Port, Bodrum Yolcu Limanı İşletmeleri A.Ş. ("**Bodrum Liman**"), through a joint venture. GPH holds a 60% interest in Bodrum Liman; Yüksel Çağlar, a businessman and entrepreneur, holds a 30% interest; and Setur Servis Turistik A.Ş. ("**Setur**"), a duty-free operator owned by Koç Holding (one of the largest conglomerates in Turkey), holds a 10% interest.

In June 2013, GPH formed a holding company, BPI, with RCCL for the purpose of acquiring Creuers. Initially, GPH held a 49% interest in BPI, with a call option to acquire an additional 1% interest from RCCL. On July 26, 2013, BPI acquired a 23% interest in Creuers for €16.7 million, and on December 30, 2013, BPI acquired further 20% interest in Creuers for €14.5 million, increasing BPI's interest in Creuers to 43% and GPH's total interest in Creuers through BPI to 21.07%. On June 20 2014, GPH entered into an agreement to purchase the outstanding interests of Vapores Suardiaz and World Duty Free in Creuers. GPH subsequently assigned these rights to BPI. On September 30, 2014, therefore, BPI acquired the outstanding 57% interest in Creuers of Vapores Suardiaz (34%) and World Duty Free Group (23%), bringing it wholly under the control of BPI. At the same time GPH purchased 13% of RCCL's shares in BPI, increasing its shareholding in BPI to 62% and giving GPH control of BPI.

On July 1, 2013, GPH participated in the privatization of the cargo terminal in Port of Bar and on December 30, 2013 indirectly acquired 62.09% of the shares in Port of Bar from the Montenegro government through Container Terminal and General Cargo JSC-Bar. GPH finalized a share purchase agreement with the Montenegro government on November 15, 2013, which was approved by the tender commission, the Montenegro Privatization and Capital Investments Authority and the Montenegro Council of Ministers. The shares were transferred to the Group on December 30, 2013.

On January 17, 2014, GPH announced that it, together with its joint bidding partners RCCL, Creuers and Grupo Sousa, had been selected as the winning bidder by the tender commission for the construction and operation rights of a new cruise terminal to be constructed at the Lisbon Cruise Port. GPH holds a 46.2% interest (of which 40% is held directly and 6.2% is held indirectly through GPH's 62% interest in BPI's 100% holding in Creuers) in a holding company, Lisbon Cruise Terminals Lda, with RCCL, Creuers and Grupo Sousa each holding 20%, 10%, and 30%, respectively, formed to manage the construction and operation rights of a new cruise terminal to be constructed at the LCP.

Competitive Strengths and Strategy

Competitive Strengths

Leading port operator in Turkey and the Mediterranean region with a unique integrated network of cruise ports

Having established itself as a leading port operator in Turkey, GPH has grown a diversified portfolio of eight ports in five different countries and a combination of commercial port operations as well as cruise operations. The Group operates three ports in Turkey: one mixed-use commercial and cruise port on Turkey's Mediterranean coast and two cruise ports on Turkey's Aegean coast. The Group has recently acquired interests in commercial port concessions in Montenegro and cruise port operations in Barcelona, Lisbon, Malaga and Singapore, further enhancing its

business model by providing an unmatched choice of destinations to cruise operators. GPH management believes that the Group's integrated network of cruise ports within the Mediterranean will be attractive to cruise operators and will further strengthen the Group's position in the market. GPH management believes that the expansion of GPH's network of ports will strengthen its negotiating position with cruise operators and will allow GPH to provide attractive pricing models across its portfolio of ports, for example by offering tariff incentives to vessels calling at multiple ports of GPH. GPH management also believes that its expansion will provide additional opportunities for value added cross-selling of port activities.

Through its acquisition of Creuers, GPH has obtained the operational rights to the largest cruise port in Europe, Barcelona Cruise Port. GPH has gained several general competitive strengths from the acquisition of Creuers: the acquisition has enabled GPH to further increase its negotiating power and capitalize operational efficiencies through the centralization of shared resources, such as marketing, finance, treasury and IT.

Attractive industry dynamics with favorable long-term trajectories

Demand for maritime transportation in Turkey has been increasing, supported by the country's growing economy and foreign trade volumes. GPH management believes that the Group's increasing revenue throughout the most recent global financial downturn reflects the strength of the maritime sector. GPH's total revenues grew at a CAGR of 7.9% between 2011 and 2013, and a CAGR of 17.3% between the first six months of 2013 and of 2014 (on a US dollar basis).

The trend toward Containerization has also contributed to Turkey's maritime development. All else being equal, Containerization reduces transportation costs and increases processing speed at port facilities as compared with non-containerized cargo. This allows higher cargo volumes and faster turnaround times which support increased revenues. In the last ten years, across all Turkish ports, container handling volumes have grown approximately 4.4 times faster than the real GDP in Turkey and this trend is expected to continue, according to the United Nations Conference on Trade and Development "**UNCTAD**"). Between 2001 and 2012 container handling volumes at all Turkish ports grew at a CAGR of 20.6%, as compared to Turkish real GDP growth of 5.1% and global real GDP growth of 5.4% during the same periods, according to the Economist Intelligence Unit, Undersecretariat of Maritime Affairs and TurkStat. Although Containerization has increased significantly at all Turkish ports, Turkey has not yet achieved the same rate of Containerization as in many developed countries, which implies an opportunity for further growth. The Marine Transportation Structures Master Plan study prepared by the Ministry of Transportation in 2009 forecasts 25 million TEU container handling volume in Turkey in 2025, implying a CAGR of 10.3% of Turkish container handling volumes between 2010 and 2025.

Modern cruise ships are no longer viewed as just a means of transport, but as attractions in their own right with luxurious accommodation and a wide range of amenities. The cruise sector is the fastest growing within the global travel industry with a CAGR of 7.9% since 2003, according to the Cruise Market Watch. The Mediterranean region, which is comprised of the Greek Islands and Turkey, is one of the fastest growing destinations globally based upon sales according to Industry News Reports. Turkey is an attractive destination as it is strategically located between Europe, Asia and Africa, and it possesses many unique archaeological sites of great interest. In the last ten years through 2012, the number of cruise passengers visiting Turkey has grown approximately 3.2 times faster than the real GDP in Turkey. Between 2003 and 2012 cruise passengers visiting Turkey grew at a CAGR of 15.3%, as compared to cruise passengers visiting Europe (which grew at a CAGR of 8.8%) and cruise passengers worldwide (which grew at a CAGR of 7.9%) during the same periods, according to European Cruise Council, Cruise Market Watch and the UMA. During the same periods, Turkish real GDP grew 5.1% and global real GDP grew 3.1%, according to the Turkish Ministry of Economy and World Bank.

Management believes that the Group's recent acquisition strategy and geographical diversification will allow it to benefit from increased global demand for maritime transportation,

while reducing its reliance on Turkey and its trading partners. See "*—Competitive Strengths and Strategy — Targeted Acquisitions in Turkey and other regions*".

Superior geographic location with limited competition

GPH's commercial ports have excellent connectivity to commercially active surrounding area and its cruise ports are in close proximity to key tourist destinations, contributing to limited regional competition for GPH's ports.

GPH's main commercial port operations are strategically located in Antalya on the southern coast of Turkey near key shipping lanes in the Mediterranean. Several hundred mines operate within a 300 kilometer radius of Port Akdeniz-Antalya. Although no official statistics are currently readily available, GPH management expects this number to continue to increase based on the observed activity in the region. As a result of its location and surrounding mineral wealth and mining operations, Port Akdeniz-Antalya has positioned itself as a strategic gateway to diverse global markets for exporters of marble, cement, clinker, chromium and aluminum.

GPH management believes that Port Akdeniz-Antalya is well-placed to continue to benefit from export of these products. According to the General Secretariat of the Istanbul Mineral and Metals Exporters' Association, the US dollar value of Turkish exports of marble has grown at a CAGR of 8.3% between 2010 and 2012. Turkey contains 40% of the world's marble reserves and exports marble to over 200 countries, according to Drewry. Turkey is also a major exporter of cement and building materials. According to the Turkish Cement Manufacturers Association, the cement industry in Turkey is ranked first in Europe and fifth in the world in terms of production in 2012, and ranked first in Europe and fourth in the world in terms of exports in 2012. According to Drewry, Turkey is one of the top ten exporters of cement and clinkers in the world, and cement and clinker exports from Turkey are projected to grow at a CAGR of 4% between 2012 and 2033.

The recent acquisition of the port of Adria-Bar represents an important geographical diversification of the group's commercial port operations. The port, which benefits from being within a Free Zone regime, provides an important link in the chain of intermodal transport in the region as a result of its integration with the Belgrade-Bar railway and road traffic network.

GPH's current cruise port operations in Turkey provide convenient access to important heritage and archaeological sites as well as leisure and luxury holiday destinations. For example, Ege Ports-Kuşadası is in close proximity to the ancient city of Ephesus, a major tourist attraction which is still undergoing excavation, and the House of the Blessed Virgin Mary, a Christian shrine reputed to be the final home of the Virgin Mary. Ephesus, which is home of the Temple of Artemis (one of the seven wonders of the ancient world), attracted 1.9 million visitors in 2013, according to the Tourism Ministry's Central Directorate of Circulating Capital and ranked as the most popular tourist destination of the Aegean coast and the third most popular in Turkey by number of visitor in 2012. By way of comparison, Pompeii, the excavated Roman town near Naples, Italy, attracts approximately 2.5 million visitors per year according to UNESCO. Ege Ports-Kuşadası is attractive to cruise operators because it is located approximately 25 minutes by coach from Ephesus, compared with approximately one hour and 20 minutes from the nearest competing port at İzmir. This proximity helps to support high passenger participation in onshore excursions, which generates high margin revenue for the cruise lines. Ege Ports-Kuşadası has become the busiest cruise port in Turkey in terms of vessels received (according to the UMA) and the twentieth most heavily visited port of call in the Mediterranean region (according to G.P. Wild (International) Limited) with a total of 583,459 cruise passengers in 2013. Ege Ports-Kuşadası had a 27% market share of the Turkish cruise market by number of calls in 2013 and a 9.5% market share of the European cruise market by passengers in the same period. Moreover, among the 55 cruise lines visiting the Mediterranean, 41 called at Ege Ports-Kuşadası in 2013.

The Group's other cruise port locations in Bodrum and Antalya represent luxury and leisure destinations. Bodrum has been featured as the new luxury and leisure destination in Turkey by top travel magazines such as Conde Nast Traveller and Lonely Planet Magazine, while Antalya has

been rated the number one overall holiday destination in Turkey according to the Tourism Ministry's 2012 report on foreign tourism. Antalya is also ranked the seventh most visited city in the world according to Euromonitor in 2011, and it had a 19% market share of cruise passengers visiting Turkey in 2012, based on number of passengers, according to TurkStat. GPH management believes that Port Akdeniz-Antalya is well positioned to benefit from turnaround/cruise Homeport operations, which generate higher numbers of passengers, more regular vessel calls and various opportunities to generate additional revenue.

As part of Barcelona Cruise Port, Creuers is in a prime location where cruise operators have few alternative port destinations. GPH management believe that Creuers is unlikely to lose its popularity and expects to be able to increase turnaround traffic using the port.

Resilient and diversified business model with stable cash flows

GPH's diversified business model generates multiple cash flow streams from both cargo and passenger activities, enhancing the resilience of GPH's total revenues and EBITDA. Pro-forma financials for the six months ended June 30, 2014, GPH derived 68% of its revenues from its commercial port operations and 32% from its cruise port operations, with total revenues of US$48.0 million. With the acquisition of Creuers, GPH has achieved a significant diversification in its ports portfolio and increased the percentage of revenue generated from cruise port operations in its Pro-forma revenues. For the six months ended June 30, 2014, GPH derived 83% of its revenues from its commercial port operations and 17% from its cruise port operations, with total revenues of US$39.4 million. For the six months ended June 30, 2014, GPH derived 83% of its commercial port revenues from cargo handling and 17% from its port authority activities, with total revenues of US$27.3 million and total volumes of 121,246 TEU and 997,241 tonnes. Cargo handling revenues were primarily derived from containers, as well as from vessel handling, cement and clinker, hard board and medium density fiberboard and coal. For the six months ended June 30, 2014, GPH derived 35% of its cruise port revenues from passenger handling, 39% from port authority activities and 16% from other sources, with total revenues of US$6.6 million and total volumes of 280,337 passengers. Passenger handling revenues came primarily from cruise passenger fees, as well as from duty free shopping commissions, ferry passengers and various other sources. The Group's revenue streams are predominantly denominated in US dollars and, to a lesser extent, in Euro, effectively insulating the Company from risks arising from a potential weakening of the Turkish Lira

Strong competitive position due to high barriers to entry and strategic partnerships

GPH management believes that the location of Port Akdeniz-Antalya creates a strong barrier to potential competitors. The next closest commercial ports, Mersin and Iskenderun, are approximately 353 kilometers and 492 kilometers away, respectively. This distance makes these ports unattractive to local producers as the additional transportation would increase the cost of their commodity products. In addition, as the region to the port's west and northwest is primarily devoted to leisure and tourism GPH management believes it is unlikely that regulatory and environmental approvals would be granted for a new major commercial port in the region. Furthermore, any competing port would also require high capital investment and a long lead-time for construction. As a result, GPH management expects Port Akdeniz-Antalya to continue as the main commercial port for its region.

GPH management believes there are also high barriers to entry for any additional cruise port operations in Mediterranean. This is due to the high investment requirements and long construction lead times for comparable port operations, as well as lengthy procedures to obtain port licenses and regulatory approval, and limitations on commercial port developments due to high volumes of tourism along the Mediterranean coast line.

GPH management believes its competitive position is also supported by its established ties with key strategic partners. These partners include RCCL, which is the second largest cruise operator

in the world with a global market share of 23% based on world wide passengers, according to Cruise Market Watch, and Setur, which is the leading tour and travel agency in Turkey and maintains domestic exclusivity agreements with Cruise Line and Costa Cruises. GPH expects to continue to benefit from its relation with RCCL in expanding to global markets outside of Turkey and its relationship with RCCL has been further strengthened by its recent joint investments in Creuers and BCP.

Diversified and well-established client base

GPH has a diversified, well-established client base for both its commercial and cruise port operations, including Botros & Levant, Mediterranean Shipping Company, ZIM, AS Cimento, and Goltas for its commercial port operations, and Royal Caribbean International, Celebrity Cruises, Thomson Cruises, Princess Cruises, and Louis Cruise Lines for its cruise port operations. GPH maintains arm's length relationships with its commercial port customers, and its top five commercial customers accounted for less than 46% of total revenues and 61% of its total cargo handling revenues in 2013. In the six months ended June 30, 2014 the top five, ten and twenty commercial customers accounted for approximately 79.6%, 88.1% and 93.8%, respectively, of Port Akdeniz-Antalya's total revenues. GPH's customers include shipping lines and direct customers (e.g. factories and mines), with container related traffic derived from shipping lines and cement related cargo derived from cement factories. In addition, recent regulations in Turkey grant domestic vessels exclusive right to transport goods between Turkish ports (where previously such rights had also extended to foreign vessels), which GPH management believes will increase the domestic transport of goods via ship, and, in turn, further increase GPH's potential customer base.

GPH's top five cruise port customers accounted for less than 11% of total revenues and 67.2% of its total cruise revenues in 2013. In the six months ended June 30, 2014 the top five, ten and twenty cruise port customers accounted for approximately 6%, 8% and 9%, respectively, of GPH's total revenues. GPH's customers are cruise operators who market under various brands to attract a broad range of cruise passengers, from luxury to budget travelers. GPH benefits from its diversified customer base, as each cruise line corporation operates under several brands targeted at different markets.

Best in class profitability performance with potential for further margin improvements

GPH management believes GPH has an established track record of generating industry leading EBITDA margins, with further upside provided by targeted margin enhancement measures. In 2011, 2012 and 2013 (with the 2013 information prepared on a pro forma basis) and the twelve months ended June 30, 2014 (with the information for the twelve months ended June 30, 2014 prepared on a pro forma basis), GPH's EBITDA was US$38.6 million, US$45.3 million, US$68.8 million and US$72.4 million, respectively, and its EBITDA margin was 62.7%, 59.6%, 67% and 68%, respectively, during the same periods.

GPH management believes its margins are sustainable in light of the low degree of local competition and the lack of regulatory tariff restrictions. GPH management also believes the Group's ports have potential for additional higher margin container handling activities, premium tariffs for servicing cargo that requires additional expertise and equipment, and additional value added cross-selling of ancillary port activities.

GPH management believes that Creuers enjoys an existing dominant Homeport position and that it will be able to increase the number of Homeport turnarounds while sustaining and improving its margins.

Robust long-term concession framework providing for operational certainty and commercial flexibility

GPH's concession framework includes long-term concessions, where GPH may set tariffs at its own discretion and is no longer subject to capital expenditure requirements. At Port Akdeniz-Antalya, GPH maintains a thirty-year operating concession that expires in 2028. Between 1998 and 2003, GPH's tariffs were subject to certain restrictions, although since August 2003 GPH management has been able to set tariffs at its own discretion. At Ege Ports-Kuşadası, GPH maintains a thirty-year operating concession that expires in 2033. Since July 2008 GPH management has had discretion to determine tariffs at the port. With respect to Bodrum Cruise Port, GPH maintains a twelve-year Build Operate Transfer Agreement ("**BOT**") that expires in 2019. A BOT is an arrangement whereby the private sector builds an infrastructure project, operates it for a period of time before transferring it to the public sector. The Turkish Ministry of Transportation may approve an extension of the BOT term of up to forty-nine years, and GPH management expects the BOT to be extended in 2018. For the first three years of the BOT, GPH paid the Turkish Ministry of Transportation a land utilization fee of US$125,000 in 2007, US$128,750 in 2008 and US$132,613 in 2009, and since 2009 such fee has increased by 3% per annum. GPH's recent acquisitions further diversify its concession framework.

Experienced management team with an established track record of operational and strategic excellence

GPH has a highly experienced management team with a strong track record of effectively managing ongoing operational enhancements and driving expansion. GPH's executive management team has a long-term commitment to the maritime sector, with a total of 80 years of combined experience in the sector and a history of acquiring and managing port assets. GPH's existing portfolio and extensive experience in the region provide a solid platform for targeted acquisitions of port concessions in the selected growth areas of the region and the integration of these operations into the portfolio in order to maximize the profitability of these investments. The senior management team splits key responsibilities, with separate teams focused on extensive traffic monitoring, business development, operations and maintenance, financing, and technical and technological capabilities. Moreover, GPH management and GPH maintain strong and supportive relationships with local governments, businesses and local and international members of the cruise tourism industry due to the importance that its ports have for local communities and economies. GPH management also seeks to maintain strong relationships with GPH's clients in order to address their specific needs and expectations.

In addition to operating ports, GPH management has a strong track record of identifying acquisition targets. The management team has successfully executed a number of recent acquisitions and has extensive experience of integrating these operations into the portfolio.

Strategy

Leverage expected export growth in Turkey and expected cruise tourism growth in the Mediterranean

GPH management expects both Turkish exports and Mediterranean cruise tourism to increase further, based on industry research. GPH will seek to capitalize on this expected growth through investments in modern facilities and equipment and centralized management systems to ensure that GPH's commercial port facilities meet the increasing demand for high turnaround container operations. In addition, GPH management will continue to market its services to industries in the hinterland for the transportation of new goods currently transported through different means. In its cruise ports business, GPH management will continue to work with the on-shore excursion and other key decision makers of the cruise and local tourism industry to market regional locations to cruise operators. GPH's portfolio approach to its ports provides it with the opportunity to cross-sell its services to cruise operators, for example by offering tariff incentives to the vessels calling at multiple ports of GPH's.

Focus on higher margin cargo revenue and revenue from ancillary port activities

GPH management has significant experience in turning around underperforming ports by upgrading facilities and creating operational efficiencies. In order to increase operating margins in its commercial port business, GPH intends to increase its container handling capacity by modernizing Port Akdeniz-Antalya's docking areas to accommodate larger container vessels. It will also increase cargo throughput through investments in modern container handling and stacking equipment and storage areas in addition to investments in related facilities. Since the acquisition of the Port of Adria-Bar in December 2013, GPH has implemented this strategy through an ongoing program of investment and restructuring, intended to modernize the port facilities and improve operating efficiencies.

As containers usually generate higher margins, GPH management intends to promote Containerization by attracting more shipping lines and highlighting the benefits of Containerization to industries in the hinterland. GPH management also intends to offer economic incentives, including volume discounts, for container shipping lines to add existing and future Group ports to their itinerary.

Additionally, in order to increase operating margins in both its commercial and cruise port businesses GPH management intends to supplement GPH's revenue with value-added cross selling of ancillary port activities (such as electricity provision and office, retail and storage space rental) at each of its ports.

Targeted acquisitions in Turkey and other regions

GPH targets existing commercial ports within Turkey, the Middle East and Europe, and ports in the Mediterranean, and Black Sea. GPH focuses on ports where it believes modernization and implementation of advanced port management systems offer the greatest potential. GPH aims to identify ports that offer access to important international trade routes and are critical economic contributors to their region. Additionally, GPH targets ports that it believes are undervalued, for example because of outdated equipment and facilities or management practices. GPH believes that the recent acquisition of Creuers and Lisbon are good examples of this strategy being carried out.

In the commercial port business, GPH's primary focus is on acquiring non-container commercial ports with the potential to be converted into container ports, with the aim of reducing the inefficiencies and ramping up operations.

In its cruise port business, GPH's expansion strategy focuses on targets that are in promising locations (for example, close to high profile tourist and historical sites) but are currently undervalued or mismanaged. An important element for identifying cruise port opportunities is identifying assets that provide opportunities to enhance the passenger experience and expand the services offered by building shopping complexes and leisure centers to create additional revenue sources.

GPH management believes that it is well placed to participate in future tenders and re-tenders arising in Turkey and the surrounding region. This is because GPH is a local operator with proven operational capabilities and previous experience of successfully participating in these types of tenders.

As part of its global expansion strategy of the cruise business, GPH continuously monitors potential public and private deals all around world. As the largest cruise port in Europe, Creuers had long been identified by GPH as a potential acquisition target. Acquiring the control of Creuers has increased synergies for GPH in terms stronger negotiation power, offering package deals and centralizing shared resources. Investing in Creuers is another step for GPH in building a network of destinations that cruise operators cannot avoid using.

GPH management see the acquisition of LCP as a destination that can be further developed into a prime destination, while increasing Homeport operations. By investing into a state of the art new terminal building, LCP will be able to turnaround larger ships, which will enable it to significantly increase traffic and increase its per passenger revenues.

Use integrated cruise marketing to maximize revenue

GPH is seeking to maximize revenue across its portfolio of cruise port assets. GPH centrally coordinates its marketing effort to market its services across its portfolio of cruise line clients and, ultimately, to increase its share of passenger spending. Between 2011 and 2013, GPH has been able to increase revenue per cruise call by 23%, 5.3% and 30.5%, at Port Akdeniz-Antalya, Ege Ports-Kuşadası and Bodrum Cruise Port, respectively. For Bodrum Cruise Port, the decrease is mainly because of the change in focus from budget line (more passengers and large ships) cruises to luxury cruise lines (with fewer passengers per ship but higher revenues). For Port Akdeniz-Antalya, the increase in revenues was attributable in part to GPH's acquisition of an increased stake in the port and the increase in per passenger charges. Moreover, ancillary revenue such as retail lease revenue and duty-free revenue are optimized by promoting these retail outlets on the recommended shopping program of the cruise liners.

Optimize cash generation at existing facilities

In addition to its goal of increasing revenue, GPH is seeking to continue improving cash flow from its existing operations through a disciplined approach to capital expenditures. GPH is seeking to align its capital expenditures with changes in demand for its services while maintaining port facilities and equipment in accordance with international standards. Additionally, GPH will continue to control capital expenditures by shifting equipment between ports where it is possible to do so rather than investing in new equipment. To help optimize operating costs, GPH centralizes all shared services, which include treasury, finance, IT, human resources, procurement and legal. Non-core activities, such as general cargo handling, stuffing and unstuffing, security, cleaning and cargo transportation within the port are outsourced to third parties whom management believes can provide services at a lower cost and vary service levels to match demand. Moreover, GPH continuously reviews operating processes and efficiency to manage variances in revenue and operating costs in order to consistently increase EBITDA as a percentage of sales.

Recent Developments

Ratings

On October 27, 2014, Moody's (Moody's Investors Service, Inc.) assigned a first-time B1 Corporate Family Rating and B1-PD Probability of Default Rating to GPH. Concurrently, Moody's has also assigned a provisional (P)B1 rating to the company's proposed US$250 million guaranteed senior unsecured bond issuance due 2021. The outlook on the ratings is stable. On October 27, 2014, Fitch (Fitch Ratings Limited) also assigned a point-in-time, initial BB- public rating to GPH's US$250 million senior unsecured bonds. The outlook on the rating is stable. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time.

Merger of İzmir Liman İşletmeciliği A.Ş.

On July 3, 2014, İzmir Liman İşletmeciliği A.Ş., a fully-owned subsidiary of GPH and a non operative one-time project company, merged into GPH by way of absorption, and all its receivables and liabilities have been transferred to GPH as a result of universal succession and ceased to exist.

Principal Businesses

The Group has both commercial and cruise port operations. Based on consolidated financials, in the six months ended June 30, 2014, the Group's commercial revenue accounted for 83% of total revenue while cruise and other revenue account for 12.4% and 4.6%, respectively, of total revenue.

Commercial Port Business

Overview

In 2013, the Group's commercial port business generated revenue of TL 103.2 million.

The Group's commercial port business derives its revenue primarily from container handling, dry bulk cargo handling, general cargo handling and vessel handling revenue (comprised of pilotage, towage, sheltering, mooring, electricity, freshwater supply and waste removal services provided to ships calling). The Group also derives port authority revenues in its capacity as port authority for Port Akdeniz-Antalya, which includes pilotage, towage, shelter and mooring fees.

Cargoes handled in the port are classified as containers, dry bulk cargo and general cargo.

- Containers are large, sealable metal boxes built according to international standards, usually in 20-foot or 40-foot lengths. Containers can be used to ship a wide variety of cargoes. Containers are stackable and can be stored outdoors. They offer significantly higher efficiency than bulk and general cargo because they can easily be on- or off-loaded from train or truck to ship. Efficient operation of a container terminal requires specialized equipment for loading and unloading containers from vessels and transporting within the port as well as computerized systems for tracking containers and managing their logistics. Containers handled by the Group principally contain marble, cement, and chromium.
- Dry bulk cargo is any cargo, other than a liquid or a gas, which is homogeneous and shipped in bulk. Bulk cargo is not shipped in self-contained packaging, but loaded onto and unloaded from vessels by pouring or dumping the cargo using specialized scoops or other equipment attached to cranes, which are typically the same type of cranes used for general cargo. The Group principally handles dry bulk comprised of bulk cement, coal, clinker, aluminum hydroxide and fertilizer.
- General cargo is any kind of cargo which is shipped in its own package or on pallets and is loaded and unloaded using cranes. General cargo is often referred to as break-bulk cargo and requires additional handling at port. Some general cargo may require covered storage to protect it from adverse weather conditions, while other types can be stored on open ground. The Group principally handles general cargo comprised of cement, particleboard, aluminum, marble and barite.

In addition to the handling services for cargo loaded and unloaded at the port, port management also provides services for vessels docking at Port Akdeniz-Antalya and at Antalya Free Trade Zone docks. Vessel services offered at the port include pilotage, towage, mooring, sheltering, storage, terminal handling, freshwater provision, waste removal and security. Pilotage, towage, and mooring services are offered to arriving and departing vessels, vessels on buoys or anchored vessels to ensure safe vessel movement in and around the port. Provision of fresh water and waste removal services are also offered to vessels as extra sources of revenue for the port.

In its capacity as port authority for Port Akdeniz-Antalya, the Group obtains revenues from pilotage and towage services provided to all ships visiting the port.

Competition within the Turkish commercial port sector is primarily driven by the characteristics and location of the ports, their hinterland resources and the port infrastructure.

Port Akdeniz-Antalya Operations

The Group's commercial port business currently operates at Port Akdeniz-Antalya, located in the city of Antalya on southern Turkey's Mediterranean coast. Antalya is a principal trading center and its surrounding area encompasses seven organized industrial zones and the Antalya Free Trade Zone. As of December 31, 2013 the city of Antalya had a population of 1,027,551 inhabitants. The surrounding area is rich in chromium ore, marble, barite and aluminum. The area has a thriving agricultural sector due to its fertile soils and suitable climate. Tourism is also thriving in the area due to popular and heavily-visited beaches, hotels, golf resorts and important archaeological sites.

Port Akdeniz-Antalya encompasses a total area of 183,778 square meters, and has ten berths that can accommodate container, dry bulk cargo and general cargo vessels. The port can handle 5.0 million tonnes of dry bulk and general cargo a year, and 500,000 TEU per year.

Between 2007 and 2009, which were the first three years of operation under GPH ownership, total bulk and general cargo volume of Port Akdeniz-Antalya increased by approximately 145% while container handling stayed relatively stable. The port experienced a significant increase in cargo volumes between 2009 and 2012 due to a surge in container traffic as a result of the increased export of minerals such as marble, chromate, cement and clinker. Container handling volume increased by 194% between December 31, 2009 and December 31, 2012. GPH management believes that the recent increase in marble quarrying licenses issued between 2010 and 2012 in relation to areas surrounding Port Akdeniz-Antalya will result in sustained container handling growth rates at the port.

Container operation capacity utilization and general and bulk cargo capacity utilization were approximately 20.1% and 18.1% in the six months ended June 30, 2014 respectively.

In the same period, 74.4% of the bulk and general cargo were export cargo while 25.6% were import cargo. As far as the containerized loads are concerned, 50% were unloaded containers while 50% were loaded containers.

The following table provides information regarding the commercial features and operations of Port Akdeniz-Antalya as of June 30, 2014.

	Port Akdeniz-Antalya
Features as of June 30, 2014	
Total quay length (*meters*)	1,732
Port area (m^2)	183,778
Commercial area (m^2)	11,570
Total ship capacity (*per year*)	2,970
Concession term	30 years
Concession end	2028
Commercial Operations for the six months ended June 30, 2014:	
Total commercial ships served	439
Total gross tonnage (kt)	4,279,769
Capacity utilization	29.6%
Cargo ships served	125
Average tonnage per call	7,261
Container ships served	121
Total TEU	100,889
Average TEU per call	834

The following table sets forth container, dry bulk and general cargo volumes of Port Akdeniz-Antalya for the periods indicated.

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2011	2012	2013	2013	2014
Container (TEU)	169,424	186,463	217,384	102,911	100,889
Dry bulk (tonnes)	1,116,952	1,076,123	616,895	333,596	278,343
General cargo (tonnes)	1,243,972	1,323,927	1,111,546	695,098	629,302

Source: *UMA and GPH management*

The following table sets forth the principal types of cargo handled at Port Akdeniz-Antalya for the periods indicated.

	Total Cargo Volume				
	For the year ended December 31,			For the six months ended June 30,	
Type of Cargo	**2011**	**2012**	**2013**	**2013**	**2014**
Containers					
Containers (*TEU*)	169,424	186,463	217,384	102,911	100,889
Dry bulk cargo (*tonnes*)					
Bulk cement	627,965	576,380	174,323	139,472	18,980
Clinker	107,992	165,458	28,252	24,052	—
Coal	191,504	185,241	200,879	80,091	70,718
Fertilizer	70,360	50,614	52,018	24,799	31,179
Aluminum hydroxide	76,055	59,850	49,545	17,108	32,432
Asphalt	2,486	9,890	9,970	2,488	—
Wheat	34,934	9,143	22,405	9,800	9,339
Barite	0	0	44,237	21,831	23,088
Iron ore	0	0	18,122	—	35,662
Sunflower pulp	5,656	0	9,452	6,263	14,189
Woodchips		7,692	7,692	42,756	
Other	0	19,547	—	—	—
Total dry bulk cargo	1,116,952	1,076,123	616,895	333,596	278,343
General cargo (*tonnes*)					
Cement	955,033	1,103,290	955,109	613,956	558,214
Particleboard	135,066	118,038	75,148	35,803	38,172
Marble	31,849	26,627	7,938	5,398	3,137
Aluminum	57,345	30,556	28,025	14,855	6,011
Fertilizer	13,868	10,247	11,360	6,646	4,760
Coal	7,240	9,061	9,252	6,245	0
Barite	16,257	5,709	0	0	0
PVC	5,047	972	767	767	0
Other	22,267	19,427	23,947	11,428	19,008
Total general cargo	1,243,972	1,323,927	1,111,546	695,098	629,302

According to TURKLIM, Port Akdeniz-Antalya's global market share for container volume was 2.6% and its global market share for dry bulk and general cargo volume was 2.0% in 2012.

The following table provides a breakdown of Port Akdeniz-Antalya's revenue streams (based on 100% ownership) for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2011	2012	2013	2013	2014
		(Amounts in TL)		*(Amounts in TL)*	
Container Revenue	40,413,356	49,471,372	67,138,199	29,182,795	37,784,360
General Cargo Revenue	9,969,196	10,341,350	11,896,467	6,843,153	7,458,199
Bulk Cargo Revenue	6,418,169	6,724,265	14,596,611	7,022,634	7,423,358
Vessel revenue	11,275,488	13,673,867	5,948,809	2,985,292	3,669,636
Cruise Revenue	2,614,627	3,443,235	4,252,311	1,822,630	1,566,583
Rental and similar income	2,291,157	2,655,572	1,891,318	824,175	1,355,629
Other revenue(1)	539.365	1,863,633	1,697,096	1,031,342	2,518,190
Total revenue	**73,521,358**	**88,173,294**	**107,420,811**	**49,712,020**	**61,775,956**
Earnings before interest, tax, depreciation and amortization (EBITDA)(2)	**44,094,190**	**56,177,279**	**75,131,638**	**27,149,517**	**42,341,519**
EBITDA margin(3)	**60%**	**64%**	**70%**	**55%**	**69%**
EBITDA Adjustments(4)	**2,048,836**	**818,362**	**—**	**—**	**—**
Adjusted EBITDA(5)	**46,143,026**	**56,995,640**	**75,131,638**	**27,149,517**	**42,341,519**
Adjusted EBITDA margin(6)	**63%**	**65%**	**70%**	**64%**	**69%**

Notes:

(1) Other revenue includes marina equipment and office rental revenue, electricity revenue and ISPS revenue.

(2) Represents total (cruise and commercial) EBITDA for Port Akdeniz-Antalya. EBITDA is a supplemental performance measure that has not been prepared in accordance with IFRS and prospective investors should not consider it as an alternative to the applicable IFRS measure. See "*Presentation of Financial and Other Data—Non-IFRS Financial Measures*". EBITDA, as calculated by GPH and its subsidiaries, represents operating profit plus depreciation and amortization expenses (related to property and equipment, and intangible assets). EBITDA does not represent operating profit as that item is defined by IFRS and should not be considered by prospective investors to be an alternative to operating profit. Also, because EBITDA is not calculated in the same manner by all companies, it may not be comparable to other similarly titled measures used by other companies.

The following table shows the reconciliation of Port Akdeniz-Antalya's EBITDA to its operating profit from commercial operations for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2011	2012	2013	2013	2014
		(Amounts in TL)		*(Amounts in TL)*	
Operating profit	11,596,667	20,717,340	37,019,089	9,153,755	19,987,119
Depreciation and Amortization expenses	(32,497,523)	(35,459,939)	(38,112,549)	(17,995,762)	(22,354,400)
EBITDA	**44,094,190**	**56,177,279**	**75,131,638**	**27,149,517**	**42,341,519**
EBITDA Adjustments(5)	2,048,836	818,362	—	—	—
Adjusted EBITDA	**46,143,026**	**56,995,640**	**75,131,638**	**27,149,517**	**42,341,519**

(3) EBITDA margin is calculated by dividing EBITDA by revenue.

(4) EBITDA Adjustments are adjustments for one-off expenses during the periods under review which do not relate to the ordinary course of business. See "*Presentation of Financial and Other Data—Non-IFRS Financial Measures*" for a summary of the EBITDA Adjustments made in each of the periods under review.

(5) Adjusted EBITDA represents the sum of EBITDA and the EBITDA Adjustment for the relevant period.

(6) Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by revenue.

Port Akdeniz-Antalya Customers

Port Akdeniz-Antalya's commercial customers include over 50 carriers and cargo customers. Companies shipping their goods through the port are predominantly engaged in the cement, coal, aluminum, fertilizer, marble, chromium, barite and wheat sectors. In the six months ended June 30, 2014, the top five, ten and twenty commercial customers accounted for approximately 79.6%,88.1% and 93.8%, respectively of Port Akdeniz-Antalya's total revenues. Port Akdeniz-Antalya currently serves three of the world's top 15 container lines as measured by total TEU capacity and current market share: MSC Gemi Acenteliği Anonim Şirketi ("**MSC**"), representing Mediterranean Shipping Co.; Belstar Denizcilik ve Taşımacılık Anonim Şirketi representing ZIM Integrated Shipping Services Ltd. ("**ZIM**"); and Botros&Levante Taşımacılık ve Ticaret Limited Şirketi representing CMA CGM S.A. ("**CMA**"). Arkas Denizcilik ve Nakliyat Anonim Şirketi ("**Arkas Line**") also started offering services in Port Akdeniz-Antalya on October 2012. Arkas Line is the biggest inland water carrier in the Mediterranean and Black Sea Regions of Turkey. It provides container services in every part of Turkey and links services with feeder ships to international carriers through hub ports. Arkas Line has contributed Port Akdeniz-Antalya with domestic sea transportation using Turkish Flag vessels. In addition to the aforementioned customers, Martı Konteyner Hizmetleri Anonim Şirketi, representing China Ocean Shipping Company ("**COSCO Line**"), began operations in September 2013, increasing the number of lines to five. As a result of increased congestion at İzmir Port, MSC and ZIM lines have redirected some of their services to Port Akdeniz-Antalya. GPH management expects this will result in sizeable increases in container handling at Port Akdeniz-Antalya. GPH management is also exploring opportunities to enhance its relationships with container lines.

Acquisition of Port Akdeniz-Antalya

The Privatization Administration ("**PA**") decided to privatize Port Akdeniz-Antalya (then held by the TDI) on July 15, 1998. Ortadoğu Antalya was awarded 30-year operating rights for Port Akdeniz-Antalya pursuant to a Transfer of Operation Rights Agreement (the "**Port Akdeniz-Antalya TOORA**") executed on August 31, 1998 by the PA, the TDI and Ortadoğu Antalya. Ortadoğu Antalya agreed to pay US$29.0 million in consideration for the transfer of operating rights. The consideration was divided into one upfront payment and several subsequent installments. Ortadoğu Antalya subsequently defaulted on certain of its installment payments. Sumerbank, the guarantor of the installment payments, took control of Ortadoğu Antalya's assets and of 99.99% of the shares in Ortadoğu Antalya (one share in Ortadoğu Antalya continued to be held by the TDI). In 1999, the Turkish Savings Deposit Insurance Fund ("**SDIF**") (under the umbrella of the Banking Regulation and Supervision Agency (the "**BRSA**")) took control of Sumerbank and its assets, resulting in SDIF holding 99.99% of the shares in Ortadoğu Antalya. The TDI continued to hold one share in Ortadoğu Antalya.

In 2006, SDIF decided to sell its shares in Ortadoğu Antalya and opened a public tender in respect of Port Akdeniz-Antalya. In October 2006, SDIF transferred its shares in Ortadoğu Antalya to a joint venture company, Akdeniz Liman İşletmeleri A.Ş. The shareholders of Akdeniz Liman İşletmeleri A.Ş were: GPH (39.8%) of the shares; Çelebi Holding (39.9%); Antmarin (19.9%); Can Çelebioğlu (0.1%); Mehmet Kutman (0.1%); Gregory Michael Kiez (0.1%); and Hasan Akıncıoğlu (0.1%). The total consideration for the acquisition was US$61.0 million, of which GPH contributed US$8.4 million. In December 2006, Ortadoğu Antalya and Akdeniz Liman İşletmeleri A.Ş merged, with Ortadoğu Antalya as the surviving entity. Immediately following the merger, the shareholders of Ortadoğu Antalya were GPH (39.8%), Çelebi Holding (39.9%) Antmarin (19.9%) Gregory M. Kiez (0.1%), Mehmet Kutman (0.1%) and the TDI (one share).

On July 29, 2010, GPH acquired the shares of Çelebi Holding and Antmarin in Ortadoğu Antalya for a total consideration of US$56.0 million. Currently, the shareholders of Ortadoğu Antalya are GPH (99.99%) and the TDI (one share). See "*Management*" for information regarding Mehmet Kutman and Ayşegül Bensel and see "*Management's Discussion and Analysis of Financial*

Condition and Results of Operations—Financing of the acquisition of Port Akdeniz-Antalya” for information regarding the financing of the acquisition of Port Akdeniz-Antalya.

Port Akdeniz-Antalya concession agreement terms and management

Pursuant to the terms of the Port Akdeniz-Antalya TOORA, the TDI is entitled to hold one share in Ortadoğu Antalya. The TDI can also appoint one of Ortadoğu Antalya's board members. Ortadoğu Antalya cannot transfer its operating rights to a third party without the prior approval of the TDI. For the duration of the concession term, the tariffs charged to the Turkish armed forces in respect of services provided to Turkish military ships are to be determined by separate agreement between Ortadoğu Antalya and the Turkish Navy. While Port Akdeniz-Antalya's tariffs were subject to certain limits and exceeding those limits required TDI's approval during the first five years of the concession term (which ended in August 2003), Ortadoğu Antalya is now able to determine tariffs for Port Akdeniz-Antalya's port services at its own discretion without being subject to TDI's approval (apart from the tariffs for services provided to Turkish military ships).

In the event that the Port Akdeniz-Antalya TOORA is not renewed prior to expiration or is terminated, any real property assets at Port Akdeniz-Antalya must be returned to the TDI without charge and free of any encumbrances or liabilities. Any moveable assets added by Ortadoğu Antalya during the term of the Port Akdeniz-Antalya TOORA will belong to Ortadoğu Antalya and any immovable assets added by Ortadoğu Antalya will belong to the port and not the Group. In addition, Ortadoğu Antalya must permit public administrations to conduct inspections from time to time. The Port Akdeniz-Antalya TOORA may be terminated if any party commits a breach of its terms and fails to cure that breach within 60 days of written notice for breach being given by the other party. The Port Akdeniz-Antalya TOORA does not provide Ortadoğu Antalya with an express right to renew the agreement on expiration of the term.

See also Note 23(c) to the Interim Financial Statements for a further description of the Port Akdeniz-Antalya TOORA.

Other permits for Port Akdeniz-Antalya

A zoning plan in respect of all parcels of land at Port Akdeniz-Antalya was approved by the Ministry of Environment and City Planning (former Ministry of Public Works and Settlement) on April 22, 2009. Pursuant to article 12 of the Port Akdeniz-Antalya TOORA, Ortadoğu Antalya has been responsible for obtaining the building and construction permits required for the development of Port Akdeniz-Antalya since August 31, 1998 (the date the Port Akdeniz-Antalya TOORA was signed). As there have been no new building or construction activities at Port Akdeniz-Antalya since that date, GPH has not had to obtain any such permits.

Investments in Port Akdeniz-Antalya

In 2011, 2012 and 2013, Ortadoğu Antalya invested US$8.9 million, US$2.4 million and US$3.1 million, respectively, in Port Akdeniz-Antalya. These investments included:

- refurbishing the port's cranes and marine service fleet;
- acquiring new handling equipment and yard equipment;
- acquiring a new tugboat;
- building a new covered warehouse;
- improving infrastructure, including;
  - paving the terminal area;
  - maintaining, refurbishing and rebuilding cruise terminals, administrative facilities, fire-fighting equipment and facilities; and

- enhancing compliance with the ISPS Code.

Ortadoğu Antalya financed these investments with two loans amounting to US$12.0 million from Garanti Bank as well as its own cash flows. For further analysis, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Borrowings—Financing of investments into Port Akdeniz-Antalya.*"

Following the increase in its ownership interest at the end of July 2010, GPH launched a US$19.5 million investment and marketing program to enhance the cargo handling capacity of the port as well as to attract increased cargo volumes through 2013. The investment program had three investment phases: vessel services; container cargo and yard handling equipment; and facilities. Vessel service investments included the acquisition of a new tugboat on September 30, 2010 to facilitate smooth and efficient vessel approach and departure. Container cargo and yard handling equipment investments included the acquisition of new high capacity forklifts, two new mobile harbor cranes and two new reach stackers. These items were delivered in the last quarter of 2010 to ensure that Port Akdeniz-Antalya was able to meet the rapidly increasing container and cargo handling volumes experienced in 2010. Investments in facilities included the construction of new storage facilities, which were completed in 2010, as well as dredging within the port area in 2011 to increase vessel handling capabilities and depth.

Port Akdeniz-Antalya's competitors

According to GPH management, Port Akdeniz-Antalya currently has no direct competition in its immediate vicinity. Its closest competitors are Mersin and Iskenderun ports, which are located 490 kilometers and 750 kilometers further east along the Mediterranean coast. According to GPH management, competition from these ports is limited due to the distance between these ports and Port Akdeniz-Antalya's surrounding area and the increased transportation costs associated with transporting goods from the surrounding area to these ports. GPH management is not aware of any new port projects planned for the areas surrounding Port Akdeniz-Antalya.

Port of Adria-Bar

Port of Adria-Bar operations

Bar is a major seaport and town in southern Montenegro, and represents an important link in the chain of intermodal transport in the region because of its integration with the Belgrade-Bar railway and road traffic network (with the growing trend of Containerization, the accessibility of the subsequent mode of transport of the container is pertinent). In addition, the port of Adria-Bar benefits from a "Free Zone" regime. In 2013, the Port of Adria-Bar had a pier length of 1,440 meters, a discount shopping area of 295 square meters, 249 vessel arrivals, 539,265 tonnes of cargo, and US$9 million in revenue (source: Bar Port Authority). As of June 30, 2014, the number of container vessels that visited the Port of Adria-Bar has increased by 27%, an increase of 17 vessels from 62 vessels in the first six months of 2013, to 79 vessels during the same period in 2014. The total number of containers handled by the Port of Adria-Bar increased by 52% from 16,212 TEU to 24,614 TEU, for the first six months of 2013 and 2014, respectively. As a result of these increases, the Port of Adria-Bar has generated a 22% higher revenue of €3.8 million in first six months of 2014, compared to €3.1 million at the same period in 2013. EBITDA of the Port of Adria-Bar increased more than three times to €696,000 during the first six months of 2014, compared to €229,000 in same period in 2013. This increase shows the effect of the program of investment and restructuring that GPH implemented at the Port of Adria-Bar following the acquisition on December 30, 2013, with the intention of modernizing the port facilities and improving operating efficiencies.

The following table provides information regarding the commercial features and operations of Port of Adria-Bar as of June 30, 2014.

	Port Adria-Bar
Features as of June 30, 2014	
Total quay length (meters)	1,440
Port area *(m^2)*	518,990
Commercial area *(m^2)*	295
Total ship capacity *(per year)*	3,240
Concession term	30 years
Concession end	2043
Commercial Operations for the six months ended June 30, 2014:	
Total commercial ships served	117
Total gross tonnage (kt)	285,677
Capacity utilization	2.9%
Cargo ships served	51
Average tonnage per call	2,442
Container ships served	66
Total TEU	20,357
Average TEU per call	308

Only limited financial information in respect of the Port of Adria-Bar is available for the period prior to the Company's acquisition of the shares from the government of Montenegro on December 30, 2013. Accordingly only very limited financial information with respect to the Port of Adria-Bar has been included in this Offering Circular.

Acquisition of Port of Adria-Bar

The Group owns 62.09% of the shares in the cargo terminal in Port of Adria-Bar, which has an operating concession for thirty years, terminating in 2043.

On July 1, 2013, GPH participated in the privatization of the cargo terminal in Port of Adria-Bar. On July 23, 2013, GPH won the tender for the repair, financing, operation, maintenance and transfer of Port of Adria-Bar and the right to acquire the shares owned by the Montenegro government. GPH finalized a share purchase agreement with the Montenegro government on November 15, 2013, which was approved by the tender commission, the Montenegro Privatization and Capital Investments Authority and the Montenegro Council of Ministers. By December 30, 2013, GPH had indirectly acquired 62.09% of the shares in the Port of Adria-Bar from the Montenegro government through Container Terminal and General Cargo JSC-Bar for €8.1 million.

Port of Adria-Bar concession agreement terms and management

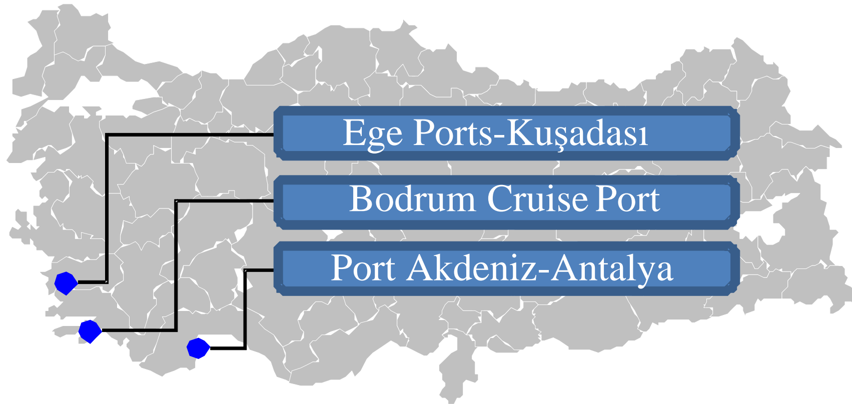
Container Terminal and General Cargo JSC-Bar has the operating concession for the port of Adria-Bar for 30 years, terminating in 2043. For the first three years of its ownership, the Group must implement certain investment and social programs outlined in the share purchase agreement and must commit €13.5 million towards capital expenditures during that period. Under the social program, the Group has developed a program for training and retrenching employees within the first year of ownership, in consultation with local and national regulators and labor unions, which is nearing completion.

Tariffs for services provided at Port of Adria-Bar are regulated pursuant to the terms of the concession agreement with the Montenegro port authority, which may be below market rates, where the maximum rates are subject to adjustments for inflation.

Cruise Port Business

Overview

The Group's Turkish cruise port business currently operates at Ege Ports-Kuşadası, Bodrum Cruise Port and Port Akdeniz-Antalya.



The Group's Turkish cruise port business derives its revenue from: (1) cruise-related services including landing fees based on the number of cruise ship passengers; (2) revenue from port services including pilotage, towage, mooring, sheltering, security, provision of fresh water and waste removal services (determined on the basis of the ship's gross tonnage); (3) motorboat revenue which include passenger landing fees and ferry shelter revenue; (3) duty-free revenue from Setur; and (4) revenue from the rental of retail store space located on the quayside. The Group also derives revenue in its capacity as port authority for Ege Ports-Kuşadası, Bodrum Cruise Port and Port Akdeniz-Antalya.

Cruise revenue, ferry revenue, duty-free revenue and rent revenue accounted for 11.7%, 0.7%, 1.0% and 3.6%, respectively of the Group's consolidated revenue in first six months of 2014.

Competition within the Turkish cruise port sector is primarily driven by: the location of the port; the port's security services; the port's terminal and berthing facilities; and proximity to off-shore excursion sites and city and shopping centers.

In addition, the Group recently acquired cruise port operations in Barcelona. As the Group's interests in such operations were acquired after June 30, 2014, such acquisitions are not reflected in the financial and operational information of the Group's port operations included in this Offering Circular except to the extent expressly stated.

Operations

The following table provides information regarding the cruise and ferry port features and operations of Ege Ports-Kuşadası, Bodrum Cruise Port and Port Akdeniz-Antalya as of June 30, 2014.

	Ege Ports-Kuşadası	Bodrum Cruise Port	Port Akdeniz-Antalya
Features as of June 30, 2014			
Total quay length (*meters*)	1,437	660	1,732
Port area (m^2)	23,000	22,000	183,778
Commercial area (m^2)	4,600	1,460	11,570
Total ship capacity (*per year*)	2,000	800	2,970
Bus parking capacity (m^2)	3,800	4,100	—
Concession term	30 years	12 years	30 years
Concession end	2033	2019	2028
2013 Cruise Operations:			
No. of cruise passengers	583,459	29,551	167,794
No. of cruise ships	451	136	70
No. of ferries	484	495	—
No. of ferry passengers	62,263	88,399	—
Total gross tonnage	22,684,537	1,278,888	3,232,158
Market share in terms of passenger arrivals	26%	1.3%	7.3%
Market share in terms of cruise ships calling	28%	7.4%	4.2%
Capacity utilization	44%	25%	32%

Modern cruise ships provide a luxurious means of travel which allows cruise passengers to visit a number of interesting destinations within a short period of time while occupying a single room. In selecting ports of call, cruise lines look for destinations which have historic, natural or cultural attractions for tourists. The port should be easily accessible, safe and secure and within a reasonable distance from other ports to fit within a three, seven or fourteen day itinerary. Turnaround/cruise Homeports are selected based upon the local infrastructure (hotel and airport capacity and transport), security and proximity to intended ports of call.

Ege Ports-Kuşadası

Overview

The port is located in the town of Kuşadası on Turkey's Aegean coast. According to the UMA, Ege Ports-Kuşadası was the busiest cruise port in Turkey in terms of vessels received during 2012. According to G.P. Wild (International), it was the twentieth most visited port of call in the Mediterranean region with a total of 450,291 cruise passengers and 54,527 ferry passengers in September 30, 2013 and 439,195 cruise passengers and 52,386 ferry passengers in September 30, 2012. In 2013, Ege Ports-Kuşadası received 451 cruise calls and received 583,459 cruise passengers with a total GRT of 22,687,052.

GPH management believes that Ege Ports-Kuşadası's popularity is largely due its close proximity to important archaeological sites. These include the archaeological site at Ephesus. Ephesus is a major tourist attraction and is still undergoing excavation. It is home to the Temple of Artemis, one of the seven wonders of the ancient world. The port is also close to the House of the Blessed Virgin Mary, a Christian shrine reputed to be the final home of the Virgin Mary. According to GPH management's estimates, approximately 75% of cruise passengers visiting Ege Ports-Kuşadası participate in land excursions to Ephesus organized by the cruise line operators, thereby generating significant income for such operators.

By extending the two finger piers' length by 50% in 2011, Ege Ports-Kuşadası can berth either: four large vessels; two large vessels and four small vessels; or quantum class vessels (348 meter

vessels, the largest cruise ships). Additionally, there are two roll-on/roll-off ramps and a quay to service ferry traffic. The terminal building houses a 4,450 square meter duty-free shopping area with forty-three shops, as well as first aid facilities, a passenger and crew center (with internet access and international call access) and offices for ship and cruise operators and tour agencies.

Since the Group acquired its shares in Ege Liman in the second half of 2003, the number of ships visiting Ege Ports-Kuşadası has doubled, reaching 935 in the first six months of 2014. Total passenger arrivals, which includes ferry passengers, increased from approximately 215,000 in 2004 (the first full year in which the Group operated the port) to 645, 722 in 2013, representing a CAGR of approximately 20% over the period.

Ege Ports-Kuşadası was the first port in Turkey to be ISPS compliant and to receive ISPS certification in 2004. The port was also the first port in Turkey to have its certification renewed in 2009.

Ege Ports-Kuşadası has established itself as one of the major destinations in the Mediterranean cruise market following a major promotion campaign by Ege Liman and the addition of luxurious, modern facilities in 2004. Ege Liman is currently the only Turkish port operator to be appointed as an Executive Member of the CLIA. Since 2007, Ege Ports-Kuşadası has been recognized with numerous awards and citations, including:

- The Best Cruise Port in Turkey by the World Newspaper (*Dünya Gazetesi Perşembe Rotası*) and the Marine News Agency (*Deniz Haber Ajansı*) (beating 499 other nominees across nine categories) in 2007;
- Best Turkish Port of the Year by Skål, the international association of travel and tourism professionals in 2007;
- The Best Port in the World in Security and Safety Services by CLIA at Leadership Forum in Miami in 2007;
- 14th among the leading 30 European cruise ports by G.P. Wild (International) Ltd. 2007;
- One of the fastest-growing ports by Lloyd's Cruise International Magazine in 2007;
- Awarded "Cruise Terminal of the Year" by Lloyd's List in its 2008 Turkish Shipping Awards; and
- Nominated as "Europe's Leading Cruise Port" by World Travel Group for the 2010 World Travel Awards.

Although the cruise season runs from March until the end of the November, currently Ege Ports-Kuşadası's cruise calls are concentrated on several days each week from August to October in any given year. Ege Ports-Kuşadası's management is working with cruise lines to extend their calls year-round and to every day of the week.

The following table provides a breakdown of Ege Ports-Kuşadası's revenue streams for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2011	2012	2013	2013	2014
		(audited) *(Amounts in TL)*		*(unaudited)* *(Amounts in TL)*	
Cruise revenue	23,536,623	21,972,798	23,442,725	6,839,902	7,804,210
Landing revenue	8,491,406	8,582,456	9,382,607	2,616,158	2,636,947
Pilotage services	5,131,019	4,722,298	4,988,607	1,451,560	1,843,609
Tugboat services	4,043,688	3,715,671	3,871,883	1,136,639	1,442,234
Security services	1,558,905	1,416,684	1,486,623	441,154	555,287
Fresh water services	1,413,281	787,262	616,257	231,854	222,233
Shelter services	1,214,159	1,117,222	1,316,604	387,240	506,621
Other cruise services[(1)]	1,684,165	1,631,205	1,780,613	575,296	597,279
Ferry revenue	1,060,397	1,064,730	1,199,805	309,423	375,425
Setur/Duty-free revenue	1,740,026	1,667,712	1,786,73	499,077	480,211
Rental Income	4,496,688	4,770,675	4,884,626	2,224,623	2,768,619
Other revenue[(2)]	99,178	—	—	—	—
Total revenue	**30,932,912**	**29,475,915**	**31,313,859**	**9,873,024**	**11,428,465**
Earnings before interest, tax, depreciation and amortization (EBITDA)[(3)]	**21,836,301**	**21,621,153**	**24,041,332**	**2,706,096**	**7,945,988**
EBITDA margin[(4)]	**71%**	**73%**	**77%**	**27%**	**64%**
EBITDA Adjustments[(5)]	**250,500**	**0**	**0**	**0**	**0**
Adjusted EBITDA[(6)]	**22,086,801**	**21,621,153**	**24,041,332**	**2,706,096**	**7,320,015**
Adjusted EBITDA margin[(7)]	**71%**	**73%**	**77%**	**27%**	**64%**

Notes:

(1) Other cruise services include mooring and waste removal.

(2) Other revenue includes rental revenue.

(3) EBITDA is a supplemental performance measure that has not been prepared in accordance with IFRS and prospective investors should not consider it as an alternative to the applicable IFRS measure. See "*Presentation of Financial and Other Data—Non-IFRS Financial Measures*". EBITDA, as calculated by GPH and its subsidiaries, represents operating profit plus depreciation and amortization expenses (related to property and equipment, and intangible assets). EBITDA does not represent operating profit as that item is defined by IFRS and should not be considered by prospective investors to be an alternative to operating profit. Also, because EBITDA is not calculated in the same manner by all companies, it may not be comparable to other similarly titled measures used by other companies.

The following table shows the reconciliation of Ege Ports-Kuşadası's EBITDA and Adjusted EBITDA to its operating profit for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2011	2012	2013	2013	2014
		(audited) *(Amounts in TL)*		*(unaudited)* *(Amounts in TL)*	
Operating profit	19,221,366	18,520,580	20,635,766	1,148,998	5,314,899
Depreciation and Amortization expenses	(2,614,935)	(3,100,573)	(3,405,656)	(1,557,098)	(2,005,115)
EBITDA	**21,836,301**	**21,621,153**	**24,041,332**	**2,706,096**	**7,945,988**
EBITDA Adjustments	250,500	0	0	0	0
Adjusted EBITDA	**22,086,801**	**21,621,153**	**24,041,332**	**2,706,096**	**7,320,015**

(3) EBITDA margin is calculated by dividing EBITDA by revenue.

(4) EBITDA Adjustments are adjustments for one-off expenses during the periods under review which do not relate to the ordinary course of business. See "*Presentation of Financial and Other Data—Non-IFRS Financial Measures*" for a summary of the EBITDA Adjustments made in each of the periods under review.

(5) Adjusted EBITDA represents the sum of EBITDA and the EBITDA Adjustment for the relevant period.

(6) Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by revenue.

On October 7, 2003, Ege Liman and Setur entered into a duty-free lease agreement, pursuant to which Ege Liman agreed to lease one duty-free shop in Ege Ports-Kuşadası's terminal facilities to Setur in return for a 30% share of Setur's duty-free revenue from those shops until the new terminal building starts operating, after which Setur will continue to pay rent to Ege Liman instead of a 30% share in revenues. Pursuant to the lease, Setur obtained the exclusive right to operate the duty-free shop. Setur is a subsidiary of Koç Holding A.Ş., one of the largest conglomerates in Turkey and a leading Turkish duty-free operator with stores at major airports and ports in Turkey. The lease is not due to expire until December 31, 2034. The lease agreement contains certain rent review periods. In respect of the initial term of the lease (from September 15, 2005 to September 14, 2010), Ege Liman received €3.0 million as an advance payment from Setur in 2005 and an additional €3.0 million in October 2010. Following the first rent review in September 2010, Ege Liman and Setur agreed on September 15, 2010 that for the subsequent term of the lease (from September 15, 2010 to September 15, 2015), which requires Setur to pay Ege Liman minimum rental payments of €2.94 million between September 15, 2010 and September 14, 2015. During this lease term, Setur will pay to Ege Liman as rental income 30% of its gross duty-free revenues per month, and at the end of the period if Setur's gross duty-free revenues are less than €9.8 million then Setur will pay Ege Liman the difference between the rental income paid to date and €2.94 million.

Lawsuits have been filed challenging the privatization of Ege Ports-Kuşadası as well as the Ege Ports-Kuşadası Zoning Plan. See "*—Legal Proceedings—Challenge to Ege Ports-Kuşadası Zoning Plan*" for a description of, and the status of, the Ege Ports-Kuşadası Zoning Plan and construction and building permits in respect of Ege Ports-Kuşadası.

Ege Ports-Kuşadası Customers

Ege Ports-Kuşadası has served up to 56 different cruise lines and 71 cruise ships in one season, covering the entire range from budget to premium and luxury cruise lines. Three main customers or customer groups (Greek cruise lines, Carnival Corporation and RCCL) account for a significant portion of Ege Ports-Kuşadası's cruise traffic. According to GPH management, Greek cruise lines currently make three regular calls per week to Ege Ports-Kuşadası, providing over 13% of Ege Ports-Kuşadası's total cruise calls. Carnival Corporation, the world's largest cruise group based on passengers carried annually, annual revenue and total number of ships in the fleet, accounts for approximately 15% of calls to Ege Ports-Kuşadası, with approximately 71 calls per year made by four brands within its organization (including Princess Cruises, Holland America Line, Cunard and the Yachts of Seabourn). It has a worldwide market share of 47.7% of passengers and 41.8% of revenue. RCCL accounts for approximately 23% of calls to Ege Ports-Kuşadası, with brands such as Celebrity Cruises, Royal Caribbean Cruises, Azamara Cruise Club and TUI Cruises making 110 calls per year. The remaining cruise passengers are brought to Ege Port-Kuşadası by a variety of boutique and niche cruise operators, which typically operate at the upper end of the cruise market, carrying smaller numbers of passengers on more expensive luxury cruises or operating adventurous, thematic (i.e., music, culinary) or academic cruises.

Ege Liman employs two full-time marketing and customer relations personnel to design and implement a destination marketing program for Ege Ports-Kuşadası. The aim of the program is to provide information to cruise lines in connection with onshore excursions and itinerary planning for visits to the Kuşadası area. It is also intended to target cruise-oriented travel agencies and tour companies in the United States and Europe to promote Ege Ports- Kuşadası, being the gateway to Ephesus, as a port of call.

Acquisition of Ege Ports-Kuşadası

Avrasya Yatırım Holding A.Ş., Ege Ticaret Ltd. Şti., and RCCL acquired Ege Liman (the operator of Ege Ports- Kuşadası) in July 2003 through a joint venture. The shares of Avrasya Yatırım Holding A.Ş. and Ege Ticaret Ltd. Şti were later transferred to GPH. GPH and RCCL currently own 72.50% and 27.49% of the shares of Ege Liman, respectively. The TDI holds one share of Ege Liman.

Ege Ports-Kuşadası concession agreement terms

Ege Liman entered into a 30-year Transfer of Operation Rights Agreement for Ege Ports-Kuşadası (the "**Ege Ports-Kuşadası TOORA**") on July 2, 2003 with the PA and the TDI. Global Liman acquired 72.50% of the shares of Ege Liman on 6 July 2005. The other shareholder of Ege Liman is RCCL.

The agreement allows Ege Liman to operate Ege Ports- Kuşadası for a term of 30 years for a total consideration of US$24.3 million. Ege Liman's operation rights extend to port facilities, infrastructure and facilities which are either owned by the State or were used by TDI for operating the port, as well as the duty-free stores leased by the TDI. Ege Liman is entitled to construct and operate new stores in the port area with the written consent of the TDI.

Pursuant to the terms of the Ege Ports-Kuşadası TOORA, the TDI is entitled to hold one share in Ege Liman and to nominate one of Ege Ports-Kuşadası's board members. GPH appoints the remaining board members and otherwise controls all operational decisions associated with the port. Ege Ports-Kuşadası does not have the right to transfer its operating rights to a third party. In addition, for the duration of the concession term, the tariffs charged to the Turkish armed forces in respect of services provided to Turkish military ships are to be determined by separate agreement between Ege Liman and the Turkish Navy. While during the first five years of the concession term (which ended in July 2008) Ege Ports-Kuşadası's tariffs were subject to certain limits and exceeding those limits was subject to TDI's approval, Ege Liman is now able to determine tariffs for Ege Ports-Kuşadası's port services at its own discretion without TDI's approval (apart from the aforementioned tariffs for services provided to Turkish military ships).

In the event that the Ege Ports-Kuşadası TOORA expires or is terminated, any real property assets at Ege Ports-Kuşadası must be returned to the TDI without charge and free of any encumbrances or liabilities. Any moveable assets added by Ege Liman during the term of the Ege Ports-Kuşadası TOORA will belong to Ege Liman. The Ege Ports-Kuşadası TOORA may be terminated in the event that Ege Liman breaches its terms and fails to cure that breach within 60 days of written notice being given.

See also Note 23(c) to the Interim Financial Statements for a further description of the Ege Ports-Kuşadası TOORA.

Other permits for Ege Ports-Kuşadası

See "*—Legal Proceedings—Challenge to Ege Ports-Kuşadası Zoning Plan*" for a description of, and the status of, the Ege Ports-Kuşadası Zoning Plan and construction and building permits in respect of Ege Ports-Kuşadası.

Investments in Ege Ports-Kuşadası

In April 2005, Ege Liman completed an investment of approximately US$9.7 million in a new passenger terminal and related facilities, including the Scala Nuova shopping and retail services complex. Ege Liman financed this investment from its cash flow as well as a capital advance of approximately US$3.5 million from its shareholders. The ScalaNuova shopping complex, completed in June 2005, comprises 45 stores featuring leading national and international retail and is visited by cruise passengers, regional residents and tourists. On 4 June 2007, Ege Liman entered into a lease financing agreement with Deniz Finansal Kiralama A.Ş to purchase a new tug boat costing approximately US$3.0 million. The tug boat, which was delivered in June 2007, pushes and tows ships in Ege Ports-Kuşadası. For further, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Borrowings—Financing of investments into Ege Ports-Kuşadası*."

During 2010, 2011 and 2012, in order to further extend the port capacity, GPH management completed an investment of approximately US$4.2 million to strengthen and extend the two existing piers, as well as maintaining and improving existing facilities. This increased the capacity

by over 48%. The port can now handle more, and larger, cruise ships. In 2014, GPH purchased a new 65 BP Tug Boat costing approximately €5.5 million.

Ege Ports-Kuşadası's competitors

Ege Ports-Kuşadası competes with İzmir Port, which is located on the Aegean coast approximately 100 km from Ege Ports-Kuşadası, as well as other Mediterranean cruise ports. GPH management believes that Ege Ports-Kuşadası's close proximity to well-known historical sites confers a strong competitive advantage over these competitors. Such sites include the classical site of Ephesus, which is still undergoing excavation, home to the Temple of Artemis, one of the seven wonders of the ancient world. Another important historical site nearby is the House of the Blessed Virgin Mary, a Christian shrine reputed to be the final home of the Virgin Mary. In addition, GPH management believes Ege Ports-Kuşadası serves a large diversified group of cruise lines focused on the mid and upper end of cruise market, whereas İzmir Port primarily serves budget cruise line operators.

Bodrum Cruise Port

Overview

Bodrum is one of the most popular holiday resorts in Turkey for local and international visitors. Bodrum is located on the Aegean coast of Turkey. Bodrum Cruise Port only began operating as a privatized port in the second quarter of 2008 and is one of the newest cruise ports in Turkey. The port is positioned to service cruise, ferry and mega-yacht traffic around the Bodrum Peninsula and between Turkey and Greece. In addition to its luxury tourist destination characteristics, Bodrum hosts some very important historical sites, including the Castle of Saint Peter, the Museum of Underwater Archaeology, King Mausolus's Mausoleum (one of the seven wonders of the ancient world), and a Roman amphitheater. The surrounding area is known for its nightlife, beaches, natural beauty and history. GPH management believes that the range of amenities and attractions on offer in Bodrum and the surrounding area makes it an attractive new cruise destination for cruise liners to add to their itinerary. Furthermore, GPH management believes that the range of amenities on offer is also very different to those on offer at Ege Ports-Kuşadası which is located two hours by road from Bodrum Cruise Port, meaning that cruise lines have the option to call into both ports on the same itinerary.

With a total quay length of 660 meters the port can berth Oasis class vessels (360 meter ships), two large cruise ships or four smaller ships. In addition to two long quays of 350 meters and 330 meters, which can accommodate the largest vessels cruising the regions waters, the port houses quays for smaller ferries and mega-yachts. Bodrum Cruise Port also includes three roll-on/roll-off ferry ramps. The terminal building houses a duty-free shopping area, ATM, café, bar, restaurant, travel agency, ferry ticketing agency and souvenir store, and offers internet access and international calling access.

In 2011, the port received 82 cruise calls and 3 navy ship calls bringing 45,914 cruise passengers. In 2012, the port received 132 cruise calls, 10 research vessel calls and 1 navy ship call bringing 53,480 cruise passengers. In 2013, the port received 136 cruise calls and 1 navy ship calls bringing in 29, 551 cruise passengers. Total GRT was 316,878 in June 2013, as compared to 211,647 in June 2014. The increase in the number of passengers between 2011 and 2012 was primarily attributable to a pier extension in 2011, following which Bodrum Cruise Port can now welcome larger vessels and brands, such as Royal Caribbean Cruise Line, Celebrity Cruises and Thomson Cruises. The port has also concentrated its portfolio on boutique and niche cruise operators, which contributed to a higher number of cruise calls from these operators in 2012 and 2013. This diversification was driven by a strategic decision to market Bodrum Cruise Port as luxury cruise destination for niche and boutique cruise operators. The new marketing approach can be summarized as a change in focus from budget cruise line operators (more passengers and large ships) cruises to luxury cruise line operators (with fewer passengers per ship but higher

revenues). Although this has resulted in lower passenger numbers in 2013 compared to 2012, the revenues during this period have been maintained due to the higher caliber of cruise ship that Bodrum Cruise Port has been targeting. This strategy was compounded by a number of large budget cruise lines visiting the port in 2012 which did not visit the port in 2013.

Bodrum Cruise Port received 641 ferry calls bringing 73,136 ferry passengers in 2011. In general, the Group charges ferry passengers a per head fee. In 2012, the port received 684 ferry calls bringing 87,789 ferry passengers. In 2013, the port received 495 ferry calls bringing 88, 399 ferry passengers. In 2010, two agencies operated between Bodrum and Kos. After 2010, Rhodes calls had begun, therefore the ferry calls increased year by year.

During 2010, over 450 super and mega-yachts visited the port for overnight stays, short stays, re-fuelling and provisions. Bodrum Cruise Port's new technically advanced mooring line system designed specifically for mega-yachts, which was installed in early 2010, has attracted an increased number of mega-yachts to the port. In 2011 over 250 mega yachts visited the port. In 2012 over 400 mega yachts visited the port. In 2013 over 461 mega -yachts visited the port. The Group's tariffs for mega-yachts are comprised of a docking fee based on yacht size and any ancillary services provided, such as, electricity, water, broadcasting and a diver.

The following table provides a breakdown of Bodrum Cruise Port's revenue streams for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2011	2012	2013	2013	2014
		(audited) *(Amounts in TL)*		*(unaudited)* *(Amounts in TL)*	
Cruise revenue	**2,066,329**	**2,161,789**	**1,947,517**	**388,896**	**557,375**
Landing revenue	586,634	712,740	432,929	83,412	72,545
Pilotage services	409,443	376,245	397,170	98,835	96,264
Tugboat services	413,470	389,510	318,522	73,618	106,175
Shelter services	46,112	49,669	57,131	12,542	17,439
Security services	123,657	99,680	131,153	20,177	23,477
Water services	177,702	226,836	168,447	52,481	18,075
Other cruise services[(1)]	309,311	307,108	442,164	47,831	223,400
Setur/Duty-free revenue	732,923	940,934	1,164,567	273,416	346,050
Rental income	259,349	426,849	456,829	212,081	233,553
Ferry	63,125	478,037	444,115	106,510	140,143
Other revenue[(2)]	557,750	733,709	779,324	226,707	52,798
Total revenue	**3,679,476**	**4,741,319**	**4,791,352**	**1,207,608**	**1,329,918**
Earnings before interest, tax, depreciation and amortization (EBITDA)[(3)]	**1,295,996**	**2,505,075**	**2,540,349**	**63,713**	**(197,111)**
EBITDA margin[(4)]	**35%**	**53%**	**53%**	**5%**	**(15%)**
EBITDA Adjustments[(5)]	**—**	**—**	**—**	**—**	**—**
Adjusted EBITDA[(6)]	**1,295,996**	**2,505,075**	**2,540,349**	**63,713**	**(197,111)**
Adjusted EBITDA margin[(7)]	**35%**	**53%**	**53%**	**5%**	**(15%)**

Notes:

(1) Other cruise services include waste removal and mooring.

(2) Other revenue includes yacht revenues.

(3) EBITDA is a supplemental performance measure that has not been prepared in accordance with IFRS and prospective investors should not consider it as an alternative to the applicable IFRS measure. See "*Presentation of Financial and Other Data—Non-IFRS Financial Measures*". EBITDA, as calculated by GPH and its subsidiaries, represents operating profit plus depreciation and amortization expenses (related to property and equipment, and intangible assets). EBITDA does not represent operating profit as that item is defined by IFRS and should not be considered by prospective investors to be an alternative to operating profit. Also, because EBITDA is not calculated in the same manner by all companies, it may not be comparable to other similarly titled measures used by other companies.

The following table shows the reconciliation of Bodrum Cruise Port's EBITDA to its operating profit for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2011	2012	2013	2013	2014
		(audited) *(Amounts in TL)*		*(unaudited)* *(Amounts in TL)*	
Operating profit	(1,854,606)	(672,549)	(649,108)	(1,139,314)	(2,221,932)
Depreciation and Amortization expenses	(3,150,601)	(3,177,624)	(3,189,457)	(1,203,027)	(2,024,820)
EBITDA	**1,295,996**	**2,505,075**	**2,540,349**	**63,713**	**(197,111)**
EBITDA Adjustments[(5)]	—	—	—	—	—
Adjusted EBITDA	**1,295,996**	**2,505,075**	**2,540,349**	**63,713**	**(197,111)**

(4) EBITDA margin is calculated by dividing EBITDA by revenue.

(5) EBITDA Adjustments are adjustments for one-off expenses during the periods under review which do not relate to the ordinary course of business, as well as one-time project expenses, provisions for lawsuits and rental expenses. See "*Presentation of Financial and Other Data—Non-IFRS Financial Measures*" for a summary of the EBITDA Adjustments made in each of the periods under review.

(6) Adjusted EBITDA represents the sum of EBITDA and the EBITDA Adjustment for the relevant period.

(7) Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by revenue.

In December 2005, the operating company of Bodrum Cruise Port, Bodrum Liman, entered into a 12-year duty-free contract with Setur. Under this contact, Setur has agreed to lease all of its duty-free shops in Bodrum Cruise Port's shopping malls. The contract entitles Bodrum Liman to a 30% share of Setur's duty-free revenue from those duty-free shops. In the event that Bodrum Cruise Port does not attract a minimum of 340,000 passengers or Bodrum Liman's share of revenue does not exceed the number of passengers multiplied by €7.5, then Setur will be required to pay the difference. If either party breaches the terms of the contract and fails to cure the breach within 30 days of receiving written notification of such breach, the other party may terminate the contract.

During 2010, in response to competition from Bodrum municipal pier, Bodrum Cruise Port temporarily suspended the landing fee charged to ferry passengers in order to attract ferry traffic to Bodrum Cruise Port. As a result, there was a significant increase in the number of ferry calls and ferry passengers received at Bodrum Cruise Port in 2011 compared to 2010 and a further increase in 2012. This significant increase in the number of ferry passengers has resulted in an increase in duty-free sales and an increase in Bodrum Cruise Port's revenue from duty-free sales. GPH management believes the increase in revenue from duty-free sales exceeded the loss of revenue from landing fees in 2010 and 2011.

Bodrum Cruise Port customers

Bodrum Cruise Port has served up to 20 different cruise lines in a season. Bodrum Cruise Port's customer portfolio has historically been comprised of upscale and boutique cruise lines, with vessels ranging in length from 180 to 200 meters. New investments made in 2010 were designed to attract larger cruise vessels and new cruise lines. Two main cruise lines, Crystal Cruises, Inc. and Thomson Cruises, account for a significant portion of Bodrum Cruise Port's traffic and currently make calls between the months of May and September.

Beginning in 2009, Bodrum Cruise Port began working with major military husbandry agencies to attract foreign military ships to the port for shore leave and rest-and-recreation visits. In 2013, 1 foreign military ship visited the port. During the first six months of 2014, 4 military ships visited the port, one of which was a foreign military ship. The ships generally stay a minimum of three to four days at the port.

Bodrum Cruise Port employs one full-time marketing and sales person. As Bodrum Cruise Port's customer base is diverse, its marketing and sales department is in direct contact with each of the port's customers in order to tailor the services that the port offers to each customer's specific needs. By interacting personally with the customer, Bodrum Cruise Port is able to understand the expectations of the customer. This also allows the port to share information with customers regarding Turkish regulations that may be applicable to the call, landing fees and available discounts, the latest security developments, as well as information on nearby attractions and tours. In addition, sales personnel regularly meet with cruise line representatives who are present in Turkey and with local tour operators and port agents. Military rest-and-recreation calls are an attractive opportunity for Bodrum Cruise Port because such vessels are subject to additional fees compared to non-military vessels, leading to higher operating margins. As they typically occur in the off-season, they also reduce the seasonality of the port's revenue.

Acquisition of Bodrum Cruise Port

Bodrum Cruise Port was originally tendered by the Directorate General for the Construction of Railways, Ports and Airports of the Ministry of Transportation in September 2003 through a 13 year and four month build-operate-transfer ("**BOT**") agreement, which commenced in December 2007. The winning bidder of the original BOT concession was a consortium comprised of ERS, Yüksel Çağlar and Setur. Pursuant to a share sale and purchase agreement entered into with ERS in April 2007, GPH acquired 59.9% of Bodrum Liman, the operating company of Bodrum Cruise Port, for a total consideration of TL 9.7 million, which was funded from equity. Currently, Yüksel

Çağlar (a Turkish businessman and entrepreneur) holds 40% of the shares in Bodrum Liman and Setur Servis Turistik (a duty-free operator owned by the Koç Group of Turkey) holds 10%.

Bodrum Cruise Port concession agreement terms

The BOT agreement for Bodrum Cruise Port has a term of 13 years and four months. The BOT period comprises an investment and construction period of one year and four months and a 12-year operating period. The Directorate General for the Construction of Railways, Ports and Airports (now known as the Directorate General of Infrastructure Investments) may, in its discretion, approve an extension of the term of the BOT up to a maximum term of 49 years. On expiration of the term of the BOT, the agreement can only be extended by mutual agreement between the Directorate General of Infrastructure Investments and Bodrum Liman. If the concession term expires and is not renewed, under the terms of the agreement, the port assets are returned to the Directorate General of Infrastructure Investments, who, under applicable Turkish law, must commence a new tender process if the port is to remain privately operated. Pursuant to the BOT agreement, the operating company of Bodrum Cruise Port, Bodrum Liman, was required to post a performance bond and is not permitted to establish any mortgage over the port or its facilities or establish any commercial enterprise pledge or other movable pledge over its facilities in favor of third parties without the prior consent of the Directorate General of Infrastructure Investments. The BOT agreement permits Bodrum Liman to determine tariffs for Bodrum Cruise Port's port services at its own discretion, provided that it complies with applicable legislation, such as applicable maritime laws and competition laws. For example, if Bodrum Liman has a dominant market position under applicable competition laws, competition laws would require, among other things, for Bodrum Liman to not implement excessive, selective or predatory pricing; however if Bodrum Liman does note have a dominant market position under applicable competition laws, then such restrictions would not apply.

For the first year of operation, Bodrum Liman was required to pay the Directorate General for Infrastructure Investments a land utilization fee of US$125,000, 90% of which was paid to the Turkish Treasury and 10% of which was paid to the local municipal authority. This fee increases by 3% in US Dollar terms each year. The land utilization fee must be paid in cash within 20 days of the beginning of each operational year, failing which interest will accrue monthly as a late fee. In the event the land utilization fee remains unpaid for more than 90 days after becoming due, the Directorate General for Infrastructure Investments may terminate the agreement, in which case Bodrum Cruise Port would be re-transferred to the Directorate General for Infrastructure Investments. If the BOT agreement is terminated due to a breach by Bodrum Liman, Bodrum Liman would not have any right of claim against the Directorate General for Infrastructure Investments.

The Directorate General for Infrastructure Investments is entitled to audit Bodrum Liman's performance as a port operator. If Bodrum Liman fails to cure any defects identified in an audit within 30 days, the Directorate General for Infrastructure Investments is entitled to terminate the agreement and retain Bodrum Liman's performance bond. The Directorate General for Infrastructure Investments is also entitled to terminate the agreement if Bodrum Liman breaches the zoning plan or any required environmental impact assessment studies, and if such breach is not cured within 30 days of notice. The BOT agreement may also be terminated on the bankruptcy, insolvency, or restructuring for Bodrum Liman. In addition, in certain circumstances, the Directorate General for Infrastructure Investments may obtain a court order to cancel the port operating license. An environmental impact assessment study was carried out in connection with the BOT project, and further studies may be carried out from time to time in the future, as may be required under applicable law. Bodrum Liman is also required to maintain all-risk insurance, third party indemnity insurance, transportation insurance and reinstatement insurance covering damage and losses with respect to all port facilities and systems during the term of the BOT.

Bodrum Cruise Port is not entitled to grant any pledge or mortgage over the investments and the facilities at the port. After expiration or termination of the BOT agreement, the port facility will be re-transferred to the Directorate General for Infrastructure Investments, without any charge.

See also Note 23(c) to the Interim Financial Statements for a further description of the BOT agreement.

Other permits for Bodrum Cruise Port

Due to the pier extension works in 2010 and 2011, the former zoning plan was revised and subsequently approved by the Ministry of Environment on November 3, 2010, and is still in force. A construction permit in respect of building works at Bodrum Cruise Port was issued by Bodrum Municipality on December 11, 2007. In connection with the construction license, an opening and operating permit was issued by Bodrum Municipality on August 6, 2009. GPH management expects to obtain a building use permit from the Ministry of Environment and City Planning in 2014.

Investments in Bodrum Cruise Port

Bodrum Cruise Port is one of the newest cruise terminals in Turkey, having been privatized in September 2003. Upon privatization, Bodrum Cruise Port was considered a greenfield project in view of the amount of investment and infrastructure improvements required before it could become operational. GPH acquired 60% of the operating company, Bodrum Liman, after infrastructure investments costing US$8.3 million had been completed at the port. Since this acquisition, additional investments in Bodrum Cruise Port amounted to US$1.3 million in 2008, US$2.2 million in 2009 and US$2.4 million in 2010 for the acquisition of a new tugboat, installation of a security system, installation of marine structures, including technically advanced mooring lines for ferries, hydrofoils and mega-yachts and the construction of access roads, among other additional equipment and general improvements. GPH financed these investments with its own cash flows and through a five-year US$2.0 million loan from Garanti Bank entered into on August 8, 2009.

In 2011, GPH commenced the installation of two additional marine structures to enable larger vessels, up to 350 meters, to call at the port. This infrastructure investment was completed during 2011 at a cost of approximately US$1.0 million and was financed, in part, by an investment loan.

Bodrum Cruise Port's competitors

Bodrum Cruise Port directly competes with İzmir Port (which is located on the Aegean coast approximately 250 kilometers from Bodrum Cruise Port) and the Marmaris cruise port (which is located on the Aegean coast approximately 180 kilometers from Bodrum Cruise Port), as well as other Greek cruise ports such as Kos.

Port Akdeniz-Antalya – Cruise Port Operations

Overview

The port is located in Antalya on the Mediterranean coast. The port is in close proximity to popular and heavily-visited beaches, hotels and golf resorts as well as being close to important archaeological sites including the ancient cities of Perge and Aspendos. Antalya has the fastest growing population in Turkey, according to TurkStat. According to the Turkish Hoteliers' Federation, Antalya accounted for 12 million tourist arrivals in 2013, making it the 3rd most popular city in the world, by international visitors. For further information regarding Port Akdeniz-Antalya and the surrounding area, see "*—Commercial Port Business—Port Akdeniz-Antalya Operations*" above.

Port Akdeniz-Antalya has three berths for cruise vessels, a marina with 250 berths and a dry dock with capacity for 150 yachts. The terminal building houses a duty-free shopping area. Tenants are

currently being selected for the shopping area. Located only 25 kilometers from the airport, Port Akdeniz-Antalya commenced turnaround/cruise Homeport operations in 2010 and intends to transform Port Akdeniz-Antalya into a major turnaround/cruise Homeport serving the Mediterranean.

Since the Group acquired Port Akdeniz-Antalya, it has begun to host larger cruise ships and the number of cruise passengers it serves has increased continuously. The number of cruise passenger arrivals has increased ten fold since 2006 and reached 167,794 in 2013. This significant increase was primarily due to the commencement of turnaround port operations as capacity per vessel is accounted for twice (on loading and unloading).

The following table provides a breakdown of Port Akdeniz-Antalya's cruise revenue streams for the periods indicated.

	For the year ended December 31,			For the six months ended September 30,	
	2011	2012	2013	2013	2014
		(audited) (Amounts in TL)		(unaudited) (Amounts in TL)	
Cruise revenue	2,614,627	3,443,235	4,252,311	1,822,630	1,566,583
Landing Fee	712,391	932,593	1,135,016	469,387	421,383
Pilotage	457,009	498,550	609,835	270,890	180,365
Towage	360,847	394,506	500,284	211,473	140,130
Other Cruise Revenue	1,084,380	1,617,586	2,007,176	870,880	824,705
Total Cruise revenue	**2,614,627**	**3,443,235**	**4,252,311**	**1,822,630**	**1,566,583**

Note:

(1) Other revenue includes marina equipment and office rental revenue as well as shelter, fresh water, waste removal, electricity revenue and ISPS revenue.

Port Akdeniz-Antalya cruise customers

Port Akdeniz-Antalya's cruise port operations currently have two key customers, with Aida Cruises (with 35 calls) and TUI Cruises (with 4 calls) calling at Port Akdeniz-Antalya in 2013. In addition to these two key customers operating turnaround operations, Port Akdeniz-Antalya has succeeded in further diversifying its customers to 17 other cruise companies varying from niche to boutique luxury to premium brands.

Over the last three years, 45 cruise companies have visited the port. However, the cruise terminal facilities were outdated compared to the Group's other ports. In 2010, the Group invested US$1.1 million to renovate the cruise terminal building. GPH management believes that following the completion of these renovation works Port, Akdeniz-Antalya will attract new customers and will appeal to cruise companies that are always seeking out unknown and interesting ports to add to their itineraries. In addition, GPH management has initiated a marketing program to establish Port Akdeniz-Antalya as a major turnaround/cruise Homeport in the Mediterranean, which would be expected to create advantages for the Group. In general, turnaround/cruise Homeports benefit from higher numbers of passengers, more regular vessel calls and various opportunities to generate additional revenue. GPH management believes these efforts contributed to the inclusion of the port in Aida Cruises' turnaround itinerary and a 1000% increase in cruise passenger arrivals in 2010 compared to the same period in 2009. Despite the fact that the popularity of Mediterranean destinations among cruise passengers has been on the rise in recent years, GPH management believes that no other cruise port in the region currently has the combination of infrastructure and amenities which are required for a port to be a turnaround/home for cruise lines. Amenities include a range of tour offerings and tour operators. While the port's proximity to an international airport and variety of hotels evidence the infrastructure in place. In addition to its pro-active marketing program, the Group is working with the City of Antalya to make additional

infrastructure investments to secure the port's position as a major turnaround/cruise Homeport in the Mediterranean.

Investments in Port Akdeniz-Antalya's cruise operations

In 2011, 2012 and 2013, GPH invested US$8.9 million, US$2.4 million and US$5.2 million, respectively, in Port Akdeniz-Antalya. The investments included: yard handling equipment such as the acquisition of two new mobile harbor cranes; investment in vessel service such as the acquisition of a new tugboat; improvements intended to improve vessel approach and departure; and improvements to increase vessel handling capabilities. GPH undertook these investments to renovate the cruise terminal building as well as to enhance compliance with the ISPS Code. The renovation investment was financed through cash flows.

GPH management invested approximately US$5.2 million in 2013 in Port Akdeniz-Antalya in order to dredge the sea basin improve the yard area, build a new terminal building and to further enhance the ports capabilities.

Port Akdeniz-Antalya's cruise port competitors

According to GPH management, Port Akdeniz-Antalya currently has no direct competition in its immediate vicinity. Competition from Alanya, a port located approximately 124 kilometers away, has been limited to date due to Alanya's inadequate infrastructure. As a turnaround/cruise Homeport, Port Akdeniz-Antalya competes with Limassol Port in Cyprus and Valetta Port in Malta. GPH management believes that the infrastructure at Port Akdeniz-Antalya and its close proximity to a large modern airport will enable it to become a major turnaround/cruise Homeport in the Mediterranean.

Revenue and EBITDA Reconciliation

GPH acquired a majority of the shares of Port Akdeniz-Antalya in 2010, and the audited financials from 2011 onwards reflect 100%. The table below provides revenue and EBITDA according to the following three different approaches in order to provide a more comprehensive picture of the revenue and EBITDA of the individual port companies and the Group as a whole:

(A) Assuming 100% ownership of all ports;

(B) Based on current effective ownership breakdowns, where the calculations are made based on the actual shareholding structure of the ports. (Solo Revenue and EBITDA figures are multiplied by the following ownership percentages: 99.8% for Port Akdeniz-Antalya Antalya, 72.25% for Ege Ports-Kuşadası and 60% for Bodrum Cruise Port); and

(C) Based on IFRS consolidations, where Ege Ports-Kuşadası, Bodrum Cruise Port and Port Akdeniz-Antalya have been fully consolidated due to the Group's majority and controlling ownerships interest.

GPH Revenue and EBITDA Reconciliation	**(A) Based on Solo Figures (100% Ownership Assumed)**			**(B) Based on Effective Ownership**			**(C) Based on IFRS Consolidated Financials**		
TL	**2011**	**2012**	**2013**	**2011**	**2012**	**2013**	**2011**	**2012**	**2013**
Revenue	**108,133,744**	**122,390,528**	**143,526,023**	**98,008,361**	**112,211,776**	**132,998,171**	**108,133,744**	**122,390,528**	**143,526,023**
Port Akdeniz-Antalya ..	73,521,358	88,173,294	107,420,812	73,374,315	87,996,947	107,420,812	73,521,358	88,173,294	107,420,812
Ege Ports-Kuşadası	30,932,910	29,475,915	31,313,859	22,426,360	21,370,038	22,702,548	30,932,910	29,475,915	31,313,859
Bodrum Cruise Port....	3,679,476	4,741,319	4,791,352	2,207,686	2,844,791	2,874,811	3,679,476	4,741,319	4,791,352
Other	—	—	—	—	—	—	—	—	—
EBITDA Stand-alone	**60,938,267**	**80,016,088**	**148,421,000**	**54,326,698**	**72,955,886**	**140,793,494**	**58,784,403**	**80,016,088**	**95,775,482**
Port Akdeniz-Antalya ..	44,094,190	56,177,278	75,131,638	44,006,002	56,064,923	75,131,638	44,094,190	56,177,278	75,131,638
Ege Ports-Kuşadası	21,836,301	21,621,153	24,041,332	15,831,318	15,675,336	17,429,966	21,836,301	21,621,153	24,041,332
Bodrum Cruise Port....	1,295,996	2,505,075	2,540,349	777.598	1,503,045	1,524,209	1,295,996	2,505,075	2,540,349
Other	(6,288,220)	(287.418)	46,707,681	(6,288,220)	(287.702)	46,707,681	(8,442,084)	(287.418)	(5,937,837)
Adjustment for Consolidation to EBITDA	**—**	**—**	**—**	**—**	**—**	**—**	**(2,153,864)**	**—**	**(52,645,518)**
Port Akdeniz-Antalya[1]	—	—	—	—	—	—	—	—	—
Ege Ports-Kuşadası[2] ..	—	—	—	—	—	—	—	—	—
Bodrum Cruise Port....	—	—	—	—	—	—	—	—	—
Other[3]	—	—	—	—	—	—	(2,153,864)	—	(52,645,518)
Consolidated EBITDA	**60,938,267**	**80,016,088**	**148,421,000**	**54,414,886**	**73,067,958**	**140,793,494**	**60,938,267**	**80,016,088**	**148,421,000**
Port Akdeniz-Antalya ..	44,094,190	56,177,278	75,131,638	44,094,190	56,177,279	75,131,638	44,094,190	56,177,278	75,131,638
Ege Ports-Kuşadası	21,836,301	21,621,153	24,041,332	15,831,318	15,675,336	17,429,966	21,836,301	21,621,153	24,041,332
Bodrum Cruise Port....	1,295,996	2,505,075	2,540,349	777.598	1,503,045	1,524,209	1,295,996	2,505,075	2,540,349
Other	(6,288,220)	(287.418)	46,707,681	(6,288,220)	(287.702)	46,707,681	(6,288,220)	(287.418)	46,707,681

Notes:

(1) EBITDA adjustment resulting from negative goodwill and revaluation due to acquisition of remaining Port Akdeniz-Antalya shares from Çelebi Yatırım and Antmarin in 2010

(2) EBITDA adjustment resulting from school construction taken on by GPH for social responsibility purposes for a total consideration of TL 3,836,496.

(3) TL 4,969,344 revaluation loss regarding the capitalization for the expenses for TCDD İzmir Port Tender.

The table below provides revenue and Adjusted EBITDA according to the three different approaches noted above:

GPH Revenue and EBITDA Reconciliation	(A) Based on Solo Figures (100% Ownership Assumed)		(B) Based on Effective Ownership		(C) Based on IFRS Consolidated Financials	
TL	For the six months ended June 30, 2013	For the six months ended June 30, 2014	For the six months ended June 30, 2013	For the six months ended June 30, 2014	For the six months ended June 30, 2013	For the six months ended June 30, 2014
Revenue	**60,792,652**	**85,293,014**	**57,495,103**	**77,539,605**	**60,792,652**	**85,293,014**
Port Akdeniz-Antalya	49,712,020	61,775,956	49,612,596	61,775,956	49,712,020	61,775,956
Ege Ports-Kuşadası	9,873,024	11,428,465	7,157,942	8,285,637	9,873,024	11,428,465
Bodrum Cruise Port	1,207,608	1,329,918	724,565	797,951	1,207,608	1,329,918
Other[1]	—	10,758,675	—	6,680,061	—	10,758,675
EBITDA Stand-alone	**28,791,022**	**46,742,208**	**27,967,062**	**44,000,968**	**28,791,022**	**46,742,208**
Port Akdeniz-Antalya	27,149,517	42,341,519	27,095,218	42,341,519	27,149,517	42,341,519
Ege Ports-Kuşadası	2,706,096	7,945,988	1,961,920	5,760,841	2,706,096	7,945,988
Bodrum Cruise Port	63,713		38,228	(118,268)	63,713	(197,113)
Other	(1,128,304)	1,477,744	(1,128,304)	(3,983,124)	(1,128,304)	(3,348,186)
Adjustment for Consolidation to EBITDA	—	—	—	—	—	—
Port Akdeniz-Antalya	—	—	—	—	—	—
Ege Ports-Kuşadası	—	—	—	—	—	—
Bodrum Cruise Port	—	—	—	—	—	—
Other	—	—	—	—	—	—
Consolidated EBITDA	28,791,022	46,742,208	27,967,062	44,000,968	28,791,022	46,742,208
Antalya	27,149,517	42,341,519	27,095,218	42,341,519	27,149,517	42,341,519
Ege	2,706,096	7,945,988	1,961,920	5,760,841	2,706,096	7,945,988
Bodrum	63,713	(197,113)	38,228	(118,268)	63,713	(197,113)
Other	(1,128,304)	(3,348,186)	(1,128,304)	(3,983,124)	(1,128,304)	(3,348,186)

Notes:

(1) Other include Others and Port of Adria-Bar

Investment Opportunities

As part of its global expansion strategy, GPH continuously monitors potential public and private acquisitions around world. GPH management has a strong track record of identifying acquisition targets executing acquisitions and integrating these operations into the portfolio.

In the commercial port business, GPH's primary focus is on acquiring non-container commercial ports with the potential to be converted into container ports; and/or container ports with inefficient container operations because of outdated equipment or facilities, with the aim of reducing the inefficiencies and ramping up operations. In its cruise port business, GPH's expansion strategy focuses on targets that are in promising locations (for example, close to high profile tourist and historical sites) but are currently undervalued or mismanaged. An important element for identifying cruise port opportunities is identifying assets that provide opportunities to enhance the passenger experience and expand the services offered by building shopping complexes and leisure centers to create additional revenue sources.

Insurance

The Group maintains insurance policies covering both its assets and employees in line with both Loan Market Association insurance standards and general business practices in Turkey. GPH management believes that the policy specifications and insured limits are adequate. Insured risks include fire, lightning, flooding, theft, vandalism, terrorism, marine pollution and public liability. The Group also maintains earthquake insurance up to the amount of capital invested in the insured

property. In addition, the Group maintains terminal operators liability coverage for losses up to US$10.0 million for Ege Ports-Kuşadası and US$60.0 million for Port Akdeniz-Antalya.

The Group also maintains insurance policies in accordance with its existing project finance facilities. However, once these facilities are repaid in full, there is no obligation on the Group to maintain insurance policies at current levels. The Group's strategy is to maintain the current levels of insurance cover however there can be no assurance that it will do so.

Intellectual Property Rights

The "Port Akdeniz-Antalya" logo has been registered as a trademark of Ortadoğu Antalya for 10 years starting from May 17, 2007 under registration number 2007/26836. "EGEPORTS" and "ege ports" have been registered as trademarks of Ege Liman for 10 years starting from July 21, 2013 and April 6, 2006, respectively. The "Bodrum Cruise Port" logo has been registered as a trademark of Bodrum Liman for ten years starting from October 11, 2010.

The "GPH" logo has been registered as a trademark of GPH for ten years starting from August 19, 2010, and the "Global Ports Holding" logo application was approved on September 27, 2013. The Group has also filed applications for the registration as trademarks of the logos "global ports" and "global liman işletmeleri", to be owned by Global Ports Holding. Both applications are pending and if approved will be announced in the Official Trademark Bulletin.

On August 22, 2014, GPH made trademark applications for "Antalyaglobalrun", "Barcelonaglobalrun", "Barglobalrun", "Bodrumglobalrun", "globalrun" and "kusadasiglobalrun" which are currently pending.

Legal Proceedings

Challenge to the privatization of Ege Ports-Kuşadası

In 1995, the PA decided to privatize Ege Ports-Kuşadası through the grant of operating rights for a 30-year period. A tender for these rights was held on February 21, 2003 and, on March 4, 2003, the PA declared that Limaş A.Ş. won the tender with a bid of US$36.0 million in total consideration (which was the highest bid). However, Ege Ports-Kuşadası was privatized and acquired by Ege Liman through the execution of the transfer of operation rights agreement on July 2, 2003 with the PA and the TDI based on and explicitly referring to the Privatization High Council decision of April 28, 2003 No. 2003/17, where the Privatization High Council decided that the second highest bidder, being the joint venture comprised of RCCL, Avrasya Yatırım Holding A.Ş. and Ege Ticaret Ltd. would be awarded with the operational rights of Ege Ports-Kuşadası for 30 years if Limaş A.Ş., being the highest bidder, did not perform its obligations under the tender specifications or refrained from entering into the transfer of operation rights agreement. Ege Liman's bid in the tender process was the second highest and the PA granted the tender rights to Ege Liman on the stated grounds of non-performance by the highest bidder.

Nilgün Öğünçlü, a shareholder of Limaş A.Ş., filed a lawsuit against the PA in the Aydın First Administrative Court. The object of the lawsuit was to cancel the PA's approval of the Ege Ports-Kuşadası tender to Ege Liman. After a series of refusal of Limaş A.Ş.'s claims by the Aydın First Administrative Court and appeals against its decisions, the Aydın First Administrative Court cancelled the tender of Ege Ports-Kuşadası on June 2, 2010.

On September 13, 2010, the PA filed an appeal against the Aydın First Administrative Court's decision with the Council of State. In addition, on the same date Ege Liman petitioned the Council of State to be added as an intervening party and also filed an appeal against the Aydın First Administrative Court's decision in respect of the cancellation of the tender with the Council of State. The Council of State approved the Aydın First Administrative Court's decision on March 8, 2011 to cancel the tender of Ege Ports-Kuşadası. The PA and Ege Liman applied for a rectification, or revision, of such decision, which was rejected by the 13th Chamber of the Council of State on

March 21, 2014 and the Aydın First Administrative Court's decision became final on the same date.

As the cancellation decision of the Aydın First Administrative Court became final, the PA was, as of March 21, 2014, responsible for enforcing the court's latest decision.

In practice there are many instances in which the PA has ultimately not enforced decisions cancelling approvals of tenders on the basis of "impossibility of performance", for example, where the successful bidder has invested so heavily in the subject matter of the tender that the parties cannot be put back into the same position they were in before the award of the tender. To date, the court decisions cancelling, for example, USAŞ and ÇİTOSAN privatizations have not been enforced despite the absence of any administrative act or any other legal basis similar. GPH management is not aware of any instance in which a privatized asset was returned to the State as a result of a challenge to the relevant tender process.

On the other hand, with the 2011 Decision, the Council of Ministers decided not to enforce court decisions that have been rendered for the cancellation of certain privatization transactions which have been completed pursuant to final transfer agreements as a result of the privatization acts, and are irrevocable for practical impossibilities, including the cancellation of the privatizations of Çeşme Port, Eti Alüminyum A.Ş., SEKA Türkiye Selüloz ve Kağıt Fabrikaları A.Ş. Türkiye Petrol Rafinerileri A.Ş. and Ege Ports-Kuşadası.

Consistent with this historic approach, the PA declared in the 2014 Decision that it will not take any action with regards to claiming the return of Ege Ports-Kuşadası.

Following the 2014 Decision, the Provisional Article 26 became effective on September 11, 2014. The Provisional Article 26 provides that the PA cannot take any action for the return of privatized assets the final transfer of which has been completed at least 5 years prior to September 11, 2014.

The PA, upon the codification of Provisional Article 26, wrote a confirmation letter dated September 17, 2014, and no. 31388994-102 S K009 / 6534 to Ege Liman, stating that the PA confirmed, based on the 2014 Decision and the Provisional Article 26, that it will not take any actions for the enforcement of court decisions regarding the cancellation of the privatization of Ege Ports-Kuşadası. The PA also confirmed in the PA Confirmation, that it will not initiate any lawsuit to ensure that Ege Ports-Kuşadası is returned to the PA and informed Ege Liman to continue to operate Ege Ports-Kuşadası in accordance with the transfer of operation rights agreement.

The main opposition party, CHP, filed a lawsuit before the Constitutional Court for the annullment of the Provisional Article 26 with a request for stay of execution of this provision of the Privatization Law. The Constitutional Court decided on October 2, 2014, to annul the Provisional Article 26 but refused the request for a stay of execution. Since the Constitutional Court's annulment decision has not yet been published in the Official Gazette, its reasoning behind the annulment decision is currently not clear and the annulment will not come into effect until such publication. The Provisional Article 26 therefore remains in existence until the publication of the Constitutional Court's reasoned judgment, which may take up to six months after the judgment date.

If the PA refuses to enforce the court's decision to cancel the privatization, this may be challenged by the privatization lawsuit's claimants filing another lawsuit before the administrative courts to cancel the PA's refusal. The PA may, however, raise other arguments such as the 2011 Decision, the 2014 Decision and the argument that the annulled provision validated the privatization of Ege Liman at the time of its enactment and its annulment by the Constitutional Court cannot have retroactive effect. If the court decides for the PA to enforce the decision and the PA does not obey such ruling, the PA and its executives might be subject to civil and criminal liability.

Despite the Consitutional Court's decision of October 2, 2014 to annul Provisional Article 26 the Group expects that the PA will not take any action based on its clear declaration in the PA's

Confirmation that it will not enforce the court decision relating to the cancellation of the privatization of Ege Ports-Kuşadası, or initiate any lawsuit to ensure that Ege Ports-Kuşadası is returned to the PA and its notification to Ege Liman to continue operating Ege Ports-Kuşadası in accordance with the transfer of operation rights agreement.

Ege Liman may file a lawsuit to claim any damages arising out of the cancellation of Ege Ports-Kuşadası's privatization tender. The lawsuit will be filed against the PA. In claims for damages arising out of administrative acts cancelled by a court order, the administrative courts admit claims for actual damages. Ege Liman may be awarded its damages with respect to its investments, i.e. the amount paid to the PA for the concession of Ege Ports-Kuşadası, newly constructed buildings and other structures and any other investments made to Ege Ports-Kuşadası. In accordance with the remaining term of the concession period, Ege Liman may also claim interest on the amount paid to the PA and loss of profit. Since there are no previous instances where a privatized asset was returned to the respective administrative body (which strengthens the Group's belief that Ege-Ports Kuşadası will remain with the Group), GPH is not aware of such compensation lawsuit which may provide any clear guideline regarding compensation.

Challenge to the Ege Ports-Kuşadası Zoning Plan

In June 1, 2006, the Turkish Ministry of Public Works and Settlement approved the new Ege Ports-Kuşadası Zoning Plan. On October 3, 2006, two members of Kuşadası Municipal Council, one of them Nilgün Öğünçlü, also a shareholder of Limaş A.Ş., filed a lawsuit against the Turkish Ministry of Public Works and Settlement with the Council of State requesting the cancellation of the Ege Ports-Kuşadası Zoning Plan. On November 9, 2009, the Council of State cancelled the Ege Ports-Kuşadası Zoning Plan. Ege Liman appealed the decision, but the Council of the Administrative Law Chambers of the Council of State, i.e., the higher chamber of the Council of State, approved the cancellation decision of the Council of State on March 14, 2013. Ege Liman applied for the rectification of such decision on October 11, 2013, which is the final step of appeal and is still pending.

Following the cancellation of the Ege Ports-Kuşadası Zoning Plan by the Council of State, the Municipality of Kuşadası cancelled the construction license and the building utilization permit issued in accordance with the plan, and on January 14, 2010, Ege Liman received a notification from the Municipality of Kuşadası stating that both the construction and building utilization permits held by it had been cancelled.

Ege Liman filed a lawsuit on January 25, 2010 against the Municipality of Kuşadası before the Aydın First Administrative Court, requesting cancellation of the Municipality's order to cancel construction and building utilization permits. On January 28, 2010, the Aydın First Administrative Court suspended the cancellation of Ege Liman's construction and building utilization permits. However, the Aydın First Administrative Court eventually dismissed the case on May 6, 2011, and the Group appealed the dismissal requesting a stay of execution. The stay of execution request was refused by the Council of State on August 17, 2011, and the appeal was rejected on February 20, 2014 confirming the decision of the Aydın First Administrative Court. Ege Liman applied for the rectification or revision of the decision and the case is still pending.

The Municipality of Kuşadası issued a cease and desist order on June 18, 2010 preventing Ege Liman from making building modifications in accordance with the zoning plan dated June 1, 2006. The Aydın First Administrative Court dismissed the case and Ege Liman and the TDI have appealed the decision. The lawsuit is still pending before the Council of State and there is currently no stay of execution. The Council of State rejected the appeal and confirmed the decision of the Aydın First Administrative Court on February 20, 2014. Ege Liman applied for a rectification of the decision and the case is still pending.

On October 18, 2010 and July 13, 2011 the Municipality of Kuşadası resolved that the buildings that are inconsistent with the zoning plan before 2004 in Ege Ports-Kuşadası should be

demolished. Ege Liman filed lawsuits against the Municipality before the Aydın First Administrative Court requesting a cancellation of the Municipality's order. The Aydın First Administrative Court dismissed the cases on March 30, 2012. Ege Liman appealed the decisions and the Council of State accepted the appeal and dismissed the decision of the Aydın First Administrative Court on February 20, 2014 on the grounds that the buildings and structures contructed in accordance with the then-existing zoning plans cannot be demolished before paying the value of such buildings and structures to their owners. The Municipality of Kuşadası applied for the rectification of the decisions, and the lawsuits are pending.

A new master zoning plan was approved by the Turkish Ministry of Public Works and Settlement on October 28, 2010. Afterwards, the Turkish Ministry of Public Works and Settlement approved a revised master zoning plan on January 31, 2011. Based on the new zoning plan dated January 31, 2011, GPH management expects any claims arising from or otherwise related to the previous zoning plan described above for Ege Ports Kuşadası, including the validity of such plan, to be rejected as without merit. However, the zoning plans of 2010 and 2011 are also under review by the Council of State as explained below.

The Municipality of Kuşadası filed a lawsuit before the Council of State requesting cancellation of the zoning plan dated October 28, 2010 issued by the Ministry of Public Works and Settlement, with the same claims against the zoning plan dated June 1, 2006. Since there is currently no stay of execution, the zoning plan dated October 28, 2010 is still in force.

Nilgün Öğünçlü and her associates filed a lawsuit before the Council of State requesting cancellation of the zoning plan dated January 31, 2011 that was issued by the Ministry of Public Works and Settlement, with the same claims against the zoning plan dated June 1, 2006. Since there is currently no stay of execution, the zoning plan dated January 31, 2011 is still in force.

Ege Liman applied for a construction license based on the revised zoning plan of 2011, which was rejected by the Municipality of Kuşadası on March 30, 2011. Ege Liman applied to the Aydın First Administrative Court for the cancellation of Kuşadası Municipality's refusal decision. However, the Aydın First Administrative Court refused Ege Liman's requests, and Ege Liman appealed the decision. The Council of State refused Ege Liman's request for a stay of execution, and the appeal is still pending.

Despite the zoning plan dated January 31, 2011, the Municipality of Kuşadası also issued a decision for the evacuation and demolition of Ege Ports-Kuşadası on July 13, 2011. Ege Liman initiated a lawsuit against such decision before Aydın First Administrative Court. The Aydın First Administrative court dismissed Ege Liman's lawsuit on March 30, 2012, and the Council of State cancelled the Aydın First Administrative Court's decision on February 20, 2014 and the Municipality of Kuşadası applied for the rectification of such decision on April 14, 2014, which is the final step of appeal and is still pending.

If (i) these zoning plan lawsuits are finally decided against Ege Liman, i.e. the relevant zoning plans are cancelled or the decisions of the Municipality of Kuşadası are upheld, (ii) no new zoning plan is implemented and (iii) the values of the concerned buildings and structures are duly paid to Ege Liman, then the cruise port operations at Ege Ports-Kuşadası may be terminated due to cease and desist orders, license cancellations and demolishment of cruise port related buildings. The demolition of the shopping mall may result in claims for damages against Ege Liman by third parties operating at this shopping mall. Ege Liman's revenues would also decrease due to the suspension of its shopping mall operation.

Ege Liman has presently reached a verbal understanding with the Municipality of Kuşadası on a new zoning plan that will be issued for Ege Ports-Kuşadası premises and such zoning plan is expected to be approved by the Ministry soon. If such zoning plan is issued, the fact that the lawsuits set out above are decided against Ege Liman is not expected to have any practical effects as there will be a new zoning plan covering Ege Ports-Kuşadası.

Ortadoğu Antalya, Ege Liman and Bodrum Liman's applications for extension of their operation rights

On June 6, 2013,the Constitutional Court annulled the provision of Article 8 of Law No. 4706 on Use of Treasury Real Properties and Amendment of the Value Added Tax Law which excluded investors operating properties owned by the Turkish Undersecretariat of Treasury or coastal facilities based on a right in rem or a use permit in accordance with a special law such as the Privatization Law from making an application for the extension of operation rights with the relevant government institutions.

Following the Constitutional Court's annulment of this provision, Ortadoğu Antalya, Ege Liman and Bodrum Liman applied to relevant authorities for the extension of their operation rights for Port Akdeniz-Antalya, Ege Ports-Kuşadası and Bodrum Cruise Port.

These applications by Ortadoğu Antalya, Ege Liman and Bodrum Liman were rejected by the relevant authorities. Ortadoğu Antalya, Ege Liman and Bodrum Liman filed lawsuits with competent administrative courts for the cancellation of the rejection decisions and the grant of extension in respect of their port operation rights. If these claims succeed, the operation rights for Port Akdeniz-Antalya, Ege Ports-Kuşadası and Bodrum Cruise Port can be extended to 49 years starting from the date of commencement for each port.

Other legal proceedings

Registration applications for the trademarks "Global Ports" and "Global Liman İşletmeleri" in the name of GPH were challenged by Global Ports Investments PLC. The Turkish Patent Institute rejected the objection and both trademarks were registered in the name of GPH. Global Ports Investments PLC filed two lawsuits with the Intellectual Property Court of Ankara for the cancellation of both trademarks' registrations. Both cases are pending. GPH management does not believe that an adverse outcome to these cases would have a significant effect on the Group's financial position or prospects.

There are also pending lawsuits filed against Ege Liman regarding rent receivables, which altogether amount to approximately TL 1,000,000. These lawsuits related to claims raised by lessees whose leases were terminated by Ege Liman following the zoning plan litigation discussed above. As a result, the lessees filed lawsuits claiming compensation for termination of their leases. These legal proceedings are still pending, and no provision has been made for these lawsuits.

There are pending lawsuits to which Ortadoğu Antalya is a party and which may result in reversed provisions for Ortadoğu Antalya. Such lawsuits include claims for the collection of trade receivables of Ortadoğu Antalya mostly from port activities in which Ortadoğu Antalya is both plaintiff or defendant, labor law related claims against Ortadoğu Antalya, as well as lawsuits for cancellation of certain administrative acts filed by Ortadoğu Antalya, none of which constitutes a major risk for Ortadoğu Antalya's port operations or a major financial liability.

Overview of Creuers del Port de Barcelona

Introduction

The Group recently acquired cruise port operations in Barcelona. As such operations were acquired after June 30, 2014, this acquisition has not been incorporated into the consolidated financial statement of the Group, and information regarding Creuers is set out below. Creuers is a Restricted Subsidiary, (see "*Description of the Notes*"), and is not a Guarantor of the Notes. Neither GPH nor the Guarantors guarantee any of the debt of Creuers, see "*Risk Factors — Risks Relating to the Offering and the Notes — Creuers will not be a Guarantor of the Notes*".

Acquisition of Creuers

In June 2013, GPH formed a holding company, BPI, with RCCL for the purpose of acquiring Creuers. Initially, GPH held a 49% interest in BPI, with a call option to acquire an additional 1% interest from RCCL. On July 26, 2013, BPI acquired a 23% interest in Creuers for €16.7 million, and on December 30, 2013, BPI acquired further 20% interest in Creuers for €14.5 million, increasing BPI's interest in Creuers to 43% and GPH's total interest in Creuers through BPI to 21.07%. On June 20 2014, GPH entered into an agreement to purchase the outstanding interests of Vapores Suardiaz and World Duty Free in Creuers. GPH subsequently assigned these rights to BPI. On September 30, 2014, therefore, BPI acquired the outstanding 57% interest in Creuers of Vapores Suardiaz (34%) and World Duty Free Group (23%), bringing it wholly under the control of BPI. At the same time GPH purchased 13% of RCCL's shares in BPI, increasing its shareholding in BPI to 62% and giving GPH control of BPI. Creuers holds a 100% interest in two twenty-seven year port concessions (terminating in 2026 for the World Trade Center wharf and in 2030 for the Adossat wharf), and an annually renewed operating license (Terminal B), which entitle Creuers to operate five, of the six, cruise terminals and six, of the seven, piers at the BCP, as well as an 80% interest in Cruceros Málaga which holds the port operation rights for the Málaga Cruise Port (terminating in 2038) and a 40% interest in SATS-Creuers Cruise Services which holds the port operation rights for the Marina Bay Cruise Terminal, Singapore.

Overview BCP

Barcelona is one of the leading tourist destinations in Europe for local and international visitors, attracting 30.4 million visitors in 2013, according to Turisme de Barcelona. The port is ideally positioned to service cruise traffic destined to both the city of Barcelona itself and the region of Catalonia, both of which have strong historic, natural and cultural attractions for tourists.

BCP is the leading international cruise terminal operator in Europe, offering international expertise and access to a network of key cruise-line operators. BCP has become the largest cruise port in Europe, with an annual throughput of 2,599,232 passengers in 2013 (Source: BPA). The port's total ship capacity is 2,500 per year with 2.6 million cruise passengers visiting in 2013. According to BPA, the port is the fourth largest cruise Homeport in the world after the Caribbean ports and the busiest turnaround base in the Mediterranean.

Overview Creuers

Creuers operates five of the six cruise terminals at BCP. In 2011, Creuers received 667 cruise calls bringing in approximately 1.9 million cruise passengers. In 2012, Creuers received 567 cruise calls bringing 1.8 million cruise passengers. In 2013, Creuers received 1.9 million cruise passengers bringing 612 cruise calls. The total number of passengers in June 2014, was 764,367 with 262 calls, compared to 583,172 passenger with 209 calls in June 2013. See "*Management's Discussion And Analysis Of Financial Condition And Results Of Operations – Creuers Del Port De Barcelona*".

With six separate piers, three of which have a quay length of more than 700 meters, and five terminal, Creuers can receive the largest class of cruise ship including the RCCL Oasis class vessels and a number of permutations of smaller and medium class vessels. Terminals A, B and C are each equipped with two mobile gangways that enable passengers to avoid crossing with pier traffic. The facilities in all the cruise port terminals fully comply with ISPS. The terminal buildings house various duty-free shopping areas, ATMs, cafés, bars, restaurants, travel agencies, ferry ticketing agencies and souvenir stores, and offer internet access and international calling access.

Creuers derives its revenue from cruise-related services including landing fees and port services provided to the individual cruise ships, and duty-free revenue from revenue from the rental of retail store space located in the terminals.

Competition within the cruise port sector is primarily driven by: the location of the port, the port's security services, the port's terminal and berthing facilities, and proximity to off-shore excursion sites and city and shopping centers.

Operations

The following table provides information regarding the cruise port features and operations of Creuers as of June 30, 2014.

	Terminal A	Adossat Terminal B	Terminal C	Terminal N	WTC Terminal S	Terminal E
Features as of June 30, 2014						
Indoor area (m^2)	6,500	6,500	4,000	5,000	5,000	—
Berthing line (*meters*)	700	700	700	230	434	160
Ship length (*meters*)	No limit	No limit	No limit	164	253	205
Draught (*meters*)	12	12	12	8	8	8
Quay width (*meters*)	21	26	22	14	14	20
Quay height (*meters*)	2.1	2.1	2.1	2.5	2.5	2.5
Passenger capacity	4,500 turnaround	4,500 turnaround	3,000 turnaround	800 turnaround	1,400 turnaround	1,500 transit
Distance to Barcelona (km)	2	2	2.5	0.4	0.4	0.4
Concession term	27 years	Operating license	27 years	27 years	27 years	27 years
Concession end	2030	2014	2030	2026	2026	2026
2013 Cruise Operations:						
No. of cruise passengers	623,444	881,413	237,221	11,785	111,097	23,943
Total passenger capacity	1,642,500	1,642,500	1,387,000	292,000	511,000	547,500
Share in terms of passenger arrivals	33%	47%	13%	1%	5%	1%
Capacity utilization	38%	54%	17%	5%	22%	4%

Creuers operates the WTC wharf – which has three piers with two terminals, (Terminal S and Terminal N, as E is only a pier that uses Terminal N or Terminal S), and the Adossat Wharf – which has three terminals and three piers (Terminal A, Terminal B and Terminal C. With the addition of Terminal D (which is operated by Costa Crociere), BCP has 6 terminals in total.

Modern cruise ships provide a luxurious means of travel which allows cruise passengers to visit a number of interesting destinations within a short period of time while occupying a single room. In selecting ports of call, cruise lines look for destinations which have historic, natural or cultural attractions for tourists. The port should be easily accessible, safe and secure and within a reasonable distance from other ports to fit within a three, seven or fourteen day itinerary. Turnaround/cruise Homeports are selected based upon the local infrastructure (hotel and airport capacity and transport), security and proximity to intended ports of call.

Creuers' customers

BCP has served up to 52 different cruise lines in a season. Systematic investments made since 2005 have ensured that Creuers provides cutting edge cruise facilities and Homeport call opportunities for the newest generation of cruise ships.

RCCL, as operators of Oasis of the Seas, have completed three Homeport calls at Creuers in September 2014. Oasis of the Seas is one of the two largest cruise ships in the world, with a capacity of 6,350 passengers and 2,150 crew members, and measuring an immense 360 meters in length. As such, the Creuers is the only terminal operator in the Mediterranean capable of receiving Homeport cruise calls from this class of ships. These Homeport calls mark the first time the Oasis has ever been deployed outside the Caribbean region. A continuous fixed concourse

connects Terminal A and B, enabling easy operation of cruise Homeport calls by Oasis class ships by splitting its passengers through the two terminals.

Creuers concession agreement

Creuers holds a 100% interest in two twenty-seven year port operation concessions and an annually renewed operating license for cruise terminals at BCP. The port operation rights for the WTC wharf (Terminals N, S and E) terminate in 2026. The port operation rights for Adossat wharf (Terminals A and C) terminate in 2030. The operating license for Terminal B (formerly named as Terminal C) in Adossat Wharf is renewed annually.

Investments in Creuers

Creuers is one the largest cruise terminals in Europe with facilities that are capable of hosting the leading cruise ships. With total investments of €15 million, Terminal A was inaugurated in April 2008. Following a total investment of €10 million, Terminal B was inaugurated in April 2005. As a result of significant investment in Terminals A and B, Creuers has been able to welcome the latest generation ships. The first Voyage class cruise Homeport call was in 2005, the first Epic and Liberty class cruise ships called in 2012 and three Homeport calls by Oasis of the Seas were made in September 2014. Following a total investment of €14.5 million, the WTC is capable of receiving medium size vessels at Terminal N and two vessels at Terminal S. Located at Barcelona Wharf, these two international cruise terminals are located within walking distance of the city center.

BCP's competitors

BCP competes directly with the combined ports of the Balearic Islands, in particular Palma de Mallorca Cruise Port (located on the southern coast of Mallorca Island approximately 310 kilometers from BCP) and the cruise port of Marseilles (located on the French Riviera approximately 360 kilometers from BCP). The main peer ports to BCP in the Mediterrenean are considered to be Civitavecchia (the port nearest to Rome), and Venice. The reasons for considering these to be Barcelona's peers are a combination of fact that their passenger throughputs are far in excess of any other Mediterranean ports and that these cruise ports serve "must see" or "marquee" cities. Despite this, Barcelona remains the busiest port in the Mediterranean, by number of passengers, and GPH is confident that it retains the competitive advantage over its peers, especially given its place in the centre of an unrivaled cruise port network in the Mediterranean.

The following table shows passenger throughputs for the three ports since 2003:

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Barcelona	1,049,230	1,024,851	1,228,561	1,402,643	1,765,838	2,074,554	2,151,465	2,347,976	2,657,244	2,408,634	2,599,232
Civitavecchia	558,520	659,277	983,171	1,268,477	1,586,101	1,818,616	1,802,938	1,938,000	2,577,438	2,394,423	2,310,685
Venice	689,836	677,976	815,153	885,664	1,003,529	1,215,088	1,420,980	1,617,011	1,786,416	1,739,501	1,820,000

Source: G. P. Wild (International) Limited from Cruise Europe, MedCruise, individual ports and other trade sources, 2014.

Investment in LCP

On January 17, 2014, GPH announced that, together with its joint bidding partners RCCL, Creuers and Grupo Sousa, it had won the tender for concession rights for three cruise terminals at LCP, and the construction and operation rights of a new cruise terminal at the LCP. GPH holds a 40% interest in a holding company, Lisbon Cruise Terminals Lda. RCCL, Creuers and Grupo Sousa each hold 20%, 10%, and 30%, respectively.

Overview LCP

The port of Lisbon is located on the banks of the Tagus estuary and is an important port of call for cruises between the Atlantic Coast and Europe, the western Mediterranean and the north of Europe, the Atlantic Isles and the north of Africa as well as for Trans Atlantic trips. The LCP currently consists of three cruise terminals (and various commercial terminals, which are outside the scope of the concession), and the tender was with respect to the construction of a new cruise terminal. The construction of the new cruise terminal is expected to be completed in 2016.

LCP concession agreement

On August 26, 2014, the consortium signed a BOT agreement in relation to LCP.

The requirements for the tender include committed capital expenditure of €22 million to complete construction of the new cruise terminal and an annual cruise passenger volume of at least 550,000 once the new cruise terminal is fully operational. The Concession Agreement between the Lisbon Port Authority (Administracao do Porto de Lisboa, S.A.) and Lisbon Cruise Terminals, Lda. (the holding company established by the consortium members) was executed on July 18, 2014, and physical delivery of the concession area by the Lisbon Port Authority to Lisbon Cruise Terminals, Lda. took place on August 26, 2014.

The future construction commitment under the terms of the tender is estimated at €22 million. GPH's commitment is capped at the level of its 46.2% equity investment of which 40% is directly held by GPH and 6.2% is indirectly held through GPH's 62% interest in BPI's 100% holding in Creuers. LCT is currently seeking external finance and has entered into detailed term-sheet discussion with two major European banks. 60% of the construction project is projected to be financed with external resources, which would bring GPH's commitment to €6.8-8.8 million.

REGULATION IN TURKEY

Legislation on coastal facilities

According to the Regulation on Workplace Opening and Operating Permits, published in the Official Gazette dated August 10, 2005 and No. 25902, it is prohibited to establish and operate a workplace without a workplace opening and operating license. In addition, the Regulation on the Principles and Procedures Regarding Granting Operating License to Coastal Facilities, published in the Official Gazette dated February 18, 2007 and No. 26438, requires coastal facilities to obtain a separate operating license. Pursuant to this regulation, the operating license shall be granted to the coastal facility by the General Directorate of Sea and Inland Waters (previously known as the Undersecretariat of Maritime Affairs) under the Ministry of Transport, Maritime Affairs and Communications (defined as the "administration" under the regulation). The operating license may either be granted for a temporary period, namely from six months to one year, or may be granted for a longer period of up to five years at a time and, to the extent the requirements for extension are fulfilled, the term of the license may be extended. The license cannot be assigned to any third party unless the port is assigned to such party and the administration is notified of the assignment, and any change in the activities carried out, or in the type of cargo handled at the port, is subject to approval by the administration. If the coastal facility is transferred to a third party or if the legal organization of the company operating the facility is modified, the administration shall be notified within one month following such transfer or modification. The administration is entitled to control the facility and the activities carried out at the facility and if the administration detects an inconsistency or non-compliance with the principles set forth in the said regulation, a maximum period of six months may be granted to cure the irregularity. At the end of this period, if the irregularities are not cured, the operating license may be suspended. If the irregularities are particularly severe and would render the facilities and vessels unsafe, then the relevant authority may immediately suspend operations without granting a cure period. The operating license may be revoked upon application of its holder, if the operating company of the facility ceases port operations or lacks sufficient security measures.

The Coastal Law No. 3621 (the "**Coastal Law**") published in the Official Gazette dated April 17, 1990 and No. 20495 and the Regulation on Implementation of Coastal Law, published in the Official Gazette dated August 3, 1990 and No. 20594, also applies to facilities established on the coast. According to this law and regulation, in principle, the coasts are public and under the disposal and protection of the Turkish state. However, the relevant provisions stipulate that ports may be constructed on the coast line subject to a zoning plan implementation decision, provided that the approved construction plans and all the legislation regarding protection of the environment are complied with. The permission for the structures, including the port infrastructure, shall be granted by the Ministry of Environment and City Planning (previously known as the Ministry of Public Works and Settlement). Any construction without permission is prohibited, and may be halted. Unless the irregularity is cured (i.e., the construction permit is obtained) within a maximum period of one month after the halt of the construction, the construction will be demolished pursuant to Article 32 of the Zoning Law No. 3194 published in the Official Gazette dated May 9, 1985 and No. 18749. The Coastal Law also stipulates some sanctions for unauthorized construction works. Pursuant to Article 15/1 of the Coastal Law, those who construct structures without or in violation of a construction permit on the coast and any pollution caused by the facility may be subject to administrative fines and criminal sanctions under the Turkish Penal Code No. 5237 published in the Official Gazette dated October 12, 2004 and No. 25611 (the "**Penal Code**") and the Environmental Law No. 2872 published in the Official Gazette dated August 11, 1983 and No. 18132 (the "**Environmental Law**"). For instance, pursuant to the Penal Code, persons intentionally polluting and harming the natural surroundings may be subject to imprisonment for six months to two years. Legal entities committing such crime may be subject to other penalties which are considered security precautions under the Penal Code, such as revocation of its operating permit and confiscation of goods or profits, among others.

Legislation on ports

The ports in Turkey are primarily regulated by the Law on Ports No. 618 (the "**Law on Ports**") published in the Official Gazette dated April 20, 1925 and No. 95, the Regulation on Ports (the "**Ports Regulation**") published in the Official Gazette dated October 31, 2012 and No. 28453, and the Law Concerning Maritime Transport Along Turkish Shores (Cabotage) and Performance of Trade and Business in Turkish Ports and Territorial Waters No. 815 (the "**Cabotage Law**") published in the Official Gazette dated April 29, 1926 and No. 359. All vessels entering and leaving Turkish ports are subject to the provisions of the Law on Ports. Pursuant to the Law on Ports, it is prohibited by the administration to undertake piling works at the sea coast, violate the sea by means of filling, and constructing cafes, dining halls, dormitories or other similar areas within the ports or over the sea in locations determined and restricted by the government; throw waste or similar material into the sea in areas prohibited by the harbor master, or damage the draft of the ports in any manner. According to the Law on Ports, Turkish ports are required to obtain the permission of the port departments of the General Directorate of Sea and Inland Waters (previously known as the Undersecretariat of Maritime Affairs) to construct wharfs, embankments, boat houses, storages, factories and related facilities on seashores. The law also requires vessels utilizing the ports to pay a tax which is collected by the harbor master directly, and in case such tax is not paid, the vessels are prohibited from leaving the port, except for the circumstances where the vessels have to leave the port due to storm.

The Law on Ports does not differentiate between vessels bearing a Turkish flag and foreign vessels, however, Article 1 of the Cabotage Law reserves the right to trade between Turkish ports only to vessels with a Turkish flag, whereas foreign vessels are entitled only to transport passengers and cargo back and forth between Turkish and foreign ports. Pursuant to Article 5 of the Cabotage Law, captains and owners of foreign vessels engaged in the transport of goods or passengers among Turkish coasts may be subject to administrative monetary fines if they violate Article 1 of the Cabotage Law. Foreigners engaged in commercial activities within Turkish ports that breach the provisions described above may also be subject to administrative monetary fines and the vessel shall be seized until such fine is paid.

The charging and discharging requirements of vessels, as well as the time limits that vessels may stay at ports and security requirements of the ports are regulated under the Ports Regulations. Additionally, the Ports Regulation stipulates the services of pilotage and towage to be provided to vessels berthing at the ports. Pursuant to the regulation, certain vessels, depending on their size, shall be required to accept pilotage and towage services. For instance, Turkish vessels which have gross tonnage of 1,000 or more and foreign vessels which have gross tonnage of 500 or more are obliged to have a pilot for berthing. Vessels which do not accept this service shall not be allowed to berth at the ports.

Article 19 of the Ports Regulation stipulates the obligations on the part of the port operator, such as taking necessary measures when handling hazardous, inflammable and dangerous materials. The charging and discharging of hazardous or nuclear materials are also mentioned in the directive and the port operators are held responsible for non-compliance with the relevant legislation. Additionally, the port operators are obliged to take any necessary measures against environmental and noise pollution. The port operator is under an obligation to notify the port master about accidents and criminal events taking place at the port.

Legislation on security

The Regulation on Loading and Discharging of Bulk Cargo Vessels in a Secure Manner, published in the Official Gazette dated December 31, 2005 and No. 26040, determines the standards and the requirements of terminals where bulk cargo vessels are loaded or discharged. This regulation is prepared in conjunction with the provisions of the Law No. 4922 on Protection of Life and Cargo at Sea published in the Official Gazette dated June 14, 1946 and No. 6333 ("**Law No. 4922**"), the International Convention for the Prevention of Pollution from Ships and the International Convention for Protection of Life at Sea. The port operators must adhere to this regulation and are

also under the obligation of inspecting bulk cargo vessels to ensure their compliance with the regulation.

The Law No. 4922 imposes administrative monetary fines on ship owners and stipulates that the vessel shall be seized in case the vessel sails when it is not permitted to sail, or if the certificate of seaworthiness has not been granted or has been annulled or expired.

The foregoing legal provisions aim to ensure security of port operations. However, the actual port premises may also need protection against criminal actions. In this respect, the ports are required to apply to the governor for permission to carry out private security activities, which are regulated under the Law No. 5188 on Private Security Services published in the Official Gazette dated June 26, 2004 and No. 25504 and the Regulation on Implementation of the Law on Private Security Services, published in the Official Gazette dated October 7, 2004 and No. 25606.

The International Ship and Port Facility Security Code, incorporated into Turkish legislation through the Regulation on the Application of International Ship and Port Facility Security Code published in the Official Gazette dated March 20, 2007 and No. 26468, is a comprehensive set of measures to enhance the security of vessels and port facilities, developed in response to the perceived threats to vessels and port facilities. The code has two parts, one mandatory and the other recommendatory. In essence, the code takes the approach that ensuring the security of vessels and port facilities is a risk management activity and that, to determine what security measures are appropriate, an assessment of the risks must be made in each particular case. The purpose of the code is to provide a standardized, consistent framework for evaluating risk, enabling the governments to offset changes in threat with changes in vulnerability for vessels and port facilities through determination of appropriate security levels and corresponding security measures.

The International Maritime Dangerous Goods Code (IMDG) is accepted as an international guideline to the safe transportation or shipment of dangerous goods or hazardous materials by water on vessel. IMDG is intended to protect crew members and prevent marine pollution in the transportation of hazardous materials by vessels. It is recommended to governments for adoption or for use as the basis for national regulations. IMDG is incorporated into Turkish legislation through the Regulation on Training and Authorization within the Scope of the International Maritime Dangerous Goods Code published in the Official Gazette dated February 11, 2012 and No. 28201. This regulation is intended to train crew members in relation to the categorization, packaging, labeling, loading or discharging hazardous materials by vessels.

National defense

If a mobilization event, war or any other crisis situation that may result in war occurs, all ports managed by private companies can be used for national security purposes, pursuant to the National Defense Obligation Law No. 3634, published in the Official Gazette dated June 16, 1939 and No. 4234.

Legislation on customs

Depending on the nature of, and activities carried out at the ports, they may be subject to the Customs Law No. 4458, published in the Official Gazette dated November 4, 1999 and No. 23866 (the "**Customs Law**"), the Customs Regulation, published in the Official Gazette dated October 7, 2009 and No. 27369 (the "**Customs Regulation**"). The Customs Law, in Articles 218-219, and the Customs Regulation, in Article 72(S), stipulates that port operators are obliged to provide necessary equipment and conditions for inspection of the goods and to comply with the requests of the Undersecretariat of Customs established under the Ministry of Customs and Trade to that end. In case the ports are engaged in warehousing activities, customs regulations also apply. A legal entity can be engaged in warehousing activities only upon obtaining the relevant license from the Undersecretariat of Customs. The foregoing regulation regulates the principles and procedure of granting such license to legal entities.

Legislation on environment

Port operators are subject to laws, regulations and other requirements relating to the protection of the environment including, but not limited to, those governing the discharge of substances into the air and water, the management and disposal of hazardous substances and waste, the clean-up of contaminated sites and the protection of wildlife. The main piece of legislation governing the environment is the Environmental Law (as defined above). The Environmental Law sets forth the general framework of measures to be applied in order to protect the environment and the consequences of non-compliance with these requirements. If an entity conducts its activities in breach of the aforesaid law, the activity of the entity may be suspended and fines may be imposed on it. It should be noted that in case of providing false or misleading information during the controls by the relevant authority, the offenders shall be subject to imprisonment ranging from six months to one year. In addition to the general obligations, there are port-specific provisions of the Environmental Law. Accordingly the ports are obliged, according to Article 11 of the Environmental Law, to take necessary measures against pollution resulting from port operations and to take necessary measures and establish premises to collect, store, transfer and dispose waste, and are allowed to engage subcontractors to that effect. The controls by the relevant authorities shall be conducted in accordance with the Regulation on Environment Control, published in the Official Gazette dated November 21, 2008 and No. 27061, and in case of non-compliance, fines shall be imposed and collected in accordance with the Regulation on Determination of Non-Compliance with the Environmental Law and Imposing and Collection of Fines, published in the Official Gazette dated April 3, 2007 and No. 26482. The Environmental Impact Assessment Regulation (the "**EIA Regulation**"), published in the Official Gazette dated October 3, 2013 and No. 28784, governs the projects which require environmental impact assessments to be carried out and regulates the various types of environmental impact reports and the contents of these reports, the administrative and technical principles and procedures applicable during the environmental impact assessment process, and necessary trainings in order to apply the environmental impact assessment process in the environmental management in an efficient and an extensive manner and to strengthen the corporate structure. The regulation requires entities that fall within its scope to obtain the approval of the Ministry of Environment and City Planning prior to commencement of operations or any modification or capacity increases to an existing operation. An entity which has commenced such operations, modifications or capacity increases without an environmental impact assessment affirmative approval, or without a decision that an environmental impact assessment is not necessary, may have its activities suspended indefinitely until either of the said approval or decision is obtained. Additionally, pursuant to Article 20(e) of the Environmental Law, entities not complying with the above requirements may be subject to an administrative fine equal to 2.0% of the total value of the relevant project. It should be noted that this regulation is not applicable to entities which commenced their operations before the regulation came into force on February 7, 1993. According to the official letter of Antalya Provincial Directorate of Environment and City Planning dated September 7, 2011, Antalya Liman is not within the scope of the EIA Regulation. As Bodrum Liman was included in the investment program before February 7, 1993, and the environmental impact assessment report format was submitted prior to June 23, 1997, being the effective date of the Environmental Impact Assessment Regulation published in the Official Gazette on June 23, 1997 and No. 23028 (the "**Former EIA Regulation**"), the initial construction of Bodrum Liman was exempt from the application of the Former EIA Regulation pursuant to Provisional Article 1 thereof. An environmental impact assessment, however, was made in relation to an additional construction in Bodrum Liman and an environmental impact assessment approval was granted on February 22, 2011. An "environmental impact assessment is not required" certificate was obtained for Ege Liman on April 8, 2004.

Environmental permits

The Environmental Permit and License Regulation published in Official Gazette No. 29115, dated 10 September 2014 regulates the procedures and requirements of environmental permits and licenses that are required to be obtained under the Environmental Law. Pursuant to this regulation,

enterprises that are listed in the regulation must first obtain a temporary certificate of activity, and then an environmental permit or environmental permit and license within one year following the date of their temporary certificate of activity. All environmental permits that are required for the activities of a specific facility (for example, emission permits, wastewater discharge permits, noise control permits and hazardous waste permits) are granted under one environmental permit or environmental permit and license, and the holders of such permit must comply with all the requirements of the relevant environmental regulations governing such permit or license. Both the environmental permit and the environmental permit and license are valid for a period of five years. A new permit must be obtained if there is a change in the nature or the location of the operations concerned.

Failure to comply with the requirements of environmental permit or environmental permit and license, as set forth under the regulation, may result in adverse consequences. Administrative sanctions under the Environmental Law may be imposed, subject to the relevant entity being granted a cure period (a maximum of one year) for rectification of its non-compliance. If the non-compliance continues, the entity's permit or permit and license can be revoked.

Emission

Industrial facilities must comply with the emission limits defined by the Air Quality Assessment and Management Regulation, published in the Official Gazette dated June 6, 2008 and No. 26898, and the Industrial Air Pollution Control Regulation, published in the Official Gazette dated July 3, 2009 and No. 27277.

Wastewater discharge

The Water Pollution Control Regulation published in the Official Gazette dated December 31, 2004 and No. 25687 (the "**Water Pollution Control Regulation**") sets forth limits for domestic and industrial wastewater and the principles for discharging wastewater into the surroundings, the sea or the sewage system. Companies must either (i) obtain an environment permit covering wastewater discharge, in case it will discharge the wastewater to the surrounding environment; or (ii) obtain a connection certificate to connect to the existing sewage system, if such exists. All wastewater generated during the construction stage is required to be managed in accordance with the requirements of the Water Pollution Control Regulation. Every facility must obtain an environment permit covering wastewater discharge regardless of whether wastewater discharged from its facility exceeds the limits set forth under the Water Pollution Control Regulation.

Noise control

The Assessment and Management of Environmental Noise Regulation, published in the Official Gazette dated June 4, 2010 and No. 27601, sets forth the rules to prevent environmental noise caused by industrial facilities.

Waste management

The operator (i.e. the license holder) is responsible for waste management during the construction and operation stage. The Solid Waste Control Regulation published in the Official Gazette dated March 14, 1991 and No. 20814 governs the principles and procedures for the storage and disposal of solid waste. Solid waste covers both domestic and industrial waste, but excludes hazardous waste, which is subject to the Hazardous Waste Control Regulation, published in the Official Gazette dated March 14, 2005 and No. 25755 (the "**Hazardous Waste Control Regulation**"). Domestic solid waste and industrial waste with domestic waste characteristics must be separated from industrial waste and should not contain any hazardous waste.

The Hazardous Waste Control Regulation sets forth the principles and procedures for the production, collection, temporary storage, transportation, exportation, importation, recycling and

disposal of hazardous waste. The Hazardous Waste Regulation also provides design criteria and standards to be complied with when building hazardous waste handling, storage and treatment facilities. A license for temporary or permanent storage facilities and disposal facilities and a transportation license for hazardous waste must be obtained. Only those persons or companies holding a transportation license and using a vehicle suitable for the transportation of such hazardous waste may transport hazardous waste.

The Waste Oil Control Regulation, published in the Official Gazette dated July 30, 2008 and No. 26952, provides standards for the generation, storage, transportation and disposal of waste oil. Waste oil, and waste generated by the recycling, refining or regeneration of waste oil may not be released, replaced, stored or discharged directly or indirectly to the sea, underground water, sewage system or soil, and waste oil must not be processed in a way that exceeds the limits provided in the Waste Oil Control Regulation. Only licensed facilities may collect, dispose of or sell waste oil for commercial purposes.

Construction license

Pursuant to the Zoning Law, any person planning to construct a building must first obtain a construction license from the municipality or the relevant governorship. Any building constructed without the construction license may be demolished. Additionally, the contractor may be subject to monetary penalties and imprisonment for one to five years. GPH's facilities and buildings are subject to construction licenses.

Buildings which do not have building construction licenses may be demolished.

Building use permit

Pursuant to the Zoning Law, a building use permit must be obtained from the relevant municipality or the governorship after the construction of a building in accordance with the construction license and approved zoning plans. GPH's facilities and buildings are subject to building use permit license.

Buildings which do not have building use permits may not benefit from utility services such as water, electricity and sewerage.

Private Security Permit

Pursuant to the Private Security Services Law, individuals or legal entities receiving private security services are obligated to obtain a private security permit from the relevant governorate. The breach of this obligation may result in imprisonment for a term ranging from three months to one year or the imposition of judicial fines.

Turkish privatization law and the Concession Agreements

A concession agreement was entered into among the Turkish Privatization Administration, Turkey Maritime Organization and Antalya Liman pursuant to the power granted to the Turkish Privatization Administration under the Law on Privatization Implementations numbered 4046, which regulates the principles and procedures for the privatization process of Turkish state-owned operations, and the final decision of the Supreme Privatization Council dated July 15, 1998 and No. 98/44.

A concession agreement was entered into among the Turkish Privatization Administration, Turkey Maritime Organization and Ege Liman pursuant to the power granted to the Turkish Privatization Administration under the Law on Privatization Implementations No. 4046, which regulates the principles and procedures for the privatization process of Turkish state-owned operations, and the final decision of the Supreme Privatization Council dated April 28, 2003 and No. 2003/17.

An implementation agreement was entered into among the Directorate General for the Construction of Railways, Ports and Airports of the Ministry of Transportation, ERS İnşaat Sanayi ve Ticaret A.Ş. and Setur Servis Turistik A.Ş. for the operation of Bodrum Liman pursuant to the power granted to the Ministry under the Law No. 3996 concerning the Conduct of Certain Investments and Services within the Framework of Build-Operate-Transfer Model regulating the principles and procedures for the build-operate-transfer (BOT) model, and the decision of the Turkish Competition Authority dated December 15, 2008 and No. 08-71/1150-447.

Under the general principles of administrative law in Turkey, the Turkish Privatization Administration can terminate a concession agreement and retake operating rights which have been transferred to the private sector if it decides that there is a public benefit in cancelling the operations as a public service or in order to change the method of the provision of such public service. This can occur even if the company is not in default under the concession agreement. If this happens, the company may be compensated for damages (of an unspecified amount) arising from the loss of the concession (including a proportion of the concession fee corresponding to the remaining term of the concession and loss of profit).

Legislation on Group Company Provisions

The TCC includes provisions governing group companies. The TCC introduced certain notification, registration and announcement obligations to members of corporate groups and regulates the grounds of liability of parent companies.

The TCC provisions are based on the concept of dominance. Although the TCC does not give a clear definition of dominance it states the circumstances where dominance exists. A parent company is considered to be in a dominant position over a subsidiary where it exercises control over such subsidiary directly or indirectly through (a) owning the majority of their voting rights; (b) holding the right to elect a number of members of their governing bodies sufficient to adopt resolutions; or (c) holding the majority of votes by themselves or with third parties based on a voting arrangement; or through other means such as "dominance agreements".

Dominance agreements, which are regulated by the TCC and the Regulation on Trade Registry, are defined as agreements between two companies, either having no affiliation or, even affiliated, that are independent from each other which grant the parent company the unconditional right to instruct the managing body of the other party, which is a joint stock company, a limited liability company or a limited partnership divided into shares (*sermayesi paylara bölünmüş komandit şirket*).

Liabilities arising from Dominance

TCC regulates the triggering events that may result in the controlling company or its directors' liability for losses arising from abuse of dominance over their subsidiaries/affiliates. Article 202 of the TCC provides a sample (non-exhaustive) list of transactions that may result in a loss for the subsidiary. These transactions are: (i) transfer of business, assets, funds, personnel, receivables and debts; (ii) reduction or transfer of profits; (iii) restricting rights over assets by granting rights in rem or contractual rights to third parties; (iv) undertaking liabilities such as securities or guarantees; (v) resolutions such as the restriction or interruption of investments, which may have a negative impact on productivity or activities or prevent the subsidiary's progress. The list in this article, however, is not *numerus clausus* (i.e. the triggering events are not exhaustive).

Accordingly, the TCC provides that the parent company is not allowed to resolve or give instructions for the transactions listed above (or similar transactions) that may create a loss for the subsidiaries. That is unless, during the same financial year, any losses are compensated, or the subsidiary is granted a right of claim that firmly determines the date and compensation method for the amount covering the losses.

If the losses are not compensated during the same financial year, or if the subsidiary is not granted an equivalent right of claim, each shareholder of the subsidiary or its creditors may seek compensation from the parent company or its directors responsible for the losses.

The persons entitled to seek compensation and file a lawsuit against the parent company or its directors for breach of Article 202 are (i) the subsidiary's shareholders, and (ii) the creditors of the subsidiary that incurred the loss.

Furthermore, if the losses result from material structural decisions adopted in a general assembly or by the directors, such as a merger, spin-off, change of company type or dissolution, the issuance of stocks or securities or amendments to the articles of association, the shareholders who voted against such a decision or recorded their objection in writing may request compensation from the parent company. Alternatively, they may request that the parent company purchase their shares at their stock exchange value, if any, or at their market value (the market value is to determined by a court-appointed expert). The provision gives further authority to the courts to adopt other equitable solutions, such as payment of the dividend the shareholder is deprived of due to restructuring.

On the other hand, pursuant to Article 203 of the TCC, in case that the parent company directly or indirectly holds 100% of the shares and voting rights in its subsidiary, the parents company's board of directors can give instructions concerning the direction and management of its subsidiary even if it is of a nature which can cause results that could lead to a loss, provided that it is a requirement of the specified and concrete policies of the group of companies. The decision making bodies of subsidiary are obliged to comply with the instruction.

Parent companies are liable in instances where the group's reputation is relied on by a third party that enters into a transaction with a subsidiary company and the third party incurs losses as a result of such reliance.

Notification, Registration and Announcement

Article 198 of the TCC requires a real person or legal entity to notify the company and the relevant authorities, including the trade registry, within 10 days following the completion of relevant share transfers, in the event their shareholding reaches, exceeds or falls behind certain thresholds specified in the Article. The relevant thresholds are: 5%, 10%, 20%, 25%, 33%, 50%, 67% and 100%. All rights, including the voting rights attached to the relevant shares, will be void unless and until the registration and announcement obligation is satisfied.

The subsidiaries of a group company shall prepare an annual affiliation report to discuss all of the transactions made with the parent company and the subsidiaries of the parent company, the transactions made with third parties upon the directions of the parent company in favor of the parent company or its subsidiaries, the measures taken and abstained in favor of those companies, and the losses incurred resulting from the corporate group relations and its compensation. The parent companies shall prepare a control report upon request with regard to their relations with subsidiaries.

MANAGEMENT

Board of Directors

Pursuant to the provisions of the TCC and GPH's articles of association ("**Articles**"), the Board is responsible for the management of GPH and approves all major decisions of GPH. The Articles provide that the Board shall consist of a minimum of three members to a maximum of seven members, each elected by the shareholders. Each director is elected for a maximum three-year term.

The Board meets regularly, at least once a quarter, and is instrumental in planning the medium and long-term strategy of GPH. Board resolutions are passed by a simple majority of directors present at a meeting.

The following table sets out the name, age and position of the members of the Board as at the date of this Offering Circular:

Name	Position	Age
Mehmet Kutman	Chairman of the Board	54
Ayşegül Bensel	Vice Chairman of the Board	52
Serdar Kırmaz	Member	49
Saygın Narin	Member	40
Ayhan Paksoy	Member	56
Cesare Calari	Member	60
Romain Beryl Py	Member	40

The business address of each of GPH's directors is Rıhtım Cad. No: 51, Karaköy 34425, Istanbul.

Mehmet Kutman

Mr. Kutman has served as Chairman of GPH since April 2012. He was appointed to the Board of GPH again by a GPH ordinary general assembly of September 30, 2014 to serve until the following year's ordinary general assembly meeting. Mr. Kutman was a founding shareholder of GMD and GIH and formerly served as GMD's Chief Executive Officer. In addition to being actively involved in the business development and project management of GPH on a transaction-by-transaction basis, Mr. Kutman is the chairman of the board of directors of GIH, Ortadoğu Antalya, Ege Liman and Bodrum Liman. Prior to founding GMD in 1990, Mr. Kutman was Project Manager at Net Holding A.Ş., the holding company of a Turkish corporate group involved in tourism and related sectors, from 1989 to 1990. Between 1984 and 1989, he resided in the United States, where he served as Vice President of North Carolina National Bank, Sexton Roses Inc. and Philip Bush & Associates. Mr. Kutman holds a BA (Hons.) degree from Boğaziçi University and an MBA from the University of Texas.

Ayşegül Bensel

Mrs. Bensel has served as a member of the Board since April 2004. She was appointed to the Board of GPH again by a GPH ordinary general assembly of September 30, 2014 to serve until the following year's ordinary general assembly meeting. Mrs. Bensel also serves as a member of the board of directors of GIH, Ortadoğu Antalya and Bodrum Liman, and is currently Managing Director of the Real Estate Division of GIH. In addition, she has served as a member of the board of directors of Dagoren Enerji, Global Enerji, Global Insurance, Mavi Bayrak and Torba, and chairman of the board of directors of Salipazari Insaat. Until the sale of Global Hayat in 2005, Mrs. Bensel was Chairman of the board of directors of Global Hayat and had served as its Chief Executive Officer since its formation in 2003. Mrs. Bensel has also been a member of the board of directors of Global Securities since its formation in 2004. In addition, she has also served as the CEO of Pera Reit Company. Previously, Mrs. Bensel was Co-Director of Research within GMD

from 1998 to 1999, and Assistant Director of Research from 1993 to 1998. Prior to joining GMD as an equity research analyst in 1991, Mrs. Bensel was a manager in foreign exchange dealings in the Turkish banking sector. Mrs. Bensel holds a BA in Business Administration and Finance from Hacettepe University, Ankara.

Serdar Kırmaz

Mr Kırmaz graduated from Middle East Technical University in 1987 with a degree in Business Administration. Following a brief employment with OYAK Group in Ankara he joined Pricewaterhouse Coopers ("**PWC**") Turkey in 1988 where he became a Partner in 1996. He worked at PWC until 1997, including a short-term at PWC Hungary. Mr Kırmaz then worked as a freelance consultant advising various Turkish companies between 1997 to 1999. He continued his career as a CFO, at STFA Group between 1999 to 2005, followed by GIH between 2005 to 2007 and then at Doğan Group between 2007 to 2010. Mr Kırmaz has built considerable experience in mergers and acquisitions and company restructurings as well as corporate governance. Mr Kırmaz rejoined GIH in June 2010 and is a Board member at the holding company and its various subsidiaries. He was appointed to the Board of GPH again by a GPH ordinary general assembly of September 30, 2014 to serve until the following year's ordinary general assembly meeting.

Saygın Narin

Mr. Narin has served as Chief Executive Officer of GPH since 2010 and is a member of the board of directors. He was appointed on August 19, 2010. He served as a member of the board of directors of GIH from 2009 until 2011, and since 2011 has served as a member of the board of directors of Ortadoğu Antalya, Ege Liman and Bodrum Liman. He was appointed to the Board of GPH again by a GPH ordinary general assembly of September 30, 2014 to serve until the following year's ordinary general assembly meeting. Mr. Narin previously served as Managing Director of the Turkish division of Statkraft A.S., the European market leader in renewable energy generation, from 2009 to 2010. Prior to joining Statkraft A.S., between 2007 and 2009, Mr. Narin acted as the Head of the Energy Division in GIH, where he oversaw the acquisition, financing, licensing, engineering and construction of the energy generation assets of the Energy Division, consisting of a licensed portfolio of 1,000MW. In addition, between 1999 and 2007, Mr. Narin held various positions in RWE – Thames Water in Turkey, the United Kingdom and South East Asia. From 2005 to 2007, he acted as non-executive director of Trans4M, a special purpose company established in the course of a public/private partnership project to upgrade the majority of the underground stations in London, and was a non-executive director of the China Water Company in Hong Kong and RWE Thames Water in Thailand. Mr. Narin began his career at PWC in 1996. He has a BA in Business Administration from Bosphorus University.

Dr. Ayhan Paksoy

Dr. Paksoy has served as a member of the Board since September 2010. He was appointed to the Board of GPH again by a GPH ordinary general assembly of September 30, 2014 to serve until the following year's ordinary general assembly meeting. Dr. Paksoy also serves as a member of the board of directors of Ortadoğu Antalya. Outside of the Group, Dr. Paksoy serves on the board of directors of the European Ready Mixed Concrete Organization and the Turkish Ready Mixed Concrete Organization, as well as holding the position of councilor in the Turkish Maritime Organization. Prior to his appointment as a member of the Board, Dr. Paksoy was the Chairman and Vice-Chairman of Kumport Port between 1990 and 2004. During the same period, he also served as Chairman in various companies in the maritime and construction sectors, including Alyans and Paksoy Yapi, which he established in 1983. Dr. Paksoy holds a degree in Medicine from Cerrahpaşa Medical University.

Cesare Calari

Mr. Calari is a Managing Director of Wolfensohn Fund Management, L.P. ("**WFM**"). Prior to joining WFM in 2006, Mr. Calari had a long career at the World Bank Group and International Finance Corporation, which he joined in 1981 after working at the Bank of Italy and in private law practice. From 2001 to 2006, Mr. Calari served as the World Bank Group's Vice President and Head, Financial Sector. He also served as Chairman of the First Initiative, an international trust fund for the promotion of financial sector reform in emerging markets, and of the Consultative Group to Assist the Poor, a global facility for the promotion of microfinance. Mr. Calari has been an Adjunct Professor of Finance at the Johns Hopkins School of Advanced International Studies (SAIS) in Washington D.C., and a member of the Bretton Woods Committee. He has served on the Capital Markets Advisory Board of Georgetown University McDonough School of Business; and on the Asia Society Advisory Board. Mr. Calari has been a director of Assicurazioni Generali, SpA (Italy) and of Meritum Bank, Poland as well as several other financial institutions. He is currently a director of Terna SpA (Italy). Mr. Calari obtained a JD from the University of Bologna in 1977, and a MA in Economics and International Affairs from Johns Hopkins SAIS in 1979. He was appointed to the Board of GPH again by a GPH ordinary general assembly of September 30, 2014 to serve until the following year's ordinary general assembly meeting.

Romain Beryl Py

Mr. Py is a Managing Director of Baobab Capital Ltd. and has served as an Executive Director at J.P. Morgan Asset Management's Infrastructure Investments Group ("IIG") from 2007 until July 2013. As a member of J.P. Morgan Asset Management since 2007, based in London he was responsible for identifying and executing transactions across various infrastructure sectors and jurisdictions, as well as actively managing portfolio investments. He led a number of transactions, including the acquisition of Electricity Northwest in the United Kingdom, Cairns & Mackay airports in Australia and Dragados SPL (now renamed Noatum Ports) in Spain. Mr. Py has served on the boards of Noatum Ports and Marmedsa, and was a member of J.P. Morgan IIG's risk committee. He also previously worked at HSBC Bank and Société Générale, where he structured, negotiated and completed transactions in both advisory and arranging capacities across various infrastructure sectors. Mr. Py holds an MSc in Corporate Finance from EM Lyon Business School and an MSc in International Economics from Paris-Dauphine University. He was appointed to the Board of GPH again by a GPH ordinary general assembly of September 30, 2014 to serve until the following year's ordinary general assembly meeting.

Senior Management

The following table sets out the name, age and position of the senior managers of GPH who are not members of the Board as at the date of this Offering Circular:

Name	Position	Age
Saygin Narin	Chief Executive Officer	40
Arpak Demircan	Deputy Chief Executive Officer	37
Ferdağ Ildır	Chief Financial Officer	47
Özgür Sert	General Manager-Ortadoğu Antalya (Port Akdeniz-Antalya)	38
Aziz Güngör	General Manager-Ege Liman (Ege Ports-Kuşadası) and Bodrum Liman (Bodrum Cruise Port)	37
Carles Domingo Pages	General Manager of Creuers	83
Andrija Radusinovic	General Manager of Port of Bar	49
Ricardo Ferreira	General Manager of LCP	36

Saygin Narin

See "—*Board of Directors*" for Mr. Narin's professional biography.

Arpak Demircan

Mr. Demircan serves as Deputy Chief Executive Officer of GPH. He was appointed in October 2010. Mr. Demircan serves as a member of the board of directors of each of Ortadoğu Antalya, Ege Liman and Bodrum Liman, as well as Torba. Prior to his appointment as Deputy Chief Executive Officer of GPH, he acted as the Vice President of the Business Development Department at GIH from 2008. Between 2004 and 2008, Mr. Demircan held various positions within the Business Development Department, gaining several years of experience establishing GPH's port portfolio and working on various mergers and acquisitions and major privatization transactions in the infrastructure and transportation sectors, both in Turkey and abroad. Mr. Demircan holds a BSc degree in Industrial Engineering from Eastern Mediterranean University and an MBA in finance from the United States International University – San Diego, California.

Ferdağ Ildır

Ms. Ildır serves as Chief Financial Officer of GPH. She was appointed in September 2010. Ms. Ildır has also served as Chief Financial Officer of Ortadoğu Antalya, Ege Liman, and Bodrum Liman since 2010, 2005 and 2007, respectively. Prior to joining the Group, Ms. Ildır was Accounting Division Manager at the Teba Group from 2004 to 2005. Between 1993 and 2004, she held various positions at Arthur Andersen and the Yaşar Accounting firm. Ms. Ildır holds a BSc in Economics from Dokuz Eylül University.

Özgür Sert

Mr Sert has served as General Manager of Ortadoğu Antalya since 2012. Prior to that, Mr Sert served as a Business Development Manager in GPH. He obtained an Ocean Going Master License from the ITU Maritime Faculty in 2000. He also served as a merchant marine between 2000 and 2007, and as operations manager for the Ship Management, Agency and Container Terminals between 2009 and 2011.

Aziz Güngör

Mr. Güngör has served as General Manager of Ege Liman since 2006. Outside of the Group, Mr. Güngör serves on the board of directors of the Turkish Maritime Tourism Association, as well as being a member of the Port Operators Association of Turkey. Prior to joining GIH, Mr. Güngör was Managing Director of Setur Kuşadası Marina between 2004 and 2006. In addition, between 2003 and 2006, he served as Sales and Marketing Director of Setur Marinas, which is a privately operated marina chain company and a subsidiary of Koç Holding (part of the Koç Group), the largest private holding company in Turkey. Setur is a strategic partner of the Group. Mr. Güngör began his career in the maritime tourism sector in September 1994 as a management trainee in the Tourism Division of Koç Holding. Mr. Güngör holds a BA in Tourism Administration and Hotel Management from the Mediterranean University.

Senior Management at Creuers, Port of Adria-Bar and Lisbon

Carles Domingo Pages

Mr Domingo Pages has been the General Manager of Creuers since 1999. Prior to this, Mr Domingo Pages was Vice-President for Standard Electrical Materials at ABB Spain S.A., and General Manager at Metron S.A., a Spanish subsidiary of the Swiss company Brown Boveri. Mr Domingo Pages has a doctorate in Engineering from Escola Superior d'Enginyers Industrials de Barcelona, and completed the Management Development Program at IESE Business School in Barcelona. Mr Domingo Pages started his career as General Manager at Mapor S.A., a container handling and logistics company based out of the port of Barcelona, where he was a special contractor for the transport to site of NASA components of satellite tracking stations in Spain.

Andrija Radusinovic

Mr Radusinovic has served as CEO of "Container Terminal and General Cargo" JSC-Bar since October 2009. Mr Radusinovic graduated from the Faculty of Economics, Podgorica. Mr Radusinovic has participate in research container terminals, conducted a regional logistics study and worked on a Malta-Bar container ship study. From 1991 to 2001, Mr Radusinovic worked in the Tobacco Company in Podgorica Mr Radusinovic has progressed from sales officer, to market researcher and marketing manager, whilst working at the Port of Adria-Bar.

Ricardo Ferreira:

Mr Ferreira has served as General Manager of LCP since June 2014. Prior to this, Mr Ferreira worked as Hotel & Resort Operations Manager (Deputy GM) at Praia D'El Rey Marriott Golf & Beach Resort, from November 2013 until June 2014, and as Operations Director of Sonae Turismo, Troiaresort, between January 2013 and October 2013. Mr Ferreira has received a PGG in General Management Program from the Lisbon School of Business & Economics in 2011, and a degree in Corporate Sciences from Universidade Fernando Pessoa in 2009.

Remuneration and Benefits

The aggregate remuneration paid to members of the Board and GPH's senior management in 2013, 2012 and 2011 was TL 2.7 million, TL 2.3 million and TL 1.7 million, respectively.

There are no outstanding loans granted by any Group company to any of its directors and no Group company has issued any guarantees of any indebtedness of any of its directors or executive officers.

Corporate Governance

The corporate governance committee of GPH's board of directors is responsible for supporting the board in complying with GPH's corporate governance principles and applicable regulations (in compliance with and parallel to the corporate governance principles of GIH), making recommendations for appointments of members of the board and senior executives, early determination of risks and risk management, approving valuation fees and performance awards for directors and senior executives, and overseeing investor relations and public disclosure policies and procedures. The corporate governance committee is comprised of three members of the board. On July 30, 2013, the board of directors appointed Ayhan Paksoy (President), Serdar Kırmaz and Arpak Demircan as the members of the corporate governance committee for a term of 1 year.

GPH applies the corporate governance principles of GIH. GIH is a publicly traded company, and is therefore subject to the CMB regulations on corporate governance. See "*Risk Factors Risks—Relating to Turkey—Turkish corporate governance standards differ from those of more developed countries*".

Internal audit

The audit committee of the Board and GPH's internal audit team are responsible for the implementation of and compliance with applicable laws and regulations and for monitoring the adequacy of GPH's internal controls. The internal audit team reports its findings to the audit committee of the board. The internal audit team is mandated to improve and harmonize accounting and reporting systems across the various businesses within the Group and to increase the amount of reporting which is centrally controlled. The audit committee also verifies the accuracy, transparency and compliance of the financial statements and financial information with the legislation and the international accounting standards and reports the results to the board of directors. The audit committee also selects and appoints independent auditors. The audit committee is comprised of three members of the board, one of whom must be independent and

all of whom must be non-executive directors. On July 30, 2013, the board of directors appointed Ayhan Paksoy, Serdar Kırmaz and Ferdağ Ildır as the members of the audit committee for a period of 1 year.

Conflicts of interests

There are no potential or actual conflicts of interest between any duties of the members of the Board or GPH senior management towards GPH and their private interests and/or other duties. There are no potential or actual conflicts of interest between any duties of the members of the directors or senior management of Ortadoğu Antalya Liman İşletmeleri A.Ş. towards Ortadoğu Antalya Liman İşletmeleri A.Ş. and their private interests and/or other duties. There are no potential or actual conflicts of interest between any duties of the members of the directors or senior management of Ege Liman İşletmeleri A.Ş. towards Ege Liman İşletmeleri A.Ş. and their private interests and/or other duties.

Directors' and senior managers' shareholdings

The directors and senior managers of GPH do not have any direct ownership of shares of GPH. However, Mehmet Kutman owns approximately 25% of GIH, which is the sole owner of GPH.

Employees

As at December 31, 2013, 2012 and 2011, the Group employed 750, 198 and 192 people, respectively.

The following table shows the number of employees by port as at December 31, 2013:

	Number of employees
Port Akdeniz-Antalya (Ortadoğu Antalya)	177
Administrative	30
Shipping	24
Other	123
Ege Ports- Kuşadası (Ege Liman)	35
Administrative	19
Shipping	16
Bodrum Cruise Port (Bodrum Liman)	11
Administrative	4
Shipping	7
Port of Adria-Bar (Bar Limanı)	513
Administrative	78
Other	435
Global Ports Holding (Global Limanı)	14
Administrative	14
Total	750

Ortadoğu Antalya's employees are unionized and their employment terms are governed by a collective bargaining agreement with the Liman-İş Union. The current agreement expires on December 31, 2016. The collective bargaining agreement cannot be extended, but Liman-İş can make a new authority application to the Ministry of Labor to be able to negotiate and enter into a new collective bargaining agreement.

Under this collective bargaining agreement, Ortadoğu Antalya's employees benefit in comparison to the minimum employment standards set by Turkish Labor Law from: (i) longer termination periods; (ii) overtime periods; (iii) longer periods of paid leave; (iv) longer periods of occasional

paid leave, such as marriage leave or bereavement leave; and (v) improved remuneration packages.

In addition, after the first anniversary of employment, employees are entitled to receive a 9.5% salary increase, and, after the second anniversary of employment, employees are entitled to receive an increase by a percentage equal to the consumer price index of the previous year end + 2%, and, after the second anniversary of employment an increase by a percentage equal to the consumer price index of the previous year end plus 1.7%. Employees are entitled to certain other benefits, including quarterly discretionary bonuses (based on individual and corporate performance), a birth allowance of TL 605 per child, a marriage allowance of TL 605, death-in-service compensation of TL 4,000 (and all hospital and funeral expenses are paid to the employee's family), funeral expense of gross TL 500 for the death of employee's spouse, child, mother and father, and sick allowance of (a) two days' daily salaries for employees whose sickness has been certified by health facilities of social security institutions and (b) the difference between the salary of employee and pension against incapacity to work paid by the social security institution due to occupational accident or occupational disease. In the first year of this collective bargaining agreement, employees are entitled to receive TL 350 as employee benefit, TL 100 net as religious holiday allowance 15 days before each religious holiday, TL 87.18 gross for a first child studying in primary school, TL 116.24 gross for first a child in highschool and art school, and TL 290.61 gross for a first child in university and half of such amount for second child. Each following year of employment, employee benefit, religious holiday allowance and educational grant will be increased by a percentage equal to salary increase rate. Employees are also entitled to receive victuals once in a year for Ramadan holiday. The union, relevant regional directorate and Turkish Labor Agency (İŞKUR) must be informed in case of collective redundancy within thirty days of such redundancy. Two union representatives are members of Ortadoğu Antalya's high council consisting of four persons, who consider collective redundancy decisions and decide with the affirmative votes of simple majority of high council (in case of equality, decision of president appointed by Ortadoğu Antalya will prevail). Two union representatives are members of Ortadoğu Antalya's board of discipline consisting of four persons, who consider all termination decisions, and the union may in certain circumstances file labor cases on behalf of a terminated employee.GPH management believes it maintains good relations with its employees.

The Group outsources the provision of some of its port services to sub-contractors.

OWNERSHIP

Principal Shareholders

GPH's shares are ordinary voting shares. There are no preferential rights attached to any shares of GPH. Under the Articles, the Board shall consist of a minimum of three and a maximum of seven members elected by the general assembly of shareholders. At present, there are seven members of the Board.

As at the date of this Offering Circular, the capital of GPH amounts to TL 66,253,100, represented by 66,253,100 registered shares with a nominal value of TL 1.00 each.

The following table sets forth the shareholders of GPH as at the date of this Offering Circular:

	GPH Shares Owned	
	Number	(%)
Global Investment Holdings ("**GIH**")	66,253,100	100

The following table sets forth the shareholders of GIH as at June 30, 2014:

	Value of shares
Mehmet Kutman	TL 58,362,707
Erol Göker	TL 488,707
Others	145,360,509
Total	204,211,922

DESCRIPTION OF THE NOTES

You can find the definitions of certain terms used in this description under the subheading "—*Certain Definitions*." In this section, the words "Issuer" and "GPH" refer only to Global Ports Holding and not to any of its Subsidiaries, except for the purposes of financial data determined on a consolidated basis.

GPH will issue US$250 million aggregate principal amount of 8.125% senior notes due 2021 (the "**Notes**") under an indenture (the "**Indenture**") among the Issuer, Ortadoğu Antalya Liman İşletmeleri A.Ş., and Ege Liman İşletmeleri A.S., as guarantors (the "**Guarantors**"), The Bank of New York Mellon acting through its London Branch, as trustee (the "**Trustee**"), The Bank of New York Mellon acting through its London Branch, as principal paying agent (the "**Principal Paying Agent**") and transfer agent and The Bank of New York Mellon (Luxembourg) S.A., as registrar (the "**Registrar**").

GPH will issue the Notes in a private transaction that is not subject to the registration requirements of the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"). See "*Notice to Investors*." The Indenture is not required to be, nor will it be, qualified under the U.S. Trust Indenture Act of 1939, as amended (the "**TIA**"), and will not incorporate by reference the provisions of the TIA. Consequently, the holders of Notes generally will not be entitled to the protections provided under the TIA to holders of debt securities issued under a qualified indenture, including those requiring the Trustee to resign in the event of certain conflicts of interest and to inform the holders of Notes of certain relationships between it and the Group.

The following description is a summary of the material provisions of the Notes and the Indenture. It does not restate those documents in their entirety. GPH urges you to read the Indenture because it, and not this description, define your rights as holders of the Notes. Copies of the Indenture are available as set forth below under "—*Additional Information*." Certain defined terms used in this description but not defined below under "—*Certain Definitions*" have the meanings assigned to them in the Indenture.

The Notes will be issued in registered form. The registered holder of a Note will be treated as the owner of it for all purposes. Only registered holders will have rights under the Indenture.

Brief Description of the Notes and the Guarantees

The Notes

The Notes:

- will be general, unsecured, senior obligations of the Issuer;
- will rank senior in right of payment to all existing and any future Indebtedness of the Issuer that is subordinated to the Notes;
- will rank pari passu in right of payment with all existing and any future Indebtedness of the Issuer that is not subordinated to the Notes;
- will be effectively subordinated to all existing and any future Indebtedness of the Issuer that is secured by property or assets, to the extent of the value of the assets securing such Indebtedness; and
- will be unconditionally and irrevocably guaranteed on a joint and several basis by the Guarantors, subject to limitations under applicable law.

The Guarantees

The Notes will be guaranteed by the Guarantors on the Issue Date.

The Guarantees of the Guarantors:

- will be general, unsecured, senior obligations of the Guarantors;
- will rank senior in right of payment to all existing and any future Indebtedness of the Guarantors that is subordinated in right of payment to the Guarantees;
- will be effectively subordinated to all existing and any future Indebtedness of the Guarantors that is secured by property or assets, to the extent of the value of the assets securing such Indebtedness; and
- will be structurally subordinated to all obligations of any subsidiaries of the Guarantors which do not guarantee the Notes.

The obligations of the Guarantors under their Guarantees will be limited as necessary to prevent the Guarantees from constituting a fraudulent conveyance under applicable law or otherwise to reflect limitations under applicable law or capital maintenance regulations. See "*Risk Factors—The Guarantees may be limited by applicable laws or subject to certain limitations or defenses.*"

Not all of the Issuer's Subsidiaries will guarantee the Notes. In the event of a bankruptcy, liquidation or reorganization of any of these non-guarantor Subsidiaries, the non-guarantor Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to the Issuer.

The Issuer depends on the cash flow of Subsidiaries to meet its obligations, including its obligations under the Notes. The Notes will be effectively subordinated in right of payment to all Indebtedness and other liabilities and commitments (including trade payables and lease obligations) of the Issuer's non-guarantor Subsidiaries. Any right of the Issuer or any Guarantor to receive assets of any of the Issuer's non-guarantor Subsidiaries upon that non-guarantor Subsidiary's liquidation or reorganization (and the consequent right of the holders of the Notes to participate in those assets) will effectively be subordinated to the claims of that non-guarantor Subsidiary's creditors, except to the extent that the Issuer or such Guarantor is itself recognized as a creditor of the non-guarantor Subsidiary, in which case the claims of the Issuer or such Guarantor, as the case may be, would still be subordinate in right of payment to any security in the assets of the non-guarantor Subsidiary and any Indebtedness of the non-guarantor Subsidiary senior to that held by the Issuer or such Guarantor.

As at and for the year ended June 30, 2014, on a *pro forma* basis after giving effect to this offering of Notes, the application of the proceeds therefrom as described under "*Use of Proceeds*" and the completion of the acquisition of Creuers, the non-guarantor Restricted Subsidiaries would have had US$79.0 million of Indebtedness outstanding, and represented approximately 24.8% of EBITDA and approximately 31.5% of the sum of Total Assets of all Restricted Subsidiaries.

As at and for the year ended June 30, 2014, on a *pro forma* basis after giving effect to this offering of Notes, the application of the proceeds therefrom as described under "*Use of Proceeds*" and the completion of the acquisition of Creuers, the Issuer and the Guarantors would have had approximately US$282.1 million of Indebtedness outstanding, and represented approximately 75.2% of EBITDA and approximately 68.5% of the sum of Total Assets of all Restricted Subsidiaries.

As of the Issue Date, all of GPH's Subsidiaries (other than Port of Malaga) will be "Restricted Subsidiaries." However, under the circumstances described below under the definition of "Unrestricted Subsidiaries" GPH will be permitted to designate certain of GPH's Subsidiaries as Unrestricted Subsidiaries. GPH's Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture.

Principal, Maturity and Interest

The Issuer will issue US$250 million aggregate principal amount of Notes in this Offering. The Issuer may issue additional Notes ("**Additional Notes**") under the Indenture from time to time after this Offering. Any issuance of Additional Notes is subject to all of the covenants in the Indenture, including the covenant described below under the caption "*—Certain Covenants—Limitation on Indebtedness*." The Notes and any Additional Notes subsequently issued under the Indenture will be treated as a single class of the applicable series for all purposes under the Indenture and the Additional Notes will otherwise have the same terms as the Notes (other than the issue date, issue price and, possibly, initial interest payment date and interest accrual date), including, without limitation, waivers, amendments, redemptions and offers to purchase, except as otherwise provided in the Indenture. No Additional Notes may be issued unless such Additional Notes are treated as part of the same "issue" as the notes being offered hereby within the meaning of United States Treasury regulation section 1.1275-1(f) or 1.1275-2(k). The Issuer will issue the Notes in minimum denominations of US$200,000 in principal amount and integral multiples of US$1,000 in excess thereof. The Notes will mature on November 14, 2021.

Each Note will bear interest at a rate per annum of 8.125%. Interest on the Notes will be payable semi-annually from the Issue Date or from the most recent interest payment date to which interest has been paid. Interest will be payable on each Note on May 14 and November 14 of each year, commencing on May 14, 2015. Interest will be payable to holders of record on each Note in respect of the principal amount thereof outstanding as at the close of business on the immediately preceding May 14 or November 14, as the case may be.

Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

If the due date for any payment in respect of any Note is not a Business Day at the place in which such payment is due to be paid, the holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

The rights of holders of beneficial interests in the Notes to receive the payments of interest on the Notes are subject to applicable procedures of the book-entry depositary and Euroclear and Clearstream.

Methods of Receiving Payment on the Notes

Principal, premium, interest and Additional Amounts (as defined below), if any, on the Global Notes (as defined in "*—Transfer and Exchange*") will be payable at the specified office or agency of one or more paying agents; provided that all such payments with respect to Notes represented by one or more Global Notes registered in the name of, or held by, a nominee of DTC, Euroclear or Clearstream, as the case may be, will be made by wire transfer of immediately available funds to the account specified by the holder or holders thereof.

Principal, premium, interest and Additional Amounts, if any, on Definitive Registered Notes (as defined in "*—Transfer and Exchange*") will be payable at the specified office or agency of one or more paying agents. In addition, interest on Definitive Registered Notes may be paid by wire transfer or check mailed to the person entitled thereto as of the close of business on the record date immediately preceding the interest payment date for such interest as shown on the register for the Definitive Registered Notes.

Paying Agent and Registrar for the Notes

The Issuer will maintain a paying agent for the Notes in London (the "**Principal Paying Agent**"). The Issuer will also ensure that it maintains a paying agent in a member state of the European Union that will not be obliged to withhold or deduct on account of tax pursuant to the European Council Directive 2003/48/EC (as amended from time to time) or any law implementing or

complying with, or introduced in order to conform to, such Directive. The initial paying agent will be The Bank of New York Mellon acting through its London Branch.

The Issuer will maintain a registrar with respect to the Notes initially with offices in Luxembourg. The initial registrar will be The Bank of New York Mellon (Luxembourg) S.A.. The initial transfer agent will be The Bank of New York Mellon acting through its London Branch. The Registrar will maintain a register reflecting ownership of the Global Notes and Definitive Registered Notes outstanding from time to time.

Upon notice to the Trustee, the Issuer may change any paying agent, registrar or transfer agent and the Issuer may act as the paying agent; *provided*, *however*, that in no event may the Issuer act as paying agent or appoint a paying agent in any member state of the European Union where the paying agent would be obliged to withhold or deduct tax in connection with any payment made by it in relation to the Notes unless either (i) another paying agent is located in a member state where it is not obliged to withhold or deduct tax or (ii) no other member state would require a paying agent located therein to withhold or deduct tax in relation to such payments at a lower (or zero) rate. For so long as the Notes are listed on the Irish Stock Exchange and its rules so require, the Issuer will publish a notice of any change of paying agent, registrar or transfer agent in a newspaper having a general circulation in Ireland (expected to be the Irish Times) or on the Irish Stock Exchange's website, www.ise.ie.

Transfer and Exchange

Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the U.S. Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "**Rule 144A Global Notes**"). Notes sold outside the United States to non-U.S. persons pursuant to Regulation S under the U.S. Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "**Regulation S Global Notes**" and, together with the Rule 144A Global Notes, the "**Global Notes**").

During the 40-day distribution compliance period, book-entry interests in the Regulation S Global Notes may be transferred only to non-U.S. Persons under Regulation S under the U.S. Securities Act or to persons whom the transferor reasonably believes are "qualified institutional buyers" within the meaning of Rule 144A under the U.S. Securities Act in a transaction meeting the requirements of Rule 144A or otherwise in accordance with applicable transfer restrictions and any applicable securities laws of any state of the United States or any other jurisdiction.

Ownership of interests in the Global Notes (the "**Book-Entry Interests**") will be limited to persons that have accounts with DTC Euroclear or Clearstream, as applicable or persons that may hold interests through such participants, or Persons that may hold interests through such participants. Ownership of interests in the Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under "*Transfer Restrictions*." In addition, transfers of Book-Entry Interests between participants in DTC, Euroclear or Clearstream will be effected by DTC, Euroclear or Clearstream as applicable, pursuant to customary procedures and subject to the applicable rules and procedures established by DTC, Euroclear or Clearstream as applicable, and their respective participants.

Book-Entry Interests in the 144A Global Note, or the "**Rule 144A Book-Entry Interest**," may be transferred to a person who takes delivery in the form of Book-Entry Interests in the Regulation S Global Note or the "**Regulation S Book-Entry Interests**," only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S under the U.S. Securities Act.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred.

Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If Definitive Registered Notes are issued, they will be issued only in minimum denominations of US$200,000 principal amount and integral multiples of US$1,000 in excess thereof upon receipt by the applicable Registrar of instructions relating thereto and any certificates and other documentation required by the Indenture. It is expected that such instructions will be based upon directions received by DTC, Euroclear or Clearstream, as applicable from the participant that owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture or as otherwise determined by the Issuer in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under "*Notice to Investors.*"

Subject to the restrictions on transfer referred to above, Notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of US$200,000 in principal amount and integral multiples of US$1,000 in excess thereof to persons who take delivery thereof in the form of Definitive Registered Notes. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging holder to, among other things, furnish appropriate endorsements and transfer documents, furnish information regarding the account of the transferee at DTC, Euroclear or Clearstream, furnish certain certificates and opinions and pay any Taxes in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the holder, other than any Taxes payable in connection with such transfer or exchange; *provided* that, if the Issuer or any Guarantor is a party to the transfer or exchange, the holder will not be required to pay such Taxes.

Notwithstanding the foregoing, the Issuer is not required to register the transfer of any Definitive Registered Notes:

(1) for a period of 15 days prior to any date fixed for the redemption of the Notes;

(2) for a period of 15 days immediately prior to the date fixed for selection of Notes to be redeemed in part;

(3) for a period of 15 days prior to the record date with respect to any interest payment date; or

(4) which the holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer, a Concession Termination Event Offer or an Asset Disposition Offer.

The Issuer, the Trustee and the Paying Agent will be entitled to treat the holder of a Note as the owner of it for all purposes.

Optional Redemption

Optional Redemption upon Public Equity Offering prior to November 14, 2018

At any time prior to November 14, 2018, at the option of the Issuer, the Issuer may on any one or more occasions redeem up to 35% of the aggregate principal amount of Notes issued under the Indenture, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to 108.125% of the principal amount of the Notes redeemed, in each case, plus accrued and unpaid interest and Additional Amounts, if any, on the Notes redeemed to the date of redemption (subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant interest payment date), with the Net Cash Proceeds received by the Issuer from a Public Equity Offering; *provided* that:

(1) at least 65% of the aggregate principal amount of the Notes issued under the Indenture (including any Additional Notes) remains outstanding immediately after the occurrence of such redemption; and

(2) the redemption occurs within 90 days of the date of the closing of such Public Equity Offering.

Optional Redemption prior to November 14, 2018

At any time prior to November 14, 2018, upon not less than 30 nor more than 60 days' notice, the Issuer may redeem all or part of the Notes at a redemption price equal to 100% of the principal amount thereof plus the Applicable Redemption Premium plus accrued and unpaid interest and Additional Amounts, if any, on the Notes redeemed to the redemption date (subject to the rights of holders of Notes on the relevant record date to receive interest on the relevant interest payment date).

Except pursuant to the preceding two paragraphs and "*Optional Redemption for Taxation Reasons,*" the Notes will not be redeemable at the Issuer's option prior to November 14, 2018.

Optional Redemption on or after November 14, 2018

On or after November 14, 2018, the Issuer may redeem all or part of the Notes upon not less than 30 nor more than 60 days' prior notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest and Additional Amounts, if any, on the Notes redeemed, to the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the twelve-month period beginning on November 14, 2018 of the years indicated below:

	Year Redemption Price
November 14, 2018	104.063%
November 14, 2019	102.031%
November 14, 2020	100.000%

Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

If and for so long as the Notes are listed on the Irish Stock Exchange and the rules of that exchange so require, the Issuer shall publish any notice of redemption referred to above in Ireland in the manner described below in "—*Notices*."

Any redemption pursuant to this "*Optional Redemption*" section may, in the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent.

Selection and Notice

If less than all of the Notes are to be redeemed at any time, the Trustee or Registrar will select Notes for redemption on a *pro rata* basis by lot or by such other method as is fair and appropriate, unless otherwise required by law or applicable stock exchange or depositary or applicable clearing system requirements; provided that no such partial redemption will reduce the portion of the principal amount of a Note not redeemed to less than US$200,000. Neither the Trustee nor the Registrar, as applicable, shall be liable for selections made by it in connection with this paragraph.

No Notes of US$200,000 or less can be redeemed in part. Notices of redemption will be mailed by first class mail at least 30 but no more than 60 days before the redemption date to each holder of Notes to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture. Except as provided under "*Optional Redemption*," notices of redemption may not be conditional.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the holder of Notes upon cancellation of the original Note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption.

For Notes which are represented by global notes held on behalf of DTC, Euroclear or Clearstream, notices may be given by delivery of the relevant notices to DTC, Euroclear or Clearstream for communication to entitled account holders in substitution for the aforesaid mailing. If and for so long as the Notes are listed on the Irish Stock Exchange and the rules of that exchange so require, the Issuer shall publish such notice in Ireland in the manner described below in "*—Notices*" and send a copy of such notice to the Irish Stock Exchange.

Optional Redemption for Taxation Reasons

The Issuer or its successors, if any, may, at its option, redeem all, but not part, of the Notes, at any time upon giving not less than 30 nor more than 60 days' notice to the holders thereof, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to (and including) the date of redemption (a "**Tax Redemption Date**") (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts (see "*—Additional Amounts*") then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if the Issuer or its successors determines in good faith that, as a result of:

(1) any change in, or amendment to, the laws or treaties (or any regulations or rulings promulgated thereunder) of a Relevant Tax Jurisdiction (as defined below) affecting taxation which is announced and becomes effective on or after the issuance of the Notes on the Issue Date (or, if the Relevant Tax Jurisdiction was not a Relevant Tax Jurisdiction on the Issue Date, the date on which such Relevant Tax Jurisdiction became a Relevant Tax Jurisdiction under the Indenture); or

(2) any change in, or amendment to, any existing official written position regarding the application, administration or interpretation of such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction or a change in published practice), which change or amendment becomes effective on or after the issuance of the Notes on the Issue Date (or, if the Relevant Tax Jurisdiction was not a Relevant Tax Jurisdiction on the Issue Date, the date on which such Relevant Tax Jurisdiction became a Relevant Tax Jurisdiction under the Indenture),

the Issuer, its successors or any Guarantor (each, a "**Payer**") are, or on the next interest payment date in respect of the Notes would be, required to pay Additional Amounts on the Notes or the Guarantees, as applicable, and the Payer cannot avoid such obligation by taking commercially reasonable measures available to it (including, for the avoidance of doubt, the appointment of a new paying agent in accordance with "*—Paying Agent and Registrar for the Notes*" or, in respect of a payment under a guarantee, payment through another Subsidiary providing a Guarantee or the Issuer). Notice of redemption for taxation reasons will be given in accordance with the procedures described below under "*—Selection and Notice.*"

Notwithstanding the foregoing, no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Payer would be obliged to make such payment of Additional Amounts or withholding if a payment in respect of the Notes were then due. Prior to the giving of any notice of redemption described in this paragraph, the Issuer or its successors shall deliver to the Trustee (a) an Officers' Certificate stating that the obligation to pay Additional Amounts cannot be avoided by the Payer taking commercially reasonable measures available to it and (b) a written opinion of independent tax counsel of recognized standing and qualified to practice as tax counsel in the Relevant Tax Jurisdiction to the effect that the circumstances referred to above

exist. The Trustee will accept such Officers' Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it will be conclusive and binding on the holders.

Notwithstanding the foregoing, the Issuer or its successors may not redeem the Notes under this provision if the Relevant Tax Jurisdiction (as defined below) changes under the Indenture and the Payer is obligated to pay Additional Amounts as a result of a change in the laws (or any regulations or rulings promulgated hereunder), or any change in any official written position regarding the application, administration or interpretation of such laws, treaties, regulations or rulings, of the then current Relevant Tax Jurisdiction which, at the time the latter became the Relevant Tax Jurisdiction under the Indenture, was publicly announced as being or having been formally proposed.

Mandatory Redemption; Offers to Purchase; Open Market Purchases

The Issuer is not required to make any mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, the Issuer may be required to offer to purchase the Notes as described under the captions "*—Repurchase at the Option of Holders—Change of Control*", "*—Repurchase at the Option of Holders—Concession Termination Event*" and "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock.*" The Issuer and its Restricted Subsidiaries may at any time and from time to time purchase Notes in the open market or otherwise.

Additional Amounts

All payments made by or on behalf of a Payer on the Notes and any Guarantee will be made without withholding or deduction for, or on account of, any present or future taxes, assessments, duties, levies or other governmental charges of whatever nature (including penalties, interest and any liabilities with respect thereto) (each a "**Tax**" and collectively "**Taxes**") imposed or levied by, or on behalf of, (1) any jurisdiction where such Payer is organized, engaged in business (where such Tax is imposed by reason of the Payer being engaged in business) or otherwise considered to be a resident for tax purposes, (2) any jurisdiction from or through which a payment on the Notes is made, or (3) any political subdivision or governmental authority of any of the foregoing having the power to tax (the "**Relevant Tax Jurisdiction**"), unless the withholding or deduction of such Taxes is then required by law.

If any deduction or withholding for, or on account of, any Taxes of any Relevant Tax Jurisdiction is at any time required to be made from any payments under the Notes and any Guarantee, including payment of principal, redemption price, interest or premium, the Payer will pay to each holder of a Note such additional amounts ("**Additional Amounts**") as may be necessary in order that the net amounts received by such holder (including the Additional Amounts) after such deduction or withholding will be not less than the amounts which such holder would have received in respect of such payments in the absence of such withholding or deduction; provided that the Payer will not be required to make any payment of Additional Amounts for or on account of:

(1) any Tax which would not have been imposed but for the existence of any present or former connection between such holder or beneficial owner of the Notes and the Relevant Tax Jurisdiction, including such holder or beneficial owner being or having been a citizen, domiciliary or resident thereof or being or having been engaged in trade or business therein or having or having had a permanent establishment or dependent agent therein, but excluding, in each case, any connection arising solely from the acquisition, ownership, holding or disposition of such Notes or the receipt of any payment in respect thereof or the exercise or enforcement of any rights under the Indenture or the Notes;

(2) any tax which would not have been imposed but for the presentation of a Note for payment (where presentation is required) on a date more than 30 days after (i) the date on which such payment on such Note became due and payable or (ii) the date on which payment thereof

is duly provided for, whichever occurs later (except to the extent that the holder would have been entitled to Additional Amounts had such Note been presented at the latest on the last day of such 30-day period);

(3) any estate, inheritance, gift, sales, excise, transfer, personal property or similar tax, similar assessment or similar governmental charge;

(4) any Tax which is payable otherwise than by withholding or deduction from payment on (or in respect of) the Notes and any Guarantee;

(5) any Tax that is imposed or withheld by reason of the failure by the holder of the Note to comply with a written request addressed or otherwise provided to the holder (and made at a time which would enable such holder acting reasonably to comply with that request and, in any case, made at least 60 days before such withholding or deduction would be payable by the Payer) to provide timely and accurate certification, information, documents or other evidence concerning the nationality, residence or identity of the holder or beneficial owner of the Note, or to make any valid and timely declaration or similar claim or satisfy any certification information or other reporting requirement relating to such matters, in each case which is required by a statute, treaty, regulation or administrative practice of the Relevant Tax Jurisdiction as a precondition to exemption from all or part of such Tax;

(6) any Tax, assessment or other governmental charge which would not have been imposed but for the presentation of a Note for payment (where presentation is required) to another paying agent in the European Union (unless, by reason of the Payer's actions, presentment could not have been made elsewhere);

(7) any Tax which is imposed on a payment to or for the benefit of an individual and is required to be made pursuant to the European Council Directive 2003/48/EC of June 3, 2003 (as amended from time to time), or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(8) any combination of any of the items above.

If the Payer will be obligated to pay Additional Amounts with respect to any payment made on the Notes and the Guarantees, the Payer will provide the Trustee and the Principal Paying Agent at least 30 days prior to the date of that payment (unless the obligation to pay Additional Amounts arises after the 30th day prior to that payment date, in which case the Payer shall notify the Trustee promptly thereafter) an Officers' Certificate stating the fact that Additional Amounts will be payable and the amount so payable and such other information necessary to enable the paying agent to pay Additional Amounts to holders on the relevant payment date. The Payer will promptly provide the Trustee with documentation reasonably satisfactory to the Trustee evidencing the payment of Additional Amounts.

The Payer will make all required withholding and deduction and will remit the full amount required to be deducted or withheld to the Relevant Tax Jurisdiction in accordance with applicable law. The Payer will use all commercially reasonable efforts to provide the Trustee with an official Tax receipt of the Relevant Tax Jurisdiction (or a certified copy thereof) evidencing the payment of the Taxes so withheld or deducted by the Payer. Upon request, copies of such documentation will be made promptly available to the paying agents, as applicable, or if, notwithstanding the Payer's effort to obtain receipts, receipts are not obtained, other evidence of payment by the Payer.

The Payer will pay all present and future stamp duty, stamp, issue, registration, transfer, court or documentary Taxes or any other excise or property Taxes, charges or similar levies which are imposed by a Relevant Tax Jurisdiction or Taxes which arise from the execution, delivery, performance or registration of the Notes, the initial resale thereof by the initial purchasers and the enforcement of the Indenture, the Notes, the Guarantees and/or any related agreement following the occurrence of an Event of Default.

All references in this Offering Circular to principal, premium and interest on the Notes or any other payment under, or with respect to, any of the Notes include Additional Amounts which were or would be payable by the Payer in respect thereof.

Guarantees

The Notes and the Issuer's obligations under the Notes and the Indenture will be guaranteed on the Issue Date by the Guarantors, which are organized under the laws of The Republic of Turkey. Following the Issue Date, other Subsidiaries of the Issuer may guarantee the Issuer's obligation under the Notes and the Indenture pursuant to the terms of the Indenture.

The obligations and liabilities of the Guarantors under their Guarantees will be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, maintenance of Capital Stock, or similar laws, regulations or defenses affecting the rights of creditors generally, such as those relating to bankruptcy, insolvency, liquidation, moratorium ad-hoc mandate, preventive concordat or reorganization) or other considerations under applicable laws.

All of the operations of the Issuer are conducted through its Subsidiaries. As a result, the Issuer depends on the cash flow of its Subsidiaries to meet its obligations, including its obligations under the Notes. None of the Issuer's Subsidiaries, other than the Guarantors, will guarantee the Notes on the Issue Date. Claims of creditors of Subsidiaries that do not guarantee the Notes, including claims of trade creditors, claims of secured creditors, claims of creditors holding debt and guarantees issued by those Subsidiaries and claims of preferred stockholders (if any) of those Subsidiaries, generally will have priority with respect to the assets and earnings of those Subsidiaries over the claims of creditors of the Issuer and the Guarantors, including holders of the Notes. The Notes therefore will be effectively subordinated to creditors (including trade creditors) and preferred stockholders (if any) of Subsidiaries of the Issuer that do not guarantee the Notes. Any right of the Issuer or the Guarantors to receive assets of any such non-Guarantor Subsidiary upon such non-Guarantor Subsidiary's bankruptcy, liquidation or reorganization (and the consequent right of the holders of the Notes to participate in those assets) will accordingly also be structurally subordinated to the claims of such non-Guarantor Subsidiary's creditors, except to the extent that the Issuer or the Guarantors are themselves recognized as creditors of such non-Guarantor Subsidiary, in which case the claims of the Issuer or the Guarantors, as the case may be, would still be subordinated in right of payment to any security over the assets of such non-Guarantor Subsidiary, any debt of such non-Guarantor Subsidiary ranking senior in right of payment to the claims held by the Issuer or the Guarantors and any debt of such non-Guarantor Subsidiary that is mandatorily preferred by law. Even where the Issuer or the Guarantors are themselves recognized as creditors of a non-Guarantor Subsidiary, the claims of the Issuer or the Guarantors may be reduced, limited or extinguished as a result of applicable insolvency rules (such as the doctrine of equitable subordination or the rules regarding the potential avoidance of transactions concluded with related parties within a certain hardening period). Accordingly, in the event of a bankruptcy, liquidation or reorganization of any such non-Guarantor Subsidiary, such non-Guarantor Subsidiary may need to pay the holders of its debt and its trade creditors before it will be able to distribute any of its assets to the Issuer or the Guarantors, and, even otherwise, recovery by the Issuer or the Guarantors may be significantly less than the amount of its or their claim(s). Although the Indenture will limit the incurrence of Indebtedness and the issuance of Disqualified Stock or Preferred Stock of Restricted Subsidiaries, the limitation will be subject to a number of significant exceptions. Moreover, the Indenture will not impose any limitation on the incurrence by Restricted Subsidiaries of liabilities that are not considered Indebtedness or Disqualified Stock or Preferred Stock under the Indenture. See "*—Certain Covenants—Limitation on Indebtedness*."

Release of Guarantees

The Guarantees of the Guarantors will be released:

(1) in connection with any sale, disposition, exchange or other transfer of all or substantially all of the assets of such Guarantor (including by way of merger, consolidation, amalgamation or combination) to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary, in each case, in a transaction that is otherwise permitted by the Indenture;

(2) in connection with any sale, disposition, exchange or other transfer of Capital Stock of such Guarantor to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary, in each case, in a transaction that is otherwise permitted by the Indenture and such Guarantor ceases to be a Restricted Subsidiary as a result of the sale or other disposition;

(3) upon the release of the guarantee or the discharge of the Indebtedness that gave rise to the obligation to guarantee the Notes, so long as no other Indebtedness of the Issuer or a Restricted Subsidiary is at that time guaranteed by such Guarantor in a manner that would require the granting of a guarantee as provided below under "*—Limitations on Guarantees of Indebtedness by Restricted Subsidiaries*;"

(4) if the Issuer designates such Guarantor to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture;

(5) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions "*—Legal Defeasance and Covenant Defeasance*" and "*—Satisfaction and Discharge*;"

(6) upon the full and final payment and performance of all obligations of the Issuer under the Indenture and the Notes; and

(7) as described under "*—Amendment, Supplement and Waiver.*"

No release and discharge of a Guarantee will be effective against the Trustee or the holders of Notes until the Issuer shall have delivered to the Trustee an Officers' Certificate and Opinion of Counsel, each stating that all conditions precedent provided for in the Indenture relating to such release and discharge have been satisfied and that such release and discharge is authorized and permitted under the Indenture and the Trustee shall be entitled to rely on such Officers' Certificate and Opinion of Counsel absolutely and without further inquiry. At the request and expense of the Issuer, the Trustee will execute any documents reasonably required in order to evidence or effect such release, discharge and termination in respect of such Guarantee. None of the Issuer, the Trustee or the Guarantors will be required to make a notation on the Notes to reflect any such release, termination or discharge.

Repurchase at the Option of Holders

Change of Control

If a Change of Control occurs at any time, the Issuer must offer to repurchase all of the Notes pursuant to the terms set forth in the Indenture (a "**Change of Control Offer**"). In the Change of Control Offer, the Issuer will offer a "**Change of Control Payment**" in cash equal to 101% 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 "**Change of Control 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. Within 30 days following any Change of Control, the Issuer will provide a notice to each holder of Notes describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes on the payment date specified in the notice, which date will be no earlier than 30 days and no later than

60 days from the date such notice is mailed or delivered, pursuant to the procedures required by the Indenture and described in such notice.

The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other laws, regulations and stock exchange rules to the extent those laws, regulations and stock exchange rules are applicable in connection with the repurchase of the Notes as a result of a Change of Control. To the extent that the provisions of any laws, regulations or stock exchange rules conflict with the Change of Control provisions of the Indenture, the Issuer will comply with the applicable laws, regulations and stock exchange rules and will not be deemed to have breached its obligations under the Change of Control provisions of the Indenture by virtue of such compliance.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the paying agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Issuer.

The paying agent will promptly pay (by wire transfer of immediately available funds, by mail or otherwise) to each holder of Notes properly tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; *provided* that each new Note will be in a principal amount of US$200,000 or an integral multiple of US$1,000 in excess thereof.

The Issuer will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date in Ireland in the manner described below in "—*Notices*" and send a copy of such announcement to the Irish Stock Exchange, if and for so long as the Notes are listed on the Irish Stock Exchange and the rules of that exchange so require.

The provisions described above that require the Issuer to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture will not contain provisions that permit the holders of the Notes to require that the Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction. Further, under the terms of the Indenture, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if:

(1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer by the Issuer and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer; or

(2) notice of redemption with respect to all outstanding Notes has been given pursuant to the Indenture as described above under the caption "—*Optional Redemption*," unless and until there is a default in payment of the applicable redemption price.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of "all or substantially all" of the properties or assets of

the Issuer and its Restricted Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of Notes to require the Issuer to repurchase its Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Issuer and its Restricted Subsidiaries taken as a whole to another Person or group may be uncertain.

In addition, holders of the Notes should note that case law suggests that, in the event that incumbent directors are replaced as a result of a contested election, issuers may nevertheless avoid triggering a change of control under clauses similar to clause (e) of the definition of "Change of Control" if the outgoing directors were to approve the new directors for the purposes of that clause.

Concession Termination Event

If a Concession Termination Event occurs at any time, the Issuer 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. Within 30 days following any Concession Termination Event, the Issuer will provide a notice to each holder of Notes describing the transaction or transactions that constitute the Concession Termination Event and offering to repurchase Notes on the payment date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed or delivered, pursuant to the procedures required by the Indenture and described in such notice.

The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other laws, regulations and stock exchange rules to the extent those laws, regulations and stock exchange rules are applicable in connection with the repurchase of the Notes as a result of a Concession Termination Event. To the extent that the provisions of any laws, regulations or stock exchange rules conflict with the Concession Termination Event provisions of the Indenture, the Issuer will comply with the applicable laws, regulations and stock exchange rules and will not be deemed to have breached its obligations under the Concession Termination Event provisions of the Indenture by virtue of such compliance.

On the Concession Termination Event Payment Date, the Issuer will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Concession Termination Event Offer;

(2) deposit with the paying agent an amount equal to the Concession Termination Event Payment in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Issuer.

The paying agent will promptly pay (by wire transfer of immediately available funds, by mail or otherwise) to each holder of Notes properly tendered the Concession Termination Event Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; *provided* that each new Note will be in a principal amount of US$200,000 or an integral multiple of US$1,000 in excess thereof.

The Issuer will publicly announce the results of the Concession Termination Event Offer on or as soon as practicable after the Concession Termination Event Payment Date in Ireland in the manner described below in "—*Notices*" and send a copy of such announcement to the Irish Stock Exchange, if and for so long as the Notes are listed on the Irish Stock Exchange and the rules of that exchange so require.

The provisions described above that require the Issuer to make a Concession Termination Event Offer following a Concession Termination Event will be applicable whether or not any other provisions of the Indenture are applicable.

The Issuer will not be required to make a Concession Termination Event Offer upon a Concession Termination Event if notice of redemption with respect to all outstanding Notes has been given pursuant to the Indenture as described above under the caption "—*Optional Redemption*," unless and until there is a default in payment of the applicable redemption price.

Certain Limits and Defaults

The agreements governing GPH's and GPH's Restricted Subsidiaries' other Indebtedness may restrict certain events, including events that would constitute an Asset Disposition or Change of Control. The exercise by the holders of Notes of their right to require GPH to repurchase the Notes upon an Asset Disposition, a Concession Termination Event or a Change of Control could cause a default under these other agreements, even if the Asset Disposition, Concession Termination Event or Change of Control does not, due to the financial effect of such repurchases on us. Any future credit agreements or other agreements relating to Indebtedness to which the Issuer or any Restricted Subsidiary becomes party may contain similar restrictions and provisions. Finally, GPH's ability to pay cash to the holders of Notes upon a repurchase may be limited by GPH's then existing financial resources. GPH's failure to make or consummate an Asset Disposition Offer, a Concession Termination Event Offer or a Change of Control Offer or pay the applicable Asset Disposition, Concession Termination Event or Change of Control payment when due would result in an Event of Default and would give the Trustee and the holders of the Notes the rights described below under the caption "—*Events of Default and Remedies*" and which, in turn would constitute a default under certain other Indebtedness. See "*Risk Factors—GPH may not be able to obtain the funds required to repurchase the Notes upon a change of control or a concession termination event*."

Certain Covenants

Limitation on Indebtedness

(a) The Issuer will not, and will not permit any Restricted Subsidiary to, Incur, directly or indirectly, any Indebtedness; *provided*, however, that the Issuer and any Guarantor will be entitled to Incur Indebtedness if after giving effect to such Incurrence and the application of the proceeds thereof, on a pro forma basis, no Default or Event of Default would occur or be continuing and on the date of such Incurrence and after giving effect thereto on a pro forma basis the Consolidated Leverage Ratio would not exceed 5.0 to 1.

(b) Notwithstanding the foregoing clause (a), the Issuer and any Restricted Subsidiary will be entitled to Incur any or all of the following Indebtedness ("**Permitted Indebtedness**"):

   (i) Indebtedness Incurred by the Issuer or any Guarantor pursuant to one or more credit facilities in an aggregate principal amount outstanding at any time not exceeding US$5,000,000;

   (ii) Indebtedness owed to and held by the Issuer or a Restricted Subsidiary; *provided*, *however*, that (A) any subsequent issuance or transfer of any Capital Stock which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent disposition, pledge or transfer of such Indebtedness (other than to the Issuer or a Restricted Subsidiary) shall be deemed, in each case, to constitute the

Incurrence of such Indebtedness by the obligor thereon, (B) if the Issuer is the obligor on such Indebtedness, such Indebtedness is unsecured, is expressly subordinated to the prior payment in full in cash of all obligations with respect to the Notes and (C) if a Guarantor is the obligor on such Indebtedness, such Indebtedness is unsecured and is expressly subordinated to the prior payment in full in cash of all obligations of such Guarantor with respect to its Guarantee;

(iii) the Notes (other than any Additional Notes) to be issued on the Issue Date and the Guarantors' Guarantees to be issued on the Issue Date;

(iv) Indebtedness outstanding on the Issue Date after giving effect to the issue of the Notes and the use of proceeds of the offering of the Notes on the Issue Date (the "**Transactions**") (subject to sub-clause (iii) of paragraph (d) below) (other than Indebtedness described in any other clause of this paragraph);

(v) the incurrence of Refinancing Indebtedness in exchange for or the net proceeds of which are used to refund, replace or refinance Indebtedness Incurred pursuant to clause (a) of this paragraph (it being understood that no Indebtedness outstanding on the Issue Date is Incurred pursuant to such clause (a)) or Indebtedness Incurred pursuant to sub-clauses (iii), (iv) (other than any Indebtedness which was or will be repaid in accordance with the Transactions or the Barcelona Acquisition Debt), (v) or (xiii);

(vi) Hedging Obligations of the Issuer or any Restricted Subsidiary; *provided* that such Hedging Obligations are entered into in the ordinary course of business and not for speculative purposes;

(vii) Obligations in respect of performance, bid, indemnity, surety, judgment, appeal, advance payment, customs, VAT or other tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties *provided* by the Issuer or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred in the ordinary course of business, in each case not in connection with the borrowing of money;

(viii) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds in the ordinary course of business; *provided*, however, that such Indebtedness is extinguished within five Business Days of its Incurrence;

(ix) Indebtedness arising from agreements of the Issuer or a Restricted Subsidiary providing for indemnification, adjustment of purchase price or similar Obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business, assets or Capital Stock of the Issuer or any Restricted Subsidiary; *provided* that (A) in the case of a disposition, the maximum aggregate liability in respect of all such Indebtedness shall at no time exceed the net proceeds (including the Fair Market Value of non-cash consideration) actually received by (or held in escrow as a collateral for such Indebtedness for later release to) the Issuer and its Restricted Subsidiaries in connection with such disposition (without giving effect to any subsequent changes in value) and (B) such Indebtedness is not reflected on the balance sheet of the Issuer or any Restricted Subsidiary (contingent Obligations referred to in a footnote to financial statements and not otherwise reflected on the balance sheet shall not be deemed to be reflected on such balance sheet for purposes of this sub-clause);

(x) the guarantee (A) by the Issuer or a Restricted Subsidiary of Indebtedness of the Issuer or any Guarantor permitted to be Incurred by any other provision of this covenant; *provided* that any such guarantee by a Restricted Subsidiary is made in

accordance with the covenant described under "—*Limitations on Guarantees of Indebtedness by Restricted Subsidiaries*" and (B) by a Restricted Subsidiary that is not a Guarantor of Indebtedness of a Restricted Subsidiary that is not a Guarantor and that was permitted to be Incurred by any other provision of this covenant;

(xi) Purchase Money Indebtedness Incurred to finance the acquisition by the Issuer or a Restricted Subsidiary 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 (xi) and then outstanding, does not exceed US$10,000,000;

(xii) Indebtedness in respect of (a) workers' compensation claims or claims arising under similar legislation or regulation or self-insurance obligations Incurred in the ordinary course of business, in each case not in connection with the borrowing of money, (b) letters of credit, bankers' acceptances, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business, (c) the financing of insurance premiums in the ordinary course of business and (d) any customary cash management, cash pooling or netting or setting off arrangements in the ordinary course of business;

(xiii) Indebtedness of any Person outstanding on the date on which such Person becomes a Restricted Subsidiary or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Issuer or any of its Restricted Subsidiaries (other than Indebtedness Incurred to provide all or any portion of the funds used to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by, or merged, consolidated, amalgamated or otherwise combined with, the Issuer or any of its Restricted Subsidiaries); *provided*, however, with respect to this clause (xiii), that at the time of the acquisition or other transaction pursuant to which such Indebtedness was deemed to be Incurred the Issuer would have been able to incur US$1.00 of additional Indebtedness pursuant to the first paragraph of this covenant after giving *pro forma* effect to the incurrence of such Indebtedness pursuant to this clause (xiii) and the application of the proceeds thereof;

(xiv) Indebtedness of any Unrestricted Subsidiary outstanding on the date on which such Unrestricted Subsidiary is designated a Restricted Subsidiary or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Issuer or any of its Restricted Subsidiaries; *provided*, *however*, with respect to this clause (xiv), that at the time of such designation or other transaction and after giving pro forma effect thereof, the Issuer would have been able to incur US$1.00 of additional Indebtedness pursuant to the first paragraph of this covenant; and

(xv) (a) additional Indebtedness of the Issuer or any Guarantor (other than and in addition to Indebtedness permitted under sub-clauses (i) through (xiv)) 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 sub-clause (xv) does not exceed US$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 (xv) is borrowed from the IFC and/or the EBRD.

(c) Notwithstanding the foregoing, neither the Issuer nor any Guarantor will Incur any Permitted Indebtedness if the proceeds thereof are used, directly or indirectly, to Refinance any Subordinated Obligations of the Issuer or any Guarantor unless such Indebtedness shall be subordinated to the Notes or the applicable Guarantee to at least the same extent as such Subordinated Obligations.

(d) For purposes of determining compliance with the covenant described under this paragraph:

(i) in the event that an item of Indebtedness (or any portion thereof) meets the criteria of more than one of the types of Indebtedness described above, the Issuer, in its sole discretion, will classify such item of Indebtedness (or any portion thereof) at the time of Incurrence and will only be required to include the amount and type of such Indebtedness in one of the above clauses;

(ii) the Issuer will be entitled to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described above and may change the classification of an item of Indebtedness (or any portion thereof) to any other type of Indebtedness described above at any time; *provided*, *however*, that (1) Indebtedness Incurred under clause (b)(i) of this covenant and outstanding on the Issue Date may not be divided or reclassified pursuant to this paragraph, (2) the Barcelona Acquisition Debt shall be deemed to be incurred under clause (b) (iv) of this covenant and may not be divided or reclassified and (3) Indebtedness incurred under clause (b)(xiv) of this covenant may not be divided or reclassified. The outstanding principal amount of any particular Indebtedness shall be counted only once; and

(iii) any Indebtedness that will be repaid in accordance with the Transactions will initially be deemed to have been Incurred under sub-clause (iv) of paragraph (b) above and may not be reclassified or Refinanced.

(e) For purposes of determining compliance with any U.S. Dollar-denominated restriction on the Incurrence of Indebtedness where the Indebtedness Incurred is denominated in a different currency, the amount of such Indebtedness will be the USD Equivalent on the date of the determination of such Indebtedness; *provided*, *however*, that (i) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than U.S. Dollars, and such refinancing would cause the applicable U.S. Dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. Dollar-denominated restriction will be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced; and (ii) if any such Indebtedness denominated in a different currency is subject to a Currency Agreement with respect to U.S. Dollars covering all principal, premium, if any, and interest payable on such Indebtedness, the amount of such Indebtedness expressed in U.S. Dollars will be as *provided* in such Currency Agreement. The principal amount of any Refinancing Indebtedness Incurred in the same currency as the Indebtedness being Refinanced will be the USD Equivalent, as appropriate, of the Indebtedness Refinanced, except to the extent that (1) such USD Equivalent was determined based on a Currency Agreement, in which case the Refinancing Indebtedness will be determined in accordance with the preceding sentence, and (2) the principal amount of the Refinancing Indebtedness exceeds the principal amount of the Indebtedness being Refinanced, in which case the USD Equivalent of such excess, as appropriate, will be determined on the date such Refinancing Indebtedness is Incurred. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer and the Restricted Subsidiaries may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies.

(f) Any Indebtedness that is permitted to be Incurred under the first paragraph of this covenant or that is Permitted Indebtedness that, in either case, is Public Indebtedness (other than Permitted Indebtedness Incurred pursuant to sub-clause (xiii) of paragraph (b) above but not any Refinancing Indebtedness thereof) may only be Incurred by the Issuer.

Limitation on Restricted Payments

(a) The Issuer will not, and will not permit any Restricted Subsidiary, directly or indirectly, to make a Restricted Payment if at the time the Issuer or such Restricted Subsidiary makes such Restricted Payment:

(i) a Default shall have occurred and be continuing (or would result therefrom);

(ii) the Issuer is not entitled to Incur an additional US$1.00 of Indebtedness pursuant to the first paragraph under the covenant described under "—*Limitation on Indebtedness*;" or

(iii) the aggregate amount of such Restricted Payment and all other Restricted Payments since the Issue Date would exceed the sum of (without duplication):

(A) 50% of the Consolidated Net Income accrued during the period from the beginning of the first full fiscal quarter after the Issue Date to the end of the most recent fiscal quarter for which financial statements are available at the time of such Restricted Payment (or, in case such Consolidated Net Income shall be a deficit, minus 100% of such deficit);

(B) 100% of the aggregate Net Cash Proceeds received by the Issuer from the issuance or sale of its Capital Stock (other than Disqualified Stock) or of Subordinated Shareholder Debt subsequent to the Issue Date (other than an issuance or sale to a Subsidiary of the Issuer and other than an issuance or sale to an employee stock ownership plan or to a trust established by the Issuer or any of its Subsidiaries for the benefit of their employees);

(C) the amount by which Indebtedness of the Issuer or its Restricted Subsidiaries is reduced on the Issuer's consolidated balance sheet upon the conversion or exchange (other than by a Subsidiary of the Issuer) subsequent to the Issue Date of any Indebtedness of the Issuer or its Restricted Subsidiaries which is convertible or exchangeable for Capital Stock (other than Disqualified Stock) of the Issuer or Subordinated Shareholder Debt (less the amount of any cash or the Fair Market Value of other property distributed by the Issuer or any Restricted Subsidiary upon such conversion or exchange);

(D) with respect to any Investments (other than Permitted Investments) made by the Issuer and its Restricted Subsidiaries after the Issue Date, the amount equal to the lesser of the return of capital in relation to such Investment and the initial amount of such Investment resulting from (x) repurchases, redemptions or other acquisitions or retirements of any such Investment, the sale or other disposition to a Person other than the Issuer or a Restricted Subsidiary of any such Investment, repayments of loans or advances or other transfers of assets (including by way of dividend, distribution, interest payments or returns of capital) to the Issuer or any Restricted Subsidiary or (y) the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries (valued, in each case, as *provided* in the definition of "Investment") not to exceed, in the case of any Unrestricted Subsidiary, the amount of Investments previously made by the Issuer or any Restricted Subsidiary in such Unrestricted Subsidiary, which amount, in each case under this clause (D), was included in the calculation of the amount of Restricted Payments referred to in the first sentence of this clause (iii); provided, however, that no amount will be included in Consolidated Net Income for purposes of the preceding clause (A) to the extent that it is (at the Issuer's option) included under this clause (D); and

(E) in the event that the Issuer or any Restricted Subsidiary makes any Investment in a Person that, as a result of or in connection with such Investment, becomes

a Restricted Subsidiary, an amount equal to the Issuer's or such Restricted Subsidiary's existing Investment in such Person that was previously treated as a Restricted Payment less any amount included in sub-clause (D) of clause (iii) of this paragraph (a) with respect to the Issuer's or such Restricted Subsidiary's existing Investment in such Person.

(b) The preceding provisions will not prohibit:

(i) any Restricted Payment made out of the Net Cash Proceeds of the substantially concurrent sale of, or made by exchange for, Capital Stock of the Issuer (other than Disqualified Stock and other than Capital Stock issued or sold to a Subsidiary of the Issuer or an employee stock ownership plan or to a trust established by the Issuer or any of its Subsidiaries for the benefit of their employees or Subordinated Shareholder Debt); *provided*, *however*, that (A) such Restricted Payment shall be excluded in the calculation of the amount of Restricted Payments and (B) the amount of any such Net Cash Proceeds that are utilized for any Restricted Payment shall be excluded from the calculation of amounts under sub-clause (a)(iii)(B) of the preceding paragraph;

(ii) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Obligations of the Issuer or a Guarantor made by exchange for, or out of the proceeds of the substantially concurrent Incurrence of, Refinancing Indebtedness of such Person; *provided*, *however*, that such purchase, repurchase, redemption, defeasance or other acquisition or retirement for value shall be excluded in the calculation of the amount of Restricted Payments;

(iii) the payment of any dividend or the consummation of any irrevocable redemption within 60 days after the date on which a dividend is declared or a redemption notice is given, as the case may be, if at the date of its declaration or such notice, the dividend payment or redemption would have complied with the provisions of the Indenture; *provided* that such dividend or redemption shall be included in the calculation of the amount of Restricted Payments;

(iv) so long as no Default has occurred and is continuing, the purchase, repurchase, redemption or other acquisition or retirement for value of shares of the Issuer's or any Restricted Subsidiary's Capital Stock from employees, former employees, directors or former directors of the Issuer or any of its Subsidiaries or their authorized representatives or permitted transferees pursuant to any equity subscription agreement, employee stock ownership agreement, or similar agreement or incentive plan; *provided*, *however*, that the aggregate amount of such Restricted Payments shall not exceed US$5,000,000 in any calendar year and that the amount of such Restricted Payments shall be included in the calculation of the amount of Restricted Payments;

(v) repurchases of Capital Stock deemed to occur upon exercise of stock options, warrants or other convertible securities to the extent that such Capital Stock represents a portion of the exercise price of such options; *provided*, *however*, that such Restricted Payments shall be excluded in the calculation of the amount of Restricted Payments;

(vi) cash payments in lieu of the issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Capital Stock of the Issuer; *provided*, *however*, that any such cash payment shall not be for the purpose of evading the limitation of this covenant (as determined in good faith by the Board of Directors); *provided*

further, however that such payments shall be excluded in the calculation of the amount of Restricted Payments;

(vii) payments pursuant to intercompany Subordinated Obligations, the Incurrence of which was permitted under paragraph (ii) of the second paragraph of the covenant described under "—*Limitation on Indebtedness*;" *provided*, *however*, that no Default has occurred and is continuing or would otherwise result therefrom; *provided* further, however that such payments shall be excluded in the calculation of the amount of Restricted Payments;

(viii) so long as no Default or Event of Default has occurred and is continuing (or would result therefrom), the declaration and payment by the Issuer of dividends or distributions to holders of the Issuer's common stock or common equity interests following a Public Equity Offering resulting in a Public Market, in an amount not to exceed in any fiscal year 6% of the Net Cash Proceeds received by the Issuer from such Equity Offering or contributed to the equity of the Issuer (other than through the issuance of Disqualified Stock of the Issuer);

(ix) the declaration and payment of dividends to holders of any class or series of Disqualified Stock, or of any Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms of the covenant described under the caption "—*Limitation on Indebtedness*" above; *provided* that such payments shall be excluded in the calculation of the amount of Restricted Payments;

(x) so long as no Default has occurred or is continuing or would be caused thereby, the payment by the Issuer of Restricted Payments to holders of the Issuer's common stock out of Consolidated Net Income for the fiscal year ending December 31, 2014, in an aggregate amount not to exceed US$20,000,000; *provided* that such payments shall be excluded in the calculation of the amount of Restricted Payments;

(xi) so long as no Default has occurred or is continuing or would be caused thereby, other Restricted Payments made after June 30, 2015 in an aggregate amount not to exceed US$10,000,000; *provided* that such payments shall be included in the calculation of the amount of Restricted Payments.

The amount of all Restricted Payments (other than cash) shall be the Fair Market Value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Issuer or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment.

Limitation on Sales of Assets and Subsidiary Stock

(a) The Issuer will not and will not permit any Restricted Subsidiary to, directly or indirectly, consummate any Asset Disposition, unless:

(i) the Issuer or such Restricted Subsidiary receives consideration at least equal to the Fair Market Value (including as to the value of all non-cash consideration) (such Fair Market Value to be determined on the date of contractually agreeing to such Asset Disposition) of the shares and assets subject to such Asset Disposition;

(ii) at least 75% of the consideration thereof received by the Issuer or such Restricted Subsidiary is in the form of (A) cash, (B) cash equivalents or (C) Additional Assets; and

(iii) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by the Issuer (or such Restricted Subsidiary, as the case may be) within 365 days after such Asset Disposition (or in the case of clause (B) below, is committed to be applied in a binding commitment within 365 days after such Asset Disposition;

provided, however, that such Net Available Cash is used within 180 days from the date of such binding commitment if later than 365 days after such Asset Disposition):

(A) to the extent the Issuer or any Restricted Subsidiary, as the case may be, elects (or is required by the terms of any Indebtedness of a Restricted Subsidiary), to prepay, repay or purchase any Indebtedness of the Issuer or any Subsidiary (in each case, other than Subordinated Indebtedness and Indebtedness owed to the Issuer or any Restricted Subsidiary); *provided*, however, that, in connection with any prepayment, repayment or purchase of Indebtedness pursuant to this clause (A), the Issuer or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased; or

(B) to acquire Additional Assets or to make a capital expenditure.

Pending the application of Net Available Cash pursuant to this paragraph, such Net Available Cash may be held as cash or invested in Cash Equivalents or applied to temporarily reduce revolving credit indebtedness.

(b) For the purposes of the preceding paragraph, the following are deemed to be cash or cash equivalents:

(i) the assumption or discharge of (a) Indebtedness of the Issuer (other than Subordinated Obligations or Obligations in respect of Disqualified Stock of the Issuer) or any Restricted Subsidiary (other than Subordinated Obligations or Obligations in respect of Disqualified Stock or Preferred Stock of a Guarantor) and the release of the Issuer or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition or (b) Indebtedness of a Restricted Subsidiary that ceases to be a Restricted Subsidiary as a result of such Asset Disposition, if the Issuer and each other Restricted Subsidiary are released from any obligation under such Indebtedness as a result of such Asset Disposition;

(ii) securities received by the Issuer or any Restricted Subsidiary from the transferee that are converted by the Issuer or such Restricted Subsidiary into cash within 120 days, to the extent of the cash received in that conversion; and

(iii) Cash Equivalents.

(c) To the extent all or a portion of the Net Available Cash of any Asset Disposition are not applied within the timeframe set out in the first paragraph of this covenant, the Issuer will make an offer (the "**Asset Disposition Offer**") to all holders of Notes and, to the extent the Issuer elects, to holders of other outstanding Pari Passu Indebtedness, to purchase the maximum aggregate principal amount of Notes and any such Pari Passu Indebtedness to which the Asset Disposition Offer applies at a purchase price no less than 100% of the principal amount of the Notes to be purchased and, in the case of any Pari Passu Indebtedness, at a purchase price no greater than 100% of the principal amount of such Pari Passu Indebtedness to be purchased (plus any applicable prepayment, repayment or redemption premium or penalty with respect to such Pari Passu Indebtedness), in each case, plus accrued and unpaid interest thereon, to the date of purchase (the "**Asset Disposition Offer Amount**"), in accordance with the procedures set forth in the Indenture or the agreement governing such Pari Passu Indebtedness. The Issuer shall purchase pursuant to an Asset Disposition Offer from tendering holders of Notes and holders or lenders of any such Pari Passu Indebtedness on a *pro rata* basis that principal amount of Notes and any such Pari Passu Indebtedness equal to such unapplied Net Cash Proceeds.

(d) The purchase of Notes pursuant to an Asset Disposition Offer shall occur not less than 20 Business Days following the date thereof, or any longer period as may be required by law,

nor more than 45 days following the one year anniversary of the date of such Asset Disposition. The Issuer may, however, defer an Asset Disposition Offer until there is an aggregate amount of unapplied Net Cash Proceeds from one or more Asset Dispositions equal to or in excess of US$10,000,000. At that time, the entire amount of unapplied Net Available Cash, and not just the amount in excess of US$10,000,000, shall be applied as required pursuant to this paragraph.

(e) Each notice of an Asset Disposition Offer, in so far as it relates to the Notes, shall state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date the notice is mailed, other than as may be required by law (the "**Asset Disposition Offer Payment Date**"). Upon receiving notice of an Asset Disposition Offer, holders of Notes may elect to tender their Notes in whole or in part in integral multiples of US$1,000 (subject to a minimum of US$200,000) in exchange for cash.

(f) On the Asset Disposition Offer Payment Date, the Issuer will, to the extent lawful:

(i) accept for payment all Notes or portions thereof properly tendered pursuant to the Asset Disposition Offer;

(ii) deposit with the paying agent funds in an amount equal to the Asset Disposition Offer Amount in respect of all Notes or portions thereof so tendered and accepted; and

(iii) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Issuer.

(g) To the extent holders of Notes and holders or lenders of any Pari Passu Indebtedness, which are the subject of an Asset Disposition Offer, properly tender and do not withdraw such Notes or Pari Passu Indebtedness in an aggregate amount exceeding the amount of unapplied Net Available Cash, the Issuer will purchase the Notes and Pari Passu Indebtedness on a *pro rata* basis (based on amounts tendered) *provided* that the Issuer may choose not to purchase any pro-rated Notes if the acceptance of such pro-rated Notes would result in a residual amount of Notes totaling less than US$200,000 principal amount.

(h) Upon completion of an Asset Disposition Offer, the amount of Net Available Cash will be reset at zero. Accordingly, to the extent that the aggregate amount of Notes and any Pari Passu Indebtedness tendered pursuant to an Asset Disposition Offer is less than the aggregate amount of unapplied Net Available Cash, the Issuer may use any remaining Net Available Cash for any purpose not otherwise prohibited by the Indenture.

(i) The Issuer will comply, to the extent applicable, with the requirements of any applicable securities laws or regulations in connection with the repurchase of Notes pursuant to the Asset Disposition provisions of the Indenture. To the extent that the provisions of any applicable securities laws or regulations conflict with the Asset Disposition provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Asset Disposition provisions of the Indenture by virtue of its compliance with such securities laws or regulations. For so long as the Notes are listed on the Irish Stock Exchange and its rules so require, if the Issuer offers to purchase the Notes pursuant to an Asset Disposition Offer, the Issuer will publish a notice in Ireland in the manner described under "—*Notices*" and send a copy of such notice to the Irish Stock Exchange.

Limitation on Affiliate Transactions

(a) The Issuer will not, and will not permit any Restricted Subsidiary to, enter into or permit to exist any transaction or a series of related transactions (including the purchase, sale, lease or exchange of any property, employee compensation arrangements or the rendering of any

service) with, or for the benefit of, any Affiliate of the Issuer (an "**Affiliate Transaction**") unless:

(i) the terms of the Affiliate Transaction are no less favorable to the Issuer or such Restricted Subsidiary than those that could be obtained at the time of the Affiliate Transaction in arm's length dealings with a Person who is not an Affiliate;

(ii) if such Affiliate Transaction involves an amount in excess of US$5,000,000, the terms of the Affiliate Transaction are set forth in writing and a majority of the directors of the Issuer disinterested with respect to such Affiliate Transaction have (or, in the event that there is only one such disinterested director, such director has) determined in good faith that the criterion set forth in clause (i) is satisfied and have approved the relevant Affiliate Transaction as evidenced by a resolution of the Board of Directors; and

(iii) if such Affiliate Transaction involves an amount in excess of US$10,000,000, the Board of Directors shall also have received a written opinion from an Independent Qualified Party to the effect that such Affiliate Transaction is fair, from a financial standpoint, to the Issuer and its Restricted Subsidiaries or is not less favorable to the Issuer and its Restricted Subsidiaries than could reasonably be expected to be obtained at the time in an arm's length transaction with a Person who was not an Affiliate.

(b) The provisions of the preceding paragraph (a) will not prohibit:

(i) Affiliate Transactions with or among the Issuer and any Restricted Subsidiary or between or among Restricted Subsidiaries;

(ii) customary fees and compensation, employee salaries and bonuses, including grants or sales of stock, stock options and other securities, paid to, and any employee benefit arrangements and indemnity and similar arrangements (including the payment of directors' and officers' insurance premiums) paid to, and any indemnity *provided* on behalf of, officers, directors, employees, consultants or agents of the Issuer or any Restricted Subsidiary as determined in good faith by the Board of Directors in the ordinary course of business;

(iii) consulting fees paid by the Issuer or a Restricted Subsidiary to an Affiliate, where the Board of Directors has approved the terms thereof in good faith and deemed the services theretofore or thereafter to be performed for such compensation or payments to be fair consideration therefor, but in any event not to exceed US$500,000 in any fiscal year;

(iv) Affiliate Transactions in existence on the Issue Date (undertaken pursuant to agreements in effect on the Issue Date) as well as any modifications, extensions, amendments, renewals, refinancings thereof or supplements thereto, in each case not materially adverse to the Issuer and its Restricted Subsidiaries;

(v) the making of an Investment constituting a Restricted Payment, in compliance with the covenant described under "*—Limitation on Restricted Payments*", *provided* that any such Investment complies with the criterion set forth in clause (a)(i) above;

(vi) loans and advances to officers, directors and employees of the Issuer or any Restricted Subsidiary for travel, entertainment, moving and other relocation expenses, in each case made in the ordinary course of business and not exceeding US$1,000,000 outstanding at any one time;

(vii) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of the Indenture, which, taken as a whole, are fair to the Issuer or the relevant Restricted Subsidiary from a financial point of view and are on terms no less

materially favorable than those that could reasonably have been obtained at such time from an unaffiliated party (in each case in the reasonable determination of the Board of Directors of the Issuer or the senior management of the Issuer or the relevant Restricted Subsidiary, as applicable); and

(viii) the issuance or sale of any Capital Stock (other than Disqualified Stock) of the Issuer or Subordinated Shareholder Debt or options, warrants or other rights to acquire such Capital Stock or Subordinated Shareholder Debt.

Limitation on Liens

The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, Incur or permit to exist any Lien of any nature whatsoever on any of its properties or assets (including Capital Stock of a Restricted Subsidiary), whether owned at the Issue Date or thereafter acquired, to secure Indebtedness or other Obligations (the "**Initial Lien**"), except (i) Permitted Liens or (ii) unless all payments due under the Indenture and the Notes or any Guarantor's Guarantee, as the case may be, are secured on an equal and ratable basis with the Obligations so secured until such time as such Indebtedness or Obligations are no longer secured by a Lien (and if such Indebtedness or Obligations so secured is subordinated in right of payment to either the Notes or the Guarantee, on a senior basis).

Any such Lien created under clause (ii) of the preceding paragraph in favor of the holders of Notes will be automatically and unconditionally released and discharged upon the release and discharge of the Initial Lien to which it relates.

Merger and Consolidation

(a) The Issuer shall not in a single transaction or through a series of transactions consolidate with or merge with or into any other Person, or sell, assign, convey, transfer, lease or otherwise dispose of or take any action pursuant to any resolution passed by the Board of Directors or shareholders of the Issuer with respect to a divestment or division pursuant to which the Issuer would dispose of, all or substantially all of the Issuer's properties and assets to any other Person or Persons (whether or not the Issuer is the surviving Person) and the Issuer shall not permit any Restricted Subsidiary to enter into any such transaction or series of transactions if such transaction or series of transactions, in the aggregate, would result in the sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of the properties and assets of the Issuer and its Restricted Subsidiaries on a consolidated basis to any other Person or Persons.

(b) The preceding paragraph will not apply if:

(i) either at the time and immediately after giving effect to any such consolidation, merger, transaction or series of transactions, (x) the Issuer shall be the continuing corporation or (y) the Person (if other than the Issuer) formed by or surviving any such consolidation or merger or to which such sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of the Issuer's properties and assets or all or substantially all of the properties and assets of the Issuer and of the Restricted Subsidiaries on a consolidated basis, has been made (the "**Surviving Entity**"):

(A) shall be a corporation duly organized and validly existing under the laws of The Republic of Turkey, any member state of the European Union, Canada, the United States of America, any state thereof or the District of Columbia;

(B) expressly assumes the obligations of the Issuer under the Notes and the Indenture, in each case as applicable, pursuant to a supplemental Indenture or

other agreement in form satisfactory to the Trustee, and the Notes and the Indenture remain in full force and effect as so supplemented; and

(C) shall engage in a Permitted Business;

(ii) immediately after giving effect to any such consolidation, merger, transaction or series of transactions on a *pro forma* basis (and treating any Obligation of the Issuer or any Restricted Subsidiary Incurred in connection with or as a result of such transaction or series of transactions as having been Incurred by the Issuer or any Restricted Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

(iii) immediately after giving effect to any such transaction or series of transactions on a pro forma basis, the Consolidated Net Worth of the Issuer or the Surviving Entity, as the case may be, would be equal to or greater than that of the Issuer immediately prior to the transaction;

(iv) immediately after giving effect to any such transaction or series of transactions on a *pro forma* basis, the Issuer (or the Surviving Entity if the Issuer is not a continuing obligor under the Indenture) would be permitted to incur at least US$1.00 of additional Indebtedness under the first paragraph of the covenant described under the caption "—*Limitation on Indebtedness*;"

(v) any Guarantor, unless it is the other party to the transactions described above, will have confirmed that its Guarantee will apply to such Person's Obligations under the Indenture and the Notes; and

(vi) the Issuer or Surviving Entity shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, transfer, transaction or series of transactions and such supplemental Indenture (if any) comply with the Indenture (after giving effect to any covenant defeasance that has occurred with respect to the Notes) and all conditions precedent *provided* for in the Indenture relating to such transaction have been satisfied.

(c) In the case of a transaction described in the preceding clause (a) to which the Issuer is a party, the Surviving Entity shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Indenture and the predecessor issuer, except in the case of a lease of all or substantially all of the assets of such predecessor issuer's assets, shall be released from its obligations under the Indenture.

(d) Except for sales or disposals in compliance with the covenant described under "—*Limitation on Sales of Assets and Subsidiary Stock*," the Issuer will not permit any Guarantor to consolidate with or merge with or into, or convey, transfer or lease, in one transaction or a series of transactions, all or substantially all of its assets to any Person unless:

(i) (1) the resulting, surviving or transferee Person (if not such Guarantor) shall be a Person organized and existing under the laws of the jurisdiction under which such Guarantor was organized or under the laws of Republic of Turkey, any member state of the European Union, Canada, the United States, any state thereof or the District of Columbia and (2) such Person shall expressly assume, by supplemental Indenture or other agreement, all the Obligations of such Guarantor, if any, under its Guarantee;

(ii) immediately after giving effect to such transaction or transactions on a pro forma basis (and treating any Indebtedness which becomes an Obligation of the resulting, surviving or transferee Person as a result of such transaction as having been issued by such Person at the time of such transaction), no Default shall have occurred and be continuing; and

(iii) the Issuer delivers to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, transfer, transaction or series of transactions and such supplemental Indenture, if any, complies with the Indenture and all conditions precedent provided for in the Indenture relating to such transaction have been satisfied.

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Issuer or a Guarantor, which properties and assets, if held by the Issuer or such Guarantor instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Issuer or such Guarantor on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Issuer or such Guarantor.

The above restrictions set forth in clause (d) above shall not apply to any merger or consolidation of any Guarantor with or into the Issuer.

Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

Limitations on Guarantees of Indebtedness by Restricted Subsidiaries

(a) The Issuer shall not permit any Restricted Subsidiary that is not a Guarantor, directly or indirectly, to guarantee, assume or in any other manner become liable for the payment of any of the Issuer's or any Guarantor's Indebtedness (other than the Notes), unless:

(i) (A) such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for a Guarantee by such Restricted Subsidiary on the same terms as the guarantee of such Indebtedness; and (B) with respect to any guarantee of a Subordinated Obligation by such Restricted Subsidiary, any such guarantee shall be subordinated to such Restricted Subsidiary's Guarantee at least to the same extent as such Subordinated Obligation is subordinated to the Notes; and

(ii) such Restricted Subsidiary waives and shall not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Issuer or any Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its Guarantee.

(b) Each additional Guarantee created for the benefit of the holders of the Notes pursuant to this covenant will be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

(c) Any additional Guarantee created for the benefit of the holders of the Notes pursuant to this covenant will automatically and unconditionally be released under the same conditions and circumstances that the guarantee of the other Indebtedness will be released, so long as no other Indebtedness of the Issuer or a Restricted Subsidiary is at that time guaranteed by such Guarantor in a manner that would require the granting of a Guarantee as *provided* hereunder.

(d) In the event that a Guarantor enters into a Guarantee or a Guarantor is released from its obligations under its Guarantee, and if and for so long as the Notes are listed on the Irish Stock Exchange and the rules of that exchange so require, the Issuer will publish notice of the release of, or the granting of, such Guarantee in Ireland in the manner described below

in "—*Notices*," send a copy of such notice to the Irish Stock Exchange and, in the case of the granting of a new Guarantee, deposit a copy of such Guarantee with the Irish Stock Exchange and the paying agent at its office in London.

Reports

As long as any Notes are outstanding, the Issuer will furnish to the holders of the Notes and the Trustee:

(a) an annual report within 120 days following the end of each of the Issuer's fiscal years ending after the Issue Date, in each case containing (i) an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition, and liquidity and capital resources, and a discussion of material commitments and contingencies and critical accounting policies presented in a level of detail substantially comparable to the section in this Offering Circular entitled "*Management's Discussion and Analysis of Financial Condition and results of Operations*", (ii) consolidated audited income statements, balance sheets and cash flow statements and the related notes thereof for the Issuer for the two most recent fiscal years in accordance with IFRS together with an audit report thereon by the Issuer's independent auditors, and (iii) *pro forma* income statement and balance sheet information, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year (including, without limitation, any acquisitions or dispositions, that, individually or in the aggregate when considered with all other acquisitions or dispositions that occurred since the beginning of the most recently completed fiscal year as to which such annual report relates, represent greater than 25% of the Consolidated Net Income, EBITDA or Total Assets of the Issuer on a pro forma basis), unless pro forma information has been *provided* in a previous report pursuant to clause (b) below, *provided* that, other than in respect of individual acquisitions or dispositions exceeding such threshold, such pro forma financial information will be provided only to the extent available without unreasonable expense, in which case the Issuer will provide such other acquired company financial information (whether or not prepared in accordance with IFRS) only to the extent available without unreasonable expense;

(b) within 90 days following the end of each of the Issuer's fiscal six-month periods ending after the Issue Date, half-yearly reports, in each case containing the following information: (i) an unaudited condensed consolidated balance sheet as of the end of such period and unaudited condensed statements of income and cash flow for such period, and the comparable prior year periods, each under IFRS, together with condensed footnote disclosure; (ii) an operating and financial review of the unaudited financial statements, including a discussion of the results of operations, financial condition, and liquidity and capital resources, and a discussion of material commitments and contingencies and changes in critical accounting policies; (iii) material recent developments and any material changes to the risk factors disclosed in the most recent annual report, and (iv) pro forma income statement and balance sheet information, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal half-year (including, without limitation, any acquisitions or disposition that, individually or in the aggregate when considered with all other acquisitions or dispositions that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates, represent greater than 25% of the Consolidated Net Income, EBITDA or Total Assets of the Issuer on a *pro forma* basis), *provided* that, other than in respect of individual acquisitions or dispositions exceeding such threshold, such *pro forma* financial information will be provided only to the extent available without unreasonable expense, in which case the Issuer will provide such other acquired company financial information (whether or not prepared in accordance with IFRS) only to the extent available without unreasonable expense;

(c) within 75 days following the end of each of the Issuer's fiscal quarters ending after the Issue Date, quarterly reports, in each case containing an unaudited condensed consolidated balance sheet as of the end of such period and unaudited condensed statements of income and cash flow for such period, and the comparable prior year periods, each under IFRS, together with condensed footnote disclosure; and

(d) promptly after the occurrence of a material acquisition, disposition, restructuring or change in auditors or any other material event, a report containing a description of such event.

If any of the Issuer's Subsidiaries are Unrestricted Subsidiaries as at the date of the balance sheet included in a report required by the preceding paragraph, then the quarterly and annual financial information required in such report will include (i) supplemental financial information regarding the net sales, EBITDA, Consolidated Interest Expense, cash flow from operations and Indebtedness of the Issuer and the Restricted Subsidiaries on a consolidated basis, either on the face of the financial statements or in the footnotes thereto, and (ii) a supplemental review of the financial condition and results of operations of the Issuer and its Restricted Subsidiaries (separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Issuer) based on the financial information specified in (i) above.

So long as the Notes are listed on the Irish Stock Exchange, copies of the information and reports referred to in clauses (a) through (d) of the first paragraph of this covenant will be available during normal business hours at the offices of the paying agent in London.

Substantially concurrently with the issuance to the Trustee and the holders of the Notes of the reports specified above, the Issuer shall also (1) use its commercially reasonable efforts to file a press release with the appropriate internationally recognized wire services in connection with such report and (2) post such report on the Issuer's website. So long as any Notes are outstanding, no later than ten Business Days after the delivery of the annual and quarterly reports required by this covenant, the Issuer shall hold a live quarterly conference call to discuss such reports and the results of operations for the relevant reporting period for the benefit of holders or prospective holders of Notes; provided that no more than one conference call will be required in relation to any quarterly or annual period.

In addition, so long as any of the Notes are restricted securities (as defined in Rule 144 under the Securities Act) and during any period during which the Issuer is not subject to the reporting requirements of the Exchange Act or exempt therefrom pursuant to Rule 12g3-2(b), the Issuer will furnish to any holder or beneficial owner of Notes initially offered and sold in the United States to "qualified institutional buyers" pursuant to Rule 144A under the Securities Act, and to prospective purchasers in the United States designated by such holder or beneficial owners, upon request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute actual or constructive knowledge or notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

(a) Except as provided in the following paragraph, the Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

   (i) pay dividends or make any other distributions on or in respect of its Capital Stock to the Issuer or any other Restricted Subsidiary or pay any Indebtedness owed to the Issuer or any other Restricted Subsidiary;

(ii) make loans or advances to, or guarantee any Indebtedness or other obligations of, or make any Investment in, the Issuer or any other Restricted Subsidiary; or

(iii) transfer any of its properties or assets to the Issuer or any other Restricted Subsidiary.

(b) The foregoing paragraph will not apply to encumbrances or restrictions existing on, existing under or by reason of:

(i) applicable law, rule, regulation or order or governmental licenses, concessions, franchises or permits;

(ii) the Notes, the Guarantees and the Indenture (including any Additional Notes and related guarantees);

(iii) any credit facility as in effect on the Issue Date which remains outstanding on the Issue Date after giving effect to the Transactions, and any amendments, restatements, renewals, replacements or refinancings thereof; *provided*, that any amendment, restatement, renewal, replacement or refinancing is not materially more restrictive with respect to such encumbrances or restrictions than those in existence on the Issue Date;

(iv) instruments governing Subordinated Obligations permitted to be Incurred pursuant to the covenant described under the heading "*—Limitation on Indebtedness*" or other Indebtedness Incurred by the Issuer or the Restricted Subsidiaries (and if such Indebtedness is guaranteed, by the guarantors of such Indebtedness) ranking equally with the Notes (or any Guarantee), *provided* that the encumbrances or restrictions imposed by such Subordinated Obligations or other Indebtedness are not materially more restrictive, taken as a whole, than the restrictions imposed by the Indenture and apply solely to the same Restricted Subsidiaries as the restrictions imposed by the Indenture;

(v) encumbrances or restrictions contained in any agreement in effect on the Issue Date (other than an agreement described in another clause of this paragraph), but excluding any amendments, restatements, renewals, replacements or refinancings thereof;

(vi) customary non-assignment provisions in leases or other agreements entered into in the ordinary course of business;

(vii) customary provisions with respect to the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, stock sale agreements and other similar agreements entered into in the ordinary course of business;

(viii) any customary restriction on the ability of a Restricted Subsidiary to dividend, distribute or otherwise transfer any asset which secures Indebtedness secured by a Lien, in each case permitted to be Incurred under the Indenture;

(ix) any instrument governing Indebtedness permitted under paragraph (xiii) of the second paragraph of the clause headed "*—Limitation on Indebtedness*" not Incurred in connection with, or in anticipation or contemplation of, the relevant acquisition, merger or consolidation, which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person or the properties or assets of the Person so acquired;

(x) restrictions with respect to a Restricted Subsidiary imposed pursuant to any agreement or instrument for the direct or indirect sale or other disposition of all or substantially all the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) that restricts distributions by that Restricted Subsidiary pending its sale or other disposition;

(xi) customary restrictions imposed on the transfer of copyrighted or patented materials;

(xii) customary encumbrances or restrictions in connection with Purchase Money Indebtedness for property acquired in the ordinary course of business that impose restrictions on that property of the nature described in clause (iii) of the preceding paragraph;

(xiii) encumbrances or restrictions existing by reason of any Lien permitted under the covenant described under the heading "*—Limitation on Liens*;"

(xiv) restrictions on cash or other deposits or net worth imposed by customers or suppliers or required by insurance, surety or bonding companies, in each case, under contracts entered into in the ordinary course of business;

(xv) Refinancing Indebtedness; provided, that the instruments governing such Refinancing Indebtedness are not materially more restrictive with respect to such encumbrances or restrictions than those governing the Indebtedness thereby refinanced; and

(xvi) restrictions or encumbrances arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under "*—Limitation on Indebtedness*" if such encumbrance or restriction is not materially more disadvantageous to the holders of the Notes than is customary in comparable financings (as determined in good faith by the Issuer) and the Issuer determines that such encumbrance or restriction will not materially affect its ability to make principal or interest payments on the Notes as and when they become due.

Maintenance of Listing

The Issuer will use its commercially reasonable efforts to list the Notes on the Irish Stock Exchange promptly after the Issue Date and to maintain the listing of the Notes on the Irish Stock Exchange for so long as such Notes are outstanding; provided that if at any time the Issuer determines that it is unable to list or it can no longer reasonably comply with the requirements for listing the Notes on the Irish Stock Exchange or if maintenance of such listing becomes unduly onerous, it will obtain prior to the delisting of the Notes from the Irish Stock Exchange, and thereafter use its commercially reasonable efforts to maintain a listing of such Notes on another recognized listing exchange customarily used by European issuers.

Limitation on Lines of Business

The Issuer shall not, and shall not permit any Restricted Subsidiary to, engage in any business other than the business of the Issuer and its Restricted Subsidiaries on the date of this Indenture or a Related Business.

Judgment Currency

Any payment on account of an amount that is payable in U.S. Dollars (the "**Required Currency**") which is made to or for the account of any holder of Notes or the Trustee in lawful currency of any other jurisdiction (the "**Judgment Currency**"), whether as a result of any judgment or order or the enforcement thereof or the liquidation of the Issuer or any Guarantor, shall constitute a discharge of the Issuer or the Guarantor's obligation under the applicable Indenture and the Notes or Guarantee, as the case may be, only to the extent of the amount of the Required Currency which such holder or the Trustee, as the case may be, could purchase in the London foreign exchange markets with the amount of the Judgment Currency in accordance with normal banking procedures at the rate of exchange prevailing on the first Business Day following receipt of the payment in the Judgment Currency. If the amount of the Required Currency that could be so

purchased is less than the amount of the Required Currency originally due to such holder or the Trustee, as the case may be, the Issuer and the Guarantors shall indemnify and hold harmless such holder or the Trustee, as the case may be, from and against all loss or damage arising out of, or as a result of, such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in the Indenture or the Notes, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any holder of Notes or the Trustee from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order.

Events of Default and Remedies

Each of the following is an "**Event of Default**":

(1) default for 15 days in the payment when due of interest on, or Additional Amounts, if any, with respect to, the Notes;

(2) default in the payment when due of the principal of or premium, if any, on the Notes;

(3) failure by the Issuer or any of its Restricted Subsidiaries to comply with the provisions described under the captions "*—Repurchase at the Option of Holders—Change of Control,*" "*—Repurchase at the Option of Holders—Concession Termination Event*," "*—Certain Covenants—Limitation of Sales of Assets and Subsidiary Stock*," or "*—Certain Covenants— Merger and Consolidation*;"

(4) failure by the Issuer or any of its Restricted Subsidiaries for 30 days after written notice to the Issuer from the Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding (a copy of which notice from the holders shall be delivered to the Trustee) to comply with any of the other agreements in the Indenture or the Notes;

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Issuer or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Issuer or any of its Restricted Subsidiaries) whether such Indebtedness or Guarantee now exists, or is created after the date of the Indenture, if that default:

    (a) is caused by a failure to pay such Indebtedness at final maturity thereof after the expiration of the grace period provided in such Indebtedness and other than by regularly scheduled required prepayment, and such failure to make any payment has not been waived or the maturity of such Indebtedness has not been extended (a "**Payment Default**"); or

    (b) results in the acceleration of such Indebtedness prior to its express maturity,

    provided that, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates US$10,000,000 or more;

(6) failure by the Issuer or any of its Restricted Subsidiaries to pay final, non-appealable judgments aggregating in excess of US$10,000,000 (exclusive of any amounts that an insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 60 days;

(7) any Guarantee ceases to be in full force and effect (except as contemplated by the terms thereof) or any Guarantor or Person acting by or on behalf of such Guarantor denies or disaffirms such Guarantor's obligations under its Guarantee; and

(8) certain events of bankruptcy or insolvency described in the Indenture with respect to the Issuer or any of its Significant Subsidiaries or any group of its Restricted Subsidiaries that, would constitute a Significant Subsidiary.

In the case of an Event of Default described above in clause (8), all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the holders of at least 25% in principal amount of the then outstanding Notes may (and if the Trustee is so directed by such holders, shall) declare the Notes to be due and payable immediately.

Holders of the Notes may not enforce the Indenture and Notes except as provided in the Indenture. Holders of a majority in principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power subject to certain exceptions. The Trustee may withhold from holders of the Notes notice of any continuing Default or Event of Default if it determines that withholding notice is in their interest, except a Default or Event of Default relating to the payment of principal, premium, interest or Additional Amounts.

The holders of a majority in aggregate principal amount of Notes then outstanding by notice to the Trustee may on behalf of the holders of the Notes waive any existing Default or Event of Default and its consequences under the Indenture except a continuing Default or Event of Default in the payment of principal, premium, interest or Additional Amounts on the Notes.

A holder of a Note may pursue a remedy with respect to the Indenture or the Notes only if:

(a) the holder gives to the Trustee written notice of a continuing Event of Default;

(b) the holders of at least 25% in aggregate principal amount of the then outstanding Notes make a written request to the Trustee to pursue the remedy;

(c) such holder of a Note or holders of Notes provide to the Trustee indemnity and/or security satisfactory to the Trustee against any loss, liability or expense to be Incurred in compliance with such request;

(d) the Trustee does not comply with the request within 60 days after receipt of the written request and the providing of indemnity and/or security; and

(e) during such 60-day period, the holders of a majority in principal amount of the then outstanding Notes do not give the Trustee a direction inconsistent with the request.

The Issuer is required to deliver to the Trustee annually an Officers' Certificate regarding compliance with the Indenture. Upon becoming aware of any Default or Event of Default, the Issuer is required to deliver to the Trustee an Officers' Certificate specifying such Default or Event of Default and the status thereof.

Legal Defeasance and Covenant Defeasance

The Issuer may, at its option and at any time, elect to have all of its obligations, and all obligations of the Guarantors, discharged with respect to the Notes and the Guarantees ("**Legal Defeasance**") except for:

(1) the rights of holders of outstanding Notes to receive payments in respect of the principal of, or interest, premium and Additional Amounts, if any, on such Notes when such payments are due from the trust referred to below;

(2) the Issuer's obligations with respect to the Notes concerning issuing Notes, exchange and transfer of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(3) the rights, powers, trusts, duties and immunities of the Trustee, and the Issuer's and the Guarantors' obligations in connection therewith; and

(4) the Legal Defeasance provisions of the Indenture.

In addition, the Issuer may, at its option and at any time, elect to have the obligations of the Issuer and the Guarantors released with respect to certain covenants in the Indenture ("**Covenant Defeasance**") and thereafter any omission to comply with those covenants will not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy, and insolvency events) described under "*—Events of Default and Remedies*" will no longer constitute Events of Default with respect to the applicable Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) the Issuer must irrevocably deposit with the Trustee, in trust, for the benefit of the holders of the Notes, cash in U.S. Dollars or U.S. Dollar-denominated non-callable U.S. Government Obligations, or a combination thereof, in amounts as will be sufficient (without consideration of any reinvestment of interest), in the opinion of an Independent Qualified Party, to pay the principal of, or interest and premium and Additional Amounts, if any, on the outstanding Notes on the Stated Maturity or on the redemption date, as the case may be, and the Issuer must specify whether such Notes are being defeased to maturity or to a particular redemption date;

(2) in the case of Legal Defeasance, the Issuer has delivered to the Trustee:

    (a) an Opinion of Counsel from counsel who shall be reasonably acceptable to the Trustee confirming that (i) the Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling or (ii) since the date of the Indenture there has been a change in the applicable U.S. Federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel will confirm that, the holders of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred; and

    (b) an Opinion of Counsel in the jurisdiction of incorporation of the Issuer from counsel who shall be reasonably acceptable to the Trustee to the effect that (i) the holders of the outstanding Notes will not recognize income, gain or loss for tax purposes of such jurisdiction as a result of such Legal Defeasance and will be subject to tax in such jurisdiction on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred, and (ii) payments on the Notes will not become subject to any withholding or deduction for taxes imposed or levied by or on behalf of the jurisdiction of incorporation of the Issuer or any taxing authority thereof as a result of such Legal Defeasance;

(3) in the case of Covenant Defeasance, the Issuer has delivered to the Trustee:

    (a) an Opinion of Counsel from counsel who shall be reasonably acceptable to the Trustee confirming that the holders of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred; and

    (b) an Opinion of Counsel in the jurisdiction of incorporation of the Issuer from counsel who shall be reasonably acceptable to the Trustee confirming that (i) the holders of the outstanding Notes will not recognize income, gain or loss for tax purposes of such

jurisdiction as a result of such Covenant Defeasance and will be subject to tax in such jurisdiction on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred, and (ii) payments on the Notes will not become subject to any withholding or deduction for taxes imposed or levied by or on behalf of the jurisdiction of incorporation of the Issuer or any taxing authority thereof as a result of such Covenant Defeasance;

(4) no Default or Event of Default has occurred and is continuing on the date of such deposit under the Indenture (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit and the granting of Liens to secure such borrowings);

(5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under any material agreement or instrument (other than the Indenture as permitted by clause (4)) to which the Issuer or any of its Restricted Subsidiaries is a party or by which the Issuer or any of its Restricted Subsidiaries is bound;

(6) the Issuer must deliver to the Trustee an Officers' Certificate stating that the deposit was not made by the Issuer with the intent of preferring the holders of Notes being defeased over the other creditors of the Issuer with the intent of defeating, hindering, delaying or defrauding any other creditors of the Issuer or others; and

(7) the Issuer must deliver to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Amendment, Supplement and Waiver

Except as provided in the next two succeeding paragraphs, the Notes, the Guarantees and the Indenture, may be amended or supplemented with the consent of the holders of at least a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing Default or Event of Default or compliance with any provision of the Notes, the Guarantees and the Indenture may be waived with the consent of the holders of a majority in principal amount of the then outstanding Notes, as the case may be (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes).

Without the consent of holders of at least 90% of the aggregate principal amount of Notes outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), an amendment or waiver may not (with respect to any Notes held by a non-consenting holder):

(1) reduce the principal amount of Notes whose holders must consent to an amendment, supplement or waiver;

(2) reduce the principal amount of or change the fixed maturity of any Note or alter the provisions with respect to the redemption of the Notes (other than provisions relating to the covenants described above under the caption "—*Repurchase at the Option of Holders*");

(3) reduce the rate of, or change the time for payment of interest on, any Note;

(4) waive a Default or Event of Default in the payment of principal of, or interest or premium or Additional Amounts, if any, on the Notes (except a rescission of acceleration of the Notes by the holders of at least a majority in aggregate principal amount of the Notes, and a waiver of the payment default that resulted from such acceleration);

(5) make any Note payable in money other than that stated in the Notes;

(6) make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of holders of Notes to receive payments of principal of, or interest or premium or

Additional Amounts, if any, on the Notes or to institute suit for the enforcement of any such payment;

(7) waive a redemption payment with respect to any Note (other than a payment required by one *of the covenants described above under the caption "—Repurchase at the Option of Holders*" and "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stoc*k");

(8) make any change in the ranking or priority of any of the Notes or any Guarantees that would materially adversely affect the holders of the Notes;

(9) release any Guarantor from any of its obligations under its Guarantee or the Indenture, except in accordance with the terms of the Indenture; or

(10) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding paragraph, without the consent of any holder of Notes, the Issuer, the Guarantors and the Trustee may amend or supplement the Indenture and the Notes:

(1) to cure any ambiguity, defect or inconsistency;

(2) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(3) to provide for the assumption of the Issuer's or a Guarantor's obligations to holders of Notes in the case of a merger or consolidation or sale of all or substantially all of the Issuer's or such Guarantor's assets, as applicable;

(4) to make any change that would provide any additional rights or benefits to the holders of Notes or that does not adversely affect the legal rights under the Indenture of any such holder in any material respect;

(5) to conform the text of the Indenture, the Notes or any Guarantee to any provision of this Description of the Notes to the extent that such provision in this Description of the Notes was intended to be a verbatim recitation of a provision of the Indenture, the Notes or any Guarantee;

(6) to add any Guarantee with respect to the Notes or to release any Guarantee with respect to the Notes in accordance with the terms of the Indenture;

(7) to allow any Guarantor to execute a supplemental indenture and/or provide a Guarantee with respect to the Notes; or

(8) to provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture.

The Trustee will be entitled to receive and rely on an opinion of counsel and an Officers' Certificate with respect to any foregoing.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder, when:

(1) either:

(a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and applicable Notes for whose payment money has been deposited in trust and thereafter repaid to the Issuer, have been delivered to the Trustee for cancellation; or

(b) all Notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the making of a notice of redemption or otherwise or

will become due and payable within one year and the Issuer or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the holders of the Notes, cash in U.S. Dollars, U.S. Dollar-denominated non-callable U.S. Government Obligations, or any combination thereof, in amounts as will be sufficient (without consideration of any reinvestment of interest), in the opinion of an Independent Qualified Party, to pay and discharge the entire Indebtedness on the Notes not delivered to the Trustee for cancellation for principal or premium, if any, and accrued interest to the date of maturity or redemption, and the Issuer or any Guarantor has delivered irrevocable instructions to the Trustee to apply the deposited money toward the payment of Notes at Maturity or on the redemption date, as the case may be;

(2) no Default or Event of Default has occurred and is continuing on the date of the deposit or will occur as a result of the deposit and the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Issuer or any Guarantor is a party or by which the Issuer or any Guarantor is bound;

(3) the Issuer or any Guarantor has paid or caused to be paid all sums payable by it under the Indenture; and

(4) the Issuer has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or the redemption date, as the case may be.

In addition, the Issuer must deliver an Officers' Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Notices

All notices to holders of the Notes (while any Notes are represented by one or more Global Notes) shall be delivered to DTC, Euroclear or Clearstream, as applicable, for communication to entitled account holders or, alternatively, will be valid if published in a leading English language daily newspaper published in the City of London. It is expected that any such publication will normally be made in the *Financial Times* or the *Wall Street Journal Europe*. So long as the Notes are listed on the Irish Stock Exchange and its rules so require, all notices to holders will also be published in *The Irish Times* or in another daily newspaper published in Ireland or on the Irish Stock Exchange's website, www.ise.ie. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve. In the case of Definitive Registered Notes, notices will be mailed to holders by first-class mail at their respective addresses as they appear on the records of the Registrar.

Notices given by publication will be deemed given on the first date on which publication is made. Notices delivered to DTC, Euroclear or Clearstream will be deemed given on the date when delivered. Notices given by first class mail, postage paid, will be deemed given five calendar days after mailing whether or not the addressee receives it.

Concerning the Trustee

The Bank of New York Mellon acting through its London Branch is the Trustee under the Indenture.

If the Trustee becomes a creditor of the Issuer or the Guarantors, the Indenture limits its right to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest (as defined in the Indenture) it must eliminate such conflict within 90 days or resign.

The holders of a majority in principal amount of the then outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy

available to the Trustee, subject to certain exceptions. The Indenture provides that in case an Event of Default occurs and is continuing, the Trustee shall exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. Subject to such provisions, the Trustee will be under no obligation to exercise any such rights or powers under the Indenture at the request of any holder of Notes unless such holder has offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

The Issuer and the Guarantors will indemnify the Trustee for certain claims, liabilities and expenses incurred without negligence or willful misconduct on its part, arising out of or in connection with the administration of the trust or trusts created by the Indenture or in connection with the exercise or performance of any of its powers or duties under the Indenture.

Governing Law

The Indenture, the Notes and the Guarantees will be governed by and construed in accordance with the laws of the State of New York.

Each of the Issuer, the Guarantors and the Trustee, and each holder of a Note by its acceptance thereof, will irrevocably waive, to the fullest extent permitted by applicable law, any and all right it may have to trial by jury in any legal proceeding directly or indirectly arising out of or relating to the Indenture, the Notes, the Guarantees or the transactions contemplated thereby.

Consent to Jurisdiction

In relation to any legal action or proceedings arising out of or in connection with the Indenture, the Notes and the Guarantors' Guarantees, the Issuer and the Guarantors will in the Indenture irrevocably submit to the jurisdiction of the federal and state courts in the Borough of Manhattan in the City of New York, County and State of New York, United States.

Additional Information

Anyone who receives this Offering Circular may obtain a copy of the Indenture without charge by following the instructions under the section "*Available Information.*"

Prescription

Claims against the Issuer or any Guarantor for the payment of principal, premium or Additional Amounts, if any, on the Notes or any Guarantees will be prescribed ten years after the applicable due dates for payment thereof. Claims against the Issuer or any Guarantor for the payment of interest on the Notes will be prescribed five years after the applicable due date for the payment of interest.

Certain Definitions

"**Additional Assets**" means:

(a) any assets (other than Indebtedness and Capital Stock) used or useful in a Related Business, including, without limitation, property, plant or equipment used or useful in a Related Business;

(b) the Capital Stock of a Person that is engaged in a Related Business and that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Issuer or a Restricted Subsidiary; or

(c) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary that is engaged in a Related Business.

"**Affiliate**" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "**control**" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "**controlling**" and "**controlled**" have meanings correlative to the foregoing.

"**Applicable Redemption Premium**" means, with respect to any Note on any redemption date, the greater of:

(1) 1.0% of the principal amount of the Note; and

(2) the excess of:

(a) the present value at such redemption date of: (x) the redemption price of such Note at November 14, 2018 (such redemption price being set forth in the table appearing below the caption "*—Optional Redemption—Optional Redemption on or after November 14, 2018*"); plus (y) all required interest payments that would otherwise be due to be paid on such Note during the period between the redemption date and November 14, 2018 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Treasury Rate at such redemption date plus 50 basis points; over

(b) the outstanding principal amount of the Note.

For the avoidance of doubt, calculation of the Applicable Redemption Premium will not be a duty or obligation of the Trustee or any paying agent.

"**Approved Director**" means any member of the Board of Directors whose election was approved by either:

(a) the Permitted Holder, provided that the Permitted Holder Beneficially Owns 50% or more of the Voting Stock of the Issuer measured by voting power rather than number of shares; or

(b) at least two-thirds of the Board of Directors who are Approved Directors.

"**Asset Disposition**" means any sale, lease, transfer or other disposition (or series of related sales, leases, transfers or dispositions) by the Issuer or any Restricted Subsidiary, including any disposition by means of a merger, consolidation or similar transaction and Sale/Leaseback Transactions (each referred to for the purposes of this definition as a "**disposition**"), of:

(a) any shares of Capital Stock of a Restricted Subsidiary (other than directors' qualifying shares or shares required by applicable law to be held by a Person other than the Issuer or a Restricted Subsidiary);

(b) all or substantially all the assets of any division or line of business of the Issuer or any Restricted Subsidiary; or

(c) any other assets of the Issuer or any Restricted Subsidiary

other than, in the case of clauses (a), (b) and (c) above,

(1) a disposition by a Restricted Subsidiary to the Issuer or by the Issuer or a Restricted Subsidiary to a Restricted Subsidiary;

(2) for purposes of the covenant described under the caption "*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*" only, (x) a disposition that constitutes a Restricted Payment (or would constitute a Restricted Payment but for the exclusions from the definition thereof) and that is not prohibited by the covenant described under the caption "*Certain Covenants—Limitation on Restricted*

Payments" and (y) a disposition of all or substantially all the assets of the Issuer in accordance with the covenant described under the caption "*Certain Covenants—Merger and Consolidation*;"

(3) a disposition of obsolete or worn out equipment or property or equipment that is no longer useful in the conduct of the business of the Issuer and its Restricted Subsidiaries;

(4) the disposition or abandonment of intellectual property of the Issuer or any Restricted Subsidiary, in each case, that is no longer economically practicable to maintain or is no longer used or useful in the ordinary course of the business of the Issuer or any Restricted Subsidiary;

(5) the surrender or waiver of contract rights or the settlement, release or surrender of contractual, tort or other claims of any kind;

(6) any disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary;

(7) dispositions of assets in a single transaction or a series of related transactions with an aggregate Fair Market Value in any calendar year of less than US$5,000,000;

(8) a disposition of cash or Cash Equivalents;

(9) the creation of a Permitted Lien (but not the sale or other disposition of the property subject to such Lien);

(10) the disposition of equipment, inventory, consumer equipment, trading stock, communications capacity, products, services, general intangibles or other assets in the ordinary course of business;

(11) the lease, assignment or sublease of any real or personal property or spectrum in the ordinary course of business;

(12) the licensing or sublicensing of intellectual property or other general intangibles and licenses, sublicenses, leases or subleases of other property;

(13) foreclosure, condemnation or similar action with respect to any property or other assets;and

(14) the sale or discount (with or without recourse, and on customary or commercially reasonable terms) of accounts receivable or notes receivable arising in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable.

"**Attributable Debt**" in respect of a Sale/Leaseback Transaction means, as at the time of determination, the present value (discounted at the interest rate implicit in the lease determined in accordance with IFRS or, if not known, the Issuer's incremental borrowing rate) of the total Obligations of the lessee for rental payments during the remaining term of the lease included in such Sale/Leaseback Transaction (including any period for which such lease has been extended); *provided, however*, that if such Sale/Leaseback Transaction results in a Capital Lease Obligation, the amount of Indebtedness represented thereby will be determined in accordance with the definition of "Capital Lease Obligation."

"**Average Life**" means, as of the date of determination, with respect to any Indebtedness, the quotient obtained by dividing:

(a) the sum of the products of the numbers of years from the date of determination to the dates of each successive scheduled principal payment of or redemption or similar payment with respect to such Indebtedness multiplied by the amount of such payment by

(b) the sum of all such payments.

"**Barcelona Acquisition Debt**" means Indebtedness incurred pursuant to a €60,249,641.41 facilities agreement dated September 26, 2014 between Barcelona Port Investments S.L. as initial borrower and guarantor, Global Liman Isletmeleri A.S. and RCL Cruises, Ltd. as sponsors, and Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander, S.A., Caixabank, S.A., Demir-Halk Bank (Nederland) N.V. as lenders and hedge counterparties and Banco Bilbao Vizcaya Argentaria, S.A. as agent.

"**Beneficial Owner**" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as the term is used in Section 13(d)(3) of the Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition. The terms "**Beneficially Owns**" and "**Beneficially Owned**" have a corresponding meaning.

"**Board of Directors**" means the Board of Directors of the Issuer or any committee thereof duly authorized to act on behalf of such Board.

"**Business Day**" means each day that is not a Public Holiday.

"**Capital Lease Obligation**" means an obligation that would at that time it was Incurred be required to be classified and accounted for as a capital lease for financial reporting purposes in accordance with IFRS, and the amount of Indebtedness represented by such obligation shall be the capitalized amount of such obligation determined in accordance with IFRS (as of the time the obligation was Incurred); and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty. For purposes of the covenant described under the caption "*Certain Covenants— Limitation on Liens,*" a Capital Lease Obligation will be deemed to be secured by a Lien on the property being leased.

"**Capital Stock**" of any Person means any and all shares, interests (including partnership interests), rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"**Cash Equivalents**" means:

(a) Eligible Government Bonds;

(b) commercial paper maturing no more than one year from the date of acquisition thereof and, at the time of acquisition, having a rating of at least A-2 from S&P or at least P-2 from Moody's;

(c) investments in demand and time deposit accounts, certificates of deposit and money market deposits maturing within 180 days of the date of acquisition thereof issued by any commercial bank having capital, surplus and undivided profits aggregating in excess of US$500,000,000 (or the foreign currency equivalent thereof) and having outstanding debt which is rated "BB" (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization;

(d) repurchase Obligations with a term of not more than 30 days for underlying securities of the types described in clause (a) or (b) above entered into with a bank meeting the qualifications described in clause (c) above;

(e) investments in commercial paper, maturing not more than 90 days after the date of acquisition, issued by a corporation (other than an Affiliate of the Issuer) organized and in existence under the laws of a member of the European Union or the United States with a

rating at the time as of which any investment therein is made of “P-1” (or higher) according to Moody’s or “A-l” (or higher) according to S&P; and

(f) investments in money market funds that invest 95% or more of their assets in securities of the types described in clauses (a) through (e) above.

“**Change of Control**” means the occurrence of one or more of the following events:

(a) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer and its Restricted Subsidiaries, taken as a whole, to any “person” or “group” (as such terms are used in Sections 13(d) and 14 (d) of the Exchange Act), other than to the Permitted Holder; or

(b) the adoption of a plan relating to the liquidation or dissolution of the Issuer other than in a transaction which complies with the covenant described under the caption “*Certain Covenants—Merger and Consolidation*;” or

(c) prior to the consummation of an Initial Public Offering of the Issuer or any successor of the Issuer, any event, the result of which is that the Permitted Holder cease to Beneficially Own, directly or indirectly, in the aggregate, 50% or more of the Voting Stock of the Issuer, measured by voting power rather than number of shares; or

(d) on or after the consummation of an Initial Public Offering of the Issuer or any successor of the Issuer (x) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) (other than Permitted Holder) becomes the Beneficial Owner, directly or indirectly, of more than 35% of the outstanding Voting Stock of the Issuer (or its successor by merger or consolidation), measured by voting power rather than number of shares and (y) the Permitted Holder does not Beneficially Own, directly and indirectly, in the aggregate a larger percentage of the outstanding Voting Stock of the Issuer measured by voting power rather than number of shares, than such other “person” or “group”; or

(e) the first day on which a majority of the members of the Board of Directors are not Approved Directors.

“**Clearstream** ” means Clearstream Banking, a société anonyme as currently in effect or any successor securities clearing agency.

“**Commodities Agreement**” means, in respect of any Person, any commodity futures contract, forward contract, option or similar agreement or arrangement (including derivative agreements or arrangements), as to which such Person is a party or beneficiary.

“**Concession Termination Event**” means the termination of any concession agreement pursuant to which any Guarantor operates any of its ports prior to the scheduled expiration of such concession agreement or any event as a result of which such Guarantor is no longer a party to such concession agreement, where (i) such termination or event is the result of the final non-appealable judgment of any court having jurisdiction over such matter; (ii) GPH or the relevant Guarantor, as the case may be, is either (A) required to relinquish or surrender such concession or otherwise ceases to be a party thereto as a result of or pursuant to such court decision and relinquishes or surrenders such concession or otherwise ceases to be a party thereto as a result of or pursuant to such court decision or (B) is no longer able to control or operate the relevant port; (iii) the EBITDA of the relevant Guarantor for the most recent four full consecutive fiscal quarters for which financial statements are available constitutes not less than 10 per cent. of the EBITDA of the Issuer and its Restricted Subsidiaries for such period and (iv) on the date of such termination or event and after giving effect thereto on a pro forma basis the Consolidated Leverage Ratio would exceed 3.75 to 1.

"**Consolidated Interest Expense**" means, for any period, the total interest expense of the Issuer and its consolidated Restricted Subsidiaries determined in accordance with IFRS, plus, to the extent not included in such total interest expense, and to the extent Incurred by the Issuer or its Restricted Subsidiaries, without duplication:

(a) interest expense attributable to Capital Lease Obligations;

(b) amortization of debt discount and debt issuance cost;

(c) capitalized interest (excluding any capitalized non-cash interest expense on Subordinated Shareholder Debt);

(d) non-cash interest expense (other than non-cash interest expense on Subordinated Shareholder Debt);

(e) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing;

(f) net costs or net payments pursuant to Hedging Obligations;

(g) dividends accrued in respect of all Disqualified Stock of the Issuer and all Preferred Stock of any Restricted Subsidiary, in each case, held by Persons other than the Issuer or a Wholly Owned Subsidiary (other than dividends payable solely in Capital Stock (other than Disqualified Stock) of the Issuer); *provided, however*, that such dividends will be multiplied by a fraction, the numerator of which is one and the denominator of which is one minus the effective combined tax rate of the issuer of such Preferred Stock (expressed as a decimal) for such period (as estimated by the chief financial officer of the Issuer in good faith);

(h) interest accruing on any Indebtedness of any other Person to the extent such Indebtedness is guaranteed by (or secured by the assets of) the Issuer or any Restricted Subsidiary; and

(i) the cash contributions to any employee stock ownership plan or similar trust to the extent such contributions are used by such plan or trust to pay interest or fees to any Person (other than the Issuer) in connection with Indebtedness Incurred by such plan or trust.

"**Consolidated Leverage Ratio**" as of any date of determination means the ratio of (i) the aggregate amount of Consolidated Total Indebtedness outstanding on such date to (ii) the aggregate amount of EBITDA for the most recent four full consecutive fiscal quarters for which financial statements are available at the time of such determination; *provided, however*, that:

(a) if the Issuer or any Restricted Subsidiary has Incurred any Indebtedness since the beginning of such period that remains outstanding or if the transaction giving rise to the need to calculate the Consolidated Leverage Ratio is an Incurrence of Indebtedness, or both, EBITDA and Consolidated Total Indebtedness for such period shall be calculated after giving effect on a *pro forma* basis to such Indebtedness as if such Indebtedness had been Incurred on the first day of such period;

(b) if the Issuer or any Restricted Subsidiary has repaid, repurchased, defeased or otherwise discharged any Indebtedness since the beginning of such period or if any Indebtedness is to be repaid, repurchased, defeased or otherwise discharged (in each case other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) on the date of the transaction giving rise to the need to calculate the Consolidated Leverage Ratio, EBITDA and Consolidated Leverage Ratio for such period shall be calculated on a *pro forma* basis as if such discharge had occurred on the first day of such period and as if the Issuer or such Restricted Subsidiary had not earned the interest income actually earned during such period in respect of cash or Cash Equivalent used to repay, repurchase, defease or otherwise discharge such Indebtedness;

(c) for purposes of the preceding paragraphs (a) and (b) and for purposes of determining compliance with the covenant described under the caption "*Certain Covenants—Limitation on Indebtedness*," the pro forma calculation of Consolidated Total Indebtedness shall not give effect to (i) any Indebtedness Incurred on any date of determination of the Consolidated Leverage Ratio pursuant to provisions of the paragraph (b) of the covenant described under the caption "*Certain Covenants—Limitation on Indebtedness*" (other than any such additional Indebtedness that is incurred on the date of determination pursuant to clause (xiii) and (xiv) of the paragraph (b) of the covenant described under the caption "*Certain Covenants—Limitation on Indebtedness*", the incurrence of which itself requires the calculation of the Consolidation Leverage Ratio) or (ii) the discharge of any Indebtedness on the date of determination of the Consolidated Leverage Ratio to the extent that such discharge results from the proceeds Incurred pursuant to the provisions of the second paragraph of the covenant described under the caption "*Certain Covenants—Limitation on Indebtedness*;"

(d) if since the beginning of such period the Issuer or any Restricted Subsidiary shall have made any Asset Disposition, EBITDA for such period shall be reduced by an amount equal to EBITDA (if positive) directly attributable to the assets which are the subject of such Asset Disposition for such period, or increased by an amount equal to EBITDA (if negative), directly attributable thereto for such period and Consolidated Total Indebtedness for such period shall be reduced by an amount equal to the Consolidated Total Indebtedness directly attributable to any Indebtedness of the Issuer or any Restricted Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to the Issuer and its continuing Restricted Subsidiaries in connection with such Asset Disposition for such period (or, if the Capital Stock of any Restricted Subsidiary is sold, the Consolidated Total Indebtedness for such period directly attributable to the Indebtedness of such Restricted Subsidiary to the extent the Issuer and its continuing Restricted Subsidiaries are no longer liable for such Indebtedness after such sale);

(e) if since the beginning of such period the Issuer or any Restricted Subsidiary (by merger or otherwise) shall have made an Investment in any Restricted Subsidiary (or any Person which becomes a Restricted Subsidiary) or an acquisition of assets, including any acquisition of assets occurring in connection with a transaction requiring a calculation to be made hereunder, which constitutes all or substantially all of an operating unit of a business, EBITDA and Consolidated Total Indebtedness for such period shall be calculated after giving *pro forma* effect thereto (including the Incurrence of any Indebtedness) as if such Investment or acquisition had occurred on the first day of such period; and

(f) if since the beginning of such period any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any Restricted Subsidiary since the beginning of such period) shall have made any Asset Disposition, any Investment or acquisition of assets that would have required an adjustment pursuant to clause (d) or clause (e) above if made by the Issuer or a Restricted Subsidiary during such period, EBITDA and Consolidated Total Indebtedness for such period shall be calculated after giving *pro forma* effect thereto as if such Asset Disposition, Investment or acquisition had occurred on the first day of such period.

For purposes of this definition, whenever *pro forma* effect is to be given to an acquisition of assets, the amount of income or earnings relating thereto and the amount of Consolidated Total Indebtedness associated with any Indebtedness Incurred in connection therewith, the pro forma calculations shall be determined in good faith by a responsible financial or accounting Officer of the Issuer. If any Indebtedness is Incurred under a revolving credit facility and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated based on the average daily balance of such Indebtedness for the four quarterly periods subject to the pro forma calculation to the extent that such Indebtedness was Incurred solely for working capital purposes.

"**Consolidated Net Income**" means, for any period, the net income of the Issuer and its consolidated Restricted Subsidiaries for such period determined in accordance with IFRS; provided, however, that there shall not be included in such Consolidated Net Income:

(a) any net income of any Person if such Person is not a Restricted Subsidiary or that is accounted for by the equity method of accounting, except that:

(1) subject to the exclusion contained in clause (d) below, the Issuer's equity in the net income of any such Person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Issuer or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution paid to a Restricted Subsidiary, to the limitations contained in clause (c) below); and

(2) the Issuer's equity in a net loss of any such Person for such period shall be included in determining such Consolidated Net Income to the extent such loss has been funded with cash from the Issuer or a Restricted Subsidiary;

(b) any net income of a Surviving Entity prior to assuming the Issuer's obligations under the Indenture and the Notes pursuant to "*—Merger and Consolidation*;"

(c) solely for the purpose of determining the amount available for Restricted Payments under the covenant described under the caption "*Certain Covenants—Limitation on Restricted Payments,*" any net income of any Restricted Subsidiary (other than a Guarantor) if such Restricted Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Issuer (or any Guarantor that holds the Capital Stock of such Restricted Subsidiary, as applicable), except that:

(1) subject to the exclusion contained in clause (d) below, the Issuer's equity in the net income of any such Restricted Subsidiary for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Restricted Subsidiary during such period to the Issuer or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution paid to a Restricted Subsidiary (other than a Guarantor), to the limitation contained in this clause); and

(2) the Issuer's equity in a net loss of any such Restricted Subsidiary for such period shall be included in determining such Consolidated Net Income to the extent such a loss has been funded with cash from the Issuer or a Restricted Subsidiary;

(d) any net after tax gain or loss realized upon the sale or other disposition of any assets of the Issuer, its consolidated Restricted Subsidiaries or any other Person (including pursuant to any sale-and-leaseback arrangement) which are not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by the Board of Directors) and any gain or loss realized upon the sale or other disposition of any Capital Stock of any Person;

(e) any item classified as a restructuring, extraordinary, exceptional, non-recurring, unusual or other non-operating gain or loss including the costs of and accounting for financial instruments;

(f) any restoration to income of any contingency reserve, except to the extent that provision for such reserve was made out of Consolidated Net Income accrued at any time following the Issue Date;

(g) any non-cash compensation charge arising from any grant of stock, stock options or other equity-based awards;

(h) all deferred financing costs written off and premiums paid in connection with any early extinguishment of Indebtedness and any net gain (together with any related provision for taxes on such net gain) from any write-off or forgiveness of Indebtedness;

(i) any unrealized gain or loss in respect of Hedging Obligations and any gains associated with fair value adjustment on financial instruments;

(j) any foreign currency transaction or translation gains or losses, net of taxes;

(k) the cumulative effect of a change in accounting principles;

(l) any capitalized interest and non-cash interest expense on Subordinated Shareholder Debt;

(m) any net income attributable to minority interests held by Persons other than the Issuer or a Restricted Subsidiary in the equity of any Restricted Subsidiary; and

(m) for the purposes of the covenant described under the caption "*Certain Covenants—Limitation on Restricted Payments*" only, any depreciation and amortization expense of the Issuer and its Restricted Subsidiaries relating to goodwill arising from concession licenses which have been paid for upfront, together with any depreciation and amortization expense incurred on assets (both tangible and intangible) which are revalued and/or created as a result of the acquisition of new subsidiaries or the acquisition of additional shares in an existing investment resulting in majority shareholding or control of that investment in accordance with IFRS 3 "business combinations",

in each case, for such period. Notwithstanding the foregoing, for the purposes of the covenant described under the caption "*Certain Covenants—Limitation on Restricted Payments*" only, there shall be excluded from Consolidated Net Income any repurchases, repayments or redemptions of Investments, proceeds realized on the sale of Investments or return of capital to the Issuer or a Restricted Subsidiary to the extent such repurchases, repayments, redemptions, proceeds or returns increase the amount of Restricted Payments permitted under clause (iii) of paragraph (a) under the covenant described under the caption "*Certain Covenants—Limitation on Restricted Payments*."

"**Consolidated Net Worth**" means the total shareholders' equity shown on the balance sheet of the Issuer and its consolidated Restricted Subsidiaries as of the end of the most recent fiscal quarter (or, in the case of any calculations made in the first two years following the Issue Date, the most recent fiscal half year) of the Issuer ending prior to the taking of any action for the purpose of which the determination is being made.

"**Consolidated Total Indebtedness**" means, as of any date of determination, an amount equal to the aggregate amount (without duplication) of all Indebtedness of the Issuer and its Restricted Subsidiaries on a consolidated basis outstanding at such time (excluding, for the avoidance of doubt, any Non-Recourse Indebtedness of an Unrestricted Subsidiary).

"**Creuers**" means Creuers del Port de Barcelona, S.A..

"**Currency Agreement**" means any foreign exchange contract, currency swap agreement or other similar agreement with respect to currency values.

"**Default**" means any event that is, or after notice or passage of time or both would be, an Event of Default.

"**Disqualified Stock**" means, with respect to any Person, any Capital Stock which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder) or upon the happening of any event:

(a) matures or is mandatorily redeemable (other than redeemable only for Capital Stock of such Person which is not itself Disqualified Stock) pursuant to a sinking fund Obligation or otherwise;

(b) is convertible or exchangeable at the option of the holder for Indebtedness or Disqualified Stock; or

(c) is mandatorily redeemable or must be purchased upon the occurrence of certain events or otherwise, in whole or in part;

in each case on or prior to the first anniversary of the Stated Maturity of the Notes; *provided, however*, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to purchase or redeem such Capital Stock upon the occurrence of an "asset disposition" or "change of control" occurring prior to the first anniversary of the Stated Maturity of the Notes shall not constitute Disqualified Stock if:

(d) the "asset disposition" or "change of control" provisions applicable to such Capital Stock are not more favorable to the holders of such Capital Stock than the terms applicable to the Notes under the sections described under the captions "Change of Control" and "*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock;*" and

(e) any such requirement only becomes operative after compliance with such terms applicable to the Notes, including the purchase of any Notes tendered pursuant thereto.

The amount of any Disqualified Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were redeemed, repaid or repurchased on any date on which the amount of such Disqualified Stock is to be determined pursuant to the Indenture; *provided*, *however*, that if such Disqualified Stock could not be required to be redeemed, repaid or repurchased at the time of such determination, the redemption, repayment or repurchase price will be the book value of such Disqualified Stock as reflected in the most recent financial statements of such Person.

"**EBITDA**" for any period means the sum of Consolidated Net Income, plus the following to the extent deducted in calculating such Consolidated Net Income:

(a) all income tax expense of the Issuer and its consolidated Restricted Subsidiaries;

(b) Consolidated Interest Expense;

(c) depreciation and amortization expense of the Issuer and its consolidated Restricted Subsidiaries (excluding amortization expense attributable to a prepaid item that was paid in cash in a prior period); and

(d) all other non-cash charges of the Issuer and its consolidated Restricted Subsidiaries (excluding any such non-cash charge to the extent that it represents an accrual of or reserve for cash expenditures in any future period) less all non-cash items of income of the Issuer and its consolidated Restricted Subsidiaries (other than accruals of revenue by the Issuer and its consolidated Restricted Subsidiaries in the ordinary course of business),

in each case for such period.

"**EBRD**" means the European Bank for Reconstruction and Development.

"**Eligible Government Bonds**" means marketable direct obligations issued by the government of any member of the European Union (other than Greece, Cyprus and Portugal), Switzerland, the United States of America, any state of the United States of America, the United Kingdom or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having one of the three highest ratings obtainable from either S&P or Moody's or any successor thereto.

"**Euroclear**" means Euroclear Bank SA/NV, or any successor securities clearing agency.

"**European Union**" means the European Union excluding any country that becomes a member of the European Union on or after the Issue Date.

"**Fair Market Value**" means, with respect to any asset or property, the price that could be negotiated in an arm's length, free market transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction. Fair Market Value will be determined in good faith by the Board of Directors, whose determination will be conclusive and evidenced by a resolution of such Board of Directors. For purposes of determining the Fair Market Value of Capital Stock, the value of the Capital Stock of a Person shall be based upon such Person's property and assets, exclusive of goodwill or any similar intangible asset.

"**guarantee**" means any Obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any Person and any Obligation, direct or indirect, contingent or otherwise, of such Person:

(a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or

(b) entered into for the purpose of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided, however, that the term "guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "guarantee" used as a verb has a corresponding meaning. The term "guarantor" shall mean any Person guaranteeing any Obligation.

"**Guarantee**" means a guarantee by a Guarantor of the Issuer's obligations with respect to the Notes and the Indenture.

"**Guarantor**" means each of Ortadoğu Antalya Liman İşletmeleri A.Ş., Ege Liman İşletmeleri A.Ş. and each Subsidiary of the Issuer that subsequent to the Issue Date guarantees the Notes and the Indenture pursuant to the terms of the Indenture.

"**Hedging Obligations**" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Commodities Agreement or Currency Agreement.

"**IFC**" means the International Finance Corporation.

"**IFRS**" means International Financial Reporting Standards as in effect from time to time issued by the International Accounting Standards Board.

"**Incur**" means issue, assume, guarantee, incur or otherwise become liable for; *provided*, *however*, that any Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a Restricted Subsidiary. The term "Incurrence" when used as a noun shall have a correlative meaning. Solely for purposes of determining compliance with the covenant described under the caption "*Certain Covenants—Limitation on Indebtedness*:"

(a) amortization of debt discount or the accretion of principal with respect to a non-interest bearing or other discount security;

(b) the payment of regularly scheduled interest in the form of additional Indebtedness of the same instrument or the payment of regularly scheduled dividends on Capital Stock in the form of additional Capital Stock of the same class and with the same terms; and

(c) the Obligation to pay a premium in respect of Indebtedness arising in connection with the issuance of a notice of redemption or the making of a mandatory offer to purchase such Indebtedness

will not be deemed to be the Incurrence of Indebtedness.

"**Indebtedness**" means, with respect to any Person on any date of determination (without duplication):

(a) the principal in respect of (i) indebtedness of such Person for money borrowed and (ii) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable, including, in each case, any premium on such indebtedness to the extent such premium has become due and payable;

(b) all Capital Lease Obligations of such Person and all Attributable Debt in respect of Sale/Leaseback Transactions entered into by such Person;

(c) all Obligations of such Person in connection with, and for the reimbursement of any obligor on, any letter of credit, letter of guarantee, bankers' acceptance or similar instruments (other than Obligations with respect to such instruments securing Obligations entered into in the ordinary course of business of such Person to the extent such instruments are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the thirtieth Business Day following payment on such instruments);

(d) payments for assets acquired or services supplied deferred for a period of over 90 days after the relevant assets were or are to be acquired or the relevant services were or are to be supplied, to the extent that these would be accounted for as indebtedness under IFRS;

(e) the amount of all Obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock of such Person or, with respect to any Preferred Stock of any Subsidiary of such Person, the principal amount of such Preferred Stock to be determined in accordance with the Indenture (but excluding, in each case, any accrued dividends);

(f) all Obligations of the type referred to in clauses (a) through (e) of other Persons and all dividends of other Persons for the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any guarantee; and

(g) all Obligations of the type referred to in clauses (a) through (e) of other Persons secured by any Lien on any property or asset of such Person (whether or not such Obligation is assumed by such Person), the amount of such Obligation being deemed to be the lesser of the fair market value of such property or assets and the amount of the Obligation so secured; and

(h) to the extent not otherwise included in this definition, Hedging Obligations of such Person (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time),

if and to the extent any of the preceding items (other than obligations under clauses (c), (f), (g) and (h)) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with IFRS and provided that Indebtedness which has been cash-collateralized shall not be included in any calculation of Indebtedness to the extent so cash-collateralized.

Notwithstanding the foregoing, the term "Indebtedness" will exclude (A) anything accounted for as an operating lease in accordance with IFRS; (B) in connection with the purchase by the Issuer or any Restricted Subsidiary of any business, post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance

sheet or such payment depends on the performance of such business after the closing; *provided*, *however*, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter; (C) any contingent obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage taxes; (D) accrued liabilities Incurred in the ordinary course of business that are not more than 90 days past due; and (E) Subordinated Shareholder Debt.

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional Obligations as described above; provided, however, that in the case of Indebtedness sold at a discount, the amount of such Indebtedness at any time will be the accreted value thereof at such time.

"**Independent Qualified Party**" means an investment banking firm, accounting firm or appraisal firm of international standing; *provided, however*, that such firm is not an Affiliate of the Issuer.

"**Initial Public Offering**" means a Public Equity Offering of the Issuer or any successor of the Issuer pursuant to (x) a flotation on any nationally recognized stock exchange or listing authority in a member state of the European Union or any other internationally recognized exchange or market or (y) an effective registration statement under the Securities Act (other than a registration statement on Form S-8 or otherwise relating to Equity Interests issued or issuable under any employee benefit plan), and following which there is a Public Market.

"**Interest Rate Agreement**" means any interest rate swap agreement, interest rate cap agreement or other financial agreement or arrangement with respect to exposure to interest rates.

"Investment" in any Person means any direct or indirect advance, loan (other than advances to customers in the ordinary course of business that are recorded as accounts receivable on the balance sheet of the lender) or other extensions of credit (including by way of guarantee or similar arrangement) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by such Person. If the Issuer or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Issuer or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time. The acquisition by the Issuer or any Restricted Subsidiary of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Issuer or such Restricted Subsidiary in such third Person at such time. Except as otherwise provided for herein, the amount of an Investment shall be its Fair Market Value at the time the Investment is made and without giving effect to subsequent changes in value.

For purposes of the definition of "*Unrestricted Subsidiary*," the definition of "*Restricted Payment*" and the covenant described under the caption "*—Certain Covenants—Limitation on Restricted Payments*":

(a) "Investment" shall include the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the Fair Market Value of the net assets of any Subsidiary of the Issuer at the time that such Subsidiary is designated an Unrestricted Subsidiary; provided, however, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Issuer shall be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary equal to an amount (if positive) equal to (i) the Issuer's "Investment" in such Subsidiary at the time of such redesignation less (ii) the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such redesignation; and

(b) any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value at the time of such transfer, in each case as determined in good faith by the Board of Directors.

"**Issue Date**" means November 14, 2014.

"**Lien**" means any mortgage, pledge, security interest, encumbrance, lien, charge or security interests of any kind including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof or anything analogous to any of the foregoing under the laws of any jurisdiction.

"**Moody's**" means Moody's Investors Services, Inc.

"**Net Available Cash**" from an Asset Disposition means cash payments received therefrom (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other Obligations relating to such properties or assets or received in any other non-cash form), in each case net of:

(a) all legal, title and recording tax expenses, commissions and other fees and expenses Incurred, and all federal, state, provincial, foreign and local taxes required to be accrued as a liability under IFRS, as a consequence of such Asset Disposition;

(b) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon or other security agreement of any kind with respect to such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by applicable law, be repaid out of the proceeds from such Asset Disposition;

(c) all distributions and other payments required to be made to minority interest holders in Restricted Subsidiaries as a result of such Asset Disposition; and

(d) the deduction of appropriate amounts provided by the seller as a reserve, in accordance with IFRS, against any liabilities associated with the property or other assets disposed in such Asset Disposition and retained by the Issuer or any Restricted Subsidiary after such Asset Disposition.

"**Net Cash Proceeds**," with respect to any issuance or sale of Capital Stock or Indebtedness, means the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"**Non-Recourse Indebtedness**" means Indebtedness with respect to which:

(a) none of the Issuer and the Restricted Subsidiaries (i) provides credit support or security of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (ii) is directly or indirectly liable as a guarantor or otherwise, or (iii) constitutes the lender;

(b) no default (including any rights that the holders thereof may have to take enforcement action against the obligor thereof) would permit upon notice, lapse of time or both any holder of any other Indebtedness (other than the Notes) of any of the Issuer or the Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its Stated Maturity;

(c) is Incurred by an Unrestricted Subsidiary in order to finance the costs associated with the acquisition, development and operation of any Permitted Business; and

(d) the lenders or holders thereof agree that they will look for payment solely to the assets or properties of such Unrestricted Subsidiary.

"**Obligations**" means, with respect to any Indebtedness, all obligations for principal, premium, interest, penalties, fees, indemnifications, reimbursements and other amounts payable pursuant to the documentation governing such Indebtedness.

"**Officer**" means the Chairman of the Board of Directors, the Chief Executive Officer or any other director of the Issuer or any Guarantor, as the case may be.

"**Officers' Certificate**" means a certificate signed by two Officers, and delivered to the Trustee.

"**Opinion of Counsel**" means a written opinion from legal counsel who is acceptable to the Trustee. The counsel may be an employee of, or counsel to, the Issuer or the Trustee.

"**Pari Passu Indebtedness**" means Indebtedness of the Issuer or any Guarantor if such Indebtedness ranks equally in right of payment to the Notes or the Guarantees, as the case may be.

"**Permitted Business**" means the business operated by the Issuer and the Restricted Subsidiaries on the Issue Date and any Related Business.

"**Permitted Holder**" means Global Investment Holdings and any successor thereto.

"**Permitted Investment**" means an Investment by the Issuer or any Restricted Subsidiary in:

(a) the Issuer, a Restricted Subsidiary, or a Person that will, upon the making of such Investment, become a Restricted Subsidiary;

(b) another Person if, as a result of such Investment, such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all its assets to, the Issuer or a Restricted Subsidiary;

(c) cash and Cash Equivalents;

(d) receivables owing to the Issuer or any Restricted Subsidiary if created or acquired in the ordinary course of business;

(e) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(f) loans or advances to directors, officers and employees made in the ordinary course of business;

(g) stock, Obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Issuer or any Restricted Subsidiary or in satisfaction of judgments;

(h) any Person to the extent such Investment represents the non-cash portion of the consideration received for (i) an Asset Disposition as permitted pursuant to the covenant described under the caption "*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*" or (ii) a disposition of assets not constituting an Asset Disposition;

(i) any Investment in any Person to the extent such Investment exists on the Issue Date, and any extension, modification or renewal of any such Investments existing on the Issue Date, but only to the extent not involving additional advances, contributions or other Investments of cash or other assets or other increases thereof (other than as a result of the accrual or

accretion of interest or original issue discount or the issuance of pay-in-kind securities, in each case, pursuant to the terms of such Investment as in effect on the Issue Date);

(j) any Person where such Investment was acquired by the Issuer or any of its Restricted Subsidiaries (i) in exchange for any other Investment or accounts receivable held by the Issuer or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable or (ii) as a result of a foreclosure by the Issuer or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(k) any Person to the extent such Investments consist of prepaid expenses, negotiable instruments held for collection and lease, utility and workers' compensation, performance and other similar deposits made in the ordinary course of business by the Issuer or any Restricted Subsidiary;

(l) any Person to the extent such Investments consist of Hedging Obligations;

(m) the loan or provision to customers of equipment in the ordinary course of business;

(n) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted pursuant to the covenant described under the caption "*Certain Covenants—Limitation on Liens;*"

(o) the Notes and repurchases thereof;

(p) any Investment to the extent made using the Capital Stock of the Issuer (other than Disqualified Stock) as consideration;

(q) any Investments by the Issuer or any of its Restricted Subsidiaries in an amount up to US$12,000,000 in connection with the Issuer's participation in a concession awarded by Administração do Porto de Lisboa, to build, finance and operate the Lisbon Cruise Terminal;

(r) additional Investments in joint ventures, Unrestricted Subsidiaries or other Persons engaged in a Permitted Business (including minority interests), which Investments, taken together with all other Investments made pursuant to this clause (r) that are at the time outstanding, shall not exceed the greater of $25 million and 7.5% of Total Assets outstanding at any one time; *provided that* if any Investment pursuant to this clause (r) is made in a Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (a) above and shall cease to have been made pursuant to this clause (r) for so long as such Person continues to be a Restricted Subsidiary);

(s) any other Investments by the Issuer or any of its Restricted Subsidiaries in an aggregate amount at the time of such Investment not to exceed the greater of (1) US$10 million and (2) 2.75% of Total Assets outstanding at any one time; and

(t) Investments acquired after the Issue Date as a result of the acquisition by the Issuer or any of its Restricted Subsidiaries of another Person, including by way of a merger, amalgamation or consolidation with or into the Issuer or any of its Restricted Subsidiaries in a transaction is not otherwise prohibited under the terms of the Indenture.

"**Permitted Liens**" means, with respect to any Person:

(a) Liens Incurred or pledges or deposits by such Person under worker's compensation laws, unemployment insurance laws or similar legislation, or deposits made in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which

such Person is a party, or deposits to secure public or statutory Obligations of such Person or deposits of cash or Eligible Government Bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent, in each case Incurred in the ordinary course of business;

(b) Liens imposed by law, such as carriers', warehousemen's, attorneys', landlords' statutory, pension plan administrators' and mechanics' Liens, in each case for sums not yet due or being contested in good faith by appropriate proceedings or other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with an appeal or other proceedings for review, and Liens arising solely by virtue of any statutory or common law provision relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution; provided, however, that (i) such deposit account is not a dedicated cash collateral account and is not subject to restrictions against access by the Issuer and (ii) such deposit account is not intended by the Issuer or any Restricted Subsidiary to provide collateral to the depository institution;

(c) Liens for property taxes not yet subject to penalties for non-payment or which are being contested in good faith by appropriate proceedings;

(d) Liens in favor of issuers of surety bonds, performance bonds, bank guarantees, letters of credit or similar assurances of payment issued pursuant to the request of and for the account of such Person in the ordinary course of its business; *provided, however*, that such letters of credit do not constitute Indebtedness;

(e) minor survey exceptions, encumbrances, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, or building codes or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) as to the use of real property or Liens incidental to the conduct of the business of such Person or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(f) Liens securing Indebtedness permitted to be incurred (x) under clause (i) of paragraph (b) under the covenant described under the caption "*Certain Covenants—Limitation on Indebtedness*" or (y) Purchase Money Indebtedness or Indebtedness otherwise permitted to be Incurred under clause (xi) of paragraph (b) under the covenant described under the caption "*Certain Covenants—Limitation on Indebtedness*"; *provided, however*, in the case of clause (y), that the Lien may not extend to any other property owned by such Person or any of its Restricted Subsidiaries at the time the Lien is Incurred (other than assets and property affixed or appurtenant thereto), and the Indebtedness (other than any interest thereon) secured by the Lien may not be Incurred more than 90 days after the later of the acquisition, completion of construction, repair, improvement, addition or commencement of full operation of the property subject to the Lien;

(g) Liens on property or shares of Capital Stock of another Person at the time such other Person becomes a Subsidiary of such Person; *provided, however*, that the Liens may not extend to any other property owned by such Person or any of its Restricted Subsidiaries (other than assets and property affixed or appurtenant thereto);

(h) Liens on property at the time such Person or any of its Subsidiaries acquires the property, including any acquisition by means of a merger or consolidation with or into such Person or a Subsidiary of such Person; *provided, however*, that the Liens may not extend to any other property owned by such Person or any of its Restricted Subsidiaries (other than assets and property affixed or appurtenant thereto);

(i) Liens securing Indebtedness or other Obligations of a Subsidiary of such Person owing to such Person or a Wholly Owned Subsidiary of such Person;

(j) Liens securing Hedging Obligations so long as such Hedging Obligations are permitted to be Incurred under clause (vi) of paragraph (b) under the covenant described under the caption "*Certain Covenants—Limitation on Indebtedness*;"

(k) Liens existing on the Issue Date other than Liens securing the Barcelona Acquisition Debt;

(l) Liens created for the benefit of the Notes and/or the Guarantees;

(m) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by the Issuer or any Restricted Subsidiary in the ordinary course of business;

(n) Liens for taxes, assessments, government charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings and for which a reserve or other appropriate provision, if any, as shall be required in conformity with IFRS shall have been made;

(o) judgment Liens not giving rise to an Event of Default so long as any appropriate legal proceeding which may have been duly initiated for the review of such judgment shall not have been finally terminated or the period within which such proceeding may be initiated shall not have expired;

(p) Liens in favor of customers or revenue authorities to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(q) any promissory notes, checks or other contingent payment instructions issued to a supplier or in connection with other payment obligations Incurred in the ordinary course of business, to the extent that such promissory notes, checks or other contingent payment instructions constitute Liens hereunder;

(r) any right of refusal, right of first offer, option or other agreement to sell or otherwise dispose of an asset of the Issuer or any Restricted Subsidiary;

(s) Liens on Capital Stock or other securities (including without limitation put and call arrangements) of an Unrestricted Subsidiary or any Investment that secures only Indebtedness or other obligations of such Unrestricted Subsidiary or Investment;

(t) other Liens securing Indebtedness Incurred by the Issuer or any Restricted Subsidiary in the ordinary course of business, which Indebtedness does not exceed US$10,000,000 in the aggregate at any one time outstanding;

(u) Liens resulting from escrow agreements entered into in connection with the disposition of assets;

(v) Liens on assets or property of a Restricted Subsidiary that is not a Guarantor securing Indebtedness of such Restricted Subsidiary;

(w) any extension, renewal or replacement, in whole or in part, of any Lien described in the foregoing clauses (f), (g) and (h), *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced;

(x) Liens on Capital Stock of a Restricted Subsidiary that secure indebtedness incurred under clause (xiv) of paragraph (b) under the covenant entitled "*—Certain Covenants—Limitation on Indebtedness*", excluding any Refinancing Indebtedness thereof; *provided that* no creditor of such Indebtedness has any debt claim or recourse whatsoever against any of the

Capital Stock, assets or property of the Company or any Restricted Subsidiary other than the Capital Stock of the Unrestricted Subsidiary;

(y) any banker's lien or other lien arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by the Issuer or any Restricted Subsidiary; and

(z) Liens securing Barcelona Acquisition Debt as in effect on the Issue Date.

Notwithstanding the foregoing, "**Permitted Liens**" will not include any Lien described in clause (f), (g) or (h) above to the extent such Lien applies to any Additional Assets acquired directly or indirectly from Net Available Cash pursuant to the covenant described under the caption "*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*." For purposes of this definition, the term "Indebtedness" shall be deemed to include interest on such Indebtedness.

"**Person**" means any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"**Port of Bar**" means the Cargo Terminal at the Port of Adria-Bar held by GPH through its interest in Container Terminal and General Cargo JSC-Bar.

"**Port of Bar Indebtedness**" means Indebtedness Incurred to finance capital expenditure at the Port of Bar as required pursuant to the terms of a share purchase agreement dated November 15, 2013 between the Issuer and the government of Montenegro

"**Port of Malaga**" means Cruceros Málaga, S.A..

"**Preferred Stock**," as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"**Principal**" of a Note means the principal of the Note plus the premium, if any, payable on the Note that is due or overdue or is to become due at the relevant time.

"**Public Equity Offering**" means any public offering by the Issuer (which shall include an offering pursuant to Rule 144A and/or Regulation S under the U.S. Securities Act to professional market investors or similar Persons) of Capital Stock of the Issuer the proceeds of which are contributed to the Issuer or any of its Restricted Subsidiaries, in each case other than offerings (or, as applicable, portions thereof) (1) of Disqualified Stock, (2) registered on Form S-8 (or any successor form) under the U.S. Securities Act or any similar offerings in other jurisdictions, or (3) to an Affiliate of the Issuer.

"**Public Holiday**" means a Saturday, a Sunday or a day on which banking institutions are not required by law, regulation or executive order to be open in Ankara, New York City or London.

"**Public Indebtedness**" means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (i) a public offering registered under the Securities Act, (ii) listed on a recognized stock exchange in the European Union, (iii) a private placement to institutional investors that is underwritten for resale in accordance with Rule 144A and/or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC for public resale or (iv) any issuance of debt securities in the Turkish domestic bond market, regardless of whether such securities are underwritten for resale in accordance with Rule 144A and/or Regulation S under the Securities Act.

"**Public Market**" means, following consummation of a Public Equity Offering, the Capital Stock is, upon issuance, listed on an international investment exchange and at least 20% of the total

issued and outstanding common stock of the Issuer (or any of its successors and assigns), as the case may be, has been distributed to Persons other than the Permitted Holder and any Affiliate thereof.

"**Purchase Money Indebtedness**" means Indebtedness (including Capital Lease Obligations) (i) consisting of the deferred purchase price of property, conditional sale Obligations, Obligations under any title retention agreement, other purchase money Obligations and Obligations in respect of industrial revenue bonds or similar Indebtedness, in each case where the maturity of such Indebtedness does not exceed the anticipated useful life of the asset being financed, and (ii) Incurred to finance the acquisition by the Issuer or a Restricted Subsidiary of such asset, including additions and improvements, in the ordinary course of business; provided, however, that (a) any Lien arising in connection with any such Indebtedness shall be limited to the specific asset being financed or, in the case of real property or fixtures, including additions and improvements, the real property on which such asset is attached, (b) such Indebtedness is Incurred within 180 days after such acquisition of such assets and (c) the aggregate principal amount of Purchase Money Indebtedness at one time outstanding shall not exceed (x) the Fair Market Value of the acquired or constructed asset or improvement so financed or (y) in the case of an uncompleted constructed asset, the amount of the asset to be constructed, as determined on the date the contract for construction of such asset was entered into by the Issuer or the relevant Restricted Subsidiary (including, in each case, any reasonable related fees and expenses Incurred in connection with such acquisition, construction or development).

"**Refinance**" means, in respect of any Indebtedness, to refinance, extend, renew, refund, repay, prepay, purchase, redeem, defease or retire, or to issue other Indebtedness in exchange or replacement for, such Indebtedness. "**Refinanced**" and "**Refinancing**" shall have correlative meanings.

"**Refinancing Indebtedness**" means Indebtedness that Refinances any Indebtedness of the Issuer or any Restricted Subsidiary existing on the Issue Date or Incurred in compliance with the Indenture, including Indebtedness that Refinances Refinancing Indebtedness; provided, however, that:

(a) such Refinancing Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being Refinanced;

(b) such Refinancing Indebtedness has an Average Life at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the Average Life of the Indebtedness being Refinanced;

(c) such Refinancing Indebtedness has an aggregate principal amount (or if Incurred with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if Incurred with original issue discount, the aggregate accreted value) then outstanding (plus fees and expenses, including any premium and defeasance costs) under the Indebtedness being Refinanced; and

(d) if the Indebtedness being Refinanced is subordinated in right of payment to the Notes, such Refinancing Indebtedness is subordinated in right of payment to the Notes at least to the same extent as the Indebtedness being Refinanced;

provided further, however that Refinancing Indebtedness shall not include (i) Indebtedness of a Subsidiary (other than a Guarantor) that Refinances Indebtedness of the Issuer or any Guarantor or (ii) Indebtedness of the Issuer or a Restricted Subsidiary that Refinances Indebtedness of an Unrestricted Subsidiary.

"**Related Business**" means any business in which the Issuer or any of the Restricted Subsidiaries was engaged on the Issue Date and any business related, ancillary or complementary to such business.

"**Restricted Payment**" with respect to any Person means:

(a) the declaration or payment of any dividends or any other distributions of any sort in respect of its Capital Stock (including any payment in connection with any merger or consolidation involving such Person) (other than (i) dividends or distributions payable solely in its Capital Stock (other than Disqualified Stock), (ii) dividends or distributions payable solely to the Issuer or a Wholly Owned Subsidiary and (iii) *pro rata* dividends or other distributions made by a Subsidiary that is not a Wholly Owned Subsidiary to minority stockholders (or owners of an equivalent interest in the case of a Subsidiary that is an entity other than a corporation) or such dividends or distributions on a basis that results in the Issuer or a Restricted Subsidiary receiving dividends or other distributions of greater value than would result on a *pro rata* basis);

(b) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Capital Stock of the Issuer held by any Person (other than by a Restricted Subsidiary) or of any Capital Stock of a Restricted Subsidiary held by any Affiliate of the Issuer (other than by a Restricted Subsidiary), including in connection with any merger or consolidation and including the exercise of any option to exchange any Capital Stock (other than into Capital Stock of the Issuer that is not Disqualified Stock);

(c) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment of any Subordinated Obligations of the Issuer or any Guarantor (other than (i) from the Issuer or a Restricted Subsidiary, (ii) the purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Obligations purchased in anticipation of satisfying a sinking fund Obligation, principal installment or final maturity, in each case due within one year of the date of such purchase, repurchase, redemption, defeasance or other acquisition or retirement and (iii) Subordinated Shareholder Debt);

(d) the making of any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Subordinated Shareholder Debt (other than any payment in the form of Capital Stock (other than Disqualified Stock) or additional Subordinated Shareholder Debt); or

(e) the making of any Investment (other than a Permitted Investment) in any Person.

"**Restricted Subsidiary**" means any Subsidiary of the Issuer that is not an Unrestricted Subsidiary.

"**Sale/Leaseback Transaction**" means an arrangement relating to property owned by the Issuer or a Restricted Subsidiary on the Issue Date or thereafter acquired by the Issuer or a Restricted Subsidiary whereby the Issuer or a Restricted Subsidiary transfers such property to a Person and the Issuer or a Restricted Subsidiary leases it from such Person.

"**SEC**" means the U.S. Securities and Exchange Commission.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended.

"**Significant Subsidiary**" means any Subsidiary of the Issuer which meets any of the following conditions:

(a) the Issuer's and its other Subsidiaries' investments in and advances to the Subsidiary exceed 5% of the Total Assets of the Issuer and its consolidated Subsidiaries as of the end of the most recently completed fiscal year;

(b) the Issuer's and its other Subsidiaries' proportionate share of the Total Assets (after intercompany eliminations) of the Subsidiary exceeds 5% of the Total Assets of the Issuer and its consolidated Subsidiaries as of the end of the most recently completed fiscal year; or

(c) the Issuer's and its other Subsidiaries' share of the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of the subsidiary exclusive of amounts attributable to any non-controlling interests exceeds 5% of the income of the Issuer and its consolidated Subsidiaries for the most recently completed fiscal year.

"**Stated Maturity**" means, with respect to any Indebtedness, the date specified in such security as the fixed date on which the final payment of principal of such Indebtedness is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such Indebtedness at the option of the holder thereof upon the happening of any contingency unless such contingency has occurred).

"**Subordinated Funding**" means any Indebtedness of the Issuer that (1) does not (including upon the happening of any event) mature or require any amortization, redemption or other payment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Notes (other than through conversion or exchange of such Indebtedness into Capital Stock (other than Disqualified Stock) of the Issuer or any Indebtedness meeting the requirements of this definition), (2) does not (including upon the happening of any event) require, prior to the first anniversary of the Stated Maturity of the Notes, payment of cash interest, cash withholding amounts or other gross ups, or any similar amounts, (3) contains no change of control or similar provisions and does not (including upon the happening of any event) accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any payment prior to the first anniversary of the Stated Maturity of the Notes, (4) does not provide for or require any security interest or encumbrance over any asset of the Issuer or any of its Subsidiaries and is not guaranteed by any such Subsidiary; (5) does not contain any covenants (financial or otherwise) other than a covenant to pay such Subordinated Funding at maturity and (6) pursuant to its term or other agreement, is fully subordinated and junior in right of payment to the prior payment in full in cash of the Notes.

"**Subordinated Obligation**" means, with respect to a Person, any Indebtedness of such Person (whether outstanding on the Issue Date or thereafter Incurred), which is subordinate or junior in right of payment to the Notes, or a Guarantee of such Person, as the case may be, pursuant to a written agreement to that effect or pursuant to applicable law.

"**Subordinated Shareholder Debt**" means, collectively, any Subordinated Funding provided to the Issuer by the Permitted Holder.

"**Subsidiary** " means, with respect to any Person, any corporation, association, partnership or other business entity of which more than 50% of the total voting power of shares of Capital Stock or other equity interests (including partnership interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by (i) such Person or (ii) one or more Subsidiaries of such Person.

"**Total Assets**" means the total consolidated assets of the Issuer and its Restricted Subsidiaries on a consolidated basis determined in accordance with IFRS, as shown on the most recent consolidated balance sheet of the Issuer; provided that, for purposes of calculating "Total Assets" for purposes of testing the covenants under the Indenture in connection with any transaction, the total consolidated assets of the Issuer and its Restricted Subsidiaries shall be adjusted to reflect any acquisitions and dispositions of assets that have occurred during the period from the date of the applicable balance sheet through the applicable date of determination.

"**Treasury Rate**" means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (or, if such statistical release is no longer published, any publicly available source of similar market data)) most nearly equal to the period

from the redemption date to November 14, 2018; provided, however, that if the period from the redemption date to November 14, 2018 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

"**Unrestricted Subsidiary**" means:

(a) Port of Malaga;

(b) any Subsidiary of the Issuer that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided below; and

(c) any Subsidiary of an Unrestricted Subsidiary,

but only to the extent that such Subsidiary:

(1) has no Indebtedness other than Non-Recourse Indebtedness;

(2) except as permitted by the covenant described above under the caption "— *Certain Covenants – Limitation on Affiliate Transactions*," is not party to any agreement, contract, arrangement or understanding with the Issuer or any Restricted Subsidiary unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Issuer or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Issuer;

(3) is a Person with respect to which neither the Issuer nor any Restricted Subsidiary has any direct or indirect obligation (a) to subscribe for additional equity interests or (b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and

(4) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Issuer or any of its Restricted Subsidiaries.

The Board of Directors may designate any Subsidiary of the Issuer (including any newly acquired or newly formed Subsidiary) that satisfies the requirements of the definition thereof to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Capital Stock or Indebtedness of, or holds any Lien on any property of, the Issuer or any other Subsidiary of the Issuer that is not a Subsidiary of the Subsidiary to be so designated; *provided, however*, that either (i) the Subsidiary to be so designated has Total Assets of US$1,000 or less or (ii) if such Subsidiary has assets greater than US$1,000, such designation would be permitted under the covenant described under the caption " *Certain Covenants—Limitation on Restricted Payments*".

The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided, however*, that immediately after giving effect to such designation (i) the Issuer could Incur US$1.00 of additional Indebtedness under paragraph (a) of the covenant described under the caption "*Certain Covenants—Limitation on Indebtedness*" and (ii) no Default shall have occurred and be continuing. Any such designation by the Board of Directors shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing provisions.

"**USD**", "**US**$" or "**$**" means U.S. Dollars.

"**USD Equivalent**" means with respect to any monetary amount in a currency other than U.S. Dollars, at any time for determination thereof, the amount of U.S. Dollars obtained by converting such foreign currency involved in such computation into U.S. Dollars at the spot rate for the purchase of U.S. Dollars with the applicable foreign currency as published in *The Wall Street Journal* in the "Exchange Rates" column under the heading "Currency Trading" on the date two Business Days prior to such determination. For the purposes of calculating any USD Equivalent

in relation to the definitions of (i) "Consolidated Net Income" or (ii) "EBITDA", the relevant amount in U.S. Dollars shall be calculated using the average spot rate for relevant period.

"**U.S. Dollars**" means the currency of the United States of America.

"**U.S. Government Obligations**" means any security that is a direct obligation of, or obligations guaranteed by, the United States of America, and the payment for which the United States of America pledges its full faith and credit.

"**Voting Stock**" of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

"**Wholly Owned Subsidiary**" means a Restricted Subsidiary all the Capital Stock of which (other than directors' qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Issuer or another Wholly Owned Subsidiary) is owned by the Issuer or one or more other Wholly Owned Subsidiaries.

Book-Entry; Delivery and Form

The information set out in relation to sections of this Offering Circular describing clearing and settlement arrangements is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream.

General

Notes sold within the United States to qualified institutional buyers in reliance on Rule 144A under the Securities Act will initially be represented by a global note in registered form without interest coupons attached (the "**Rule 144A Global Note**"). On the Issue Date, the Rule 144A Global Notes will be deposited with The Bank of New York Mellon as custodian for DTC and registered in the name of Cede & Co., as nominee of DTC. Notes sold to non-U.S. persons outside the United States in reliance on Regulation S under the Securities Act will initially be represented by a global note in registered form without interest coupons attached (the "**Regulation S Global Note**" and, together with the Rule 144A Global Note, the "*Global Notes*". On the Issue Date, the Regulation S Global Notes will be deposited with, or on behalf of, a common depositary for the accounts of Euroclear and Clearstream and registered in the name of the nominee of the common depositary.

Ownership of interests in the Rule 144A Global Note (the "**Rule 144A Book-Entry Interests**") and ownership of interests in the Regulation S Global Note (the "**Regulation S Book-Entry Interests**" and, together with the Rule 144A Book-Entry Interests, the "**Book-Entry Interests**") will be limited to persons that have accounts with DTC, Euroclear and/or Clearstream, or persons that hold interests through such persons. DTC, Euroclear and Clearstream will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories. Except under the limited circumstances described below, Book-Entry Interests will not be issued in definitive form.

Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by DTC, Euroclear and Clearstream and their participants. The Book-Entry Interests in the Global Notes will be issued in denominations of US$200,000 and in integral multiples of US$1,000 in excess thereof. Book-Entry Interests in the global Notes may only be transferred in principal amounts of US$200,000 and in integral multiples of US$1,000 in excess thereof. DTC, Euroclear and Clearstream will not be responsible for monitoring such minimum transfer amount.

Except as described herein, the Book-Entry interests will not be held in definitive form. Instead DTC, Euroclear and Clearstream will credit on their transfer and registration systems participants' accounts with the interest beneficially owned by their respective participants. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of those securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge Book-Entry Interests. In addition, while the Global Notes are in global form, holders of Book-Entry Interests will not be considered the owners or "holders" of Notes for any purpose.

So long as the Notes are held in global form, DTC, Euroclear and/or Clearstream (or their respective nominees), as applicable, will be considered the sole holders of the Global Notes for all purposes under the Indenture. In addition, participants must rely on the procedures of DTC, Euroclear, Clearstream, as the case may be, and the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders of Notes under the Indenture. Neither GPH nor the Trustee or paying Agent under the indenture nor any of their respective agents will have any responsibility, or be liable, for any aspect of the records relating to the Book-Entry Interests.

Definitive Registered Notes

Under the terms of the Indenture, owners of the Book-Entry Interests will receive Definitive Registered Notes only in the following circumstances:

(i) in the case of a Rule 144A Global Note, DTC notifies us that it is unwilling or unable to continue to act as depositary for the Rule 144A Global Note or has ceased to be a clearing agency required under the Exchange Act and, in either case, a successor depositary is not appointed by the Issuer within 120 days;

(ii) in the case of a Regulation S Global Note, if either Euroclear or Clearstream notifies us that it is unwilling or unable to continue to act as depositary for the Regulation S Global Note and a successor depositary is not appointed by the Issuer within 120 days; or

(iii) the owner of a Book-Entry Interest requests such exchange in writing delivered through DTC, Euroclear or Clearstream following an Event of Default under the Indenture and DTC agrees with and represents to its participants that it will administer its book-entry system in accordance with its rules and bylaws and requirements of law.

DTC, Euroclear and Clearstream have advised us that upon request by an owner of a Book-Entry Interest described in the immediately preceding clause (iii), their current procedure is to request that GPH issue or cause to be issued Notes in definitive registered form to all owners of Book-Entry Interests.

In such an event, the Registrar will issue Definitive Registered Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of DTC, Euroclear and/or Clearstream or us, as applicable (in accordance with its respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Book-Entry Interests), and such Definitive Registered Notes will bear the restrictive legend as provided in "*Notice to Investors*", unless that legend is not required by the Indenture or applicable law.

To the extent permitted by law, GPH, the Trustee, the Paying Agents and the Registrar shall be entitled to treat the registered holder of any Global Note as the absolute owner thereof and no person will be liable for treating the registered holder as such. Ownership of the Global Notes will be evidenced through registration from time to time at the registered office of the Issuer, and such registration is a means of evidencing title to the Notes.

GPH will not impose any fees or other charges in respect of the Notes; however, owners of the Book-Entry Interests may incur fees, normally payable in respect of the maintenance and operation of accounts in DTC, Euroclear and/or Clearstream, as applicable.

Redemption of the Global Notes

In the event that any Global Note (or any portion thereof) is redeemed, DTC, Euroclear and/or Clearstream, as applicable, (or their respective nominees) will redeem an equal amount of the Book-Entry Interests in such Global Note from the amount received by them in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by DTC, Euroclear and/or Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). GPH understands that, under the existing practices of DTC, Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, DTC, Euroclear and Clearstream, will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions), by lot or on such other basis as they deem fair and appropriate, provided, however, that no Book-Entry Interest of less than US$200,000 principal amount, may be redeemed in part.

Payments on Global Notes

GPH will make payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, interest and additional amounts, if any) to DTC or its nominee, with respect to the Rule 144A Notes, and to the common depositary for Euroclear and Clearstream or its nominee, with respect to the Regulation S Notes, which will distribute such payments to participants in accordance with their customary procedures. GPH will make payments of all such amounts without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, except as may be required by law and as described under "*Description of the Notes—Additional Amounts*". If any such deduction or withholding is required to be made, then, to the extent described under "*Description of the Notes—Additional Amounts*" above, GPH will pay additional amounts as may be necessary in order for the net amounts received by any holder of the Global Notes or owner of Book-Entry Interests after such deduction or withholding will equal the net amounts that such holder or owner would have otherwise received in respect of such Global Notes or Book-Entry Interest, as the case may be, absent such withholding or deduction. GPH expects that standing customer instructions and customary practices will govern payments by participants to owners of Book-Entry Interests held through such participants.

Under the terms of the Indenture, GPH and the Trustee will treat the registered holders of the Global Notes (e.g., DTC or the common depositary for Euroclear or Clearstream, (or their respective nominees)) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of us, the Trustee or any of its agents has or will have any responsibility or liability for:

- any aspect of the records of DTC, Euroclear or Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book Entry Interest or for maintaining, supervising or reviewing the records of DTC, Euroclear or Clearstream, or the records of the common depositary for the Global Notes, or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest; or
- any other matter relating to the actions and practices of DTC, Euroclear or Clearstream or any participant or indirect participant.

Payments by participants to owners of Book-Entry interests held through participants are the responsibility of such participant, as is now the case with securities held for the accounts of customers registered in a "street name".

Currency of Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Notes will be paid to holders of interests in such Notes through DTC, Euroclear or Clearstream in dollars.

Action by Owners of Book-Entry Interests

DTC, Euroclear and Clearstream have advised us that they will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described above) only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. DTC, Euroclear and Clearstream will not exercise any discretion in the granting of consents or waivers or the taking of any other action in respect of the Global Notes. However, if there is an Event of Default under the Indenture, DTC, Euroclear and Clearstream, at the request of the holders of the Notes, reserves the right to exchange the Global Notes for definitive registered Notes in certificated form (the "**Definitive Registered Notes**"), and to distribute such Definitive Registered Notes to its participants.

Transfers

Transfers between participants in DTC, Euroclear and Clearstream will be effected in accordance with DTC's, Euroclear's and Clearstream's rules, as applicable, and will be settled in immediately available funds. If a holder of Notes requires physical delivery of Definitive Registered Notes for any reason, including to sell Notes to persons in states which require physical delivery of such securities or to pledge such securities, such holder of Notes must transfer its interests in the Global Notes in accordance with the normal procedures of DTC, Euroclear and Clearstream and in accordance with the procedures set forth in the Indenture.

The Global Notes will bear a legend to the effect set forth under "*Notice to Investors*". Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers and certification requirements discussed under "*Notice to Investors*".

Transfers of Rule 144A Book-Entry Interests to persons wishing to take delivery of Rule 144A Book-Entry Interests will at all times be subject to such transfer restrictions.

Rule 144A Book-Entry Interests may be transferred to a person who takes delivery in the form of a Regulation S Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 under the Securities Act or any other exemption (if available under the Securities Act).

Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of a Rule 144A Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A Under the Securities Act in a transaction meeting the requirements of Rule 144A under the Securities Act or otherwise in accordance with the transfer restrictions described under "*Transfer Restrictions*" and in accordance with any applicable securities laws of any other jurisdiction.

In connection with transfers involving exchanges between Regulation S Book-Entry Interests or 144A Book-Entry Interests, as the case may be, appropriate adjustments will be made to reflect a decrease in the principal amount of the relevant Global Note and a corresponding increase in the principal amount of the other relevant Global Note.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests in a Global Note only as described under "*Description of the Notes — Transfer and Exchange*" and, if required, only if the transferor first delivers the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See "*Notice to Investors*".

Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in any other Global Note will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Note and become a Book-Entry Interest in such other Global Note, and accordingly will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it remains such a Book-Entry Interest.

Information Concerning DTC, Euroclear and Clearstream

DTC

All Book-Entry Interests will be subject to the operations and procedures of DTC. GPH provides the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of the settlement system are controlled by the settlement system and may be changed at any time. Neither GPH nor the Joint Bookrunners are responsible for those operations or procedures. DTC has advised the Issuer that it is a:

- limited purpose trust company organized under New York Banking Law;
- "banking organization" under New York Banking Law;
- member of the Federal Reserve System;
- "clearing corporation" within the meaning of the New York Uniform Commercial Code; and
- "clearing agency" registered under Section I7A of the Exchange Act.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of transactions among its participants. It does this through electronic book-entry changes in the accounts of securities participants, eliminating the need for physical movement of securities certificates. DTC participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC's owners are the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. and a number of its direct participants. Others, such as banks, brokers and dealers and trust companies that clear through or maintain a custodial relationship with a direct participant, also have access to the DTC system and are known as indirect participants.

Euroclear and Clearstream

Euroclear and Clearstream each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing.

Euroclear and Clearstream also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other. Euroclear and Clearstream customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Because DTC, Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the DTC, Euroclear or Clearstream systems, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through the DTC systems will receive distributions attributable to the Global Notes only through DTC participants, and owners of beneficial interests through the Euroclear or Clearstream systems will receive distributions attributable to the Global Notes only through Euroclear or Clearstream participants.

Global Clearance and Settlement Under the Book-Entry System

The Notes represented by the Global Notes are expected to be listed on the Official List of the Irish Stock Exchange. Transfers of interests in the Global Notes between participants in DTC will be effected in the ordinary way in accordance with DTC's rules and operating procedures, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

The following description of the operations and procedures of DTC, Euroclear and Clearstream is provided solely as a matter of convenience. Although DTC, Euroclear and Clearstream currently use and follow such operations and procedures in order to facilitate transfers of interests in the Global Notes among participants in DTC, Euroclear and Clearstream, as the case may be, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of us, the Trustee or the Paying Agents will have any responsibility for the performance by DTC, Euroclear or Clearstream, or their respective participants or indirect participants, of their respective obligations under the rules and procedures governing their operations.

Initial Settlement

Settlement for the Notes will be made in dollars. Book-Entry Interests owned through DTC, Euroclear or Clearstream accounts will follow the respective settlement procedures applicable to conventional bonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of DTC, Euroclear or Clearstream holders on the business day following the settlement date against payment for value of the settlement date.

Secondary Market Trading

The Book-Entry Interests will trade through participants of DTC, Euroclear and Clearstream and will settle in same-day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can he made on the desired value date.

Except for trades involving only Euroclear and Clearstream participants, interests in the 144A Global Notes are expected to be eligible to trade in DTC's Same-Day Funds Settlement System and secondary market trading activity in such interests will therefore settle in immediately available funds, subject in all cases to the rules and procedures of DTC and its participants. Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Rule 144A Global Note from a participant in DTC will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC.

TAXATION

This is a general summary of certain United States federal and Turkish tax considerations in connection with an investment in the Notes. This summary does not address all aspects of United States federal and Turkish tax laws and does not discuss any state or local tax considerations. While this summary is considered to be a correct interpretation of existing laws in force on the date of this Offering circular, there can be no assurance that those laws or the interpretation of those laws will not change. This summary does not discuss all of the tax consequences that may be relevant to an investor in light of such investor's particular circumstances or to investors subject to special rules, such as regulated investment companies, certain financial institutions or insurance companies. ***Prospective investors are advised to consult their tax advisers with respect to the tax consequences of the purchase, ownership or disposition of the Notes (or the purchase, ownership or disposition of beneficial interests therein) as well as an tax consequences that may arise under the laws of any state, municipality or other taxing jurisdiction.***

Certain U.S. Federal Income Tax Consequences

The following is a summary of certain material U.S. federal income tax consequences of the acquisition, ownership and retirement or other disposition of Notes by a U.S. Holder (as defined below). This summary is not a complete analysis or description of all potential U.S. federal income tax consequences to U.S. Holders, and does not address state, local, foreign, or other tax laws. This summary does not address aspects of U.S. federal income taxation that may be applicable to U.S. Holders that are subject to special tax rules, such as U.S. expatriates, "dual resident" companies, banks, thrifts, financial institutions, insurance companies, real estate investment trusts, regulated investment companies, grantor trusts, individual retirement accounts and other tax-deferred accounts, tax-exempt organizations or investors, dealers or traders in securities, commodities or currencies, holders that will hold a Note as part of a position in a "straddle" or as part of a "synthetic security" or as part of a "hedging", "conversion", "integrated" or constructive sale transaction for U.S. federal income tax purposes or that have a "functional currency" other than the U.S. dollar, or holders otherwise subject to special tax rules. Moreover, this summary does not address the US federal estate tax, the 3.8% Medicare contribution tax applicable to net investment income of certain non-corporate U.S. Holders, and gift or alternative minimum tax consequences of the acquisition, ownership, retirement or other disposition of Notes and does not address the U.S. federal income tax treatment of holders that do not acquire Notes as part of the initial distribution at the initial issue price (defined below). Each prospective purchaser should consult its tax adviser with respect to the U.S. federal state, local and foreign tax consequences of acquiring, holding, retiring or other disposition of Notes.

This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), administrative pronouncements, judicial decisions and existing and proposed U.S. Treasury Regulations, in each case, as in effect on the date hereof. All of the foregoing are subject to change or differing interpretation, which could apply retroactively and affect the tax consequences described herein.

For purposes of this summary, a "**U.S. Holder**" is a beneficial owner of Notes that (a) purchases Notes in the offering at the initial issue price; (b) holds Notes as capital assets; and (c) is, for U.S. federal income tax purposes:

(i) a citizen or individual resident of the United States;

(ii) a corporation organized in or under the laws of the United States or any state thereof (including the District of Columbia);

(iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

(iv) a trust (1) that validly elects to be treated as a U.S. person within the meaning of section 7701(a)(30) of the Code for U.S. federal income tax purposes or (2) (a) over the administration of which a U.S. court can exercise primary supervision and (b) all of the substantial decisions of which one or more U.S. persons have the authority to control.

If a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes) holds Notes, the U.S. federal income tax treatment of the partnership and a partner in such partnership will generally depend on the status of the partner and the activities of the partnership. Such a partner or partnership should consult its own tax adviser as to the U.S. federal income tax consequences of acquiring, holding, retiring or other disposition of Notes.

The "initial issue price" of a Note will equal the initial offering price to the public (not including bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) at which a substantial amount of the Notes is sold for money.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCE TO THEM OF OWNING THE NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Payments of Interest

It is anticipated and the following discussion assumes that the Notes will not be issued with more than a de minimis amount of original issue discount.

Interest paid on a Note and Additional Amounts (if any) will be included in a U.S. Holder's gross income (without reduction for withholding taxes, if any) as ordinary interest income at the time it is received or accrued in accordance with the U.S. Holder's usual method of tax accounting. Interest on the Notes will be treated as foreign source income for U.S. federal income tax purposes, including U.S. foreign tax credit limitation purposes. The limitation on foreign taxes eligible for the U.S. foreign tax credit is calculated separately with respect to specific "baskets" of income. Interest on the Notes should generally constitute "passive category income." As an alternative to the foreign tax credit, a U.S. Holder may elect to deduct any foreign taxes (the election would then apply to all foreign income taxes such U.S. Holder paid in that taxable year). The rules relating to foreign tax credits and the timing thereof are complex and U.S. Holders should consult their own tax advisers regarding the availability of a foreign tax credit and the application of the foreign tax credit limitations to their particular situation.

Sale, Exchange or Retirement

Upon the sale, exchange, retirement or other disposition of a Note, a U.S. Holder will generally recognize taxable gain or loss equal to the difference, if any, between the U.S. dollar value of amount realized on the sale, exchange or retirement (other than amounts attributable to accrued but unpaid interest, which will be taxable as such) and the U.S. Holder's adjusted tax basis in such Note. A U.S. Holder's adjusted tax basis in a Note generally will equal the US dollar cost of such Note to the U.S. Holder less any principal payments received on the Note. Any such gain or loss will be capital gain or loss and will be long-term capital gain or loss if such U.S. Holder's holding period for such Notes exceeds one year. Certain U.S. Holders (including individuals) currently are eligible for preferential rates of U.S. federal income tax in respect of long-term capital gain. Any gain or loss realized on the sale, exchange, retirement or other disposition by a U.S. Holder of a Note generally will be treated as U.S. source gain or loss, as the case may be. Consequently, if any such gain is subject to foreign withholding tax, a U.S. Holder may not be able to credit the tax against its U.S. federal income tax liability unless such credit can be applied (subject to the applicable limitation) against tax due on other income treated as derived from foreign sources. The deductibility of capital losses is subject to limitations.

U.S. Backup Withholding Tax and Information Reporting

A backup withholding tax and information reporting requirements apply to certain payments of principal of, and interest on, an obligation and to proceeds of the sale or redemption of an obligation, to certain U.S. Holders. The payor will be required to withhold backup withholding tax on payments made within the United States, or by a U.S. payor or U.S. middleman, on a Note to a U.S. Holder, other than an exempt recipient (that demonstrates this fact when so required), if the U.S. Holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, the backup withholding requirements.

Backup withholding tax is not an additional tax. A U.S. Holder generally will be entitled to credit any amounts withheld under the backup withholding rules against such holder's U.S. federal income tax liability and may be entitled to a refund provided the required information is furnished to the U.S. tax authorities in a timely manner.

The above description is not intended to constitute a complete analysis of all U.S. tax consequences relating to the ownership of the Notes. Prospective purchasers of the Notes should consult their own tax advisers concerning the tax consequences of their particular situations.

Withholding Tax Applicable to U.S. Holders and Non-U.S. Persons

Under new U.S. withholding tax rules, enacted under provisions of U.S. federal income tax law commonly referred to as the U.S. Foreign Account Tax Compliance Act ("FATCA") (and related intergovernmental agreements ("IGAs")) holders who hold the Notes through foreign financial institutions ("FFIs") may be required to provide information and tax documentation regarding their identities as well as the identities of their direct and indirect owners to the FFI. This information may be reported to revenue authorities, including the IRS. In addition, certain payments on Notes held in an account at either (i) a "non-participating foreign financial institution" ("NPFFI") or (ii) an FFI to which the holder fails to provide certain requested information may be subject to withholding, to the extent such payments are treated as "foreign passthru payments." Such payments may also be subject to withholding if made through an intermediary that is an NPFFI. The FATCA regulations do not currently define the term "foreign passthru payment." An NPFFI is an FFI that has not (i) entered into an agreement with the U.S. government to collect and provide to the U.S. tax authorities information about its direct and indirect U.S. accountholders (an "FFI agreement") or alternatively (ii) complied with the terms of an applicable IGA between the United States and the jurisdiction in which such foreign financial institution operates, and does not otherwise qualify for an exception from the requirement to enter into an FFI agreement.

FATCA withholding will not apply to payments on the Notes, provided they are not materially modified after the date that is six months after regulations defining the term "foreign passthru payment" are issued. Otherwise, payments on Notes held through an NPFFI or made to a holder who fails to provide an FFI with requested information, to the extent such payments are treated as "foreign passthru payments," may be subject to withholding under FATCA, but no earlier than January 1, 2017. In the event the Notes are subject to withholding under FATCA, no additional amounts are expected to be paid in respect of FATCA withholding. FATCA is particularly complex and each prospective investor should consult its own tax advisor to obtain a more detailed explanation of FATCA and to learn how this legislation might affect such investor in its particular circumstances.

Certain Turkish Tax Considerations

The following discussion is a summary of certain Turkish tax considerations relating to an investment by a person who is a non-resident of Turkey in the Notes (where such Notes are issued by a Turkish company abroad). The discussion is based upon current law and is for general information only. The discussion below is not intended to constitute a complete analysis of all tax consequences relating to the acquisition, ownership or disposition of the Notes that may be relevant to a decision to make an investment in the Notes. Furthermore, the discussion only

relates to the investment by a person or a beneficial interest where the Notes will not be held in connection with the conduct of a trade or business through a permanent establishment in Turkey.

Each investor should consult its own tax advisers concerning the tax considerations applicable to its particular situation. This discussion is based upon laws and relevant interpretations thereof in effect as at the date of this Offering Circular, all of which are subject to change, possibly with a retroactive effect. In addition, it does not describe any tax consequences: (a) arising under the laws of any taxing jurisdiction other than Turkey or (b) applicable to a resident of Turkey or a permanent establishment in Turkey that is constituted either by the existence of a fixed place of business or appointment of a permanent representative.

For Turkish tax purposes, a legal entity is a resident of Turkey if its corporate domicile is in Turkey or its effective place of management is in Turkey. A resident legal entity is subject to Turkish taxes on its worldwide income, whereas a non-resident legal entity is only liable for Turkish taxes on income made through a permanent establishment or a permanent representative or for the income sourced in Turkey.

An individual is a resident of Turkey if such individual has established domicile in Turkey or stays in Turkey more than six months in a calendar year. Foreign individuals who stay in Turkey for six months or more for a specific job or business or particular purposes that are specified in the Turkish Income Tax Law may may be treated as not a resident of Turkey, depending on the characteristics of the stay. A resident individual is liable for Turkish taxes on his or her worldwide income, whereas a non-resident individual is only liable for Turkish tax for the income sourced in Turkey.

Income from capital investment is sourced in Turkey when the principal is invested in Turkey. Capital gain is considered sourced in Turkey when the activity or transaction generating such income is performed or accounted for in Turkey. The term "accounted for" means that a payment is made in Turkey, or if the payment is made abroad, it is recorded in the books in Turkey or apportioned from the profits of the payer or the person on whose behalf the payment is made in Turkey.

Any withholding tax levied on income derived by a non-resident person is the final tax for the non-resident person and no further declaration is required. Any other income of a non-resident person sourced in Turkey that has not been subject to withholding tax will have to be separately declared for taxation purposes, although the law provides for exemptions for certain types of income. Interest paid on notes (such as the Notes) issued abroad by Turkish corporates is subject to withholding tax.

Through the Decrees, the withholding tax rates are set according to the original maturity of notes issued abroad as follows:

- 10% withholding tax for notes with an initial maturity of less than one year;
- 7% withholding tax for notes with an initial maturity of at least one year and less than three years;
- 3% withholding tax for notes with an initial maturity of at least three years and less than five years; and
- 0% withholding tax for notes with an initial maturity of five years and more.

The local withholding tax rate on interest payments is 0% for notes with an initial maturity of five years and more. As the maturity of the Notes is 2021, withholding tax at the rate of 0% applies to interest on the Notes.

If a double taxation treaty is in effect between Turkey and the country of the holder of the notes, which provides for the application of a lower withholding tax rate than the local rate to be applied by the corporation, then the lower rate may be applicable. For the application of withholding at a

reduced rate that benefits from the provisions of a double tax treaty concluded between Turkey and the nation where the investor is a resident, an original copy of the certificate of residence signed by the competent authority referred to in Article 3 of the Treaty is required, together with a translated copy from a translation office, to verify that the investor is subject to taxation over its worldwide gains in the relevant jurisdiction on the basis of resident taxpayer status, as a resident of the relevant jurisdiction to the related tax office directly or through the banks and intermediary institutions prior to the application of withholding. In the event the certificate of residence is not delivered prior to the application of withholding tax, then upon the subsequent delivery of the certificate of residence, refunding of the excess tax may be granted pursuant to the provisions of the relevant double taxation treaty and the Turkish tax legislation.

In general, capital gains are not taxed through withholding tax and therefore any capital gain sourced in Turkey with respect to the Notes will be subject to declaration. However, pursuant to Provisional Article 67 of the Turkish Income Tax Law, as amended by the Law numbered 6111, special or separate tax returns need not be submitted for capital gains from notes issued by a Turkish corporate abroad when the income is derived by a non-resident. Therefore, no tax is levied on the non-resident person on capital gains from such notes and no declaration is required. A non-resident holder will not be liable for Turkish estate, inheritance or similar tax with respect to its investment in the Notes, nor will it be liable for any Turkish stamp issue, registration or similar tax or duty relating thereto.

Guarantor payments should not qualify as interest payments but contractual payments and therefore will not be subject to withholding tax. However, in case the Guarantors make withholding on any payment to the holders of the Notes, the Guarantors are entitled to gross up any withholding taxes during payments to the holders of the Notes. The Guarantors are the only liable entities before the Turkish Tax Authority for the payment of the withholding taxes. In case of underpayment of the withholding to the Turkish Tax Authority, a tax loss penalty, default interest and the underpaid withholding tax amount would be requested from the Guarantors.

CERTAIN INSOLVENCY AND ENFORCEABILITY CONSIDERATIONS

Claims of Noteholders under the Notes will rank behind those of certain other creditors and liabilities of the Company's non-Guarantor subsidiaries on an insolvency.

The Notes are unsecured and unsubordinated obligations of the Company. The Notes will rank equally with all of the Company's other unsecured and unsubordinated indebtedness; however, the Notes will rank behind the Company's and the Guarantors' secured indebtedness on an insolvency to the extent of the value of the assets securing such transactions and all indebtedness and other liabilities and obligations (including trade payables and lease obligations) of the Company's non-Guarantor subsidiaries, and will be subject to certain preferential obligations under Turkish law, such as wages of employees.

Generally, lenders and trade and other creditors of the Company's non-Guarantor subsidiaries are entitled to payment of their claims from the assets of such subsidiaries before these assets are made available for distribution to the Company, as direct or indirect shareholder.

GPH is a joint stock company organized under the laws of Turkey. Substantially all assets of GPH are located in Turkey. The majority of directors and officers of GPH named in this Offering Circular reside in Turkey, and all or a significant portion of their assets may be located in Turkey.

As a result, it may be difficult or impossible for investors to effect service of process upon these persons or entities outside Turkey. It may also be difficult or impossible for investors to enforce against these persons or entities judgments of non-Turkish courts predicated on the laws of jurisdictions other than Turkey, including the civil liability provisions of the U.S. federal securities laws.

In order to enforce such judgments in Turkey, investors should initiate enforcement lawsuits before the competent Turkish courts.

In accordance with Articles 50-59 of Turkey's International Private and Procedure Law (Law No. 5718), the courts of Turkey will not enforce any judgment obtained in a court established in a country other than Turkey unless:

a) there is in effect a treaty between such country and Turkey providing for reciprocal enforcement of court judgments,

b) there is *de facto* enforcement in such country of judgments rendered by Turkish courts, or

c) there is a provision in the laws of such country that provides for the enforcement of judgments of Turkish courts.

The choice of laws in the State of New York to govern the Transaction Documents is valid under Turkish law. A judgment rendered against the Issuer or the Guarantors by a court in the State of New York in respect of the Transaction Documents would be recognized and enforced by the courts in Turkey without re-examination of the issues subject to the following conditions being fulfilled:

- The judgment has become final and binding with no further recourse for appeal or similar revision process under the laws of State of New York.
- The judgment is of a civil nature.
- The subject matter of the judgment does not fall under the exclusive jurisdiction of the courts of Turkey.
- The judgment is not clearly against Turkish public policy rules.
- The court rendering the judgment has jurisdiction to render the judgment.

- The judgment is not incompatible with a judgment of a court in Turkey between the same parties and relating to the same issues, or in certain circumstances, with an earlier foreign court judgment which satisfies the same criteria and is enforceable in Turkey.
- The defendant against whom enforcement is sought does not raise objections in the Turkish courts to the effect that (i) it was not duly summoned to or represented in the foreign court, (ii) the judgment was rendered in its absence in violation of the laws of the foreign country, or (iii) the judgment was rendered by a foreign court which deemed itself competent even though it had no actual relationship with the parties or the subject matter of the action.

There is no bilateral treaty between the United States and Turkey providing for reciprocal enforcement of judgments. To the best of GPH's knowledge, there is also no provision in the laws of the New York State permitting the enforcement in such state of judgments rendered by Turkish courts. As to de facto reciprocity between the New York State and Turkey, GPH are aware of a court precedent in which the Supreme Court of the State of New York upheld the existence of reciprocity with Turkey and permitted enforcement of a Turkish court judgment. In 2005, the Supreme Court of the State of New York decided that a judgment of the First Commercial Court of the Republic of Turkey may be enforced in the New York State with respect to the enforcement of court judgments.

In any suit or action against the Issuer or the Guarantors in a Turkish court, any non-Turkish person, as a foreign plaintiff, may be required to deposit security for court costs (*cautio judicatum solvi*), provided that the court may in its discretion waive such requirement for security in the event that the plaintiff is considered to be (i) a national of one of the contracting States of the Convention Relating to Civil Procedure entered into at The Hague on March 1, 1954 (ratified by Turkey by Law No. 1574 published in the Official Gazette No. 14137 dated March 23, 1972), (ii) a national of a state that has signed a bilateral treaty with Turkey, which is duly ratified containing inter alia a waiver of the *cautio judicatum solvi* requirement on a reciprocal basis, or (iii) a national of state that reciprocity on waiver of the *cautio judicatum solvi* requirement is *de facto* applied.

NOTICE TO INVESTORS

You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Notes offered hereby.

The Notes and the Guarantees have not been and will not be registered under the U.S. Securities Act or any state securities laws and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and state or other applicable securities laws. Accordingly, the Notes offered hereby are being offered and sold only to qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act, "**QIBs**") in reliance on Rule 144A under the U.S. Securities Act and to non-U.S. persons in offshore transactions (as defined in Regulation S under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

Each purchaser of Notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with GPH and the Joint Bookrunners as follows:

(1) it understands and acknowledges that the Notes and the Guarantees have not been registered under the U.S. Securities Act or any other applicable securities laws, are being offered for resale in transactions not requiring registration under the U.S. Securities Act or any other securities law, including sales pursuant to Rule 144A under the U.S. Securities Act, and may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the U.S. Securities Act or any applicable securities law, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set forth in paragraph (5) below;

(2) it is not an "affiliate" (as defined in Rule 144 under the U.S. Securities Act) of the Company or acting on the Company's behalf and it is either:

(a) a QIB and is aware that any sale of Notes to it will be made in reliance on Rule 144A and the acquisition of Notes will be for its own account or for the account of another QIB; or

(b) it is a non-U.S. person purchasing the Notes in an offshore transaction in accordance with Regulation S under the U.S. Securities Act;

(3) it acknowledges that neither GPH nor the Joint Bookrunners, nor any person representing us or the Joint Bookrunners, have made any representation to it with respect to the offering or sale of any Notes, other than the information contained in this Offering Circular, which Offering Circular has been delivered to it and upon which it is relying in making its investment decision with respect to the Notes. It has had access to such financial and other information concerning us and the Notes as it has deemed necessary in connection with its decision to purchase any of the Notes, including an opportunity to ask questions of, and request information from, the Company and the Joint Bookrunners;

(4) it is purchasing the Notes for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the U.S. Securities Act or any state securities laws, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the U.S. Securities Act;

(5) each holder of the Notes issued in reliance on Rule 144A ("**Rule 144A Notes**") agrees on its own behalf and on behalf of any investor account for which it is purchasing the Notes, and each subsequent holder of the Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes prior to the date (the "**Resale Restriction**

Termination Date") that is one year after the later of the date of the original issue and the last date on which the Company or any of GPH's affiliates was the owner of such Notes (or any predecessor thereto) only: (i) to the Company; (ii) pursuant to a registration statement that has been declared effective under the U.S. Securities Act; (iii) for so long as the Notes are eligible pursuant to Rule 144A under the U.S. Securities Act, to a person it reasonably believes is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A under the U.S. Securities Act; (iv) pursuant to offers and sales that occur outside the United States in compliance with Regulation S under the U.S. Securities Act; (v) to an institutional accredited investor (within the meaning of Rule 501(a)(1), (2), (3) or (7) under the U.S. Securities Act) that is not a QIB and that is purchasing for its own account or for the account of another institutional accredited investor, in each case in a minimum principal amount of the Notes of US$200,000; or (vi) pursuant to any other available exemption from the registration requirements of the U.S. Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and to compliance with any applicable state securities laws, and any applicable local laws and regulations, and further subject to the Company's and the Trustee's rights prior to any such offer, sale or transfer: (A) pursuant to clause (iv), (v) or (vi) to require the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them; and (B) in each of the foregoing cases, to require that a certificate of transfer in the form appearing on the other side of the security is completed and delivered by the transferor to the Trustee. Each purchaser acknowledges that each Rule 144A Note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT. THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY) ONLY (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE U.S. SECURITIES ACT ("**RULE 144A**"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT, (E) TO AN INSTITUTIONAL ACCREDITED INVESTOR (WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE U.S. SECURITIES ACT) THAT IS NOT A QUALIFIED INSTITUTIONAL BUYER AND THAT IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER INSTITUTIONAL ACCREDITED INVESTOR, IN EACH CASE IN A MINIMUM PRINCIPAL AMOUNT OF NOTES OF €100,000, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO OR FOR OFFER OR SALE IN CONNECTION WITH ANY DISTRIBUTION IN VIOLATION OF THE U.S. SECURITIES ACT OR (F) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS

PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND TO COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS, AND FURTHER SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (D), (E) OR (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE.

If it purchases Notes, it will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Notes as well as to holders of these Notes;

(6) it agrees that it will give to each person to whom it transfers the Notes notice of any restrictions on the transfer of such Notes;

(7) if it is a non-U.S. person that purchases in a sale that occurs outside the United States in an offshore transaction in compliance with Regulation S under the U.S. Securities Act, it acknowledges that until the expiration of the "distribution compliance period" (as defined below), it shall not make any offer or sale of the Notes to a U.S. person or for the account or benefit of a U.S. person within the meaning of Rule 902 under the U.S. Securities Act. The "distribution compliance period" means the 40-day period following the Issue Date;

(8) it acknowledges that until 40 days after the commencement of the offering, any offer or sale of the Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the U.S. Securities Act;

(9) it confirms that neither GPH nor the Joint Bookrunner, nor any person acting on GPH's or the Joint Bookrunner's behalf, has offered to sell the Notes by, and that it has not been made aware of the offering of the Notes by, any form of general solicitation or general advertising, including, but not limited to, any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio;

(10) it acknowledges that the Registrar will not be required to accept for registration of transfer any Notes except upon presentation of evidence satisfactory to us and the Trustee that the restrictions set forth therein have been complied with;

(11) Either (a) the purchaser is not acquiring or holding such note or an interest therein with the assets of (1) an "employee benefit plan" (as defined in Section 3(3) of ERISA) that is subject to ERISA, (2) a "plan" described in Section 4975 of the Code, (3) any entity deemed to hold "plan assets" of any of the foregoing by reason of an employee benefit plan or plans investment in such entity, or (4) a governmental plan or church plan subject to such provisions that are similar to such provisions of ERISA or the Code (collectively, "Similar Laws"); or (b) the acquisition and holding of such note by the purchaser, throughout the period that it holds such note and the disposition of such note or an interest therein will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of any provisions of any applicable Similar Law;

(12) it acknowledges that the Company, the Joint Bookrunners and others will rely upon the truth and accuracy of its acknowledgements, representations, warranties and agreements and agree that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by its purchase of the Notes are no longer accurate, it shall promptly notify the Joint Bookrunners. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such investor account and that it has full power to make the foregoing

acknowledgements, representations and agreements on behalf of each such investor account; and

(13) it understands that no action has been taken in any jurisdiction (including the United States) by the Company or the Joint Bookrunners that would result in a public offering of the Notes or the possession, circulation or distribution of this Offering Circular or any other material relating to us or the Notes in any jurisdiction where action for such purpose is required.

Turkey

THE OFFERING OF THE NOTES HAS BEEN AUTHORIZED BY THE CMB ONLY FOR THE PURPOSE OF THE SALE OF THE NOTES OUTSIDE OF TURKEY IN ACCORDANCE WITH ARTICLE 15(B) OF DECREE 32, THE CAPITAL MARKETS LAW NO. 6362 AND THE COMMUNIQUÉ. THE NOTES (OR BENEFICIAL INTERESTS THEREIN) HAVE TO BE OFFERED OR SOLD OUTSIDE OF TURKEY AND THE CMB HAS AUTHORIZED THE OFFERING OF THE NOTES; **PROVIDED THAT**, FOLLOWING THE PRIMARY SALE OF THE NOTES, NO TRANSACTION THAT MAY BE DEEMED AS A SALE OF THE NOTES (OR BENEFICIAL INTERESTS THEREIN) IN TURKEY BY WAY OF PRIVATE PLACEMENT OR PUBLIC OFFERING MAY BE ENGAGED IN. PURSUANT TO ARTICLE 15(D)(II) OF DECREE 32, THERE IS NO RESTRICTION ON THE PURCHASE OR SALE OF THE NOTES (OR BENEFICIAL INTERESTS THEREIN) BY RESIDENTS OF TURKEY OFFSHORE ON AN UNSOLICITED (REVERSE INQUIRY) BASIS IN BOTH PRIMARY AND SECONDARY MARKETS; **PROVIDED THAT** THEY PURCHASE OR SELL SUCH NOTES (OR BENEFICIAL INTERESTS) IN THE FINANCIAL MARKETS OUTSIDE OF TURKEY AND SUCH SALE AND PURCHASE IS MADE THROUGH BANKS AND/OR LICENSED BROKERAGE INSTITUTIONS AUTHORIZED PURSUANT TO CMB REGULATIONS AND THE PURCHASE PRICE IS TRANSFERRED THROUGH BANKS. AS SUCH, TURKISH RESIDENTS SHOULD USE BANKS OR LICENSED BROKERAGE INSTITUTIONS WHEN PURCHASING NOTES (OR BENEFICIAL INTERESTS THEREIN) AND TRANSFER THE PURCHASE PRICE THROUGH BANKS. THE SERIES ISSUANCE CERTIFICATE RELATING TO THE NOTES IS EXPECTED TO BE APPROVED BY THE CMB ON OR ABOUT NOVEMBER 7, 2014.

THE INITIAL PURCHASERS HAVE AGREED THAT NEITHER THEY, NOR ANY OF THEIR RESPECTIVE AFFILIATES, NOR ANY PERSON ACTING ON BEHALF OF ANY OF THE INITIAL PURCHASERS OR ANY OF THEIR RESPECTIVE AFFILIATES, HAVE ENGAGED OR WILL ENGAGE IN ANY DIRECTED SELLING EFFORTS WITHIN TURKEY IN CONNECTION WITH THE NOTES. THE INITIAL PURCHASERS HAVE FURTHER AGREED THAT NEITHER THEY NOR ANY OF THEIR RESPECTIVE AFFILIATES, NOR ANY PERSON ACTING ON BEHALF OF ANY OF THE INITIAL PURCHASERS OR ANY OF THEIR RESPECTIVE AFFILIATES (I) HAVE ENGAGED OR WILL ENGAGE IN ANY FORM OF GENERAL SOLICITATION OR GENERAL ADVERTISING IN CONNECTION WITH ANY OFFER AND SALE OF THE NOTES IN TURKEY, OR (II) WILL MAKE ANY DISCLOSURE IN TURKEY IN RELATION TO THE ISSUER, THE NOTES OR THE OFFERING CIRCULAR WITHOUT THE PRIOR CONSENT OF THE ISSUER, SAVE AS MAY BE REQUIRED BY APPLICABLE LAW, COURT ORDER OR REGULATION.

TURKISH SECURITIES MARKET

Introduction

There has been an organized securities market in Turkey since 1866, although by the late 1970s the market had been substantially dormant for many years. In 1981, the former capital markets law was enacted, establishing the Capital Markets Board, or CMB, as the main regulatory body with responsibility for supervision and regulation of the Turkish securities markets. The Istanbul Stock Exchange was re-established in 1985 and recommenced operations in early 1986. The former capital markets law has been superseded by the new Capital Markets Law No. 6362, which entered into force on December 30, 2012 and introduces major changes in the Turkish capital market regime. On April 5, 2013, the new Borsa Istanbul began operations. Borsa Istanbul is the sole exchange entity of Turkey, combining the former Istanbul Stock Exchange, Istanbul Gold Exchange and the Derivatives Exchange of Turkey.

The New Capital Markets Law

The new Capital Markets Law which entered into force on December 30, 2012 abrogated the Capital Markets Law numbered 2499, which had been in effect since 1981 by granting an interim period for the preparation of the secondary legislation. The Capital Markets Law materially changes many mechanisms in the abrogated law numbered 2499 and introduces new mechanisms, thereby substantially changing Turkish capital markets legislation.

The new Capital Markets Law also contains important amendments relating to:

- replacing registration requirements for public offerings with prospectus (izahname);
- issuance certificates for private placements;
- the issue of new shares below nominal value;
- corporate governance principles;
- listing requirements;
- profit distribution;
- exit rights and squeeze outs;
- reporting requirements;
- regulatory sanctions and administrative fines;
- collective investment schemes; and
- certain capital market instruments, including derivatives, and capital market activities in line with European Union legislative standards.

Although the new law introduces major changes to the existing regulatory regime, the interpretation of these new rules and requirements will only become clearer upon the CMB revises secondary legislation in line with the Capital Markets Law. The new law requires the CMB to replace all existing secondary legislation. As of the date of this Offering Circular, the CMB has issued a considerable number of communiqués revising secondary legislation in accordance with the Capital Markets Law. These include the Shares Communiqué, the Communiqué on Prospectus and Issuance Certificates, the Communiqué on the Debt Instruments, the Communiqué on Sales of Capital Markets Instruments, the Communique on Squeeze-out and sell-out Rights, and the Communiqué on Financial Reporting. The CMB has also issued a number of new regulations to implement the new Capital Markets Law, including the Regulation on Stock Exchanges and Market Operators and the Regulation on Central Clearance Institutions. Until

these and other, subsequently released communiqués and regulations implementing the new Capital Markets Law enter into force, existing secondary legislation remains in force to the extent that its provisions do not contradict the Capital Markets Law.

The Role of the CMB

The principal function of the CMB is to assist the development of the securities markets in Turkey and thereby contribute to the efficient allocation of financial resources in the Turkish economy and to ensure adequate protection for investors. The CMB supervises and regulates, among others, public companies, banks and other financial intermediaries, portfolio management companies, mutual funds, investment corporations, investment consulting firms, stock exchanges, real estate valuation companies and rating firms that offer their services to institutions operating in the capital markets. The CMB is authorized to request any kind of information and documents to determine their compliance with the Capital Market Law, CMB's regulations, communiqués, decisions and other relevant legislation.

As the capital markets regulator, the CMB promulgates regulations relating to Turkish capital markets and the rules which participants in such markets are required to observe. CMB regulations issued under the former capital markets law required registration with the CMB of all securities to be offered in Turkey or issued by an issuer domiciled in Turkey. However, the Capital Markets Law abrogated this requirement to register with the CMB and the CMB has revised its regulations in accordance with the new statute. The Capital Markets Law requires that a prospectus (*izahname*) be submitted to, and approved by, the CMB for all securities to be publicly offered. For private placements, the Capital Markets Law requires that an issuance certificate (*ihraç belgesi*) be approved by the CMB. The principles regarding responsibility arising from disclosing incorrect, misleading or incomplete information are the same for the prospectus and the issuance certificate, and such principles are regulated in detail under the Capital Markets Law.

The CMB is governed by a decision-making body composed of seven members including the chairman. The members and the chairman are appointed by the Council of Ministers. The CMB is an autonomous public body operating independently. It is based in Ankara.

Borsa Istanbul

Borsa Istanbul (or "**BIST**") is governed by a board of directors composed of ten members. Two board members are, following nomination by the relevant Minister, appointed by an ordinance of the government, three board members are appointed by the members of Borsa Istanbul, and the remaining five board members are appointed by the general assembly in accordance with the Turkish Commercial Code. Borsa Istanbul's operations include the stock exchange formerly operated by the Istanbul Stock Exchange, or ISE. Borsa Istanbul's stock exchange is currently the only stock exchange in Turkey.

Borsa Istanbul was established as a joint stock company on April 3, 2013 and began operations on April 5, 2013. Upon Borsa Istanbul's registration with the trade registry, the ISE and the Istanbul Gold Exchange were automatically merged into it and dissolved. The Turkish treasury owns 49% of the share capital of Borsa Istanbul; Borsa Istanbul holds the remainder of its own share capital, a portion of which it has distributed to the members of the former ISE, Istanbul Gold Exchange and Turkish Derivatives Exchange. The remaining shares from the distribution will be transferred to the Turkish treasury at the end of a three-year period beginning December 30, 2012.

The Central Registry Agency (the "CRA")

Pursuant to the CML, transactions relating to the electronic registration of capital market instruments are carried out by the CRA, which is a joint stock company established under private law principles. The CML provides that the CRA is responsible for monitoring of such instruments and the rights related thereto on behalf of its members and the right holders and the provision of central custody services for such instruments. According to the Communiqué No. II 31.1 on the

Debt Instruments, the securities of companies issued abroad are required to be issued in an electronically registered form in the CRA and the interests therein recorded in the CRA, unless an exemption is provided by the CMB.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in the purchase agreement, dated November 7, 2014, GPH have agreed to sell to Citigroup Global Markets Limited and J.P. Morgan Securities plc as initial purchasers (the "**Joint Bookrunners**"), and the Joint Bookrunners have agreed to purchase from us, the entire principal amount of the Notes offered by this Offering Circular.

The purchase agreement provides that the obligations of the Joint Bookrunners are subject to certain conditions precedent such as the receipt by the Joint Bookrunners of officers' certificates and legal opinions and approval of certain legal matters by their counsel. Under the purchase agreement, GPH and the Guarantors have agreed to indemnify the Joint Bookrunners and their controlling persons jointly and severally against certain liabilities in connection with this Offering, including liabilities under the U.S. Securities Act, and to contribute to payments that the Joint Bookrunners may be required to make in respect of those liabilities.

The Joint Bookrunners have advised us that they propose to resell the Notes (a) to "qualified institutional buyers," or QIBs, within the meaning of Rule 144A under the U.S. Securities Act, in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A and (b) outside the United States in reliance on Regulation S under the U.S. Securities Act.

The Notes will initially be offered at the issue price indicated on the cover page of this Offering Circular. After the initial offering of the Notes, the price at which the Notes are offered and other selling terms of the Notes may be changed at any time without notice.

This communication is directed solely at persons who (i) are outside the United Kingdom, (ii) are investment professionals, as such term is defined in Article 19(1) of the Financial Promotion Order or (iii) are persons falling within Article 49(2) (a) to (d) of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (all such persons together being referred to as "relevant persons"). This Offering Circular must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Circular relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on the attached Offering Circular or any of its contents.

No action has been taken in any jurisdiction, including the United States and the United Kingdom, by us or the Joint Bookrunner that would permit a public offering of the Notes or the possession, circulation or distribution of this Offering Circular or any other material relating to us or the Notes in any jurisdiction where action for this purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. This Offering Circular does not constitute an offer to sell or a solicitation of an offer to purchase in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this Offering Circular comes are advised to inform themselves about and to observe any restrictions relating to the offering of the Notes, the distribution of this Offering Circular and resale of the Notes. See "*Notice to Investors.*"

The Issuer and the Guarantors have also agreed that they will not at any time offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any securities under circumstances in which such offer, sale, pledge, contract or disposition would cause the exemption afforded by Section 4(2) of the Securities Act or the safe harbors of Rule 144A and Regulation S to cease to be applicable to the offer and sale of the Notes.

Transfer Restrictions and Liquidity

According to Article 15 d (ii) of Decree 32 regarding the Protection of the Value of the Turkish Currency, residents of Turkey will be free to purchase and sell securities and other capital market

instruments (or beneficial interests therein) traded on financial markets outside of Turkey, provided that such sale and purchase is made through banks and/or licensed brokerage institutions authorized pursuant to the CMB regulations and the purchase price is transferred through banks. As such, Turkish residents should use banks or licensed brokerage institutions when purchasing Notes (or beneficial interests therein) and transfer the purchase price through banks. However the Notes cannot be offered or sold in Turkey as the issuance is approved by the CMB with the condition that the Notes are offered and sold outside Turkey and following the primary sale of the Notes, no transaction that may be deemed as a sale of the Notes (or beneficial interests therein) in Turkey by way of private placement or public offering may be engaged in.

The offering of the Notes and the Guarantees has not been, and will not be, registered under the U.S. Securities Act or qualified for sale under the securities laws of any U.S. state or any jurisdiction outside the United States. Accordingly, the Notes will be subject to significant restrictions on resale and transfer as described under "*Notice to Investors*." The Notes will constitute a new class of securities with no established trading market. The Issuer has made an application to list the Notes on the Official List of the Irish Stock Exchange and to admit the Notes for trading on the Global Exchange Market. However, GPH cannot assure you that the Notes will be admitted to trading or that such admission to trading will be maintained. The Joint Bookrunners have advised us that, following the completion of this Offering, they currently intend to make a market in the Notes as permitted by applicable laws and regulations. However, the Joint Bookrunners are not obligated to do so, and the Joint Bookrunners may discontinue any market making activities with respect to the Notes at any time in their sole discretion and without notice. In addition, any such market-making activity will be subject to the limits imposed by the Securities Act and the Exchange Act. Accordingly, no assurance can be given that a liquid trading market will develop for the Notes, that you will be able to sell any of the Notes held by you at a particular time or that the prices that you receive when you sell will be favorable. See "*Risk Factors—Risks Relating to the Offering and the Notes—There is no established trading market for the Notes and no assurance that holders of the Notes will be able to sell them*".

Each purchaser of the Notes, by its purchase of the Notes, will be deemed to have made certain acknowledgements, representations, warranties and agreements as set forth under "*Notice to Investors.*"

No Sales of Similar Securities

GPH have agreed that during the period from the date the Purchase Agreement is executed through and including the date that is 60 days after the date the Purchase Agreement is executed, to not, without the prior written consent of the Joint Bookrunners, offer, sell, contract to sell, pledge, otherwise dispose of, or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition by the Company or any affiliate of the Company or any person in privity with the Company or any affiliate of the Company), directly or indirectly, or announce the offering, of any debt securities issued or guaranteed by the Company (other than the Notes).

Stabilization

The Joint Bookrunners have advised us that certain persons participating in the Offering may engage in transactions, including overallotment, stabilizing bids, syndicate covering transactions, which may have the effect of stabilizing or maintaining the market price of the notes at a level above that which might otherwise prevail in the open market. Overallotment involves syndicate sales in excess of the offering size, which creates a syndicate short position. A stabilizing bid is a bid for the purchase of Notes on behalf of the Joint Bookrunners for the purpose of fixing or maintaining the price of the Notes. A syndicate covering transaction is the bid for or the purchase of Notes on behalf of the Joint Bookrunners to reduce a short position incurred by the Joint Bookrunners in connection with the Offering. Neither GPH nor the Joint Bookrunners make any representation or prediction as to the direction or magnitude of any effect that the transactions

described above may have on the price of the Notes. The Joint Bookrunners are not obligated to engage in these activities and, if commenced, any of the activities may be discontinued at any time.

Any stabilization action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the Notes is made and, if begun, may be ended at any time but must end no later than 30 days after the Issue Date and 60 days after the date of the allotment of the Notes. Any stabilization action or over-allotment must be conducted by in accordance with applicable laws and rules.

Electronic Distribution

An Offering Circular in electronic format may be made available by e-mail or through other online services maintained by the Joint Bookrunners or their affiliates. In those cases, prospective investors may view offering terms online and may be allowed to place orders online. The Joint Bookrunners may agree with us to allocate a specific number of Notes for sale to online brokerage account holders. Any such allocation for online distributions will be made by the Joint Bookrunners on the same basis as other allocations. Other than the Offering Circular in electronic format, the information on the Joint Bookrunners' web sites and any information contained in any other web site maintained by the Joint Bookrunners is not part of the Offering Circular, has not been approved and/or endorsed by us or the Joint Bookrunners and should not be relied upon by investors.

Affiliations

The Joint Bookrunners and certain of their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The Joint Bookrunners and/or certain of their affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Issuer and/or certain of its affiliates, for which they received or will receive customary fees and expenses including in connection with this Offering.

In the ordinary course of their various business activities, the Joint Bookrunners and certain of their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the Issuer and its affiliates. The Joint Bookrunner or its affiliates may also receive allocations of the Notes. If the Joint Bookrunner or its affiliates have a lending relationship with us, they routinely hedge or may hedge their credit exposure to us consistent with their customary risk management policies. Typically, the Joint Bookrunner and its affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in GPH's securities, including potentially the Notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes offered hereby. The Joint Bookrunners and/or certain of their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Settlement

GPH expect to deliver the Notes against payment for the Notes on or about the date specified on the cover page of this Offering Circular, which will be the fifth business day following the date of the pricing of the Notes. Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in three business days unless the parties to any such trade

expressly agree otherwise. Since trades in the secondary market generally settle in three business days, purchasers who wish to trade Notes on the date of pricing or the next succeeding business day will be required, by virtue of the fact that the Notes initially will settle T+5, to specify alternative settlement arrangements to prevent a failed settlement. Purchasers of the Notes who wish to make such trades should consult their own advisors.

INDEPENDENT AUDITORS

The financial statements of Global Liman İşletmeleri A.Ş. as of December 31, 2013, 2012 and 2011, and for the years then ended, included in this offering circular, have been audited by Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., a member of KPMG ("**KPMG**"), independent auditors, as stated in their reports appearing herein.

With respect to the unaudited interim financial information for the period ended June 30, 2014 and June 30, 2013 included herein, the independent auditors reports that they have applied limited procedures in accordance with professional standards of review of such information. However, their separate reports included herein state that they did not audit and do not express an opinion on such interim financial information. Accordingly, the degree of reliance on their reports on such information should be restricted in light of the limited nature of the review procedures applied.

The financial statements of Creuers del Port de Barceolna, S.A, as of December 31, 2013, 2012 and 2011, and for the years then ended, have been audited by Mazars Auditores S.L.P., as stated in their reports appearing herein.

With respect to the unaudited interim financial information for the period ended June 30, 2014 included herein, the independent auditors report that they have applied limited procedures in accordance with professional standards of review of such information. However, their separate report included herein states that they did not audit and do not express an opinion on such interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

LEGAL MATTERS

Certain legal matters with respect to the Notes offered hereby will be passed on for us by Baker &McKenzie LLP with respect to U.S. law and Esin Attorney Partnership, a member firm of Baker & McKenzie, with respect to Turkish law.

Certain legal matters with respect to the Notes will be passed upon for the Joint Bookrunners by Cleary Gottlieb Steen & Hamilton LLP with respect to U.S. law and Paksoy Ortak Avukat Bürosu with respect to Turkish law.

AVAILABLE INFORMATION

Each purchaser of the Notes from the Joint Bookrunners will be furnished with a copy of this Offering Circular and any related amendments or supplements to this Offering Circular. Each person receiving this Offering Circular acknowledges that: (i) such person has been afforded an opportunity to request from us, and has received, all additional information considered to be necessary to verify the accuracy and completeness of the information herein; (ii) such person has not relied on the Joint Bookrunners or any person affiliated with the Joint Bookrunners in connection with its investigation of the accuracy of such information or its investment decision; and (iii) except as provided in clauses (i) and (ii), no person has been authorized to give any information or to make any representation concerning the Notes other than those contained herein, and, if given or made, such other information or representation should not be relied upon as having been authorized by us or the Joint Bookrunners.

GPH is not currently subject to the periodic reporting and other information requirements of the U.S. Exchange Act. For so long as any of the Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and the Issuer is neither subject to Section 13 or 15(d) of the U.S. Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, it will, upon the request of any such person, furnish to any holder or beneficial owner of Notes, or to any prospective purchaser designated by any such registered holder, the information required to be delivered pursuant to Rule 144A(d)(4) under the U.S. Securities Act. Any such request should be directed to the issuer's headquarters: Global Ports Holding, Riıhtıim Cad. No: 51, Karaköy 34425, Istanbul.

Pursuant to the Indenture (as defined herein) and so long as the Notes are outstanding, GPH will furnish periodic information to holders of the Notes. See "*Description of the Notes—Certain covenants—Reports*." For so long as the Notes are listed on the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market thereof and the rules of that exchange so require, copies of such information, the organizational documents of the Issuer and each Guarantor, the most recent audited consolidated financial statements of the Issuer, the Indenture (which includes the Guarantees and the form of the Notes) will be available for review during the normal business hours on any business day at the specified office of the principal paying agent. See "*Listing and general information.*"

LISTING AND GENERAL INFORMATION

Authorization

The Board of Directors of the Issuer authorized GPH management team to pursue the issuance of Notes in a resolution dated January 3, 2014 and numbered 156. The issuance and sale of the Notes by the Issuer has been duly authorized by its Board of Directors in a resolution dated January 3, 2014 and numbered 156; and the execution and delivery by the Issuer of the Transaction Documents have been authorized pursuant to the same resolution of its Board of Directors dated January 3, 2014 and numbered 156. The Board of Directors of the Issuer also determined the details in relation to the issue of the Notes in a resolution dated on or about the date of this Offering Circular. The Guarantees provided by the Guarantors to the Issuer in relation to the issue of the Notes and the execution and delivery of the necessary Transaction Documents have been duly authorized by the resolution of the Board of Directors of Ege Liman dated January 16, 2014 and numbered 2014/1 and by the resolution of the Board of Directors of Ortadoğu Antalya dated January 16, 2014 and numbered 277.

Listing

Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and to trading on the Global Exchange Market. It is expected that admission of the Notes to the Official List and to trading on the Global Exchange Market will be granted on or about November 14, 2014, subject only to the issue of the Notes.

The estimated total expenses related to the admission of the Notes to trading on the Global Exchange Market are US$6.5 million.

Irish Listing Agent

The Bank of New York Mellon SA/NV, Dublin Branch is acting solely in its capacity as Irish listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to the Official List of the Irish Stock Exchange or to trading on the Global Exchange Market.

Clearing Systems

The Unrestricted Global Note has been accepted for clearance through Euroclear and Clearstream, Luxembourg (ISIN XS1132825099 and Common Code 113282509). Application has been made for acceptance of the Restricted Global Note into DTC's book-entry settlement system (ISIN US379375AA60, Common Code 113618442 and CUSIP 379375AA6).

No Significant or Material Adverse Change

Except as described in this Offering Circular, there has been no significant change in the financial or trading position of the Issuer or any Guarantor since June 30, 2014, being the end of the last financial period for which the Issuer's interim financial statements have been published, and no material adverse change in the prospects of the Issuer or any Guarantor since December 31, 2013, being the end of the last financial period for which the Issuer's audited financial statements have been published.

Litigation

Save as disclosed in the "*Business of the Issuer—Legal Proceedings*" section of this Offering Circular, there are no governmental, legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Issuer is aware), that may have, or have had, during the 12 months prior to the date of this Offering Circular, a significant effect on the Issuer's or any Guarantor's financial position or profitability.

Interests of Natural and Legal Persons Involved in the Issue

So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

Certain Information about the Issuer

The Issuer is an operating company that was incorporated in Turkey on April 20, 2004 under registration number 521332. The Issuer operates under the Turkish Commercial Code. The Issuer's principal office is at Rıhtım Caddesi No. 51, Karaköy 34425, İstanbul, Turkey, and its telephone number is +90 (212) 244 4440.

Share capital

The share capital of the Issuer is as disclosed in the "*Ownership*" section of this Offering Circular. The share capital of each Guarantor is as disclosed in the "*Business of the Issuer—Overview of Operational Structure*" section of this Offering Circular.

Guarantors

The Guarantors are Ortadoğu Antalya Liman İşletmeleri A.Ş. and Ege Liman İşletmeleri A.Ş., each of which are described in the "*Business of the Issuer*" section of this Offering Circular. Ortadoğu Antalya was incorporated in Turkey on August 4, 1998 under registration number 758329. It operates under the Turkish Commercial Code. Its principal office is at Büyük Liman Mevkii 07070 Antalya, Turkey, and its telephone number is +90 (242) 259 13 80. Ege Liman was incorporated in Turkey on June 25, 2003 under registration number 500146. It operates under the Turkish Commercial Code. Its principal office is at Güvercinada Caddesi. No. 2, Kuşadası 09400, Aydin, Turkey, and its telephone number is +90 (256) 614 15 81.

Documents Available for Inspection

Until the maturity of the Notes, copies of the following documents may be inspected free of charge in hard copy at the offices of the Principal Paying Agent during normal business hours on any day that is not a Saturday, Sunday or public holiday:

- the Indenture;
- the constitutional documents of the Issuer and each Guarantor (together with an English translation thereof);
- the Annual Financial Statements and the Interim Financial Statements; and
- this Offering Circular.

Documents Incorporated by Reference

No documents or contents of any website are incorporated by reference in this Offering Circular.

Material Contracts

Except as disclosed in this Offering Circular under "*Business of the Issuer*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Borrowings*", neither the Issuer nor any Guarantor has entered into any material contract outside the ordinary course of its business that could result in the Issuer or Guarantor being under an obligation or entitlement that is material to its ability to meet its obligations in respect of the Notes.

Language

The language of this Offering Circular is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

NOTE ON DEFINED TERMS USED IN THIS OFFERING CIRCULAR

In this Offering Circular, unless otherwise indicated or the context requires otherwise, the following terms have the following meanings assigned to them. In particular, capitalized terms set forth and used in the section entitled "*Description of the Notes*" may have different meanings from the meanings given to such terms and used elsewhere in this Offering Circular.

Aegean	A part of the Mediterranean Sea located between Greece and Turkey.
Berth	Space for a vessel to anchor.
Bodrum Liman	Bodrum Yolcu Limanı İşletmeleri A.Ş
Break-bulk cargo	Cargo which is shipped as a unit or is packaged such as in barrels or cartons but is not containerized.
Build-Operate-Transfer or **BOT**	An arrangement whereby the private sector builds an infrastructure project, operates it for a period of time before transferring it to the public sector.
Calls	Refers to the number of ships calling at a port over a certain period of time.
Clinker	A raw material used in the production of cement. It consists of small lumps or nodules produced by sintering limestone and alumino-silicate.
Containerization	A system of intermodal freight transport that facilitates containers being transferred between different forms of transport.
Containerized cargo	Cargo which is transported in a very large metal container that can be easily transferred by vessels.
Creuers	Creuers del Port de Barcelona S.A.
Dry bulk cargo	Cargo which is loose, unpackaged and non-containerized, such as cement.
EBITDA	Earnings before income taxes, finance income (net), amortization and depreciation.
EU	European Union
Gantry crane	A hoisting crane which can span a vessel's deck and can lift or lower cargo.
General cargo	Cargo which requires special handling such as break-bulk cargo, neo-bulk cargo or reefer cargo.
Global Ports Holding or **the Issuer**	Global Liman İşletmeleri A.Ş.
Group or **GPH**	The Issuer and its consolidated subsidiaries as of June 30, 2014.
GRT	Gross register tonnage.
Guarantors	Ortadoğu Antalya Liman İşletmeleri A.Ş. and Ege Liman İşletmeleri A.Ş.

Homeport	A port where a military, commercial, or cruise vessel is docked between voyages or for seasonal stopovers or repairs. A cruise Homeport is specifically where the cruise ship passengers embark to start their cruise, and disembark at the end of the cruise. As a result, this port is the location where cruise ship supplies are loaded for the trip.
IAS	International Accounting Standards.
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board.
Indenture	The indenture to be dated as of the Issue Date, between, among others, the Issuer, the Guarantors, the Trustee, the Principal Paying Agent, the Transfer Agent and the Registrar, governing the Notes.
Joint Bookrunners	Each of Citigroup Global Markets Limited and J.P. Morgan Securities plc.
Liquid cargo	Cargo in liquid form such as oil and natural gas.
Global Exchange Market	The Global Exchange Market of the Irish Stock Exchange.
Mobile harbor crane	A type of crane used for loading and unloading cargo from vessels.
Mooring	Act of attaching a vessel to a permanent anchor with a cable or a line.
Neo-bulk cargo	Packaged cargo in single unit, such as cars.
Ortadoğu Antalya	Ortadoğu Antalya Liman İşletmeleri A.Ş.
Pier	A pier is a raised structure, including bridge and building supports and walkways, over water, typically supported by widely spread piles or pillars.
Pilot boat	Small vessel used to transfer pilots to and from large vessels.
Pilotage	Act of navigating ships or vessels.
Port	A port is a location on a coast or shore containing one or more piers or harbors where ships can dock and transfer people or cargo to or from land.
Reefer cargo	Cargo which requires a controlled-temperature environment.
Roll on/roll off	Act of rolling cargo on or off vessels without using cargo handling equipment because the cargo has wheels, like a car, or its container can be rolled on and off.
Roll on/roll off ferry ramp	Ferry ramp where wheeled cargo or wheeled containers can be transferred.
Rubber-tyred gantry cranes	Mobile gantry crane used for stacking containers.
SEC	U.S. Securities and Exchange Commission.

Stackers	Machine used for lifting containers and arranging them in piles.
Stuffing	Act of loading cargo into a container.
Subcontractor crab expenses	Expenses related to outsourced labor for cargo operations.
TCC	Turkish Commercial Code

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Global Liman İşletmeleri Anonim Şirketi and its Subsidiaries

Consolidated Financial Statements
As at and for the Year
Ended 31 December 2013 With
Independent Auditors' Report

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

This report includes 1 page of independent auditors' report and 76 pages of consolidated financial statements together with their explanatory notes.

Global Liman İşletmeleri Anonim Şirketi and its Subsidiaries

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Independent Auditors' Report

To the Board of Directors of
Global Liman İşletmeleri Anonim Şirketi

We have audited the accompanying consolidated financial statements of Global Liman İşletmeleri Anonim Şirketi ("Global Liman") and its subsidiaries (together "the Group"), which comprise the consolidated statement of financial position as at 31 December 2013, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2013, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG Akis Bağımsız Denetim ve SMMM A.Ş.

11 March 2014
Istanbul, Turkey

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
a Turkish corporation and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative, a Swiss entity

Global Liman İşletmeleri Anonim Şirketi and its Subsidiaries

Consolidated Statement of Financial Position

As at 31 December 2013

Currency: Turkish Lira ("TL")

	Notes	2013	2012
Assets			
Property and equipment, net	*13*	197,210,446	93,745,226
Intangible assets	*14*	597,063,083	501,193,955
Goodwill	*15*	27,448,004	22,924,993
Equity-accounted investees	*16*	46,420,009	--
Other investments	*17*	101,232	101,232
Deferred tax assets	*18*	11,838,676	6,169,513
Due from related parties	*28*	5,029,659	5,029,659
Other non-current assets	*20*	16,373,794	5,046,584
Total non-current assets		**901,484,903**	**634,211,162**
Trade and other receivables	*19*	12,423,674	5,357,498
Due from related parties	*28*	20,701,331	3,818,050
Other investments	*17*	33,045,271	24,691,641
Other current assets	*20*	13,223,689	7,721,115
Cash and cash equivalents	*21*	42,676,034	22,245,895
Total current assets		**122,069,999**	**63,834,199**
Total assets		**1,023,554,902**	**698,045,361**
Equity			
Share capital	*22*	66,269,683	85,016,583
Distribution to shareholders	*6(i)*	(158,494,494)	--
Reserves	*23*	152,090,510	82,520,770
Retained earnings		310,094,985	259,191,146
Total equity attributable to equity holders of the Company		**369,960,684**	**426,728,499**
Non-controlling interests		**73,702,635**	**24,609,375**
Total equity		**443,663,319**	**451,337,874**
Liabilities			
Loans and borrowings	*23*	339,603,220	83,095,451
Trade and other payables	*24*	--	703,176
Deferred tax liabilities	*18*	116,699,761	101,030,641
Employee benefits	*25*	3,641,396	1,411,061
Total non-current liabilities		**459,944,377**	**186,240,329**
Loans and borrowings	*23*	66,941,303	33,392,791
Trade and other payables	*24*	27,415,100	21,849,600
Due to related parties	*28*	19,618,359	939,896
Current tax liabilities	*18*	5,016,668	3,502,554
Provisions		955,776	782,317
Total current liabilities		**119,947,206**	**60,467,158**
Total liabilities		**579,891,583**	**246,707,487**
Total equity and liabilities		**1,023,554,902**	**698,045,361**

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

Global Liman İşletmeleri Anonim Şirketi and its Subsidiaries

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2013
Currency: TL

	Notes	2013	2012
Revenue	*8*	143,526,023	122,390,528
Cost of sales	*8*	(78,614,605)	(71,614,860)
Gross profit		**64,911,418**	**50,775,668**
Other income	*9*	53,123,121	153,562
Selling and marketing expenses	*10*	(489,525)	(519,344)
Administrative expenses	*11*	(12,991,534)	(11,164,028)
Other expenses	*9*	(1,041,865)	(1,166,664)
Operating profit		**103,511,615**	**38,079,194**
Finance income	*12*	24,965,166	22,503,561
Finance costs	*12*	(40,056,412)	(23,105,039)
Net finance costs		**(15,091,246)**	**(601,478)**
Share of profit of equity-accounted investees, net of tax	*16*	721,380	--
Profit before income tax		**89,141,749**	**37,477,716**
Income tax expense	*18*	(4,948,184)	(3,596,562)
Profit for the year		**84,193,565**	**33,881,154**
Other comprehensive income			
Items that will never be reclassified to profit or loss			
Remeasurement of defined benefit liability		41,167	--
Related tax		(8,234)	--
		32,933	**--**
Items that may be reclassified to profit or loss			
Change in currency translation differences	*12*	84,119,233	(33,486,873)
Net investment hedge, net loss	*12*	(12,781,207)	--
		71,338,026	**(33,486,873)**
Other comprehensive income for the year, net of income tax		**71,370,959**	**(33,486,873)**
Total comprehensive income for the year		**154,564,524**	**394,281**
Profit attributable to:			
Owners of the Company		78,381,598	29,756,503
Non-controlling interests		5,811,967	4,124,651
		84,193,565	**33,881,154**
Total comprehensive income attributable to:			
Owners of the Company		144,899,994	(2,032,658)
Non-controlling interests		9,664,530	2,426,939
		154,564,524	**394,281**
Earnings per share	*26*	**1.0403**	**0.3501**

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

Global Liman İşletmeleri Anonim Şirketi and its Subsidiaries

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2013

Currency: TL

	Note	Share capital	Distribution to shareholders	Legal reserves	Hedging reserve	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2013		**85,016,583**	**--**	**16,825,353**	**--**	**65,695,417**	**259,191,146**	**426,728,499**	**24,609,375**	**451,337,874**
Total comprehensive income										
Profit		--	--	--	--	--	78,381,598	78,381,598	5,811,967	84,193,565
Other comprehensive income	*22*	--	--	--	(12,781,207)	80,266,670	32,933	67,518,396	3,852,563	71,370,959
Total comprehensive income		**--**	**--**	**--**	**(12,781,207)**	**80,266,670**	**78,414,531**	**142,093,157**	**9,664,530**	**155,564,524**
Transactions with owners of the Company										
Contributions and distributions										
Transfer		--	--	1,034,743	--	--	(1,034,743)	--	--	--
Dividends	*22*	--	--	1,049,534	--	--	(22,434,927)	(21,385,393)	(6,355,142)	(27,740,535)
Total contributions and distributions		**--**	**--**	**2,084,277**	**--**	**--**	**(23,469,670)**	**(21,385,393)**	**(6,355,142)**	**(27,740,535)**
Changes in ownership interests										
Purchase of shares of entities under common control	*6(i)*	(18,746,900)	(158,494,494)	--	--	--	--	(177,241,394)	--	(177,241,394)
Acquisition of subsidiary with non-controlling interests	*6(ii)*	--	--	--	--	--	--	--	47,798,063	47,798,063
Acquisition of non-controlling interests without a change in control	*7*	--	--	--	--	--	(4,041,022)	(4,041,022)	(2,014,191)	(6,055,413)
Total changes in ownership interests		**(18,746,900)**	**(158,494,494)**	**--**	**--**	**--**	**(4,041,022)**	**(177,475,579)**	**45,783,872**	**(135,498,744)**
Total transactions with owners of the Company		**(18,746,900)**	**(158,494,494)**	**2,084,277**	**--**	**--**	**(27,510,692)**	**(198,860,972)**	**39,428,730**	**(163,239,279)**
Balance at 31 December 2013		**66,269,683**	**(158,494,494)**	**18,909,630**	**(12,781,207)**	**145,962,087**	**310,094,985**	**369,960,684**	**73,702,635**	**443,663,319**

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

Global Liman İşletmeleri Anonim Şirketi and its Subsidiaries
Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2013
Currency: TL

	Note	Share capital	Legal reserves	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2012		85,016,583	7,591,909	97,484,578	279,265,910	469,358,980	30,623,156	499,982,136
Total comprehensive income								
Profit		--	--	--	29,756,503	29,756,503	4,124,651	33,881,154
Other comprehensive income	22	--	--	(31,789,161)	--	(31,789,161)	(1,697,712)	(33,486,873)
Total comprehensive income		--	9,233,444	(31,789,161)	29,756,503	(2,032,658)	2,426,939	394,281
Transactions with owners of the Company								
Contributions and distributions								
Transfer		--	9,233,444	--	(9,233,444)	--	--	--
Dividends	22	--	--	--	(40,597,823)	(40,597,823)	(8,440,720)	(49,038,543)
Total contributions and distributions		--	9,233,444	--	(49,831,267)	(40,597,823)	(8,440,720)	(49,038,543)
Total transactions with owners of the Company		--	9,233,444	--	(49,831,267)	(40,597,823)	(8,440,720)	(49,038,543)
Balance at 31 December 2012		85,016,583	16,825,353	65,695,417	259,191,146	426,728,499	24,609,375	451,337,874

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

Global Liman İşletmeleri Anonim Şirketi and its Subsidiaries

Consolidated Statements of Cash Flows

For the Year Ended 31 December 2013

Currency: TL

	Notes	2013	2012
Cash flows from operating activities			
Profit		84,193,565	33,881,154
Adjustments for:			
Depreciation and amortization expense	*13,14*	44,909,386	41,936,894
Bargain purchase gain	*9*	(52,645,518)	--
Share of profit of equity-accounted investees, net of tax	*16*	(721,380)	--
Interest expense	*12*	15,085,373	7,871,610
Income tax expense	*18*	4,948,184	3,596,562
Unrealized foreign exchange differences on loans and borrowings		5,695,002	(8,464,461)
Operating cash flow before changes in operating assets and liabilities		**101,464,612**	**78,821,759**
Changes in:			
- employment termination indemnity		430,481	245,311
- trade and other receivables		(3,256,461)	(1,522,972)
- other current assets		(3,764,859)	1,291,782
- other non-current assets		(2,634,674)	(161,974)
- trade and other payables		(824,411)	8,695,197
- provisions		173,459	23,695
Cash generated from operating activities		**91,588,147**	**87,392,798**
Employee benefits paid	*25*	(178,554)	(59,727)
Income taxes paid	*18*	(8,375,223)	(9,423,057)
Net cash from operating activities		**83,034,370**	**77,910,014**
Investing activities			
Acquisition of property and equipment	*13*	(15,126,493)	(6,643,845)
Acquisition of intangible assets	*14*	(197,215)	(80,834)
Disposal of property and equipment		1,999,505	--
Change in financial investments	*17*	(8,353,630)	7,755,578
Acquisition of subsidiary	*6(ii)*	(23,160,129)	--
Acquisition of other investments	*16*	(41,891,792)	--
Advances given for tangible assets		(547,549)	(3,041,688)
Net cash used in investing activities		**(87,277,303)**	**(2,010,789)**
Financing activities			
Decrease in share capital	*6(i)*	(18,746,900)	--
Change in due from / to related parties	*28*	1,795,182	(3,867,807)
Dividends paid	*22*	(7,854,647)	(37,573,884)
Interest paid		(7,033,066)	(8,226,223)
Proceeds from borrowings		135,736,791	477,812
Repayments of borrowings		(33,359,823)	(29,399,321)
Net cash from / (used in) financing activities		**70,537,537**	**(78,589,423)**
Currency translation differences		(45,882,446)	(12,606,408)
Net increase / (decrease) in cash and cash equivalents		**20,412,158**	**(15,296,606)**
Cash and cash equivalents at 1 January	*21*	22,213,308	37,509,914
Cash and cash equivalents at 31 December	*21*	**42,625,466**	**22,213,308**

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

Notes to the consolidated financial statements

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1 Reporting entity

Global Altyapı Hizmetleri ve İşletmecilik A.Ş. was originally incorporated to invest in Global Yatırım Holding A.Ş. ("Global Yatırım Holding")'s infrastructure projects in Istanbul, Turkey in 2004. On 13 September 2007, Global Altyapı Hizmetleri ve İşletmecilik A.Ş changed its trade name to Global Liman İşletmeleri A.Ş. ("Global Liman" or "the Company"). The main operation of the Company is to invest in the capital and management of companies that operate or will operate in the ports and port management industry.

Global Liman and its subsidiaries are together referred to as "the Group".

As at 31 December 2013, 100% of the shares of the Company are owned by Global Yatırım Holding A.Ş. ("Global Yatırım Holding"). As at 31 December 2012, 77.89% of the shares of the Company were owned by Global Yatırım Holding A.Ş. and remaining 22.11% shares of the company were owned by Savina Holding GmbH ("Savina").

Global Yatırım Holding was established in 1990 with the trade name Global Menkul Değerler A.Ş. as a brokerage company in Istanbul, Turkey. In 2004, Global Menkul Değerler A.Ş. changed its trade name to Global Yatırım Holding A.Ş and changed its field of activity into that of a holding company. The main activity of Global Yatırım Holding is to participate in the capital and management of companies that operate or will operate in the fields of finance, energy, infrastructure and transportation and to minimize the volatility of its investments against economic fluctuations by handling the capital expenditure, financing, organization and administration of those companies within a portfolio, while contributing to the achievement of sustainable growth and ensuring the going concern of those 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 is registered with the Capital Market Board ("CMB") and its shares have been traded on the Istanbul Stock Exchange ("ISE") since May 1995 (From May 1995 to October 2004, traded as Global Menkul Değerler A.Ş.).

As at 31 December 2013, the number of employees of the Group was 750 (31 December 2012: 198). The address of the registered office of the Company is "Rıhtım Caddesi No: 51 Karaköy / Istanbul".

The nature of the operations and the locations of the subsidiaries of the Company are listed below:

Subsidiaries	Locations	Operations
Ege Liman İşletmeleri A.Ş. ("Ege Liman")	Aydın-Turkey	Port operations
Ortadoğu Antalya Liman İşletmeleri A.Ş. ("Ortadoğu Liman")	Antalya-Turkey	Port operations
Bodrum Liman İşletmeleri A.Ş. ("Bodrum Liman")	Muğla-Turkey	Port operations
Container Terminal and General Cargo - Bar ("Port of Bar")	Montenegro	Port operations
İzmir Liman İşletmeciliği A.Ş. ("İzmir Liman") (*)	İstanbul-Turkey	Port operations
Torba İnşaat ve Turistik A.Ş. ("Torba") (**)	İstanbul-Turkey	Real estate
Global Depolama A.Ş. ("Global Depolama")	İstanbul-Turkey	Storage
Randa Denizcilik San. ve Tic. Ltd. Şti. ("Randa") (**)	Antalya-Turkey	Marine vehicle trade

(*) See to note 3 (a) (i).

(**) See to note 3 (a) (iii).

1 Reporting entity *(continued)*

Ege Liman

Kuşadası Cruise Port was constructed in 1968 and was operated by the Turkish Maritime Organization Inc. (Turkiye Denizcilik Isletmeleri A.Ş.) ("TDI") until its privatization in 2003. On 2 July 2003, Ege Liman entered into a transfer of operational rights agreement ("TOORA") for Kuşadası Cruise Port for a period of 30 years with the Privatization Administration (Özelleştirme İdaresi Başkanlığı) ("OIB") and TDI. The TOORA will end in 2033. Kuşadası Cruise Port is the largest cruise ship terminal in Turkey and is a popular port of call for cruises originating from Greece, Italy, France, Spain and Turkey.

Global Liman acquired 72.50% of the shares of Ege Liman on 6 July 2005. The other shareholder of Ege Liman is Royal Caribbean Cruises Ltd ("RCCL").

Ege Liman offers the following basic services to ships calling at the port: tugging, pilotage, sheltering, security, clean water supply, disposal of solid waste, underwater diving inspection, fuel supply and liquid waste collection.

Ortadoğu Liman

Antalya Port, constructed in 1977, is a multi-functional facility harbouring a cruise port, a marina and a commercial port and was operated by the TDI until its privatization in 1998. Operational rights for Antalya Port were taken over for a period of 30 years by Ortadoğu Liman in August 1998. In 2001, due to the difficulties in the other commercial activities of the former shareholders of Ortadoğu Liman, Savings Deposit Insurance Fund ("SDIF") confiscated the company.

Akdeniz Liman İşletmeleri A.Ş. ("Akdeniz Liman"), a joint venture of Global Liman, acquired 99.99% of the shares of Ortadoğu Liman which were subsequently tendered by the SDIF. Akdeniz Liman merged with Ortadoğu Liman in December 2006 and all the rights and obligations of Akdeniz Liman were transferred to Ortadoğu Liman which was denoted the successor entity. The concession period will end in 2028.

Until 29 July 2010, Global Liman owned 39.80% shares of Ortadoğu Liman. On 29 July 2010, Global Liman acquired the 60% of the shares of Ortadoğu Liman from other shareholders and obtained control by raising the ownership to 99.80%.

Bodrum Liman

Bodrum Cruise Port was tendered by the State Railways, Ports and Airports Construction Company (Demiryolları, Limanlar ve Havayolları) ("DLH") in September 2003 through a 12-year Build-Operate-Transfer ("BOT") tender agreement, which commenced in December 2007. The BOT agreement period will end in 2019. The winning bidder of the BOT concession was a consortium, which later established Bodrum Liman to carry out the operations of Bodrum Cruise Port.

Global Liman acquired 60% of the shares of Bodrum Liman on 16 June 2008. As at 31 December 2013 and 2012, shareholders of the remaining 30% and 10% of the shares of Bodrum Liman are Yüksel Çağlar and Setur Servis Turistik A.Ş. ("Setur"), respectively.

1 Reporting entity *(continued)*

Port of Bar

On 23 July 2013, Global Liman won the tender for the repair, financing, operation, maintenance and transfer of Port of Bar and the right to acquire 62.09% of the shares in Port of Bar from the Montenegro Government through Container Terminal and General Cargo JSC-Bar, which has an operating concession for thirty years (terminating in 2043). Global Liman finalized a share purchase agreement with the Montenegro Government on 15 November 2013 and it was approved by the tender commission, the Montenegro Privatization and Capital Investments Authority and the Montenegro Council of Ministers. The shares were transferred to the Group on 30 December 2013.

Port of Bar represents an important link in the chain of intermodal transport because of its integration with the Belgrade-Bar railway and road traffic network, and benefits from a free zone regime. Port of Bar had a pier length of 1,619 meters, discount shopping area of 295 square meters.

For the first three years of its ownership, the Group is obliged to implement certain investment programs and social programs outlined in the share purchase agreement.

İzmir Liman

İzmir Liman was incorporated in 2008 by the shareholders of the consortium which made the highest bid for the İzmir Port tender. In 2011, Global Liman acquired 54% of the shares of İzmir Liman from the other shareholders and obtained control of İzmir Liman increasing its equity interest from 25% to 79%. As of 27 November 2013, Global Liman obtained remaining 21% of the shares of İzmir Liman from other shareholders. Further details are given in Note 7.

Torba

Torba was incorporated in Istanbul, Turkey, in 2006, for the purpose of developing a real estate project in Bodrum, Muğla. On 4 January 2008, a trustee was appointed to Torba due to the legal dispute with the previous shareholders. Torba is not consolidated with effect from 4 January 2008 in the consolidated financial statements, due to lack of control.

Global Depolama

Global Depolama was established on 9 July 2008 for the purpose of investing in the storage sector.

Randa

Randa was acquired by Global Liman on 17 February 2011 for the purpose of marine vehicle trade for a consideration of Euro 10,000. As at 31 December 2013 and 2012, Randa is inactive and is excluded from the scope of consolidation.

1 Reporting entity *(continued)*

The nature of the operations and the locations of the equity-accounted investees of the Company are listed below:

Equity-accounted investees	Locations	Operations
Barcelona Port Investments, S.L ("BPI")	Spain	Port operations
Creuers del Port de Barcelona, S.A. ("Creuers")	Spain	Port operations

BPI was established with partnership of RCCL on 26 July 2013 to make investment in Barcelona cruise port. BPI is a special purpose joint venture between the Group and RCCL. The Group holds a 49% interest in BPI, and a call option right to acquire a further 1% interest from RCCL.

The Group acquired a 21.5% interest in Creuers through BPI. Creuers holds a 100% interest in the port operation rights for the Barcelona cruise port, as well as 80% in the port operation rights for the Malaga cruise port and a 40% in the port operation rights for the Singapore cruise port. In line with the Group's investment strategy, the Group intends to increase BPI's shareholding in Creuers.

2 Basis of preparation

(a) Statement of compliance

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRSs").

The Company and its subsidiaries operating in Turkey maintain their books of account and prepare their statutory financial statements in Turkish Lira ("TL") in accordance with the Turkish Commercial Code, tax legislation and Turkish Uniform Chart of Accounts. The subsidiary operating in Montenegro and the equity accounted investees operating in Spain maintain their books of account and prepare their statutory financial statements in Euro in accordance with their respective local laws. The accompanying consolidated financial statements are based on these statutory records with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRSs.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Items	Measurement bases
Available-for-sale financial assets	Fair value
Non-derivative financial instruments at fair value through profit or loss	Fair value
The initial recognition of the business combination	Provisional

2 Basis of preparation *(continued)*

(c) Functional and presentation currency

The accompanying consolidated financial statements are presented in TL which is Global Liman's functional currency. All financial information presented in TL has been rounded to the nearest digit.

The US Dollar ("USD") is most significant to the operations of the subsidiaries, Ege Liman, Ortadoğu Liman and Bodrum Liman. Therefore, the USD has been determined as the functional currency of Ege Liman, Ortadoğu Liman and Bodrum Liman in line with IAS 21 *The Effects of Changes in Foreign Exchange Rates*.

Euro is significantly used in the operations of the Port of Bar, BPI and Creuers. Therefore, Euro has been determined as the functional currency of these companies in line with IAS 21 - The Effects of Changes in Foreign Exchange Rates.

(d) Usc of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

Note	Definition
Note 3 (d)	Property and equipment
Note 3 (e)	Intangible assets
Note 4	Determination of fair values
Note 6 and 7	Business combinations
Note 15	Allowances for recoverable amounts of cash generating units-goodwill
Note 18	Recognition of deferred tax assets
Note 25	Measurement of reserve for employee benefits
Note 27	Commitments and contingencies

2 Basis of preparation *(continued)*

(e) Change in accounting policies

Except for the changes below, the Group has consistently applied the accounting policies set out in Note 3 to all periods presented in these consolidated financial statements.

The Group adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2013.

i) IFRS 10 Consolidated Financial Statements

ii) IFRS 11 Joint Arrangements

iii) IFRS 12 Disclosure of Interests in Other Entities

iv) IFRS 13 Fair Value Measurement

v) Presentation of Items of Other Comprehensive Income ("OCI") (Amendments to IAS 1)

vi) IAS 19 Employee Benefits (2011)

The nature and effects of the changes are explained below.

i) Subsidiaries

The Group has adopted IFRS 10 Consolidated Financial Statements with a date of initial application of 1 January 2013.

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

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

ii) Joint arrangements

The Group has adopted IFRS 11, the Group has changed its accounting policy for its interest in joint arrangements.

Under IFRS 11, the Group has reclassified its interest in joint arrangement as either joint operation (if the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement) or joint venture (if the Group has rights only to the net assets of an arrangement). When making this assessment, the Group considered the structure of the arrangement, the legal form of any separate vehicles, the contractual terms of the arrangement and other facts and circumstances.

In accordance with the transitional provisions of IFRS 11, the Group re-assessed its involvement in its only jointly controlled entity to a joint venture. Notwithstanding the reclassification, the investment continues to be recognized by applying the equity method and there has been no impact on the recognized assets, liabilities and comprehensive income of the Group.

iii) Disclosure of interests in other entities

As a result of IFRS 12, the Group has expanded its disclosures about its interest in equity-accounted investees (see Note 16).

2 Basis of preparation *(continued)*

(e) Change in accounting policies *(continued)*

iv) Fair value measnrement

IFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other IFRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. It also replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 Financial Instruments: Disclosures. Some of these disclosures are specifically required in interim financial statements for financial instruments.

In accordance with the transitional provisions of IFRS 13, the Group has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the Group's assets and liabilities.

v) Presentation of items of OCI

As a result of the amendments to IAS 1, the Group has modified the presentation of items of OCI in its statements of profit or loss and OCl, to present separately items that would be reclassified to profit or loss from those that would never be. Comparative information has been re-presented accordingly.

vi) Employee benefits

As a result of the adoption of IAS 19 (2011), all actuarial differences on reserve for employee severance indemnity are required to be recognised immediately in OCl.

Actuarial differences were recognised in profit or loss before this accounting policy change. The change in accounting policy has to be applied retrospectively.

As a result of the adoption of IAS 19 (2011), all actuarial differences on reserve for employee severance indemnity are recognised immediately in OCI as items that will never be reclassified subsequently to profit or loss.

The Group adopted IAS 19 Employee Benefits (2011) with a date of initial application of 1 January 2012, however, not changed its basis for determining the expense related to defined benefit obligations due to immateriality.

The Group has started to apply the 2013 amendment for IAS 19 which basically requires all actuarial gains and losses to be recognized immediately through OCI in order to reflect any change in the liability recognized in the statement of financial position. The amendments to IAS 19 require retrospective application. In this respect, the Group management evaluated the monetary impact of this accounting policy change on the previous year's financial statements for the year ended 31 December 2013 and concluded that as the net after tax impact is not significant, comparative financial statements are not restated. In this context, starting from I January 2013, the Group recognizes actuarial gains and losses in the OCI which were previously recognized in profit or loss.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by the Group entities.

(a) Basis of consolidation

The accompanying consolidated financial statements include the accounts of the parent company, Global Liman, its subsidiaries and joint ventures on the basis set out in sections below. The financial statements of the entities included in the consolidation have been prepared as at the date of the consolidated financial statements.

(i) Subsidiaries

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

For each business combination, the Group elects to measure any non-controlling interests in the acquire at fair value.

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

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

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

As at 31 December 2013 and 2012, the subsidiaries in which the Group owned a majority shareholding and/or effectively controlled their operations are as shown below:

	Effective ownership (%)		Voting power held (%)	
	2013	2012	2013	2012
Ege Liman	72.50	72.50	72.50	72.50
Ortadoğu Liman	100.00	99.80	100.00	100.00
Bodrum Liman	60.00	60.00	60.00	60.00
Port of Bar	62.09	--	62.09	--
Global Depolama	99.99	99.99	100.00	100.00
İzmir Liman	100.00	79.00	100.00	79.00

3 Significant accounting policies *(continued)*

(a) Basis of consolidation *(continued)*

(ii) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in joint ventures. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in the joint venture are accounted for using the equity method. They are recognized initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

The table below demonstrates the rates of the effective ownership and the voting power held in terms of percentages (%) as of 31 December 2013 and 2012 for the joint venture which is under the direct or indirect joint control of the Group and the associate on which the Group has significant influence and included in the scope of consolidation:

	Effective ownership rates		Voting power held	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	(%)	(%)	(%)	(%)
BPI	49.00	--	50.00	--
Creuers	21.50	--	21.50	--

(iii) Available for sale financial assets

As at 31 December 2013 and 2012, Torba, in which the Group owns 79% of the shares but does not have control, and Randa in which the Group owns 99.99% of shares but is inactive, were not consolidated and are classified and measured as an available for sale financial assets in accordance with IAS 39 *Financial Instruments: Recognition and Measurement.*

(iv) Non-controlling interests

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

(v) Transactions eliminated on consolidation

Subsidiaries except Torba and Randa are consolidated by using the full consolidation method. Therefore, the carrying value of subsidiaries is eliminated against the related shareholders' equity. The equity and net income attributable to non-controlling interests are shown separately in the consolidated statement of financial position and profit or loss and other comprehensive income. Intra-group balances, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

3 Significant accounting policies *(continued)*

(a) Basis of consolidation *(continued)*

(vi) Business combinations

Acquisitions from third parties are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus (up to 31 December 2009) any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 *Business Combinations* are recognized at their fair values at the acquisition date.

The excess of the consideration transferred over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is accounted for as goodwill. Goodwill arising from business combinations is not amortized, but tested for impairment annually or more frequently if there is any evidence that the goodwill may be impaired. If the fair value of the identifiable assets, liabilities and contingent liabilities or the cost of the combination is temporarily determined, initial recognition of the business combination is performed based on the transitional amounts. After the initial recognition, which is allowed to be performed during 12 months after the acquisition, corrections in relation to the initial recognition are accounted for in accordance with IFRS 3 *Business Combinations* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

If the share of the fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree exceed the cost of a business combination, the difference is recognized as income (gain on a bargain purchase).

In a business combination achieved in stages, the acquirer remeasures its previously held equity interest in the acquiree at its acquisition-date fair value and recognises the resulting gain or loss in profit or loss.

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses ultimately are controlled by the same party or parties both before and after the combination. The acquisition of an entity under common control is accounted for using book values, and in its consolidated financial statements the acquirer is permitted, but not required, to restate its comparatives as if the combination had been in existence throughout the reporting periods presented. The Group has, however, elected to account for the acquisition of an entity under common control from the acquisition date.

(b) Foreign currency

(i) Foreign currency transactions

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

3 Significant accounting policies *(continued)*

(b) Foreign currency *(continued)*

The Group entities use USD, Euro or TL as their functional currency since these currencies are used to a significant extent in, or have a significant impact on, the operations of the related Group entities and reflect the economic substance of the underlying events and circumstances relevant to these entities. All currencies other than the currency selected for measuring items in the financial statements are treated as foreign currencies. Accordingly, transactions and balances not already measured in the functional currency have been re-measured to the related functional currencies in accordance with the relevant provisions of IAS 21 *The Effect of Changes in Foreign Exchange Rates*. The Group uses TL as the reporting currency.

Assets and liabilities of those Group entities with a different functional currency than the reporting currency of the Group are translated into the reporting currency of the Group at the rate of exchange ruling at the reporting date. The income and expenses of the Group entities are translated into the reporting currency at the average exchange rates for the period. Equity items, except for net income, are presented at their historical costs. These foreign currency differences are recognized in "other comprehensive income", within equity, under "Translation Reserves". As at 31 December 2013 and 2012, foreign currency exchange rates of the Central Bank of the Turkish Republic were as follows:

	2013	2012
USD/TL	2,1343	1,7826
Euro/TL	2,9365	2,3517

For the year ended 31 December 2013 and 2012, average foreign currency exchange rates of the Central Bank of the Turkish Republic were as follows:

	2013	2012
USD/TL	1,9013	1,7925
Euro/TL	2,5248	2,3155

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to TL at exchange rates at the reporting date. The income and expenses of foreign operations are translated to TL at exchange rates at the dates of the transactions. Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation differences is allocated to non-controlling interests ("NCI").

When a foreign operation is disposed of in its entirely or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, then foreign currency differences arising from such item form part of the net investment in the foreign operation. Accordingly, such differences are recognized in OCI and accumulated in the translation reserve.

3 Significant accounting policies *(continued)*

(b) Foreign currency *(continued)*

(iii) Hedge of a net investment in foreign operation

The Group applies hedge accounting to foreign currency differences arising between the functional currency of the subsidiaries and the Company's functional currency (TL).

To the extent that the hedge is effective, foreign currency differences arising on the translation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in OCI and accumulated in the translation reserve. Any remaining differences are recognised in profit or loss. When the hedged net investment is disposed of, the relevant amount in the translation reserve is transferred to profit or loss as part of the gain or loss on disposal.

(c) Financial instruments

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

The Group classifies non-derivative financial liabilities into the other financial liabilities category.

(i) Non-derivative financial assets and financial liabilities- recognition and derecognition

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

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

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

(ii) Non-derivative financial assets - measurement

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is designated as such upon initial recognition or is classified as held for trading. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

3 Significant accounting policies *(continued)*

(c) Financial instruments *(continued)*

(ii) Non-derivative financial assets - measurement (continued)

Loans and receivables

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

Loans and receivables comprise bank deposits and trade and other receivables. Bank deposits with original maturities of three months or less are classified as cash and cash equivalents.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, bank deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Available for sale financial assets

Available for sale financial assets are measured at fair value subsequent to initial recognition. Unrealized gains or losses from the changes in fair value of the available for sale financial assets are accounted for in the statement of profit or loss and other comprehensive income and "fair value reserve" under equity. If the market for an available for sale financial asset is not active, the Group establishes fair value by using a valuation technique. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same and discounted cash flow analysis. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment losses. Fair value reserves accounted for under equity are recycled to the profit or loss when available for sale financial assets are derecognized.

(iii) Non-derivative financial liabilities – measurement

Financial liabilities are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

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

The Group has the following non-derivative financial liabilities: loans and borrowings and trade and other payables. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

(iv) Share capital

Ordinary shares

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

3 Significant accounting policies *(continued)*

(c) Financial instruments *(continued)*

(v) Derivative financial instruments

The Group holds derivative financial instrument to hedge its foreign currency risk exposure.

On initial designation of the derivative as a hedging instrument, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value.

Derivatives are recognised initially at fair value; any attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below:

Net investment hedge accounting

A net investment hedge is a hedge of the foreign currency exposure arising from a net investment in a foreign operation using derivative or non-derivative financial items as the hedging instrument. If a monetary item is a part of net investments made to subsidiaries of the Company whose functional currency is other than TL, foreign exchange differences arise in financial statements of the Company. Those foreign exchange differences are recognised in other comprehensive income in consolidated financial statements when the differences are considered as hedging instruments.

Transactions for the purpose of avoiding net investment risk made to subsidiaries whose functional currency is other than TL are recognised as transactions for the purpose of cash flow accounting hedge including financial accounting hedge transactions of monetary items which are recognised as a part of net investment.

- The effective portion of gain or loss arising from financial hedging instrument is recognised in other comprehensive income or expense and
- Non effective portion of gain or loss arising from financial hedging instrument is recognised in profit or loss.

Gain or loss on financial hedging instrument related to effective portion of financial hedging transaction and recognised in other comprehensive income or expense is excluded from equity and classified to profit or loss as reclassification adjustment when there is a disposal of related subsidiary or disposal period.

3 Significant accounting policies *(continued)*

(d) Property and equipment

(i) Recognition and measurement

Items of property and equipment related to operations whose functional currency is TL and were acquired before 1 January 2006 are measured at cost restated for the effects of inflation in TL units current at 31 December 2005 less accumulated depreciation and accumulated impairment losses, and items of property and equipment acquired after 31 December 2005 are measured at cost less accumulated depreciation and accumulated impairment losses.

Property and equipment of companies, whose functional currencies are not TL, are denominated in the original currencies, stated at cost, less accumulated depreciation and accumulated impairment losses and are translated to TL by using the exchange rate ruling at the reporting date.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Borrowing costs related to the acquisition, construction or production of qualifying assets are capitalized up to the end of the period that relevant asset was ready to use.

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

(ii) Subsequent costs

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amounts substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Leasehold improvements are amortized over the periods of the respective leases, also on a straight-line basis.

The estimated useful lives for the current and comparative periods are as follows:

	Years
Leasehold improvements	4-30
Furniture and fixtures	4-20
Machinery and equipment	4-30
Motor vehicles	4-18

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(iv) De-recognition

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognized net within profit or loss.

3 Significant accounting policies *(continued)*

(e) Intangible Assets

(i) Recognition and measurement

Intangible assets comprise port operation rights, contract-based customer relationships and software.

Intangible assets related to operations whose functional currency is TL and which were acquired before 1 January 2006 are restated for the effects of inflation in TL units current at 31 December 2005, less accumulated amortization and accumulated impairment losses. Intangible assets acquired after 1 January 2006 are stated at cost less accumulated amortization and permanent impairment losses.

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

(ii) Subsequent expenditures

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred.

(iii) Intangible assets recognized in a business combination

In a business combination or acquisition, the Group recognizes separately an intangible asset of the acquiree at the acquisition date only if it meets the definition of an intangible asset in IAS 38 *Intangible Assets* and its fair value can be measured reliably. The Group's intangible assets recognized in a business combination comprise the port operation rights and the customer relationships.

(iv) Amortization

Amortization is calculated over the cost of the asset, or other amount substituted for cost less its residual value.

Amortization is recognized in profit or loss on a straight line basis over the estimated useful lives of intangible assets from the date they are available for use, since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the assets.

The estimated useful lives for the current and comparative periods are as follows:

	Years
Port operation rights	12-30
Customer relationships	12
Software	5

3 Significant accounting policies *(continued)*

(f) Goodwill

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

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

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

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

(g) Leased assets

(i) Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease. This will be the case if the following two criteria are met:

At inception or on reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

(ii) Leased assets

Assets held by the Company under leases which transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of financial position.

(iii) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3 Significant accounting policies *(continued)*

(h) Impairment

(i) Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes;

- default or delinquency by a debtor,
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise,
- indications that a debtor or issuer will enter bankruptcy,
- adverse changes in the payment status of borrowers or issuers.

Financial assets measured at amortised cost

The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between asset's carrying amount, and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between acquisition cost (net of any principle repayment and amortization) and the current fair value reserve, less any impairment loss previously recognized in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognized, then the impairment loss is reversed through profit or loss; otherwise, it is reversed through OCI.

Equity-accounted investees

An impairment loss in respect of equity-accounted investees is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognized in profit or loss, and is reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

3 Significant accounting policies *(continued)*

(h) Impairment *(continued)*

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss for an asset other than goodwill is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(i) Employee benefits

In accordance with the existing labor law in Turkey, the entities operating in Turkey are required to make lump-sum payments to employees who have completed one year of service and whose employment is terminated without cause, or due to retirement, military service or death. Retirement pay liability is calculated by using lower of an employee's monthly salary and the retirement pay ceiling, which at 31 December 2013 was TL 3.254 (31 December 2012: TL 3.034), for each year of the employee's service. The Group recognizes the retirement pay liability as the present value of the estimated total reserve of the future probable obligation of the Group. The key assumptions used in the calculation of the retirement pay liability are detailed in Note 25.

(j) Provisions, contingent assets and liabilities

A provision is recognized in the accompanying consolidated financial statements if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. Unless the possibility of any outflow in settlement is remote, contingent liabilities are disclosed in the notes to the financial statements. Where an economic inflow of economic benefits is probable, contingent assets are disclosed in the notes to the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

3 Significant accounting policies *(continued)*

(k) Revenue

Revenue is recognized on an accruals basis when services are rendered, the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable and the amount of revenue can be measured reliably.

(i) Port administration services

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

(ii) Rental income

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

(iii) Other service revenue and other sales

Other service revenues and other sales are presented on profit or loss on an accrual basis.

(l) Finance income and finance costs

Finance income comprises interest income, gains on sale of marketable securities and net foreign currency gains that are recognized in the profit or loss. Interest income is recognized as it accrues, using the effective interest method.

Finance costs comprise interest expense on borrowings, net foreign currency losses and losses on sale of marketable securities. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Borrowing costs are capitalized if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred.

(m) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or in OCI.

(i) Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Corporate income tax is levied on the statutory corporate income tax base, which is determined by modifying income for certain tax exclusions and allowances.

3 Significant accounting policies *(continued)*

(m) Income tax *(continued)*

(ii) Deferred tax

Deferred tax is recognised in respect of for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and the Group has not recognised deferred tax assets and liabilities. Deferred tax is measured at the tax notes that are expected to be applied to temporary differences when they reverse, using tax notes enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if certain criteria are met.

(n) Earnings per share

The Group presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, less own shares acquired.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings and inflation adjustments on equity items. Such kind of bonus shares are taken into consideration in the computation of earnings per share as issued share certificates. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the period has been adjusted in respect of bonus share issues without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and each earlier period.

3 Significant accounting policies *(continued)*

(o) Related parties

Parties are considered related to the Company if;

(a) directly, or indirectly through one or more intermediaries, the party:

(b) controls, is controlled by, or is under common control with the Company (this includes parent, subsidiaries and fellow subsidiaries);

(c) has an interest in the Company that gives it significant influence over the Company; or

(d) has joint control over the Company;

(e) the party is an associate of the Company;

(f) the party is a joint venture in which the Company is a venturer;

(g) the party is member of the key management personnel of the Company and its parent;

(h) the party is a close member of the family of any individual referred to in (a) or (d);

(f) the party is an entity that is controlled or significantly influenced by, or for which significant voting power in such entity resides with directly or indirectly, any individual referred to in (d) or

(g) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any entity that is a related party of the Company.

(p) Government subsidies and incentives

All subsidies and incentives, including non-monetary incentives stated at fair market values, are included in the consolidated financial statements when there is reasonable certainty that the Group will qualify and receive such subsidies and incentives. Government incentives utilized by the Group comprises investment allowances (Note 18).

(q) Lease payments

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(r) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

For the years ended 31 December 2013 and 2012, the operating segments of the Group are Kuşadası Port, Antalya Port and Bodrum Port, which are operated by Ege Liman, Ortadoğu Liman and Bodrum Liman, respectively. The detailed information is disclosed in Note 5.

3 Significant accounting policies *(continued)*

(s) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group set out below. The Group does not plan to adopt these standards early.

i) IFRS 9 Financial Instruments (2010), IFRS 9 Financial Instruments (2009)

IFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under IFRS 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 (2010) introduces additional charges relating to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and new requirements to address the impairment of financial assets and hedge accounting.

IFRS 9 (2010) and IFRS 9 (2009) are effective for annual periods beginning on or after 1 January 2017, with early adoption permitted. The adoption of these standards is not expected to significant impact on the Group's financial statements.

The mandatory effective date will be decided upon when the entire IFRS 9 project is completed. The Group does not plan to early adopt these Standards and did not evaluate the effect of these Standards / it is not expected that the abovementioned Standard would have pervasive effect on the Group's financial position or financial performance.

ii) IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial liabilities (Amended)

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

iii) IAS 36 Recoverable amount disclosures for non-financial assets

The amendments clarify the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal. These amendments are to be retrospectively applied for annual periods beginning on or after 1 January 2014.

iv) IFRIC 21 Levies

Levies have become more common in recent years, with governments in a number of jurisdictions introducing levies to raise additional income. A new interpretation has provided more clarity as to when a liability for a levy should be recognized. The IFRS Interpretations Committee has defined the term "levy" and confirmed that the trigger for recognizing a liability is the obligating event specified in the legislation. These amendments are to be retrospectively applied for annual periods beginning on or after 1 January 2014.

The Group does not plan to adopt these standards early and the extent of the impact has not been determined yet.

4 Determination of fair values

A number of the Group's accounting policies and disclosures requires the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market and observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted in active markets for identical assets or liabilities).
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in the following note:

Note 29 - Financial risk management

5 Segment reporting

Operating segments considered in performance evaluation by the Group management are determined by considering the Group's risks and resources and internal reporting structure. The Group's operating segments are Kuşadası Port, Antalya Port and Bodrum Port, which are operated by Ege Liman, Ortadoğu Liman and Bodrum Liman, respectively. Other operations of the Group, which include Global Liman, İzmir Liman and Global Depolama, do not generate external revenues and therefore are presented to reconcile to the consolidated financial statements. The Port of Bar was acquired at the end of 2013 and has not generated revenue for the Group in 2013.

Information regarding all the segments is stated below. External revenues and earnings before interest, tax, depreciation and amortization ("EBITDA") are reviewed in the assessment of the financial performance of the operating segments. The Group management assesses EBITDA as the most appropriate method for the review of the segment operations, based on comparability with other companies in the same industry. The reconciliation of EBITDA to profit before tax and elements of EBITDA are disclosed as follows.

5 Segment reporting *(continued)*

As at and for the years ended 31 December 2013 and 2012, the details of reportable segments comprised the following:

	Kuşadası Port		Antalya Port		Bodrum Port		Other		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Segment assets	105,096,702	84,959,140	618,636,332	549,243,620	29,203,237	25,882,272	270,618,631	37,960,329	1,023,554,902	698,045,361
Segment liabilities	28,290,071	24,372,645	201,915,759	183,989,481	6,219,987	5,578,447	343,465,766	32,766,914	579,891,583	246,707,487
Capital expenditures	2,978,514	1,979,268	12,085,353	4,579,006	153,267	70,777	106,574	95,628	15,323,708	6,724,679
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
External revenues	31,313,859	29,475,915	107,420,812	88,173,294	4,791,352	4,741,319	--	--	143,526,023	122,390,528
EBITDA	24,041,332	21,621,153	75,131,638	56,177,278	2,540,349	2,505,075	47,429,061	(287,419)	149,142,380	80,016,087
Depreciation and amortization expense	(3,405,565)	(3,100,573)	(38,112,549)	(35,459,939)	(3,189,457)	(3,177,624)	(201,814)	(198,758)	(44,909,385)	(41,936,894)
Significant non-cash income/expenses	--	--	--	--	--	--	52,645,518	--	52,645,518	--
Interest income	2,636,292	3,476,551	582,711	615,994	2,578	4,297	2,829,231	897,476	6,050,812	4,994,318
Interest expense	(1,795,155)	(530,089)	(6,032,704)	(6,391,910)	(581,684)	(658,507)	(9,352,489)	(275,528)	(17,762,032)	(7,844,978)

5 Segment reporting *(continued)*

	Note	2013	2012
Revenues			
Total revenue for reportable segments		143,526,023	122,390,528
Consolidated revenue		**143,526,023**	**122,390,528**
Consolidated EBITDA		149,142,380	80,016,087
Finance income	*12*	24,965,166	22,503,561
Finance costs	*12*	(40,056,412)	(23,105,039)
Depreciation and amortization		(44,909,385)	(41,936,893)
Consolidated profit before income tax		**89,141,749**	**37,477,716**
Interest income			
Total interest income for reportable segments		6,050,812	4,994,318
Elimination of inter-segments		(2,676,659)	(2,135,295)
Consolidated interest income		**3,374,153**	**2,859,023**
Interest expense			
Total interest expense for reportable segments		(17,762,032)	(7,844,978)
Elimination of inter-segments		2,676,659	2,135,295
Consolidated interest expense		**(15,085,373)**	**(5,709,683)**
Significant non-cash income/expenses			
Gain on bargain purchase	*6(ii)(d)*	52,645,518	--
Total		**52,645,518**	**--**

6 Acquisitions

(i) Purchase of shares of entities under common control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses ultimately are controlled by the same party or parties both before and after the combination. The acquisition of an entity under common control is accounted for using carrying amounts, and in its consolidated financial statements the acquirer is permitted, but not required, to restate its comparatives as if the combination had been in existence throughout the reporting periods presented. The Group has, however, elected to account for the acquisitions of entities under common control from the acquisition date.

On 24 December 2012, Global Yatırım Holding has signed a share purchase agreement with Savina for 22.11% shares of Global Liman at an amount of USD 95,945,000 including dividend rights of Savina. Transfer of Global Liman shares to Global Yatırım Holding has been completed on 7 February 2013 after the fulfillment of the several pre-conditions, such as permission of the Competition Board. Global Yatırım Holding paid to Savina an amount of USD 91,724,063 after deduction of dividend amount paid during the period. Global Yatırım Holding's shares at Global Liman reached 99.99% following this share transfer.

Subsequent to the acquisition, as part of a structuring process, Global Yatırım Holding sold 22.11% of Global Liman shares to Adonia Deniz ve Liman Yatırımları ve İşletmeciliği A.Ş. ("Adonia"), a newly established company with a share capital of TL 50,000 and a fully owned subsidiary of Global Yatırım Holding, at an amount of TL 177,241,394 on 24 June 2013. As part of this transaction, Global Yatırım Holding transferred bank loans amounting TL 161,867,430 (equivalent to USD 83,700,000) (see Note 23, (ii)) to Adonia and the remaining amount of TL 15,373,964 is due to Global Yatırım Holding.

On 28 June 2013, Global Liman and Adonia have merged into Global Liman and the legal personality of Adonia has ended.

In order to comply with the provisions of the Turkish Commercial Code, share capital of Global Liman has been decreased by TL 18,746,900, from TL 85,000,000 to TL 66,253,100.

As a result, the difference between the book value of Global Liman shares in Adonia's accounts and Global Liman's accounts, TL 158,494,494, have been recognized in equity under "Distribution to Shareholders" in the accompanying consolidated financial statements.

(ii) Acquisition of the Port of Bar

The contract comprising acquisition of % 62,09 shares of general freight and cargo terminal of the Port of Bar located in Montenegro has been signed on 14 December 2013 after Global Liman offered the tender comprised the repair and maintenance of the port, financing, construction and operating the port for 30 years and initiated by the Ministry of Transportation and the Maritime and Port Administration of Montenegro at best, approvals and procedures related to sales transaction was completed on 30 December 2013 and after that day the Group obtained management and control of the Port of Bar.

The Port of Bar represents a significant chain in intermodel transportation with respect to free zone regime and integration of Belgrade –Bar road and railway traffic system. The Port of Bar has a port with 1619 meter long and the shallowest point of the port is 10 meters. Global Liman is under obligation of performing some investment and social programmes stated in the agreement in the first three years following the acquisition. Global Liman has made a commitment amounting to Euro 13.5 millions with respect to investment expenditures for the first three years. Service scale of the Port of Bar will be arranged with the Port Administration of Montenegro in accordance with the terms of concession agreement.

6 Acquisition of subsidiary *(continued)*

(ii) Acquisition of the Port of Bar (continued)

Taking control of the Port of Bar will enable the Group to acquire the operation right of a port operating overseas. A Turkish company has acquired the majority ownership of a port operation overseas for the first time. The Group plans to increase port investments overseas and expands its port portfolio overseas by new port investments.

a) Consideration transferred

The acquisition cost amounting to Euro 8,071,700 (equivalent to TL 23,160,129) was totally paid to the Ministry of Transportation and Maritime Affairs on 30 December 2013.

b) Acquisition-related costs

The Group incurred acquisition-related costs of TL 2,479,284 on legal fees and due diligence costs. These costs have been recognized under gain on bargain purchase, net (see (d)).

c) Identifiable assets acquired and liabilities assumed

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the acquisition date.

In TL	*Note*	
Property and equipment	*13*	82,881,996
Intangible assets	*14*	35,416,609
Deferred tax asset		3,968,598
Other assets		10,430,251
Trade and other receivables		3,280,147
Cash and cash equivalents		426,838
Loans and borrowings		(2,656,302)
Trade and other payables		(5,436,278)
Provisions for employee termination indemnity	*25*	(1,978,408)
Other liabilities		(250,457)
Total identifiable net assets acquired		**126,082,994**

Measurement of fair values

The valuation techniques used for measuring the fair value of the assets acquired were as follows.

Identifiable assets, liabilities and contingent liabilities are recognized at fair value according to IFRS 3 "Business Combinations". Transaction is provisionally recognized in the consolidated financial statements due to limited duration between the date of acquisition and preparation of financial statements and separation of identifiable assets and liabilities were in progress at the reporting date. The fair value of the identifiable monetary assets of Port of Bar are assessed to be equal to the carrying value and the fair value of the property and equipment is determined by a fixed asset expert. The acquisition cost explained below in detail is recognized in intangible assets as port operation right after identifiable assets and liabilities mentioned above are excluded.

The fair value of the Port of Bar has been determined by using the weighted average of the value based on the market approach method and income approach method prepared by an independent appraisal company.

6 Acquisition of subsidiary *(continued)*

(ii) Acquisition of Port of Bar (continued)

c) Identifiable assets acquired and liabilities assumed (continued)

According to income approach method, the company value has been determined by using discounted cash flow method over cash flows in specified future. When the company value was determined by discounted cash flow method, on the basis of Euro at rate 13.66% was used as discount rate and weighted average capital cost. In valuation process, available and following 30 years port traffic, existing capacity and capacity which the Group is targeting to have after investing the planned amount, discounted cash flow has been calculated over 30 years projections in consideration with commitments of contract articles and planning restructuring operations. As for market approach method, based upon Price/Sales and Firm Value standard rates of similar companies, according to relative valuation approach or comparative share dealing transactions, valuation methods are used.

If new information obtained within one year of the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above amounts, or any additional provisions that existed at the acquisition date, then the accounting for the acquisition will be revised.

d) Gain on bargain purchase

Gain on bargain purchase arising from the acquisition has been recognized as follows.

In TL	*Note*	
Consideration transferred	*(a)*	23,160,129
NCI, based on their proportionate interest in the recognized amounts of the assets and liabilities of Port of Bar		47,798,063
Fair value of identifiable net assets	*(c)*	(126,082,994)
Gain on bargain purchase		**(55,124,802)**

The realized and expected to realize growth in the operations due to the increase in the capacity usage ratio as a result of the working capital fund transfers and investments in order to improve the productivity and working capacity of the port in question that would contribute to the value of the operation resulted in gain on bargain purchase as a result of the acquisition of the Port of Bar. The acquisition of the Port of Bar's shares contributed a net profit of TL 55,124,802 which was accounted for as gain on bargain purchase under other income.

Gain on bargain purchase amounting to TL 55,124,802 has been recognized after netting off with the related acquisition costs amounting to TL 2,479,284 in other income amounting to TL 52,645,518 in the consolidated statement of profit or loss and other comprehensive income (see note 9).

7 Acquisition of non-controlling interests

In 2013, the Group acquired an additional 21% and %0.20 interests in İzmir Liman and Ortadoğu Liman respectively, increasing its ownership from 79% to 100% in İzmir Liman and from %99.80 to %100.00 in Ortadoğu Liman. The Group recognized:

- a decrease in NCI of TL 2,014,191; and
- a decrease in retained earnings of TL 4,041,022

8 Revenue and cost of sales

Revenue

For the years ended 31 December, revenue comprised the following:

	2013	2012
Container revenue	67,138,200	49,181,099
Port service revenue	34,941,955	30,530,794
Cargo revenue	17,861,618	17,964,312
Landing fees	11,124,887	10,359,959
Rent revenue (*)	7,619,694	7,786,028
Setur rent revenue	3,059,806	2,675,714
Domestic water sales	1,044,954	1,253,507
Other revenue	734,909	2,639,115
Total	**143,526,023**	**122,390,528**

(*) Includes all rent revenue except Setur rent revenue.

Cost of sales

For the years ended 31 December, cost of sales comprised the following:

	2013	2012
Depreciation and amortization expenses	44,016,326	41,279,465
Personnel expenses	12,742,929	11,329,277
Subcontractor crane and container service expenses	7,507,084	6,450,774
Fuel expenses	2,388,664	2,129,468
Container shipping expenses	1,994,541	1,536,517
Commission fees to government authorities and pilotage expense	1,585,959	1,469,662
Repair and maintenance expense	1,551,156	1,215,671
Electricity expenses	1,090,886	1,152,566
Insurance expenses	1,121,126	1,063,351
Security expenses	1,184,119	1,074,405
Port rental expenses	845,720	257,193
Shopping mall expenses	751,740	735,208
Fresh water expenses	234,572	232,825
Other expenses	1,599,783	1,688,478
Total	**78,614,605**	**71,614,860**

9 Other income and expenses

Other income

For the years ended 31 December, other income comprised the following:

	Note	2013	2012
Gain on bargain purchase	*6(ii)(d)*	52,645,518	--
Reversed lawsuit provisions		163,012	48,310
Other		314,591	105,252
Total		**53,123,121**	**153,562**

Other expenses

For the years ended 31 December, other expenses comprised the following:

	2013	2012
Project expense	406,970	152,537
Partial exception expenses	--	331,809
Donations	--	108,390
Other	634,895	573,928
Total	**1,041,865**	**1,166,664**

10 Selling and marketing expenses

For the years ended 31 December, selling and marketing expenses comprised the following:

	2013	2012
Advertising and promotion expenses	331,211	368,579
Commission expense	130,102	120,560
Representation expense	21,420	22,212
Travelling expenses	5,267	7,993
Other	1,525	--
Total	**489,525**	**519,344**

11 Administrative expenses

For the years ended 31 December, administrative expenses comprised the following:

	2013	2012
Personnel expenses	7,880,968	6,435,479
Consultancy expenses	1,096,824	1,840,226
Depreciation and amortization expenses	893,060	651,835
Travelling expenses	622,736	537,034
Representation expenses	401,963	326,607
IT expenses	284,209	58,278
Communication expenses	232,623	196,405
Vehicle expenses	215,095	206,466
Office operating expenses	176,778	139,541
Taxes other than on income	132,302	178,701
Stationary expenses	131,455	64,204
Repair and maintenance expenses	63,609	55,618
Rent expenses	42,320	24,620
Other expenses	817,592	449,014
	12,991,534	**11,164,028**

12 Finance income and costs

For the years ended 31 December, finance income comprised the following:

Finance income	2013	2012
Foreign exchange gain	21,458,470	15,226,805
Interest income on banks and others	410,296	3,593,011
Gain on sale of marketable securities	132,543	2,332,438
Interest income on marketable securities (*)	2,963,857	1,351,307
Total	**24,965,166**	**22,503,561**

(*) Interest income on marketable securities comprises the interest income earned from the Global Yatırım Holding bonds during the year.

12 Finance income and costs *(continued)*

For the years ended 31 December, finance costs comprised the following:

Finance costs	**2013**	**2012**
Foreign exchange losses	24,687,655	10,289,492
Interest expense on loans and borrowings	15,085,373	7,871,610
Loss on sale of marketable securities	49,611	4,569,536
Loan commission expenses	41,475	348,763
Letter of Guarantee commission expenses	26,822	--
Other	165,476	25,638
Total	**40,056,412**	**23,105,039**

For the years ended 31 December, finance income and costs accounted for in other comprehensive income comprised the following:

	2013	**2012**
Change in currency translation differences	84,119,233	(33,486,873)
Net investment hedge	(12,781,207)	--
Total	**71,338,026**	**(33,486,873)**

13 Property and equipment

Movements of property and equipment for the year ended 31 December 2013 comprised the following:

Cost	1 January 2013	Additions	Disposal	Transfers	Acquisition through business combinations (*)	Currency translation differences	31 December 2013
Leasehold improvements	59,912,200	1,407,259	--	4,109,772	81,038,461	12,217,568	158,685,260
Machinery and equipment	52,575,302	4,693,291	(398,525)	268,815	1,799,405	10,400,587	69,338,875
Motor vehicles	14,757,777	1,344,981	(91,064)	--	29,060	2,913,037	18,953,791
Furniture and fixtures	3,610,574	2,294,391	(37,542)	--	15,070	984,164	6,866,657
Construction in progress	2,396,728	5,381,571	(2,278,407)	(4,378,587)	--	681,005	1,802,310
Land improvement	9,846	5,000	--	--	--	2,814	17,660
Total	**133,262,427**	**15,126,493**	**(2,805,538)**	**--**	**82,881,996**	**27,199,175**	**255,664,553**

Accumulated Depreciation	1 January 2013	Additions	Disposal	Transfers	Acquisition through business combinations	Currency translation differences	31 December 2013
Leasehold improvements	14,886,912	3,863,543	--	--	--	3,401,645	22,152,100
Machinery and equipment	17,889,763	4,957,141	(756,858)	--	--	4,044,192	26,134,238
Motor vehicles	4,626,888	1,248,474	(37,166)	--	--	1,061,113	6,899,309
Furniture and fixtures	2,113,333	701,091	(12,009)	--	--	464,290	3,266,705
Land improvement	305	1,240	--	--	--	210	1,755
Total	**39,517,201**	**10,771,489**	**(806,033)**	**--**	**--**	**8,971,450**	**58,454,107**
Net book value	**93,745,226**						**197,210,446**

(*) See note 6 (ii) (c).

13 Property and equipment *(continued)*

Movements of property and equipment for the year ended 31 December 2012 comprised the following:

Cost	1 January 2012	Additions	Disposal	Transfers	Curreney translation differenees	31 Deeember 2012
Leasehold improvements	60,634,690	835,171	--	1,551,895	(3,109,556)	59,912,200
Machinery and equipment	53,665,933	2,010,959	(81,452)	--	(3,020,138)	52,575,302
Motor vehicles	15,407,064	372,667	(153,696)	--	(868,258)	14,757,777
Furniture and fixtures	3,356,872	431,658	--	--	(177,956)	3,610,574
Construction in progress	1,392,294	2,983,489	--	(1,551,895)	(427,160)	2,396,728
Land improvement	--	9,901	--	--	(55)	9,846
Total	**134,456,853**	**6,643,845**	**(235,148)**	**--**	**(7,603,123)**	**133,262,427**

Aeeumulated Depreciation	1 January 2012	Additions	Disposal	Transfers	Curreney translation differenees	31 Deeember 2012
Leasehold improvements	12,230,268	3,357,973	--	--	(701,329)	14,886,912
Machinery and equipment	14,266,554	4,532,110	(81,452)	--	(827,449)	17,889,763
Motor vehieles	3,712,170	1,147,106	(17,244)	--	(215,144)	4,626,888
Furniture and fixtures	1,738,664	470,678	--	--	(96,009)	2,113,333
Land improvement	--	307	--	--	(2)	305
Total	**31,947,656**	**9,508,174**	**(98,696)**	**--**	**(1,839,933)**	**39,517,201**
Net book value	**102,509,197**					**93,745,226**

13 Property and equipment *(continued)*

As at 31 December 2013, the net book value of machinery and equipment purchased through leasing amounts to TL 6,908,960 (2012: TL 5,538,946) and the net book value of motor vehicles purchased through leasing amounts to TL 3,550,568 (2012: TL 3,167,882).

As at 31 December 2013 and 2012, according to the "TOORA" signed with Ege Liman and Ortadoğu Liman and the "BOT" tender agreement signed with Bodrum Liman, at the end of the agreement periods, real estate with their capital improvements will be returned as running, clean, free of any liability and free of charge. The details of the pledge or mortgage on property and equipment regarding the loans and borrowings are explained on Note 23.

For the years ended 31 December 2013 and 2012, there is no capitalized borrowing cost on property and equipment.

As at 31 December 2013, the insured amount of property and equipment amounts to TL 129,014,502 (2012: TL 98,378,708).

14 Intangible assets

Movements of intangible assets for the year ended 31 December 2013 comprised the following:

Cost	1 January 2013	Additions	Acquisition through business combinations (*)	Currency translation differences	31 December 2013
Port operation rights	599,335,327	--	35,416,609	114,894,774	749,646,710
Customer relationships	6,694,378	--	--	1,319,043	8,013,421
Software	143,593	84,357	--	17,133	245,083
Other intangibles	645,317	112,858	--	51,992	810,167
Total	**606,818,615**	**197,215**	**35,416,609**	**116,282,942**	**758,715,381**

Accumulated amortization	1 January 2013	Amortization expense	Acquisition through business combinations	Currency translation differences	31 December 2013
Port operation rights	102,582,983	33,499,766	--	21,279,511	157,362,260
Customer relationships	2,509,849	446,163	--	549,859	3,505,871
Software	128,755	23,929	--	17,138	169,822
Other intangibles	403,073	168,039	--	43,233	614,345
Total	**105,624,660**	**34,137,897**	**--**	**21,889,741**	**161,652,298**
Net book value	**501,193,955**				**597,063,083**

(*) See note 6 (ii) (c).

14 Intangible assets *(continued)*

Movements of intangible assets for the year ended 31 December 2012 comprised the following:

Cost	1 January 2012	Additions	Currency translation differences	31 December 2012
Port operation rights	634,148,548	--	(34,813,221)	599,335,327
Customer relationships	7,092,045	--	(397,667)	6,694,378
Software	146,929	1,741	(5,077)	143,593
Other intangibles	575,252	79,093	(9,028)	645,317
Total	**641,962,774**	**80,834**	**(35,224,993)**	**606,818,615**

Accumulated amortization	1 January 2012	Amortization expense	Currency translation differences	31 December 2012
Port operation rights	74,286,933	31,686,723	(3,390,673)	102,582,983
Customer relationships	2,068,513	560,841	(119,505)	2,509,849
Software	109,605	22,248	(3,098)	128,755
Other intangibles	254,658	158,908	(10,493)	403,073
Total	**76,719,709**	**32,428,720**	**(3,523,769)**	**105,624,660**
Net book value	**565,243,065**			**501,193,955**

15 Goodwill

Movements of goodwill for the years ended 31 December comprised the following:

1 January 2012	**24,292,056**
Currency translation differences	(1,367,063)
31 December 2012	**22,924,993**
Currency translation differences	4,523,011
Book value as at 31 December 2013	**27,448,004**

As at 31 December 2013 and 2012, the Group recognized goodwill related to the acquisition of Ege Liman in its consolidated financial statements.

As at 31 December 2013, the Group tested impairment by comparing the goodwill from the acquisition of Ege Liman with the values in use of the cash generating units and concluded that no impairment exists. Cash flow forecasts are prepared up to the end of the port usage rights, which is 2033. The basic assumption is that the expected increase in the intensity of the port activity will increase operational profit. Cash flows used to calculate value in use are prepared in USD. An interest rate of 12.4% was used for discounting future cash flows to reporting date.

16 Equity-accounted investees

At 31 December 2013, BPI is the only joint arrangement in which the Group participates.

The following table summarizes the financial information of BPI as included in its own financial statements. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in BPI.

In TL	2013	2012
Percentage ownership interest	49%	--
Non-current assets	94,298,806	--
Current assets	563,732	--
Current liabilities	(127,826)	--
Net assets (100%)	94,734,712	--
Group's share of net assets (49%)	46,420,009	--
Carrying amount of interest in joint venture	**46,420,009**	--
Revenue	2,013,914	--
Expenses	(541,708)	--
Profit and total comprehensive income (100%)	1,472,206	--
Group's share of profit and total comprehensive income (49%)	**721,380**	--

17 Other investments

Financial assets available for sale

As at 31 December 2013 and 2012, financial assets available for sale, comprised the following:

	2013	2012
Global Yatırım Holding bonds	29,054,619	24,691,641
Share certificates of Global Yatırım Holding	3,990,652	--
Total	**33,045,271**	**24,691,641**

(*) The Group has purchased Global Yatırım Holding's bonds. As at 31 December 2013 and 2012, the bonds' maturity is 30 June 2017 with an annual nominal interest rate of 11%. The nominal amounts of the bonds are USD 15.050.000.

Global Yatırım Holding shares are actively traded in Borsa İstanbul.

As at 31 December 2013 and 2012, investments in equity instruments that are not quoted in an active market comprised the following:

	Share ratio (%)	2013 Book Value	Share Ratio (%)	2012 Book Value
Torba (*)	79.00	79,000	79.00	79,000
Randa (**)	99.99	22,232	99.99	22,232
Total		101,232		101,232

(*) Torba is excluded from consolidation due to appointment of a trustee at 4 January 2008 and loss of control. Torba is carried at cost in the consolidated financial statements, since its shares are not quoted in an active market.

(**) Randa was purchased by Global Liman on 17 February 2011 for a consideration of Euro 10,000. As at 31 December 2013 and 2012, Randa is inactive and is excluded from the scope of consolidation.

18 Taxation

Corporate tax

Corporate income tax is levied at the rate of 20% on the statutory corporate income tax base, which is determined by modifying income for certain tax exclusions and allowances.

In Turkey, advance tax returns are measured and accrued on a quarterly basis. The advance corporate income tax rate as at 31 December 2013 is 20% (2012: 20%).

In Turkey, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes shown in the consolidated financial statements reflects the total amount of taxes calculated on each entity that is included in the consolidation.

Losses can be carried forward for offsetting against future taxable income for up to 5 years. Losses cannot be carried back.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within four months following the close of the accounting year to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

There is also a withholding tax on the dividends paid and is accrued only at the time of such payments. The withholding tax rate on the dividend payments other than the ones paid to the non-resident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 15 percent as at 31 December 2013 (31 December 2012: 15%).

Transfer pricing

The transfer pricing provisions are set out under the Article 13 of the Corporate Tax Law under the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via transfer pricing dated 18 November 2007 sets out details about the implementation of these provisions. If a tax payer enters into transactions regarding the sale or purchase of goods and services with related parties, where the prices are not set in accordance with an arm's-length basis, the related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as a tax deductible for corporate income tax purposes.

Income withholding tax

In addition to corporate taxes, companies should also calculate income withholding taxes on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax was 10% from 24 April 2003, rising to 15% from 21 September 2006. Appropriation of retained earnings to capital is not considered a profit distribution and therefore is not subject to withholding tax.

Investment allowance

With effect from 24 April 2003, the investment incentives scheme was amended such that companies directly deduct 40 percent of qualifying capital investments from their annual taxable income. In addition, corporations that had unused qualifying capital investment amounts from periods prior to 24 April 2003 were entitled to carry these forward.

The tax law was then changed retrospectively on 8 April 2006 such that with effect from 1 January 2006, no new investment incentives were allowed, and taxpayers could only deduct the amount of the investment allowance exemption to which they were already entitled from the taxable income of 2006, 2007 and 2008. Investment allowances could not be carried forward at 31 December 2008.

18 Taxation *(continued)*

Investment allowance *(continued)*

However, on 15 October 2009, the Turkish Constitutional Court cancelled parts of the revised tax law such that new investment allowances created prior to 8 April 2006 were re-allowed and the restriction on the carry forward of allowances after 31 December 2008 was removed; the carry forward is now indefinite. This change to the tax law became substantively enacted when the Court's decision was made and became law on 8 January 2010.

The usage of investment incentives was revised again with the amendments to the related tax law published in the Official Gazette dated 1 August 2010. Accordingly, with effect from the 2010 calendar year taxable income, investment incentives that will be deducted from income shall not exceed 25% of income for a particular year, while determining the tax base. The unused investment incentives continue to be deductible without time limit.

Tax exemption on maritime operations

The Turkish International Ship Registry Law, authorized on 16 December 1999, is designed to accelerate the development of the Turkish maritime sector and increase its contribution to the Turkish economy. The law supports the procurement and operation of ships registered on the Turkish International Ship Registry, and yachts registered to the inventory of tourism companies. Income generated through the vessels covered by the law is not subject to income tax and expenses related to these operations are considered as disallowable expenses.

Tax expense

For the years ended 31 December, income tax expense comprised the following:

	2013	2012
Current tax charge	(9,889,337)	(10,354,451)
Deferred tax benefit	4,941,153	6,757,889
Total	**(4,948,184)**	**(3,596,562)**

As at 31 December 2013 and 2012, current tax liabilities for the period comprised the following:

	2013	2012
Current tax liability at 1 January	**3,502,554**	**2,571,160**
Current tax charge	9,889,337	10,354,451
Taxes paid during year	(8,375,223)	(9,423,057)
Total	**5,016,668**	**3,502,554**

The tax reconciliation for the years ended 31 December is as follows:

	%	2013	%	2012
Profit before income tax		89,141,749		37,477,716
Corporate tax using domestic rate	20	(17,828,350)	20	(7,495,543)
Exemption on maritime operations	(3)	3,097,681	(9)	3,194,467
Effect of unrecognized tax losses	0	(28,784)	1	(302,892)
Disallowable expenses	3	(3,007,217)	--	(87,652)
Business combination effect (Note 6)	(12)	11,024,960	--	--
Donations	(1)	794,199	--	--
Other	(0)	999,327	(3)	1,095,058
	6	**(4,948,184)**	**10**	**(3,596,562)**

18 Taxation *(continued)*

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

In Turkey the tax legislation does not permit a parent company, its subsidiaries and joint ventures to file a consolidated tax return. Therefore, deferred tax positions of companies with deferred tax assets and companies with deferred tax liabilities are not netted and are disclosed separately.

Deferred tax assets and deferred tax liabilities as at 31 December 2013 and 2012, are attributable to the items detailed in the table below:

	2013		2012		2013	2012
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities	Deferred tax assets/ (liabilities), net	Deferred tax assets/ (liabilities), net
Property and equipment and intangible assets	9,983,097	(116,772,143)	2,409,954	(101,258,477)	(106,789,046)	(98,848,523)
Tax losses carried forward	3,244,708	--	2,879,068	--	3,244,708	2,879,068
Provision for employment termination indemnity and vacation pay	410,942	--	313,194	--	410,942	313,194
Differences of receivables	--	(2,900,620)	44,101	--	(2,900,620)	44,101
Available for sale financial assets	305,205	--	--	--	305,205	--
Other	2,083,593	(1,215,867)	1,071,175	(320,143)	867,726	751,032
Subtotal	**16,027,545**	**(120,888,630)**	**6,717,492**	**(101,578,620)**	**(104,861,085)**	**(94,861,128)**
Set off of tax	(4,188,869)	4,188,869	(547,979)	547,979	--	--
Total deferred tax assets/(liabilities)	**11,838,676**	**(116,699,761)**	**6,169,513**	**(101,030,641)**	**(104,861,085)**	**(94,861,128)**

18 Taxation *(continued)*

Deferred tax *(continued)*

The movement of deferred taxes for the years ended 31 December, is as follows:

	2013	2012
Balance at the beginning of the year	**(94,861,128)**	**(107,283,519)**
Deferred tax benefit in income	4,941,153	6,757,889
Business combination effect (Note 6 (ii))	3,968,598	--
Currency translation difference	(18,909,708)	5,664,502
	(104,861,085)	**(94,861,128)**

As at 31 December 2013 and 31 December 2012, the breakdown of the tax losses carried forward in terms of their final years of utilization is as follows:

	2013		2012	
Expiry years of the tax losses carried forward	**Recognized**	**Unrecognized**	**Recognized**	**Unrecognized**
2013	--	--	--	1,776,483
2014	--	2,951,160	--	2,951,160
2015	1,713,723	1,324,980	1,895,260	1,324,980
2016	12,500,081	2,134,835	12,500,081	2,134,835
2017	--	1,514,462	--	1,514,462
	14,213,804	**7,925,437**	**14,395,341**	**9,701,920**

Unrecognized deferred tax assets

At the reporting date, the Group has statutory tax losses available for offsetting against future profits which are shown above. Such losses carried forward expire until 2017. Deferred tax assets have not been recognized in respect of some portion of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits there from.

19 Trade and other receivables

As at 31 December 2013 and 2012, trade and other receivables comprised the following:

	2013	2012
Trade receivables	11,727,970	3,802,592
Receivables from VAT	20,153	--
Deposits and advances given	37,751	37,332
Other receivables	637,800	1,517,574
Total trade and other receivables	**12,423,674**	**5,357,498**

As at 31 December 2013 and 2012, trade receivables comprised the following:

	2013	2012
Receivables from customers	11,727,970	3,802,592
Doubtful receivables	455,630	664,610
Allowance for doubtful receivables (-)	(455,630)	(664,610)
Total	**11,727,970**	**3,802,592**

Movements in the allowance for doubtful trade receivables for the years ended 31 December, comprised the following:

	2013	2012
Balance at the beginning of the year	(664,610)	(648,969)
Allowance for the year	(35,216)	(15,641)
Collections	69,046	--
Written off during the year	175,150	--
Balance at the end of the year	**(455,630)**	**(664,610)**

As at 31 December 2013 and 2012, current trade receivables mature between 0-1 months.

Credit risk and foreign currency risk with respect to trade and other receivables are disclosed in Note 29.

Bad debt expense on doubtful receivables is recognized in administrative expenses.

20 Other assets

Other non-current assets

As at 31 December 2013 and 2012, other non-current assets comprised the following:

	2013	2012
Housing loans given to personnel (*)	8,653,178	--
Value added tax receivable (**)	4,081,571	4,075,692
Prepaid expenses	3,016,944	23,370
Advances given (***)	547,549	911,120
Deposits and guarantees given	35,194	35,590
Other	39,358	812
Total	**16,373,794**	**5,046,584**

(*) As a state-owned company before being acquired by the Group, the Port of Bar had granted housing loans to its personnel.

(**) The Group classified value added tax receivables of İzmir Liman as non-current since value added tax payables from revenues cannot be offset with the value added tax receivables in the short-term.

(***) Advances given are mainly composed of the advances given by Ortadoğu Liman for the purchase of machinery and for the investments related to the passenger terminal.

Other current assets

As at 31 December 2013 and 2012, other current assets comprised the following:

	2013	2012
Advances given	4,441,786	2,691,492
Value added tax receivable	2,053,310	1,167,349
Prepaid expenses	1,753,938	1,372,605
Income accruals	1,339,818	1,609,674
Prepaid taxes	1,638,086	121,251
Job advances	--	420,194
Other	1,996,751	338,550
Total	**13,223,689**	**7,721,115**

21 Cash and cash equivalents

As at 31 December 2013 and 2012, cash and cash equivalents comprised the following:

	2013	2012
Cash on hand	177,083	293,693
Cash at banks	37,998,443	3,439,465
-Demand deposits	*5,348,869*	*3,395,878*
-Time deposits	*32,649,574*	*43,587*
Reverse repo	4,495,547	18,512,737
Other liquid assets	4,961	--
Cash and cash equivalents	**42,676,034**	**22,245,895**

	2013	2012
Cash and cash equivalents	42,676,034	22,245,895
Restricted cash	(50,568)	(32,587)
Cash and cash equivalents for cash flow statement purposes	**42,625,466**	**22,213,308**

As at 31 December 2013 and 2012, maturities of time deposits comprised the following:

	2013	2012
Up to 1 month	32,615,250	11,000
1-3 months	34,324	32,587
Total	**32,649,574**	**43,587**

As at 31 December 2013 and 2012, the ranges of interest rates for time deposits are as follows:

	2013	2012
Interest rate for time deposit-TL (highest)	8,25%	6,50%
Interest rate for time deposit-TL (lowest)	6,50%	6,25%
Interest rate for time deposit-USD (highest)	0,35%	--
Interest rate for time deposit-USD (lowest)	0,35%	--

As at 31 December 2013, cash at banks amounting to TL 34,324 (31 December 2012: TL 32,587) is restricted due to the bank loan guarantees and subscription guarantees (Note 23).

The Group's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities is disclosed in Note 29.

22 Capital and reserves

a) *Share capital*

As at 31 December 2013, the Company's statutory nominal value of paid-in share capital consists of 66.253.100 (2012: 85.000.000) registered ordinary shares with a par value of TL 1 each. In 2013, the Company's share capital was decreased to TL 66,253,100 (Note 6 (i)).

As at 31 December 2013 and 2012, the share ownership structure of the Company was as follows:

	31 December 2013		31 December 2012	
	Value of Share	Proportion of share %	Value of Share	Proportion of share %
Global Yatırım Holding A.Ş.	66,253,100	100.00	66,202,300	77.88
Savina Holding GmbH	--	--	18,796,900	22.11
Others	--	--	800	0.01
Paid in capital (nominal)	**66,253,100**	**100**	**85,000,000**	**100**
Inflation accounting adjustment	16,583		16,583	
Inflation adjusted capital	**66,269,683**		**85,016,583**	

b) *Nature and purpose of reserves*

(i) *Translation reserves*

The translation reserves amounting to TL 145,962,087 (2012: TL 65,695,417) is recognized as a separate account under equity and comprises foreign exchange differences arising from the translation of the financial statements of subsidiaries and joint ventures from their functional currencies (of Euro and USD) to the presentation currency, TL.

(ii) *Legal reserves*

Under the Turkish Commercial Code, Turkish companies are required to set aside first and second level legal reserves out of their profits. First level legal reserves are set aside as up to 5% of the distributable income per the statutory accounts each year. The ceiling of the first level reserves is 20% of the paid-up share capital. The requirement to set aside ends when the 20% of the paid-up capital level has been reached. Second level legal reserves correspond to 10% of profit actually distributed after the deduction of the first legal reserves and the minimum obligatory dividend pay-out, but holding companies are not subject to this regulation. There is no ceiling for second level legal reserves and they are accumulated every year. First and second level legal reserves cannot be distributed until they exceed 50% of the capital, but the reserves can be used for offsetting the losses in case of running out of arbitrary reserves. As at 31 December 2013, the legal reserves of the Group amounted to TL 18,909,630 (2012: TL 16,825,363).

(iii) *Hedging reserve*

As at 31 December 2013, the effective portion of gain or loss arising from investment hedging instrument is recognized in other comprehensive expense amounting to TL 12,781,207.

c) *Dividends*

Dividend distributions are made by the Company in TL in accordance with its articles, after deducting taxes and setting aside the legal reserves as discussed above. In 2013, the General Assembly decided to distribute TL 21,385,393 (2012: TL 40,597,823). In the General Assembly meetings dated 5 April 2013 and 18 December 2013, TL 1,049,534 of this amount was transferred to the legal reserves, TL 22,434,927 was distributed to its shareholders.

22 Capital and reserves *(continued)*

d) OCI accumulated in reserves, net of tax

	Attributable to owners of the Company					
In TL	Translation reserve	Hedging reserve	Retained earnings	Total	NCI	Total OCI
2013						
Net investment hedge – net loss	--	(12,781,207)	--	(12,781,207)	--	(12,781,207)
Foreign currency translation differences	80,266,670	--	--	80,266,670	3,852,563	84,119,233
Remeasurements of defined benefit liability	--	--	32,933	32,933	--	32,933
Total	**80,266,670**	**(12,781,207)**	**32,933**	**67,518,396**	**3,852,563**	**71,370,959**

	Attributable to owners of the Company					
In TL	Translation reserve	Hedging reserve	Retained earnings	Total	NCI	Total OCI
2012						
Foreign currency translation differences	(31,789,161)	--	--	(31,789,161)	(1,697,712)	(33,486,873)
Total	**(31,789,161)**	**--**	**--**	**(31,789,161)**	**(1,697,712)**	**(33,486,873)**

23 Loans and borrowings

As at 31 December 2013 and 2012, loans and borrowings comprised the following:

Short term loans and borrowings	**2013**	**2012**
Short term bank loans	2,684,300	--
-TL Loans	*550,000*	--
-Foreign currency loans	*2,134,300*	--
Short term portion of long term bank loans	63,169,421	31,771,891
-TL Loans	*48,479*	*22,517*
-Foreign currency loans	*63,120,942*	*31,749,374*
Finance lease obligations	1,087,582	1,620,900
Total	**66,941,303**	**33,392,791**

Long term loans and borrowings	**2013**	**2012**
Long term bank loans	338,621,635	81,828,540
-TL Loans	*32,922*	--
-Foreign currency loans	*338,588,713*	*81,828,540*
Finance lease obligations	981,585	1,266,911
Total	**339,603,220**	**83,095,451**

23 Loans and borrowings *(continued)*

As at 31 December 2013 and 2012, maturity profile of long term bank loans comprised the following:

Year	2013	2012
Between 1-2 years	66,949,349	33,925,216
Between 2-3 years	66,447,626	28,812,210
Between 3-4 years	41,962,371	18,196,978
Over 5 years	163,262,289	894,136
Total	**338,621,635**	**81,828,540**

As at 31 December 2013 and 2012, maturity profile of finance lease obligations comprised the following:

	2013			2012		
	Future minimum lease payments	*Interest*	*Present value of minimum lease payments*	*Future minimum lease payments*	*Interest*	*Present value of minimum lease payments*
Less than one year	1,177,968	90,386	1,087,582	1,727,837	106,937	1,620,900
Between one and five years	1,022,017	40,432	981,585	1,330,278	63,367	1,266,911
Total	**2,199,985**	**130,818**	**2,069,167**	**3,058,115**	**170,304**	**2,887,811**

23 Loans and borrowings *(continued)*

Details of the loans and borrowings as at 31 December 2013 are as follows:

					31 December 2013		
Loan type	Company namc	Currcncy	Maturity	Interest type	Interest ratc %	Principal (TL)	Carrying value (TL)
Loans used to finance investments and projects							
Secured Loan *(i)*	Global Liman	USD	2017	Floating	Libor + 4.95	26,892,180	27,733,079
Secured Loan *(ii)*	Global Liman	USD	2021	Floating	Libor + 5.35	178,640,910	184,476,593
Secured Loan *(ii)*	Global Liman	USD	2023	Floating	Libor + 5.60	46,314,310	44,220,489
Secured Loan *(ii)*	Global Liman	USD	2023	Floating	Libor + 5.60	58,799,965	58,871,757
Secured Loan	Bodrum Liman	USD	2014	Fixed	7.95%	998,200	1,029,656
Secured Loan	Bodrum Liman	USD	2016	Fixed	7.75%	1,506,721	1,535,219
Secured Loan *(iii)*	Ortadoğu Liman	USD	2016	Floating	Libor + 4.95%	40,978,560	41,343,701
Secured Loan *(iv)*	Ortadoğu Liman	USD	2016	Fixed	5.15%	4,802,175	4,858,004
Secured Loan *(v)*	Ortadoğu Liman	USD	2017	Floating	Libor + 5.05%	9,337,563	9,358,296
Secured Loan *(vi)*	Ortadoğu Liman	USD	2019	Fixed	5.65%	7,825,767	7,869,524
Secured Loan	Ortadoğu Liman	TL	2015	Fixed	11.76%	80,821	81,400
Secured Loan	Port of Bar	EUR	2017	Fixed	7.80%	1,567,436	1,569,084
						377,744,608	**382,946,802**
Loans used to finance working capital							
Unsecured Loan	Bodrum Liman	TL	2014	Fixed	9.00%	550,000	550,000
Unsecured Loan	Ege Liman	USD	2016	Floating	Libor + 5.05 %	2,134,300	2,145,498
Unsecured Loan	Ege Liman	USD	2014	Fixed	5.00%	1,067,150	1,067,150
Unsecured Loan	Ege Liman	USD	2014	Fixed	5.25%	1,067,150	1,067,150
Secured Loan *(iii)*	Ortadoğu Liman	USD	2015	Floating	Libor + 4.95%	15,473,675	15,611,538
Secured Loan	Port of Bar	EUR	2017	Fixed	7.62%	1,082,250	1,087,218
						21,374,525	**21,528,554**
Finance lease obligations							
Leasing *(vii)*	Ortadoğu Liman	USD	2015	Fixed	5.92%	1,516,867	1,516,867
Leasing	Ortadoğu Liman	USD	2017	Fixed	5.75%	552,300	552,300
						2,069,167	**2,069,167**
						401,188,300	**406,544,523**

23 Loans and borrowings *(continued)*

Details of the loans and borrowings as at 31 December 2012 are as follows:

					31 December 2012		
Loan type	**Company name**	**Currency**	**Maturity**	**Interest type**	**Interest rate %**	**Principal (TL)**	**Carrying value (TL)**
Loans used to finance investments and projects							
Secured Loan *(i)*	Global Liman	USD	2017	Floating	Libor + 4.95 %	26,471,610	27,307,841
Secured Loan	Ege Liman	USD	2013	Floating	Libor + 2.50 %	3,310,543	3,320,240
Secured Loan	Bodrum Liman	USD	2014	Fixed	7.95 %	1,602,263	1,652,743
Secured Loan	Bodrum Liman	USD	2016	Fixed	7.75 %	1,695,124	1,726,753
Secured Loan *(iii)*	Ortadoğu Liman	USD	2016	Floating	Libor + 4.95 %	44,921,520	45,335,812
Secured Loan	Ortadoğu Liman	USD	2013	Fixed	7.25 %	965,575	972,151
Secured Loan *(iv)*	Ortadoğu Liman	USD	2016	Fixed	5.15 %	5,347,800	5,409,171
Secured Loan *(v)*	Ortadoğu Liman	USD	2017	Floating	Libor + 5.05 %	10,027,125	10,053,126
Secured Loan	Ortadoğu Liman	TL	2013	Fixed	10.68%	8,291	8,339
Secured Loan	Ortadoğu Liman	TL	2013	Fixed	10.68%	5,067	5,081
Secured Loan	Ortadoğu Liman	TL	2013	Fixed	9.96%	9,055	9,097
						94,363,973	**95,800,354**
Loans used to finance working capital							
Unsecured Loan	Ege Liman	USD	2016	Floating	Libor + 5.50 %	2,495,640	2,508,315
Secured Loan *(iii)*	Ortadoğu Liman	USD	2015	Floating	Libor + 4.95 %	15,152,100	15,291,762
						17,647,740	**17,800,077**
Finance lease obligations							
Leasing *(vii)*	Ortadoğu Liman	USD	2015	Fixed	5.92 %	2,007,128	2,007,128
Leasing	Ege Liman	USD	2013	Fixed	8.30 %	546,321	546,321
Leasing	Ortadoğu Liman	EUR	2013	Fixed	7.30%	175,013	175,013
Leasing	Ortadoğu Liman	EUR	2013	Fixed	7.20%	159,349	159,349
						2,887,811	**2,887,811**
						114,899,524	**116,488,242**

23 Loans and borrowings *(continued)*

The detailed information related to the significant loans borrowed by the Group is as follows:

(i) Global Liman entered into a loan amounting to USD 35,000,000 in total on 20 July 2010 with a 7-year maturity and an interest rate of Libor+4.95%. Principal and interest is paid at the end of June of each year. On 17 June 2013, USD 2,250,000 was repaid. Under this loan agreement, in the event of default, the shares of Ege Liman and Ortadoğu Liman are pledged in accordance with a share pledge agreement. The remaining principle amount of the loan as at 31 December 2013 is USD 12,600,000 (31 December 2012: USD 14,850,000).

(ii) As at 31 December 2013, the foreign currency loan amounting to USD 83,700,000 represents the bank loan granted to Global Liman on 26 June 2013, with an 8-year maturity. The interest rate is Libor+5.35%. Principal and interest are paid at June once in each year. The loan agreement imposes financial covenants on Global Liman, and includes terms about limitation on financing activities, investment, and dividend payments, the sales of the assets, and mergers and acquisitions of the related subsidiaries. All equity shares of Global Liman, Ortadoğu Liman and Ege Liman are pledged according to a share pledge agreement.

On 31 July 2013 and 27 December 2013, with the amendment to the existing agreement, Global Liman raised additional loans amounting to USD 11,200,000 and USD 38,050,000 with the interest rate of Libor+5.60%. Payments are once in a year and the loan has a maturity of 10 years.

(iii) In 2006, Ortadoğu Liman entered into a loan amounting to USD 40,000,000 in total with a 10-year maturity. The interest rate was Libor + 2.90%. Starting from 29 July 2010, the interest rate has been revised to Libor+4.95%. The remaining principal amount of the loan as at 31 December 2013 is USD 19,200,000 (31 December 2012: USD 25,200,000). Principal and interest is paid at the end of April and October of each year. The loan agreement imposes financial covenants on Ortadoğu Liman, and includes terms about limitation on financing activities, investment, dividend payments, the sales of the assets, and mergers and acquisitions of the related subsidiaries. All equity shares are pledged according to a share pledge agreement.

On 12 August 2010, with the amendment to the existing agreement, Ortadoğu Liman raised an additional loan amounting to USD 10 million with the same conditions. The remaining principal amount of the loan as at 31 December 2013 is USD 7,250,000 (31 December 2012: USD 8,500,000).

(iv) Ortadoğu Liman entered into a loan on 13 October 2010, amounting to USD 4,500,000 in total with a 6-year maturity. The interest rate is 5.15%. With reference to the loan agreement signed, in the event of default, the crane and the other machinery purchased through this loan are pledged to the bank.

(v) Ortadoğu Liman entered into a loan on 14 June 2011, amounting to USD 7,500,000 in total with a 6-year maturity. Principal and interest are paid every 6 months. There is a pledge over the property and equipment in relation to the loan.

(vi) Ortadoğu Liman entered into a loan on 24 May 2013, amounting to USD 4,000,000 in total with a 6-year maturity. The interest rate is 5.65%. With reference to the loan agreement signed, in the event of default, the crane and the other machinery purchased through this loan are pledged to the bank.

A pledge of TL 31,503,000 over the assets of Ortadoğu Liman was given to the bank as collateral for the loans obtained on 13 October 2010 and 24 May 2013.

(vii) On 27 August 2010, Ortadoğu Liman has signed a finance lease agreement for a port tugboat amounting to USD 2,040,000 in total with the expiry date of 4 September 2015 and an interest rate of 5.92%.

24 Trade and other payables

As at 31 December 2013 and 2012, current trade and other payables comprised the following:

	2013	2012
Payables to suppliers	9,115,712	4,342,617
Taxes payable and social security contributions	5,992,441	2,598,221
Due to subsidiaries' other shareholders	5,360,397	10,186,207
Payables to personnel	2,853,157	752,734
Advances received	1,165,436	1,072,332
Tax amnesty payables (*)	680,389	2,002,986
Deposits received	663,894	524,383
Expense accruals	171,395	--
Deferred revenue	31,932	35,754
Other	1,380,347	334,366
Total	**27,415,100**	**21,849,600**

As at 31 December 2013 and 2012, non-current trade and other payables comprised the following:

	2013	2012
Tax amnesty payables (*)	--	703,176
Total	--	703,176

(*) As at 31 December 2013 and 2012, the Group classified tax amnesty amount in the trade and other payables based on the future payment terms.

The Group's exposure to currency and liquidity risk related to the trade and other payables is disclosed in Note 29.

25 Employee benefits

The reserve for employment termination indemnity has been calculated by estimating the present value of future probable obligations of the Group arising from the retirement of the employees. Such payments are calculated on the basis of 30 days' pay up to a maximum of TL 3,254.44 as at 31 December 2013 (31 December 2012: TL 3,033.98) per year of employment at the rate of pay applicable at the date of retirement or termination. The calculation was based upon the retirement pay ceiling announced by the government. That ceiling is determined using coefficients defined by the Council of Ministers. The reserve for retirement pay is computed and reflected in the financial statements on a current basis.

The provision has been calculated by estimating the present value of the future probable obligation of the Company and its subsidiaries and joint ventures registered in Turkey arising from the retirement of employees. IAS 19 *Employee Benefits* requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans such as the employment termination indemnity. Accordingly, the actuarial assumptions that follow are used in the calculation of the total liability.

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation.

25 Employee benefits *(continued)*

The principal statistical assumptions used in the calculation of the total liability in the accompanying consolidated financial statements at 31 December were as follows:

	2013	2012
Discount rate	3.81%	2.90%
Turnover rate for the expectation of retirement probability	90%-96.5%	90% - 96.5%

Movements in the reserve for employee termination indemnity during the years ended 31 December comprised the followings:

	Note	31 December 2013	31 December 2012
1 January		1,411,061	1,225,477
Included in profit or loss			
Current service costs and interest		472,801	305,827
Acquired in business combinations	*6 (ii)*	1,978,408	--
Actuarial (gain) / losses		--	10,212
Included in OCI			
Actuarial (gain) / losses		(41,167)	--
Other			
Benefits paid		(178,554)	(59,727)
Foreign currency translation differences		(1,153)	(70,728)
31 December		**3,641,396**	**1,411,061**

26 Earnings per share

For the years ended 31 December, earnings per share is calculated by dividing the net profit attributable to ordinary shareholders, by the weighted average number of shares outstanding.

	2013	2012
Net profit for the period	78,381,598	29,756,503
Weighted average number of shares	75.344.062	85.000.000
Earnings per share with par value of TL 1	1.0403	0.3501

27 Commitments and contingencies

(a) Lawsuits

There are pending lawsuits that have been filed against or by the Group. 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 the possible expenses and liabilities. The amount of provision that has been accounted for as at 31 December 2013 is TL 534,228 (2012: TL 362,541).

The information related to the significant lawsuits that the Group is directly or indirectly a party to is as follows:

(i) The operating rights of Kuşadası Port were transferred by OIB to Ege Liman for 30 years in July 2003. In October 2006, two former members of the Kuşadası Municipal Council filed a lawsuit with the Council of State, requesting the cancellation of those 'zoning plan and planning notes' of the Region of Kuşadası, which were to enable the construction of the new 'Cruise Port Upper Structure Facilities'. The relevant Chamber of the Council of State ordered the cancellation of the zoning plan and planning notes in November 2009. That decision was appealed by the lawyers of the Ministry of Public Works as well as the lawyers for the Group. The file is under examination of Chamber of the Council of State.

While that appeal was pending, the Group lawyers filed a lawsuit against the termination of the occupancy and construction permit notification of the Municipality with the request of stay of execution. Aydın Administrative Court issued a stay of execution for the cancellation. As the lawyers of the Municipality then objected to that decision, the stay of execution itself was cancelled. Aydın Administrative Court rejected the case. This decision has been appealed. The council of state has rejected the request. The Group lawyers have requested a revision of the decision and such request under the investigation of Plenary Session of Administrative Law Divisions of the Council of State. The appeal is currently pending.

The Municipality then issued a cease and desist order and delivered it to the Company in June 2010. The Group lawyers filed a lawsuit in order to cancel the order as well as issue a stay of execution. The Aydın Administrative Court first issued the stay of execution; however, upon the objection raised by the Municipality Lawyers, the court cancelled the stay of execution, which led the Group lawyers to raise an objection before the Regional Court in order to challenge this final decision. However such objection was denied. TDI's request to intervene the lawsuit has been accepted. Aydın Administrative Court has rejected the case, and such decision has been appealed.

A lawsuit regarding annulment of the decision of the Council of the Municipality regarding demolition of Kuşadası Port has been filed together with the request of a stay of execution. The court on the same day ordered that stay of execution. TDI's request regarding intervention in the case was accepted on 22 December 2010. The Court has renewed the order of a stay of execution after the first reply of the Municipality, but then overruled the stay of execution on 29 June 2011. Aydın Administrative Court rejected the case, and such decision has been appealed. The appeal is pending.

After the cancellation of the order of a stay of execution by the Court, a request regarding discharge of Kuşadası Port was sent by Kuşadası Municipality. A lawsuit has been filed as at 20 July 2011. TDI has also intervened the lawsuit. The court has rejected the lawsuit, and such decision has been appealed by the Group. The appeal is pending.

In parallel, the Ministry of Public Works has approved the new zoning plan for Kuşadası on 28 October 2010 but there have been objections. However, the Ministry of Public Works evaluated the objections and rejected them on the below-mentioned grounds and approved the new zoning plan with its writ dated 31 January 2011:

i) The zoning plan approved on 28 October 2010 is in line with the 1/100.000 "Environment Plan" of Aydın-Muğla-Denizli.

27 Commitments and contingencies *(continued)*

(a) Lawsuits (continued)

ii) Kuşadası is one of the most important cruise ports of the country and has served for this very purpose for years; Kuşadası Port would become an idle facility due to the cancellation of the zoning plan which will consequently have a negative effect on the economy of the country.

The Court rendered a stay of execution decision and the Group lawyers have appealed the stay of execution. Plenary Session of Administrative Law Divisions of the Council of State has sustained such objection. This decision of the Council of State has been challenged b the plaintiffs requesting a stay of execution, however Council of State has rejected this request.

On 15 March 2011, Ege Liman applied to Kuşadası Municipality for building permit but the Municipality rejected such application due to unjust grounds and the Group lawyers therefore, filed a lawsuit against such action of the Municipality. The court has decided to reject the lawsuit; such decision has been appealed by the Group. The appeal is pending before the Council of State. The Group lawyers believe that the same arguments will cause the aforementioned lawsuits to become viewed as groundless.

In a related development, a former member of the Kuşadası Municipal Council has filed a lawsuit with the Aydın 1st Administrative Court, seeking to cancel the OIB's approval of the Kuşadası Port tender granted to Ege Liman. The Court ordered the cancellation of the tender on 2 June 2010. That decision was appealed by the lawyers of the OIB as well as the lawyers of the Group. The Council of the State approved the decision of the court of first instance and the Group and the OIB lawyers requested the revision of the decision. The lawsuit is currently before the Council of State.

The OIB filed a lawsuit against the Ege Liman basing its claims on the annulment decision of Aydın 1st Administrative Court dated 2 June 2010 and numbered 2010/434 E. and 2010/936 K. for the return of Kuşadası Port to TDI. The Court denied the OIB's preliminary injunction request.

The Council of Ministers, with a decision of 2011, decided not to enforce court decisions that have been rendered for the cancellation of certain privatization transactions which have been completed pursuant to final transfer agreements as a result of the privatization acts, and are irrevocable for practical impossibilities, including the cancellation of the privatization of Ege Ports-Kuşadası, in addition to the mentioned decree of the Council of Minister and in accordance with Article 10 of the Law No. 6300 regarding Amendment of the Statutory Decree Pertaining Establishment and Obligations of the Public Surveillance, Accounting and Auditing Standards Authority and Some Laws ("the Law No. 6300"), that entered into force by publishing in the Official Gazette dated 10 May 2012, and the Council of Ministers Decision numbered 2012/3240 3240 ("Council of Ministers Decision No. 2012/3240") that entered into force by publishing in the Official Gazette dated 12 June 2012, it has been decided not to enforce the civil jurisdictions that have been rendered for the cancellation of some privatization actions, transfer and delivery processes of which are completed by the execution of final transfer agreement as a result of the privatization transactions, and irrevocable for practical impossibility. Hereupon, the OIB has withdrawn the lawsuit filed for return of Kuşadası Ports to Turkey Maritime Organization, and the court decision has been finalized in this respect. However, by the application of the main opposition party, namely CHP, the Constitutional Court decided to repeal the Law No. 6300 and also, the Council of State decided to grant a stay of execution for the Council of Ministers Decision as per the request of Union of Chambers of Turkish Engineers and Architects in the lawsuit filed for the cancellation of the same decision, as a result of which, the Council of Ministers Decision became unenforceable.

27 Commitments and contingencies *(continued)*

(a) Lawsuits (continued)

Even though the Law No. 6300 is cancelled and the Council of Ministers Decision No. 2012/3240 has been granted a stay of execution, since the decision of the Council of Ministers of 2011 is not challenged and still in force, both the management and the legal attorney of the Group do not expect to face any negative consequences in the lawsuits regarding cancellation of Kuşadası Ports tender and assess that the likelihood of these lawsuits to result against the Group is low.

(ii) The former owner of the shares of Torba filed a lawsuit against the Group for the restitution of the shares. The expert appointed by the local court submitted his report which was against the defendants. On 2 March 2010, the court decided to restore the shares to the former owners and the trustee, previously appointed by the Court on 4 January 2008, shall remain in charge until the final decision. The Group lawyers appealed the decision on 28 April 2010 upon the notification of the decision. As a trustee was appointed to the management of Torba by the Court in January 2008, this subsidiary has been excluded from the scope of consolidation.

(iii) The Company participated in the consortium which placed the highest bid for the tender for the privatization of the operating rights of TCDD İzmir Ports through the process concluded by the Privatization Administration on 3 July 2007. The High Council of Privatization Administration approved the tender. Liman-İş Sendikası (the Trade Union of Port Workers) and Kamu İşletmeciliğini Geliştirme Merkezi Vakfı (the Foundation of Public Business Development Center) separately filed lawsuits for the cancellation of the tender and these lawsuits were rejected by the Council of State. The High Council of Privatization invited the Consortium to sign the Agreement with a declaration dated 23 September 2009. At the end of an extension period granted by the Privatization Administration, a letter of guarantee amounting to USD 15 million was converted to cash on 12 January 2010 and in this way the tender was closed out for the Consortium. On the same date, USD 3,750,000 was paid by Global Yatırım Holding on behalf of the Company. No provision is recognized since Global Yatırım Holding has no intention to have recourse against the Company. A member of the consortium which participated in the privatization tender of the İzmir Port, Ege İhracatçı Birlikleri Liman Hizmetleri ve Taşımacılık A.Ş., has filed a lawsuit amounting to USD 10,000 against Global Yatırım Holding and Global Liman, before the Beyoğlu Commercial Court, claiming that it suffered a loss of USD 997,501 upon the liquidation of the letter of guarantee. The management and attorneys of the Group do not anticipate the aforementioned lawsuit to be finalized to the disadvantage of the Group. The lawsuit is at the submission of proofs and legal arguments stage.

Global Yatırım Holding, the Company and Ege İhracatçı Birlikleri Liman Hizmetleri ve Taşımacılık A.Ş. filed a lawsuit against the Privatization Administration at İzmir 4th Commercial Court with respect to the İzmir Port Privatization tender for the granting of operating rights for a definite period claiming the plaintiffs should be granted a period of 6 months as a preliminary junction in order to enable them to perform their duties, and that the provisions of the agreement regarding duration and payment should be adjusted, and arguing that in case such adjustment request is not accepted then there should be termination of the agreement without any indemnification as well as release of the plaintiffs from their obligations and the return of their bid bonds. İzmir 4th Commercial Court denied the lawsuit on the ground that it was not the authorized court for the lawsuit but that decision of the court has been appealed.

27 Commitments and contingencies *(continued)*

(b) Guarantees

As at 31 December 2013 and 2012, the letters of guarantee given comprised the following:

Letters of guarantee	2013	2012
Given to Privatization Administration	1,163,518	971,788
Given to the Ministry	350,000	--
Given to Electricity Distribution Companies	289,184	29,184
Given to courts	154,590	--
Others	445,560	356,991
Total letter of guarantee	**2,402,852**	**1,357,963**

Other collaterals are disclosed in Note 23.

(c) Contractual obligations

Ege Liman

The details of the TOORA dated 2 July 2003, executed by and between Ege Liman and OIB together with TDI are stated below:

Ege Liman will be performing services such as sheltering, installing, charging, discharging, shifting, terminal services, pilotage, towing, moorings, water quenching, waste reception, operating, maintaining and repairing of cruise terminals, in Kuşadası Cruise Port for an operational period of 30 years. Ege Liman is liable for the maintenance of Kuşadası Cruise Port together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the TDI, while the movable properties stay with Ege Liman.

Ortadoğu Liman

The details of the TOORA dated 31 August 1998, executed by and between Ortadoğu Liman and OIB together with TDI are stated below:

Ortadoğu Liman will be performing services such as sheltering, installing, charging, discharging, shifting, terminal services, pilotage, towing, moorings, water quenching, waste reception, operating, maintaining and repairing of cruise terminals, in Antalya Port for an operational period of 30 years. Ortadoğu Liman is liable for the maintenance of Antalya Port together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the TDI, while the movable properties stay with Ortadoğu Liman.

Bodrum Liman

The details of the BOT Contract dated 23 June 2004, executed by and between Bodrum Liman and the DLH are stated below:

Bodrum Liman had to construct the Bodrum Cruise Port in a period of 1 year and 4 months following the delivery of the land and thereafter, will operate the Bodrum Cruise Port for 12 years. The final acceptance of the construction was performed on 4 December 2007, and thus the operation period has commenced. Bodrum Liman is liable for the maintenance of the port together with the port equipment in good repair and in operating condition throughout its operating right period. The facilities, equipment, installations and the systems together with the tools and other equipment belonging thereto shall be surrendered to the DLH after the expiry of the contractual period.

27 Commitments and contingencies *(continued)*

(c) Contractual obligations (continued)

Port of Bar

The details of the TOORA Contract dated 15 November 2013, executed by and between Global Liman and the Montenegrin Government are stated below:

Global Liman will be performing services such as repair, financing, operation, maintenance in the Port of Bar for an operational period of 30 years (terminating in 2043). For the first three years of its ownership, the Group must implement certain investment programs and social programs outlined in the share purchase agreement. Global Liman is liable for the maintenance of the Port of Bar together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the Government of Montenegro, while the movable properties stay with Global Liman.

(d) Operating leases

Lease as lessee

The Group entered into various operating lease agreements. Operating lease rentals are payable as follows:

	31 December 2013	31 December 2012
Less than one year	182,476	245,241
Between one and five years	--	1,261,410
More than five years	--	266,812
	182,476	**1,773,463**

In the periods presented, the Group's main operating lease arrangements as lessee are the port rent agreement of Bodrum Liman until 2019.

For the year ended 31 December 2013 payments recognized as rent expense were TL 653,793 (2012: TL 370,627).

Lease as lessor

The future lease payments under operating leases are as follows:

	31 December 2013	31 December 2012
Less than one year	5,761,431	7,427,827
Between one and five years	18,319,814	9,468,281
More than five years	16,698,741	16,225,426
	40,779,986	**33,121,534**

The Group's main operating lease arrangements as lessor are a marina lease agreement of Ortadoğu Liman until 2028, and various shopping center rent agreements of Ege Liman and Bodrum Liman of up to 5 years.

During the year ended 31 December 2013, TL 10,679,500 (2012: TL 10,472,524) was recognized as rental income in the consolidated statement of profit or loss and other comprehensive income.

28 Related parties

The related parties of the Group which are disclosed in this note comprised the following:

Related parties	Relationship
Mehmet Kutman	Shareholder
Global Yatırım Holding	Parent Company
Ortadoğu Liman	Subsidiary
Torba	Investment
Global Sigorta Aracılık Hizmetleri A.Ş. ("Global Sigorta")	Parent Company's subsidiary
Global Menkul Değerler A.Ş. ("Global Menkul")	Parent Company's subsidiary
Turcom Turizm Enerji İnşaat Gıda Yatırımları A.Ş.	Shareholder's subsidiary
İzmir Liman	Subsidiary
Naturel Gaz	Parent Company's subsidiary

Due from related parties

As at 31 December 2013 and 2012, current receivables from related parties comprised the following:

Current receivables from related parties	2013	2012
Global Yatırım Holding	18,385,541	468,534
Adonia Shipping	1,509,494	--
Mehmet Kutman	300,508	42,761
Naturel Gaz	274,622	181,922
Torba	74,774	59,644
Turcom Turizm Enerji İnşaat Gıda Yatırımları A.Ş.	--	2,993,000
Others	156,392	72,189
Total	**20,701,331**	**3,818,050**

As at 31 December 2013 and 2012, non-current receivables from related parties comprised the following:

Non-current receivables from related parties	2013	2012
Torba	5,029,659	5,029,659
Total	**5,029,659**	**5,029,659**

Other investments

As at 31 December 2013, the Group has Global Yatırım Holding bonds amounting to TL 29,054,619 with a nominal value of USD 15,050,000 (2012: TL 24,691,641 with a nominal value of USD 15,515,000) which are classified as available for sale financial assets. There is no accrued interest as of 31 December 2013 and 2012.

As at 31 December 2013, the Group has Global Yatırım Holding share certificates amounting TL 3,990,652 with a nominal value of TL 3,030,562 (2012: nil).

28 Related parties *(continued)*

Due to related parties

As at 31 December 2013 and 2012, current payables to related parties comprised the following:

Current payables to related parties	2013	2012
Global Yatırım Holding	18,621,871	753,092
Mehmet Kutman	739,854	--
Global Sigorta	210,884	47,152
Global Menkul	42,601	29,432
Other	3,149	110,220
Total	**19,618,359**	**939,896**

Transactions with related parties:

For the years ended 31 December, significant transactions with other related parties comprised the following:

	2013		2012	
	Interest received	Other	Interest received	Other
Global Yatırım Holding	716,840	169,492	13,519,030	--
Adonia Shipping	--	16,314	--	--
Global Menkul	--	--	1,368	--
Total	**716,840**	**185,806**	**13,520,398**	**--**

	2013		2012	
	Interest given	Other	Interest given	Other
Global Yatırım Holding	394,139	71,507	193,384	110,693
Global Menkul	3,049	88,810	--	--
Total	**397,188**	**160,317**	**193,384**	**110,693**

As of 31 December 2013 and 2012, the Group has Global Yatırım Holding bonds with a nominal value of USD 15,050,000 for a consideration of TL 29,054,619 (2012: Global Yatırım Holding bonds with a nominal value of USD 15,515,000 for a consideration of TL 24,691,641). The bonds' maturity is 30 September 2017 with an annual interest rate of 11%.

For the year ended 31 December 2013, the Group recognized interest income on these bonds amounting to TL 2,963,857 (2012: TL 1,351,307). For the year ended 31 December 2013, the effective interest rate was 14.95% (2012: 13.78%).

For the year ended 31 December 2013, the Group accounted for a gain amounting to TL 132,543 from the purchase and the sale of Global Yatırım Holding's publicly traded share certificates (2012: TL 2,332,438).

28 Related parties *(continued)*

Transactions with kcy management personnel

For the years ended 31 December, details of benefits to key management personnel comprised the following:

	2013	2012
Salaries	1,894,775	1,520,221
Bonus	644,427	449,679
Attendance fees to Board of Directors	126,745	250,383
Compensation of seniority expenses-including provision and payment	9,760	38,919
Other	964	7,138
Total	**2,676,671**	**2,266,340**

29 Financial risk management

Ovcrvicw

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- operational risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies which are governed centrally by Global Yatırım Holding are to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Crcdit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Management has a credit risk policy in place to monitor the exposure to credit risk on an ongoing basis. The Group has the ability to receive collateral for its financial assets. Furthermore, the Group obtains letters of guarantee or similar collaterals from third parties for specific agreements and projects, if necessary.

Regarding the credibility of the counterparty, letters of guarantee or advance payments are received as collateral for trade receivables from port operations. Within the context of credit risk policies described in this paragraph, the Group does not have significant credit risk from port operations.

29 Financial risk management *(continued)*

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has access to funding sources from banks and keeps a certain level of assets as cash and cash equivalents required for daily operations of the Group entities. The Group continuously assesses liquidity risk by identifying and monitoring changes in funding required in meeting business goals and targets set in terms of the overall Group strategy.

Current and future loan needs of the Group are supplied by continuous accessibility of a sufficient number of high quality banks for major subsidiaries of the Group.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Market risk for all subsidiaries is monitored and managed by the Global Yatırım Holding's Treasury and Fund Management Department.

Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currency of each company. The currencies in which these transactions primarily are denominated are USD, Euro and TL.

The Port of Bar, Ortadoğu Liman, Ege Liman and Bodrum Liman are exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than their functional currency. The currencies in which these transactions primarily are denominated are TL, USD and Euro.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Interest rate risk

The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or reprice at different times or in differing amounts. As at 31 December 2013 and 2012, the Group does not use derivative instruments to hedge interest rate risk.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Group's operations.

29 Financial risk management *(continued)*

Operational risk *(continued)*

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective.

Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group aims include the continuity of the Group's operations, and an optimal capital structure to decrease the cost of the capital in order to provide earnings to shareholders when managing the capital.

29 Financial risk management *(continued)*

Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	RECEIVABLES					
31 December 2013	**Trade receivables**	**Due from related parties**	**Other receivables**	**Cash at banks**	**Financial investments**	**Total**
Net book value of financial assets not overdue or not exposed to impairment	11,727,970	25,730,990	695,704	37,998,443	29,054,619	105,207,726
Net book value of assets overdue but not exposed to impairment	--	--	--	--	--	--
Net book value of assets exposed to impairment	--	--	--	--	--	--
- *Overdue (gross book value)*	455,630	--	--	--	--	455,630
- *Impairment(-)*	(455,630)	--	--	--	--	(455,630)
Maximum credit risk exposure at reporting date	**11,727,970**	**25,730,990**	**695,704**	**37,998,443**	**29,054,619**	**105,207,726**
31 December 2012						
Net book value of financial assets not overdue or not exposed to impairment	3,802,592	8,847,709	1,554,906	3,439,465	24,691,641	42,336,313
Net book value of assets overdue but not exposed to impairment	--	--	--	--	--	--
Net book value of assets exposed to impairment	--	--	--	--	--	--
- *Overdue (gross book value)*	664,610	--	--	--	--	664,610
- *Impairment(-)*	(664,610)	--	--	--	--	(664,610)
Maximum credit risk exposure at reporting date	**3,802,592**	**8,847,709**	**1,554,906**	**3,439,465**	**24,691,641**	**42,336,313**

29 Financial risk management *(continued)*

Liquidity risk

The liabilities of the Group by relevant maturity groupings based on the remaining periods to repayment are as follows:

31 December 2013

CONTRACTUAL MATURITIES	Carrying value	Total cash outflow due to contracts	0-3 months	3-12 months	1-5 years	>5 years
NON-DERIVATIVE FINANCIAL LIABILITIES						
Banks loans	404,475,356	483,633,302	761,189	64,996,736	236,278,255	181,597,122
Finance lease liabilities	2,069,167	2,199,984	294,492	883,476	1,022,016	--
Trade and other payables	27,415,100	27,415,100	--	27,415,100	--	--
Due to related parties	19,618,359	19,618,359	--	19,618,359	--	--

31 December 2012

CONTRACTUAL MATURITIES	Carrying value	Total cash outflow due to contracts	0-3 months	3-12 months	1-5 years	>5 years
NON-DERIVATIVE FINANCIAL LIABILITIES						
Banks loans	113,600,431	127,882,103	462,622	32,714,367	94,705,114	--
Finance lease liabilities	2,887,811	3,070,605	493,813	1,246,515	1,330,277	--
Trade and other payables	22,552,776	22,552,776	41,939	21,807,661	703,176	--
Due to related parties	939,896	939,896	679,401	260,495	--	--

29 Financial risk management *(continued)*

Market risk

Currency risk

As at 31 December 2013, foreign currency risk exposures of the Group comprised the following:

	31 December 2013			
	TL equivalents	USD	EURO	TL
Trade receivables	29,844,858	2,595,566	1,193,598	20,800,141
Other monetary financial assets	85,100,384	33,993,177	1,138,107	9,206,695
Current assets	**114,945,242**	**36,588,743**	**2,331,705**	**30,006,836**
Monetary financial assets	12,812,149	169,200	10,446	12,420,351
Non-current assets	**12,812,149**	**169,200**	**10,446**	**12,420,351**
Total assets	**127,757,391**	**36,757,943**	**2,342,151**	**42,427,187**
Trade payables	37,882,647	823,894	141,907	35,707,500
Financial liabilities	66,168,929	30,653,155	50,203	598,479
Other monetary liabilities	7,169,818	496,209	36,226	6,004,381
Current liabilities	**111,221,394**	**31,973,258**	**228,336**	**42,310,360**
Financial liabilities	337,719,293	157,648,594	--	1,249,900
Other monetary liabilities	2,380,706	--	--	2,380,706
Non-current liabilities	**340,099,999**	**157,648,594**	**--**	**3,630,606**
Total liabilities	**451,321,393**	**189,621,852**	**228.336**	**45,940,966**
Net foreign curreney position	**(323,564,002)**	**(152,863,909)**	**2,113,815**	**(3,513,779)**

29 Financial risk management *(continued)*

Market risk *(continued)*

Currency risk (continued)

As at 31 December 2012, foreign currency risk exposures of the Group comprised the following:

	31 December 2012			
	TL equivalents	**USD**	**EURO**	**TL**
Trade receivables	3,802,592	1,598,846	74,545	777,182
Other monetary financial assets	57,651,650	26,423,815	422,881	9,554,068
Current assets	**61,454,242**	**28,022,661**	**497,426**	**10,331,250**
Monetary financial assets	115,474,854	--	--	115,474,854
Non-current assets	**115,474,854**	**--**	**--**	**115,474,854**
Total assets	**176,929,096**	**28,022,661**	**497,426**	**125,806,104**
Trade payables	4,249,697	57,371	87,958	3,940,577
Financial liabilities	33,392,791	18,532,432	142,178	22,518
Other monetary liabilities	42,932,908	4,011,265	--	35,782,427
Current liabilities	**80,575,396**	**22,601,068**	**230,136**	**39,745,522**
Financial liabilities	83,095,451	46,614,749	--	--
Other monetary liabilities	703,176	--	--	703,176
Non-current liabilities	**83,798,627**	**46,614,749**	**--**	**703,176**
Total liabilities	**164,374,023**	**69,215,817**	**230,136**	**40,448,698**
Net foreign currency position	**12,555,073**	**(41,193,156)**	**267,290**	**85,357,406**

29 Financial risk management *(continued)*

Market risk *(continued)*

Currency risk (continued)

TL exchange rate risk of subsidiaries and joint ventures whose functional currency is other than TL, is shown in TL line in the foreign currency risk table.

Sensitivity Analysis

A 10 percent strengthening or depreciation of the Turkish Lira against the following currencies as at 31 December 2013 and 2012 would have increased equity or profit or loss, excluding tax effects, by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

31 December 2013	PROFIT /LOSS		EQUITY(*)	
	Increase	Decrease	Increase	Decrease
	A 10 percent (strengthening)/weakening of the USD against TL:			
1- Net USD asset/liability	(32,625,744)	32,625,744	--	--
2- Hedged portion against USD risk (-)	12,781,207	(12,781,207)	--	--
3- Net effect of USD (1+2)	(19,844,537)	19,844,537	--	--
	A 10 percent (strengthening)/weakening of the Euro against TL:			
4- Net Euro asset/liability	620,722	(620,722)	--	--
5- Hedged portion against Euro risk(-)	--	--	--	--
6- Net effect of Euro (4+5)	620,722	(620,722)	--	--
TOTAL (3+6)	(19,223,815)	19,223,815	--	--
31 December 2012	PROFIT /LOSS		EQUITY(*)	
	Increase	Decrease	Increase	Decrease
	A 10 percent (strengthening)/weakening of the USD against TL:			
1- Net USD asset/liability	(7,303,370)	7,303,370	--	--
2- Hedged portion against USD risk (-)	--	--	--	--
3- Net effect of USD (1+2)	(7,303,370)	7,303,370	--	--
	A 10 percent (strengthening)/weakening of the Euro against TL:			
4- Net Euro asset/liability	(88,675)	88,675	--	--
5- Hedged portion against Euro risk(-)	--	--	--	--
6- Net effect of Euro (4+5)	(88,675)	88,675	--	--
TOTAL (3+6)	(7,392,045)	7,392,045	--	--

(*) Profit/ loss excluded

29 Financial risk management *(continued)*

Market risk *(continued)*

Interest rate risk

The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or re-price at different times or in differing amounts.

Interest rate exposure			
		31 December 2013	**31 December 2012**
Fixed-rate financial instruments		**38,920,621**	**12,064,082**
Financial assets	Cash at banks	32,649,574	43,587
	Available for sale financial assets	29,054,619	24,691,641
Financial liabilities	Loans and borrowings	(22,783,572)	(12,671,146)
Floating-rate financial instruments		**(383,760,951)**	**(103,817,096)**
Financial liabilities	Loans and borrowings	(383,760,951)	(103,817,096)

Cash flow sensitivity analysis floating-rate financial instruments

As at 31 December 2013, had the interest rates been higher by 100 basis points where all other variables remain constant, profit before tax would have been higher by TL 3,837,610 (2012: lower by TL 1,038,171) and equity attributable to equity holders of the Company, excluding tax effects, would have been lower by TL 3,408,496 (2012: lower by TL 988,673). Had the interest rates been lower by 100 basis points, the effect would be the same but in the opposite direction.

Fair values

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

		31 December 2013		31 December 2012	
	Note	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets					
Cash and cash equivalents	21	42,676,034	42,676,034	22,245,895	22,245,895
Trade and other receivables	19	12,423,674	12,423,674	5,357,498	5,357,498
Due from related parties	28	25,730,990	25,730,990	8,847,709	8,847,709
Other assets	20	29,597,483	29,597,483	12,767,699	12,767,699
Other investments	17	33,045,271	33,045,271	24,691,641	24,691,641
Total		**143,473,452**	**143,473,452**	**73,910,442**	**73,910,442**
Financial liabilities					
Loans and borrowings	23	406,544,523	406,544,523	116,488,242	116,488,242
Trade and other payables	24	27,415,100	27,415,100	22,552,776	22,552,776
Due to related parties	28	19,618,359	19,618,359	939,896	939,896
Total		**453,577,982**	**453,577,982**	**139,980,914**	**139,980,914**

Determination of the fair value of a financial instrument is based on market values when there are two counterparties willing to sell or buy, except under the conditions of events of default forced liquidation.

29 Financial risk management *(continued)*

Fair values *(continued)*

The Group determines the fair values based on the appropriate methods and market information. Fair values have been determined for measurement based on the following methods and assumptions:

The fair values of cash and cash equivalents, other monetary assets, which are short term, trade receivables and payables and long term foreign currency loans and borrowings with variable interest rates are expected to approximate to the carrying amounts of these assets and liabilities.

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Input other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or in directly (i.e., derived from prices);

Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

31 December 2013	**Level 1**	**Level 2**	**Level 3**	**Total**
Global Yatırım Holding bonds	--	29,054,619	--	29,054,619
Share certificates of Global Yatırım Holding	3,990,652	--	--	3,990,652

31 December 2012	**Level 1**	**Level 2**	**Level 3**	**Total**
Global Yatırım Holding bonds	--	24,691,641	--	24,691,641

30 Events after the reporting date

As at 17 January 2014, BPI and Royal Caribbean Cruises Ltd ("RCCL") has won the tender initiated by Lisbon Cruise Terminal Public Service Privilige with limited submission of tenders method. The concession agreement will be signed when the transaction is approved by the Competition Authority and the Court of Account.

KPMG

Global Liman İşletmeleri Anonim Şirketi
and its Subsidiaries

Consolidated Financial Statements
As at and for the Year
Ended 31 December 2012 With
Independent Auditors' Report

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
5 April 2013

This report includes 1 page of independent auditors' report and 72 pages of consolidated financial statements together with their explanatory notes.

Global Liman İşletmeleri Anonim Şirketi and its Subsidiaries

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Independent Auditors' Report

To the Board of Directors of
Global Liman İşletmeleri Anonim Şirketi

We have audited the accompanying consolidated financial statements of Global Liman İşletmeleri Anonim Şirketi ("Global Liman") and its subsidiaries (together "the Group"), which comprise the consolidated statement of financial position as at 31 December 2012, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2012, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG Akis Bağımsız Denetim ve SMMM A.Ş.

5 April 2013
Istanbul, Turkey

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.,
a Turkish corporation and a member firm of the KPMG network of independent
member firms affiliated with KPMG International Cooperative, a Swiss entity.

Global Liman İşletmeleri A.Ş. and its Subsidiaries

Consolidated Statement of Financial Position

As at 31 December 2012

Currency: Turkish Lira ("TL")

	Notes	2012	2011
Assets			
Property and equipment, net	13	93,745,226	102,509,197
Intangible assets	14	501,193,955	565,243,065
Goodwill	15	22,924,993	24,292,056
Investments	16	101,232	101,232
Deferred tax assets	17	6,169,513	6,774,437
Due from related parties	27	5,029,659	5,029,659
Other non-current assets	19	5,046,584	4,884,609
Total non-current assets		**634,211,162**	**708,834,255**
Trade and other receivables	18	5,357,498	3,834,526
Due from related parties	27	3,818,050	460,301
Investments	16	24,691,641	32,447,219
Other current assets	19	7,721,115	5,971,209
Cash and cash equivalents	20	22,245,895	37,540,329
Total current assets		**63,834,199**	**80,253,584**
Total assets		**698,045,361**	**789,087,839**
Equity			
Share capital	21	85,016,583	85,016,583
Translation reserves	21	65,695,417	97,484,578
Legal reserves	21	16,825,353	7,591,909
Retained earnings		259,191,146	279,265,910
Total equity attributable to equity holders of the Company		**426,728,499**	**469,358,980**
Non-controlling interests		**24,609,375**	**30,623,156**
Total equity		**451,337,874**	**499,982,136**
Liabilities			
Loans and borrowings	22	83,095,451	116,489,662
Trade and other payables	23	703,176	2,763,818
Deferred tax liabilities	17	101,030,641	115,014,084
Employee benefits	24	1,411,061	1,225,477
Total non-current liabilities		**186,240,329**	**235,493,041**
Loans and borrowings	22	33,392,791	37,739,163
Trade and other payables	23	21,849,600	11,093,761
Due to related parties	27	939,896	1,449,954
Current tax liabilities	17	3,502,554	2,571,160
Provisions		782,317	758,624
Total current liabilities		**60,467,158**	**53,612,662**
Total liabilities		**246,707,487**	**289,105,703**
Total equity and liabilities		**698,045,361**	**789,087,839**

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

Global Liman İşletmeleri A.Ş. and its Subsidiaries
Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2012
Currency: TL

	Notes	2012	2011
Revenue	8	122,390,528	108,133,744
Cost of sales	8	(71,614,860)	(65,791,486)
Gross profit		**50,775,668**	**42,342,258**
Other income	9	153,562	2,864,721
Selling and marketing expenses	10	(519,344)	(527,766)
Administrative expenses	11	(11,164,028)	(12,463,064)
Other expenses	9	(1,166,664)	(9,687,308)
Operating profit		**38,079,194**	**22,528,841**
Finance income	12	22,503,561	13,019,314
Finance expenses	12	(23,105,039)	(19,842,385)
Net finance expenses		**(601,478)**	**(6,823,071)**
Profit before income tax		**37,477,716**	**15,705,770**
Income tax expense		(3,596,562)	(7,613,836)
Profit for the year		**33,881,154**	**8,091,934**
Other comprehensive income			
Change in currency translation difference	12	(33,486,873)	89,758,296
Other comprehensive income for the year, net of income tax		**(33,486,873)**	**89,758,296**
Total comprehensive income for the year		**394,281**	**97,850,230**
Profit attributable to:			
Non-controlling interests		4,124,651	4,614,636
Owners of the Company		29,756,503	3,477,298
		33,881,154	**8,091,934**
Total comprehensive income attributable to:			
Non-controlling interests		2,426,939	9,706,833
Owners of the Company		(2,032,658)	88,143,397
		394,281	**97,850,230**

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

Global Liman İşletmeleri A.Ş. and its Subsidiaries

Consolidated Statement of Changes in Shareholders' Equity

For the Year Ended 31 December 2012

Currency: TL

	Share Capital (Note 21)	Translation Reserves (Note 21)	Legal Reserves (Note 21)	Retained Earnings	Total	Non-controlling Interests	Total Equity
Balance at 1 January 2012	**85,016,583**	**97,484,578**	**7,591,909**	**279,265,910**	**469,358,980**	**30,623,156**	**499,982,136**
Transfer	--	--	9,233,444	(9,233,444)	**--**	--	
Total comprehensive income							
Net profit for the year	--	--	--	29,756,503	**29,756,503**	4,124,651	**33,881,154**
Other comprehensive income							
Foreign currency translation differences	--	(31,789,161)	--	--	**(31,789,161)**	(1,697,712)	**(33,486,873)**
Total comprehensive income for the year	**--**	**(31,789,161)**	**--**	**29,756,503**	**(2,032,658)**	**2,426,939**	**394,281**
Transactions with owners, recorded directly in equity							
Dividend distributions	--	--	--	(40,597,823)	**(40,597,823)**	(8,440,720)	**(49,038,543)**
Total transactions with owners	**--**	**--**	**--**	**(40,597,823)**	**(40,597,823)**	**(8,440,720)**	**(49,038,543)**
Balance at 31 December 2012	**85,016,583**	**65,695,417**	**16,825,353**	**259,191,146**	**426,728,499**	**24,609,375**	**451,337,874**

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

Global Liman İşletmeleri A.Ş. and its Subsidiaries

Consolidated Statement of Changes in Shareholders' Equity

For the Year Ended 31 December 2012

Currency: TL

	Share Capital (Note 21)	Translation Reserves (Note 21)	Legal Reserves (Note 21)	Retained Earnings	Total	Non-controlling Interests	Total Equity
Balance at 1 January 2011	**85,016,583**	**12,818,479**	**4,362,270**	**279,018,251**	**381,215,583**	**21,043,232**	**402,258,815**
Transfer	--	--	3,229,639	(3,229,639)	**--**		**--**
Total comprehensive income							
Net profit for the year	--	--	--	3,477,298	**3,477,298**	4,614,636	**8,091,934**
Other comprehensive income							
Foreign currency translation differences	--	84,666,099	--	--	**84,666,099**	5,092,197	**89,758,296**
Total comprehensive income for the year	**--**	**84,666,099**	**--**	**3,477,298**	**88,143,397**	**9,706,833**	**97,850,230**
Transactions with owners, recorded directly in equity							
Dividend distributions	--	--	--	--	**--**	(1,594,844)	**(1,594,844)**
Acquisition through business combinations	--	--	--	--	**--**	1,467,935	**1,467,935**
Total transactions with owners	**--**	**--**	**--**	**--**	**--**	**(126,909)**	**(126,909)**
Balance at 31 December 2011	**85,016,583**	**97,484,578**	**7,591,909**	**279,265,910**	**469,358,980**	**30,623,156**	**499,982,136**

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

Global Liman İşletmeleri A.Ş. and its Subsidiaries
Consolidated Statements of Cash Flows
For the Year Ended 31 December 2012
Currency: TL

	Notes	2012	2011
Cash flows from operating activities			
Net profit for the year		33,881,154	8,091,934
Adjustments			
Depreciation and amortization expense	13,14	41,936,894	38,409,426
Bargain purchase gain	9	--	(2,153,864)
Interest expense	12	7,871,610	9,384,370
Income tax expense	17	3,596,562	7,613,836
Unrealized foreign exchange differences on loans and borrowings		(8,464,461)	26,546,860
Operating cash flow before changes in operating assets and liabilities		**78,821,759**	**87,892,562**
Income taxes paid	17	(9,423,057)	(9,350,122)
Change in employment termination indemnity		185,584	403,588
Change in trade and other other receivables		(1,522,972)	(688,055)
Change in other current assets		1,291,782	(325,352)
Change in other non current assets		(161,974)	343,646
Change in trade and other payables		8,695,197	10,388,646
Change in provisions		23,695	201,423
Net cash from operating activities		**77,910,014**	**88,866,336**
Investing activities			
Acquisition of property and equipment	13	(6,643,845)	(24,504,380)
Acquisition of intangible assets	14	(80,834)	(306,738)
Change in financial investments	16	7,755,578	(10,510,705)
Cash paid for acquisition of other shares of joint venture	7	--	(479,895)
Advances given for tangible assets		(3,041,688)	(2,507,406)
Net cash used in investing activities		**(2,010,789)**	**(38,309,124)**
Financing activities			
Change in due from and due to related parties		(3,867,807)	638,921
Dividend payment		(37,573,884)	(1,594,844)
Interest paid		(8,226,223)	(7,528,875)
Proceeds from borrowings		477,812	20,089,750
Repayments of borrowings		(29,399,321)	(24,768,717)
Net cash used in financing activities		**(78,589,423)**	**(13,163,765)**
Currency translation differences		(12,606,408)	(15,580,153)
Net increase / (decrease) in cash and cash equivalents		**(15,296,606)**	**21,813,294**
Cash and cash equivalents at 1 January	20	37,509,914	15,696,620
Cash and cash equivalents at 31 December	20	**22,213,308**	**37,509,914**

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

Notes to the consolidated financial statements

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1 Reporting entity

Global Altyapı Hizmetleri ve İşletmecilik A.Ş. was originally incorporated to invest in Global Yatırım Holding A.Ş. ("Global Yatırım Holding")'s infrastructure projects in Istanbul, Turkey in 2004. On 13 September 2007, Global Altyapı Hizmetleri ve İşletmecilik A.Ş changed its trade name to Global Liman İşletmeleri A.Ş. ("Global Liman" or "the Company"). The main operation of the Company is to invest in the capital and management of companies that operate or will operate in the ports and port management industry.

Global Liman and its subsidiaries are together referred to as "the Group".

As at 31 December 2012, 77.89% of the shares of the Company are owned by Global Yatırım Holding and 22.11% by Savina Holding GmbH ("Savina").

Global Yatırım Holding was established in 1990 with the trade name Global Menkul Değerler A.Ş. as a brokerage company in Istanbul, Turkey. In 2004, Global Yatırım Holding changed its trade name to Global Yatırım Holding A.Ş. and changed its field of activity into that of a holding company. The main activity of Global Yatırım Holding is to participate in the capital and management of companies that operate or will operate in the fields of finance, energy, infrastructure and transportation and to minimize the volatility of its investments against economic fluctuations by handling the capital expenditure, financing, organization and administration of those companies within a portfolio, while contributing to the achievement of sustainable growth and ensuring the going concern of those 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 is registered with the Capital Market Board ("CMB") and its shares have been traded on the Istanbul Stock Exchange ("ISE") since May 1995 (From May 1995 to October 2004, traded as Global Menkul Değerler A.Ş.)

In 2011, Global Yatırım Holding sold 22.11% of the shares of the Company to Savina. Savina is a subsidiary of Venice European Investment Capital Spa, an Italian investment company dedicated to investments in private equity and infrastructure.

On 24 December 2012, Global Yatırım Holding has signed a share purchase agreement for 22,114% shares of Global Liman at an amount of USD 95,945,000 including dividend with Savina.

Savina's 22,114% share transfer of Global Liman to Global Yatırım Holding has been completed on 7 February 2013 after the fulfillment of the several pre-conditions, such as permission of the Competition Board. Global Yatırım Holding paid to Savina an amount of USD 91,724,063 after deduction of dividend amount paid during the period. Global Yatırım Holding's shares at Global Liman reached 99,999% following this share transfer.

As at 31 December 2012, the number of employees of the Group was 198 (31 December 2011: 192).

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

1 Reporting entity *(continued)*

The nature of the operations and the locations of the subsidiaries of the Company are listed below:

Subsidiaries	Location	Operations
Ege Liman İşletmeleri A.Ş. ("Ege Liman")	Aydın-Turkey	Port operations
Ortadoğu Antalya Liman İşletmeleri A.Ş. ("Ortadoğu Liman")	Antalya-Turkey	Port operations
Bodrum Liman İşletmeleri A.Ş. ("Bodrum Liman")	Muğla-Turkey	Port operations
Torba İnşaat ve Turistik A.Ş. ("Torba") (*)	İstanbul-Turkey	Real estate
Global Depolama A.Ş. ("Global Depolama")	İstanbul-Turkey	Storage
İzmir Liman İşletmeciliği A.Ş. ("İzmir Liman")	İstanbul-Turkey	Port operations
Randa Denizcilik San. ve Tic. Ltd. Şti. ("Randa")	Antalya-Turkey	Marine vehicle trade

(*) Refer to Note 3 (a) (iii)

Ege Liman

Kuşadası Cruise Port was constructed in 1968 and was operated by the Turkish Maritime Organization Inc. (Turkiye Denizcilik Isletmeleri A.Ş.) ("TDI") until its privatization in 2003. On 2 July 2003, Ege Liman entered into a transfer of operational rights agreement ("TOORA") for Kuşadası Cruise Port for a period of 30 years with the Privatization Administration (Özelleştirme İdaresi Başkanlığı) ("OIB") and TDI. The TOORA will end in 2033. Kuşadası Cruise Port is the largest cruise ship terminal in Turkey and is a popular port of call for cruises originating from Greece, Italy, France, Spain and Turkey.

Global Liman acquired 72.50% of the shares of Ege Liman on 6 July 2005. The other shareholder of Ege Liman is Royal Caribbean Cruises Ltd ("RCCL").

Ege Liman offers the following basic services to ships calling at the port: tugging, pilotage, sheltering, security, clean water supply, disposal of solid waste, underwater diving inspection, fuel supply and liquid waste collection.

Ortadoğu Liman

Antalya Port, constructed in 1977, is a multi-functional facility harbouring a cruise port, a marina and a commercial port and was operated by the TDI until its privatization in 1998. Operational rights for Antalya Port were taken over for a period of 30 years by Ortadoğu Liman in August 1998. In 2001, due to the difficulties in the other commercial activities of the former shareholders of Ortadoğu Liman, Savings Deposit Insurance Fund ("SDIF") confiscated the company.

Akdeniz Liman İşletmeleri A.Ş. ("Akdeniz Liman"), a joint venture of Global Liman, acquired 99.99% of the shares of Ortadoğu Liman which were subsequently tendered by the SDIF. Akdeniz Liman merged with Ortadoğu Liman in December 2006 and all the rights and obligations of Akdeniz Liman were transferred to Ortadoğu Liman which was denoted the successor entity. The concession period will end in 2028.

Until 29 July 2010, Global Liman owned 39.80% shares of Ortadoğu Liman. On 29 July 2010, Global Liman acquired the 60% of the shares of Ortadoğu Liman from other shareholders (Çelebi Holding A.Ş, Can Çelebioğlu, Uğur Tevfik Doğan, Antmarin İnşaat Turizm and Ticaret A.Ş, and Hasan Yıldırım Akıncıoğlu) and obtained control by raising the ownership to 99.80%. Ortadoğu Liman was consolidated by the Group as a joint venture using the proportionate consolidation method until 29 July 2010. Starting from that date, the full consolidation method has been applied for Ortadoğu Liman, as a subsidiary.

1 Reporting entity *(continued)*

Bodrum Liman

Bodrum Cruise Port was tendered by the State Railways, Ports and Airports Construction Company (Demiryolları, Limanlar ve Havayolları) ("DLH") in September 2003 through a 12-year Build-Operate-Transfer ("BOT") tender agreement, which commenced in December 2007. The BOT agreement period will end in 2019. The winning bidder of the BOT concession was a consortium, which later established Bodrum Liman to carry out the operations of Bodrum Cruise Port.

Global Liman acquired 60% of the shares of Bodrum Liman on 16 June 2008. As at 31 December 2012 and 2011, shareholders of the remaining 30% and 10% of the shares of Bodrum Liman are Yüksel Çağlar and Setur Servis Turistik A.Ş. ("Setur"), respectively.

İzmir Liman

İzmir Liman was incorporated in 2008 by the shareholders of the consortium which made the highest bid for the İzmir Port tender. In 2011, Global Liman acquired 54% of the shares of İzmir Liman from the other shareholders and obtained control of İzmir Liman increasing its equity interest from 25% to 79%. Further details are given in Note 26.

Torba

Torba was incorporated in Istanbul, Turkey, in 2006, for the purpose of developing a real estate project in Bodrum, Muğla. On 4 January 2008, a trustee was appointed to Torba due to the legal dispute with the previous shareholders. Torba is not consolidated with effect from 4 January 2008 in the consolidated financial statements, due to lack of control.

Global Depolama

Global Depolama was established on 9 July 2008 for the purpose of investing in the storage sector.

Randa

Randa was acquired by Global Liman on 17 February 2011 for the purpose of marine vehicle trade for a consideration of Euro 10,000. As at 31 December 2012 and 2011, Randa is inactive and is excluded from the scope of consolidation.

2 Basis of preparation

(a) Statement of compliance

The Company, its subsidiaries and joint ventures maintain their books of account and prepare their statutory financial statements in Turkish Lira ("TL") in accordance with the Turkish Commercial Code, tax legislation and Turkish Uniform Chart of Accounts.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRSs") and are based on these statutory records with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRSs.

The consolidated financial statements were authorized for issue by the Board of Directors on 5 April 2013.

(b) Basis of measurement

The consolidated financial statements have been prepared on an historical cost basis, except for available for sale financial assets which are measured at fair value.

Until 31 December 2005, the financial statements of the consolidated entities were restated for the changes in the general purchasing power of TL based on IAS 29 *Financial Reporting in Hyperinflationary Economies.*

Beginning from January 2006, it was declared that Turkey should be considered a non-hyperinflationary economy under IAS 29. Therefore, IAS 29 has not been applied to the accompanying consolidated financial statements since 1 January 2006.

(c) Functional and presentation currency

The accompanying consolidated financial statements are presented in TL which is Global Liman's functional currency. All financial information presented in TL has been rounded to the nearest digit.

The US Dollar ("USD") is most significant to the operations of the subsidiaries, Ege Liman, Ortadoğu Liman and Bodrum Liman. Therefore, the USD has been determined as the functional currency of both Ege Liman, Ortadoğu Liman and Bodrum Liman in line with IAS 21 *The Effects of Changes in Foreign Exchange Rates*.

2 Basis of preparation *(continued)*

(d) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

Note	Definition
Note 3 (d)	Property and equipment
Note 3 (e)	Intangible assets
Note 4	Determination of fair values
Note 7	Business combination
Note 15	Allowances for recoverable amounts of cash generating units-goodwill
Note 17	Recognition of deferred tax assets
Note 24	Measurement of reserve for employee benefits
Note 26	Commitments and contingencies

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by the Group entities.

Certain comparative amounts in the statement of comprehensive income have been reclassified to conform to the current year's presentation. For the year ended 31 December 2011 the administrative expenses (Note 11) were decreased in the amount of TRL 4,467,245, whereas the other expenses (Note 9) were increased in the amount of TRL 4,467,245.

(a) Basis of consolidation

The accompanying consolidated financial statements include the accounts of the parent company, Global Liman, its subsidiaries and joint ventures on the basis set out in sections below. The financial statements of the entities included in the consolidation have been prepared as at the date of the consolidated financial statements.

(i) Subsidiaries

Subsidiaries for which the Group has the power to govern the financial and operating policies are consolidated in the accompanying consolidated financial statements if;

(a) the Group has the power over 50% of the voting rights acquired through shareholding interests held either directly or indirectly.

(b) the Group has the power and authority to govern the financial and operating policies of the Group so as to obtain benefits from its activities, although the Group does not own 50% of the voting right.

This power to control is evidenced when the Group is able to govern the financial and operating policies of an enterprise so as to benefit from its activities. Subsidiaries are consolidated from the date on which control is transferred to the Group, and cease to be consolidated from the date on which control is transferred out of the Group.

As at 31 December 2012 and 2011, the subsidiaries in which the Group owned a majority shareholding and/or effectively controlled their operations are as shown below:

	Effective ownership (%)		Voting power held (%)	
	2012	**2011**	**2012**	**2011**
Ege Liman	72.50	72.50	72.50	72.50
Ortadoğu Liman	99.80	99.80	100.00	100.00
Bodrum Liman	60.00	60.00	60.00	60.00
Global Depolama	99.99	99.99	100.00	100.00
İzmir Liman (*)	79.00	79.00	79.00	79.00

(*) İzmir Liman was consolidated by the Group as a joint venture using the proportionate consolidation method until 29 June 2011. Starting from that date, the full consolidation method has been applied as the entity became a subsidiary.

3 Significant accounting policies *(continued)*

(a) Basis of consolidation *(continued)*

(ii) Joint ventures

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Joint ventures are accounted for using the proportionate consolidation method. The consolidated financial statements include the Group's proportionate share of the enterprises' assets, liabilities, revenues and expenses with items of a similar nature on a line-by-line basis, from the date that joint control commences until the date that joint control ceases.

(iii) Unconsolidated subsidiaries

As at 31 December 2012 and 2011, Torba, in which the Group owns 79% of the shares but does not have control, and Randa in which Group owns 99.99% of shares but is inactive, were not consolidated and are classified and measured as an available for sale financial assets in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*.

(iv) Consolidation adjustments

Subsidiaries are consolidated by using the full consolidation method. Therefore, the carrying value of subsidiaries is eliminated against the related shareholders' equity. The equity and net income attributable to non-controlling interests are shown separately in the consolidated statement of financial position and statement of comprehensive income. Intra-group balances, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(v) Business combinations

Acquisitions from third parties are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus (up to 31 December 2009) any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 *Business Combinations* are recognized at their fair values at the acquisition date.

The excess of the consideration transferred over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is accounted for as goodwill. Goodwill arising from business combinations is not amortized, but tested for impairment annually or more frequently if there is any evidence that the goodwill may be impaired. If the fair value of the identifiable assets, liabilities and contingent liabilities or the cost of the combination is temporarily determined, initial recognition of the business combination is performed based on the transitional amounts. After the initial recognition, which is allowed to be performed during 12 months after the acquisition, corrections in relation to the initial recognition are accounted for in accordance with IFRS 3 *Business Combinations* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

If the share of the fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree exceed the cost of a business combination, the difference is recognized as income (gain on a bargain purchase).

3 Significant accounting policies *(continued)*

(a) Basis of consolidation *(continued)*

(v) Business combinations (continued)

In a business combination achieved in stages, the acquirer remeasures its previously held equity interest in the acquiree at its acquisition-date fair value and recognises the resulting gain or loss in profit or loss.

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses ultimately are controlled by the same party or parties both before and after the combination. The acquisition of an entity under common control is accounted for using book values, and in its consolidated financial statements the acquirer is permitted, but not required, to restate its comparatives as if the combination had been in existence throughout the reporting periods presented. The Group has, however, elected to account for the acquisition of an entity under common control from the acquisition date.

(b) Foreign currency

Foreign currency transactions

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

The Group entities use USD or TL as their functional currency since these currencies are used to a significant extent in, or have a significant impact on, the operations of the related Group entities and reflect the economic substance of the underlying events and circumstances relevant to these entities. All currencies other than the currency selected for measuring items in the financial statements are treated as foreign currencies. Accordingly, transactions and balances not already measured in the functional currency have been re-measured to the related functional currencies in accordance with the relevant provisions of IAS 21 *The Effect of Changes in Foreign Exchange Rates*. The Group uses TL as the reporting currency.

Assets and liabilities of those Group entities with a different functional currency than the reporting currency of the Group are translated into the reporting currency of the Group at the rate of exchange ruling at the reporting date. The income and expenses of the Group entities are translated into the reporting currency at the average exchange rates for the period. Equity items, except for net income, are presented at their historical costs. These foreign currency differences are recognized in “other comprehensive income”, within equity, under “Translation Reserves”.

3 Significant accounting policies *(continued)*

(b) Foreign currency *(continued)*

As at 31 December 2012 and 2011, foreign currency exchange rates of the Central Bank of the Turkish Republic were as follows:

	2012	**2011**
USD/TL	1.7826	1.8889
Euro/TL	2.3517	2.4438

For the year ended 31 December 2012 and 2011, average foreign currency exchange rates of the Central Bank of the Turkish Republic were as follows:

	2012	**2011**
USD/TL	1.7925	1.6700
Euro/TL	2.3155	2.3224

(c) Financial instruments

All of the Group's financial instruments are non-derivative financial instruments.

(i) Financial assets

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

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

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

The Group has the following non-derivative financial assets: financial assets at fair value through profit or loss, loans and receivables and available for sale financial assets.

Accounting for finance income and expenses is discussed in Note 3 (l).

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is designated as such upon initial recognition or is classified as held for trading. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

3 Significant accounting policies *(continued)*

(c) Financial instruments *(continued)*

(i) Financial assets (continued)

Loans and receivables

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

Loans and receivables comprise bank deposits and trade and other receivables. Bank deposits with original maturities of three months or less are classified as cash and cash equivalents.

Cash and cash equivalents comprise cash balances, bank deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Available for sale financial assets

Available for sale financial assets are measured at fair value subsequent to initial recognition. Unrealized gains or losses from the changes in fair value of the available for sale financial assets are accounted for in the statement of comprehensive income and "fair value reserve" under equity. If the market for an available for sale financial asset is not active, the Group establishes fair value by using a valuation technique. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same and discounted cash flow analysis. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment losses. Fair value reserves accounted for under equity are recycled to the profit or loss when available for sale financial assets are derecognized.

(ii) Financial liabilities

Financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

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

The Group has the following non-derivative financial liabilities: loans and borrowings and trade and other payables. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

(iii) Share capital

Ordinary shares

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

3 Significant accounting policies *(continued)*

(d) Property and equipment

(i) Recognition and measurement

Items of property and equipment related to operations whose functional currency is TL and were acquired before 1 January 2006 are measured at cost restated for the effects of inflation in TL units current at 31 December 2005 less accumulated depreciation and accumulated impairment losses, and items of property and equipment acquired after 31 December 2005 are measured at cost less accumulated depreciation and accumulated impairment losses.

Property and equipment of companies, whose functional currencies are not TL, are denominated in the original currencies, stated at cost, less accumulated depreciation and accumulated impairment losses and are translated to TL by using the exchange rate ruling at the reporting date.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Borrowing costs related to the acquisition, construction or production of qualifying assets are capitalized up to the end of the period that relevant asset was ready to use.

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

(ii) Subsequent costs

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amounts substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Leasehold improvements are amortized over the periods of the respective leases, also on a straight-line basis.

The estimated useful lives for the current and comparative periods are as follows:

	Years
Leasehold improvements	4-30
Furniture and fixtures	4-20
Machinery and equipment	4-30
Motor vehicles	4-18

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(iv) De-recognition

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognized net within profit or loss.

3 Significant accounting policies *(continued)*

(e) Intangible Assets

(i) Recognition and measurement

Intangible assets comprise port operation rights, contract-based customer relationships and software.

Intangible assets related to operations whose functional currency is TL and which were acquired before 1 January 2006 are restated for the effects of inflation in TL units current at 31 December 2005, less accumulated amortization and accumulated impairment losses. Intangible assets acquired after 1 January 2006 are stated at cost less accumulated amortization and permanent impairment losses.

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

(ii) Subsequent expenditures

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures, are recognized in profit or loss as incurred.

(iii) Intangible assets recognized in a business combination

In a business combination or acquisition, the Group recognizes separately an intangible asset of the acquiree at the acquisition date only if it meets the definition of an intangible asset in IAS 38 *Intangible Assets* and its fair value can be measured reliably. The Group's intangible assets recognized in a business combination comprise the port operation rights and the customer relationships.

(iv) Amortization

Amortization is calculated over the cost of the asset, or other amount substituted for cost less its residual value.

Amortization is recognized in profit or loss on a straight line basis over the estimated useful lives of intangible assets from the date they are available for use, since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the assets.

The estimated useful lives for the current and comparative periods are as follows:

	Years
Port operation rights	12-30
Customer relationships	12
Software	5

3 Significant accounting policies *(continued)*

(f) Goodwill

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

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

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

(g) Leased assets

All leases which transfer to the Group substantially all the risks and rewards incidental to the ownership of an asset are classified as financial leases. Assets under financial leases are capitalized at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments, which are reflected as a liability at the same amount, in the consolidated financial statements of the Group. The finance lease obligations are reduced through principal payments and the finance charge portion is allocated to profit or loss of each period during the lease term.

Operating leases are those leases under which the risks and rewards incidental to the ownership of the asset remain with the lessor. Lease payments under an operating lease are recognized as an expense in the profit or loss on a straight-line basis over the lease term.

(h) Impairment

(i) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss has occurred after the initial recognition of the asset and the loss had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency of a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy and the disappearance of an active market for a security.

The Group considers evidence of impairment for receivables at both a specific asset and at a collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables not to be impaired are then collectively reassessed for any impairment that has been incurred, but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping similar risk characteristics.

3 Significant accounting policies *(continued)*

(h) Impairment *(continued)*

(i) Financial assets (continued)

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and accounted for as doubtful receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale financial assets are recognized by transferring the cumulative loss that has been recognized in other comprehensive income, and presented in the fair value reserve in equity, to profit or loss. The cumulative loss that is removed from other comprehensive income and recognized in profit or loss is the difference between the acquisition cost, net of any principal repayment and amortization and the current fair value, less any impairment loss previously recognized in profit or loss.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss for an asset other than goodwill is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3 Significant accounting policies *(continued)*

(i) Employee benefits

In accordance with the existing labor law in Turkey, the entities operating in Turkey are required to make lump-sum payments to employees who have completed one year of service and whose employment is terminated without cause, or due to retirement, military service or death. Retirement pay liability is calculated by using lower of an employee's monthly salary and the retirement pay ceiling, which at 31 December 2012 was TL 3,034 (31 December 2011: TL 2,732), for each year of the employee's service.

The Group recognizes the retirement pay liability as the present value of the estimated total reserve of the future probable obligation of the Group. The key assumptions used in the calculation of the retirement pay liability are detailed in Note 24.

(j) Provisions, contingent assets and liabilities

A provision is recognized in the accompanying consolidated financial statements if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. Unless the possibility of any outflow in settlement is remote, contingent liabilities are disclosed in the notes to the financial statements. Where an economic inflow of economic benefits is probable, contingent assets are disclosed in the notes to the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

(k) Revenue

Revenue is recognized on an accruals basis when services are rendered, the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable and the amount of revenue can be measured reliably.

(i) Port administration services

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

(ii) Rental income

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

(iii) Other service revenue and other sales

Other service revenues and other sales are presented on profit or loss on an accrual basis.

3 Significant accounting policies *(continued)*

(l) Finance income and finance costs

Finance income comprises interest income, gains on sale of marketable securities and net foreign currency gains that are recognized in the profit or loss. Interest income is recognized as it accrues, using the effective interest method.

Finance costs comprise interest expense on borrowings, net foreign currency losses and losses on sale of marketable securities. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Borrowing costs are capitalized if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred.

(m) Income tax

Income tax expense comprises current and deferred tax. A current tax charge is recognized in profit or loss except for the effects of the items reflected under equity.

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for the taxable temporary differences arising on initial recognition of goodwill. In addition, deferred tax is not recognized for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and joint ventures to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(n) Earnings per share

The Group presents basic earnings per share (“EPS”) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, less own shares acquired.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings and inflation adjustments on equity items. Such kind of bonus shares are taken into consideration in the computation of earnings per share as issued share certificates. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the period has been adjusted in respect of bonus share issues without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and each earlier period.

3 Significant accounting policies *(continued)*

(o) Related parties

Parties are considered related to the Company if;

(a) directly, or indirectly through one or more intermediaries, the party:

(i) controls, is controlled by, or is under common control with the Company (this includes parent, subsidiaries and fellow subsidiaries);

(ii) has an interest in the Company that gives it significant influence over the Company; or

(iii) has joint control over the Company;

(b) the party is an associate of the Company;

(c) the party is a joint venture in which the Company is a venturer;

(d) the party is member of the key management personnel of the Company and its parent;

(e) the party is a close member of the family of any individual referred to in (a) or (d);

(f) the party is an entity that is controlled or significantly influenced by, or for which significant voting power in such entity resides with directly or indirectly, any individual referred to in (d) or

(g) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any entity that is a related party of the Company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

A number of transactions are entered into with related parties in the normal course of business on an arm's length basis.

(p) Government subsidies and incentives

All subsidies and incentives, including non-monetary incentives stated at fair market values, are included in the consolidated financial statements when there is reasonable certainty that the Group will qualify and receive such subsidies and incentives. Government incentives utilized by the Group comprises investment allowances (Note 17).

(q) Lease payments

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(r) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The operating segments of the Group are Kuşadası Port, Antalya Port and Bodrum Port, which are operated by Ege Liman, Ortadoğu Liman and Bodrum Liman, respectively. The detailed information is disclosed in Note 5.

3 Significant accounting policies *(continued)*

(s) Events after the reporting date

Events after the reporting date include all events up to the date when the financial statements are authorized for issue, even if those events occur after the public announcement of profit or of other selected information.

The Group adjusts the amounts recognized in its consolidated financial statements to reflect adjusting events after the reporting date. Non-adjusting events are disclosed in the notes to the consolidated financial statements, if material.

(t) Statement of cash flows

Cash flows for the period are classified as cash flows from operations, investing activities and financing activities. Cash flows from operations are the cash flows generated from the principal activities of the Group. The Group presents the cash flows from operating activities by using the indirect method such as adjusting the accruals for cash inflows and outflows from gross profit/loss, other non-cash transactions, prior and future transactions or deferrals.

Cash flows from investing activities represent the cash flows used in/provided from investing activities (purchase of tangible and intangibles assets and investments).

Cash flows from financing activities represent the funds used in and repayment of the funds during the period.

For purposes of preparation of the statements of cash flows, cash and cash equivalents include cash on hand, bank deposits and highly liquid investments with maturity of less than three months having no impairment risk exposure.

(u) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these combined financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

i) IFRS 9 Financial Instruments (2010), IFRS 9 Financial Instruments (2009)

IFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under IFRS 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 (2010) introduces additions relating to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and add new requirements to address the impairment of financial assets and hedge accounting.

IFRS 9 (2010 and 2009) are effective for annual periods beginning on or after 1 January 2015 with early adoption permitted. The adoption of IFRS 9 (2010) is expected to have an impact on the Group’s financial assets, but not any impact on the Group’s financial liabilities.

ii) IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities (2011)

IFRS 10 introduces a single control model to determine whether an investee should be consolidated. As a result, the Group may need to change its consolidation conclusion in respect of its investees, which may lead to changes in the current accounting for these investees.

Under IFRS 11, the structure of the joint arrangement, although still an important consideration, is no longer the main factor in determining the type of joint arrangement and therefore the subsequent accounting.

3 Significant accounting policies *(continued)*

u) New standards and interpretations not yet adopted (continued)

ii) IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities (2011) (continued)

The Group's interest in a joint operation, which is an arrangement in which the parties have rights to the assets and obligations for the liabilities, will be accounted for on the basis of the Group's interest in those assets and liabilities. The Group's interest in a joint venture, which is an arrangement in which the parties have rights to the net assets, will be equity-accounted.

IFRS 12 brings together into a single standard all the disclosure requirements about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The Group is currently assessing the disclosure requirements for interests in subsidiaries, interests in joint arrangements and associates and unconsolidated structured entities in comparison with the existing disclosures. IFRS 12 requires the disclosure of information about the nature, risks and financial effects of these interests.

These standards are effective for annual periods beginning on or after 1 January 2013 with early adoption permitted.

iii) IFRS 13 Fair Value Measurement (2011)

IFRS 13 provides a single source of guidance on how fair value is measured, and replaces the fair value measurement guidance that is currently dispersed throughout IFRS. Subject to limited exceptions, IFRS 13 is applied when fair value measurements or disclosures are required or permitted by other IFRSs. IFRS 13 is effective for annual periods beginning on or after 1 January 2013 with early adoption permitted.

iv) IAS 19 Employee Benefits (2011)

IAS 19 (2011) changes the definition of short-term and other long-term employee benefits to clarify the distinction between the two. For defined benefit plans, removal of the accounting policy choice for recognition of actuarial gains and losses is not expected to have any impact on the Company. IAS 19 (2011) is effective for annual periods beginning on or after 1 January 2013 with early adoption permitted.

4 Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods (where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability).

Property and equipment

The fair value of property and equipment recognized as a result of business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Intangible assets

The fair value of port operating rights and licenses acquired in a business combination is based on the discounted estimated future net cash flows from the assets. The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows.

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Financial liabilities

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

5 Segment reporting

Operating segments considered in performance evaluation by the Group Management are determined by considering the Group's risks and resources and internal reporting structure. The Group's operating segments are Kuşadası Port, Antalya Port and Bodrum Port, which are operated by Ege Liman, Ortadoğu Liman and Bodrum Liman, respectively. Other operations of the Group, which include Global Liman, İzmir Liman and Global Depolama, do not generate external revenues and therefore are presented to reconcile to the consolidated financial statements.

Information regarding all the segments is stated below. External revenues and earnings before interest, tax, depreciation and amortization ("EBITDA") are reviewed in the assessment of the financial performance of the operating segments. The Group management assesses EBITDA as the most appropriate method for the review of the segment operations, based on comparability with other companies in the same industry. The reconciliation of EBITDA to profit before tax and elements of EBITDA are disclosed as follows.

5 Segment reporting *(continued)*

As at and for the years ended 31 December 2012 and 2011, the details of reportable segments comprised the following:

	Kuşadası Port		Antalya Port		Bodrum Port		Other		Total	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011 (*)**	**2012**	**2011**
Segment assets	84,959,140	131,759,484	549,243,620	610,332,382	25,882,272	29,791,683	37,960,329	17,204,290	**698,045,361**	**789,087,839**
Segment liabilities	24,372,645	28,372,766	183,989,481	217,797,195	5,578,447	7,551,337	15,305,768	35,384,405	**246,707,487**	**289,105,703**
Capital expenditures	1,979,268	5,007,281	4,579,006	16,979,918	70,777	2,401,346	95,628	422,573	**6,724,679**	**24,811,118**
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
External revenues	29,475,915	30,932,910	88,173,294	73,521,358	4,741,319	3,679,476	--	--	**122,390,528**	**108,133,744**
EBITDA	21,621,153	21,836,301	56,177,278	44,094,190	2,505,075	1,295,996	(287,418)	(6,288,220)	**80,016,088**	**60,938,267**
Depreciation and amortization expense	(3,100,573)	(2,614,897)	(35,459,939)	(32,497,523)	(3,177,624)	(3,150,601)	(198,758)	(146,405)	**(41,936,894)**	**(38,409,426)**
Significant non-cash income/expenses	--	--	--	--	--	--	--	2,153,864	**--**	**2,153,864**
Interest income	3,476,551	6,963,767	615,994	1,088,468	4,297	3,261	897,476	1,138	**4,994,318**	**8,056,633**
Interest expense	(530,089)	(1,019,960)	(6,391,910)	(6,610,081)	(658,507)	(651,050)	(275,528)	(1,103,279)	**(7,844,978)**	**(9,384,370)**

(*) İzmir Liman was consolidated by the Group as a joint venture using the proportionate consolidation method until 29 June 2011. Starting from that date, full consolidation method is applied as a subsidiary. İzmir Liman's income and expenses have been consolidated by 25% for the period of 1 January - 29 June 2011, and 100% for the period of 29 June - 31 December 2011.

5 Segment reporting *(continued)*

	2012	2011
Revenues		
Total revenue for reportable segments	122,390,528	108,133,744
Consolidated revenue	**122,390,528**	**108,133,744**
Consolidated EBITDA	80,016,088	60,938,267
Finance income (Note 12)	22,503,561	13,019,314
Finance costs (Note 12)	(23,105,039)	(19,842,385)
Depreciation and amortization	(41,936,894)	(38,409,426)
Consolidated profit before income tax	**37,477,716**	**15,705,770**
Interest income		
Total interest income for reportable segments	4,994,318	8,056,633
Elimination of inter-segments	(2,135,295)	(1,708,309)
Consolidated interest income	**2,859,023**	**6,348,324**
Interest expense		
Total interest expense for reportable segments	(7,844,978)	(9,384,370)
Elimination of inter-segments	2,135,295	1,708,309
Consolidated interest expense	**(5,709,683)**	**(7,676,061)**
Significant non-cash income/expenses		
Bargain purchase gain (Note 7)	--	2,153,864
Total	**--**	**2,153,864**

6 Joint ventures

İzmir Liman was consolidated by the Group as a joint venture using the proportionate consolidation method until 29 June 2011. Starting from that date, full consolidation method is applied as a subsidiary. İzmir Liman's revenue and expenses have been consolidated by 25% for the period of 1 January-29 June 2011, and 100% for the period of 29 June-31 December 2011.

7 Business combinations

31 December 2011

On 29 June 2011, Global Liman acquired 54% of the shares of its joint venture İzmir Liman from the other shareholders and obtained control of İzmir Liman increasing its equity interest from 25% to 79%. Global Liman and the other shareholders of İzmir Liman agreed on the purchase price of USD 300,000 (equivalent to TL 486,990) together with deduction of TL 1,133,838 (receivables from other shareholder) from the receivables of Global Liman from the other shareholders of İzmir Liman. Therefore, the acquisition cost of 54% of the shares of İzmir Liman amounts to TL 1,620,828. In 2011, transfer fee was paid in cash amounting to USD 200,000 and remaining amount was paid in 2012, subsequently.

If the acquisition had occurred on 1 January 2011, management estimates that consolidated external revenues would have not change of and the consolidated net profit for the period would have been less by TL 107,771. In determining these amounts, management assumed that the fair values that arose on the acquisition date would have been the same if the acquisition had occurred on 1 January 2011.

The following table summarizes the details related to the accounting of the acquisition in accordance with the acquisition method:

Goodwill	
Purchase price	486,990
Plus receivables deducted	1,133,838
Total consideration	**1,620,828**
Fair value of net identifiable assets and liabilities	(6,990,170)
Fair value of non-controlling interests (21%)	1,467,935
Fair value of previously-held interest (25%)	1,747,543
Bargain purchase gain (Note 9) (*)	**(2,153,864)**

(*) Bargain purchase gain is recognized in other operating income in the consolidated statement of comprehensive income (Note 9).

Identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	13,138
Prepaid tax	120,053
Property and equipments	13,959
Deferred tax assets	3,412,492
Value added taxes	3,993,997
Trade and other payables	(563,469)
Net identifiable assets and liabilities (*)	**6,990,170**
Shares acquired	54%
Net identifiable assets and liabilities of shares acquired (**)	**3,774,691**

(*) Represents 100% of the net identifiable assets of İzmir Liman.

(**) Signifies the share in the net identifiable assets of İzmir Liman purchased by the Group (54 %).

7 Business combinations *(continued)*

31 December 2011 *(continued)*

As a result of the acquisition, non-controlling interests of the Group, which represent 21% of the shares of İzmir Liman, increased by TL 1,467,935. As a result of the acquisition of the 75% shares of İzmir Liman, together with the non-controlling interests, net assets of the Group increased by TL 5,242,628, and deferred tax assets increased by TL 2,559,369 (Note 17), and all other net assets increased by TL 2,683,259 in the consolidated financial statements.

This acquisition transaction is accounted for by applying the acquisition method which requires the measurement of the identifiable assets, liabilities and contingent liabilities at their fair values at the date of acquisition in accordance with IFRS 3 *Business Combinations.*

Net cash outflow due to acquisition is as follows:

Consideration paid	486,990
Cash associated with purchased assets	(7,095)
Net cash outflow due to acquisition	**479,895**

8 Revenue and cost of sales

Revenue

For the years ended 31 December, revenue comprised the following:

	2012	2011
Container revenue	49,181,099	40,497,782
Port service revenue	30,530,794	27,821,720
Cargo revenue	17,964,312	16,903,038
Landing fees	10,359,959	9,858,249
Rent revenue (*)	7,786,028	7,004,116
Setur rent revenue	2,675,714	2,516,028
Domestic water sales	1,253,507	1,803,157
Other revenue	2,639,115	1,729,654
Total	**122,390,528**	**108,133,744**

(*) Includes all rent revenue except Setur rent revenue.

Cost of sales

For the years ended 31 December, cost of sales comprised the following:

	2012	2011
Depreciation and amortization expenses	41,279,465	37,844,284
Personnel expenses	11,329,277	9,430,003
Subcontractor crane and container service expenses	6,450,774	6,210,954
Fuel expenses	2,129,468	3,006,270
Container shipping expenses	1,536,517	1,430,543
Commission fees to government authorities and pilotage expense	1,469,662	1,361,027
Repair and maintenance expense	1,215,671	1,200,661
Electricity expenses	1,152,566	781,273
Insurance expenses	1,063,351	1,210,331
Security expenses	1,074,405	1,039,775
Shopping mall expenses	735,208	472,569
Fresh water expenses	232,825	357,329
Other expenses	1,945,671	1,446,467
Total	**71,614,860**	**65,791,486**

9 Other income and expenses

Other income

For the years ended 31 December, other income comprised the following:

	2012	2011
Reversed lawsuit provisions	48,310	98,887
Bargain purchase gain (Note 7)	--	2,153,864
Other	105,252	611,970
Total	**153,562**	**2,864,721**

Other expenses

For the years ended 31 December, other expenses comprised the following:

	2012	2011
Partial exception expenses	331,809	892,007
Project expense	152,537	4,467,245
Donations	108,390	437,376
Tax amnesty expense (**)	27,867	3,743,184
Loss on long-term asset	19,916	--
Provision expenses	12,410	147,424
Other	513,735	72
Total	**1,166,664**	**9,687,308**

(**) The Law numbered 6111 "Concerning the Restructuring of Certain Receivables, Social Security and the Amendment of the General Health Law and Certain Other Laws and Decrees with the Force of Law" has been put into effect following its promulgation in the Official Gazette on 25 February 2011. The Group management decided to utilize the possibilities stated in the scope of the law within the application period for some of its subsidiaries with respect to the base increase of corporate tax and VAT tax as well as the contentious issues. According to the law, no assessment will be made related to the taxes and periods for which the tax bases will be increased, between the years of 2006-2009. Within the scope of the law, the additional tax amount (excluding the current income tax recognized under income tax expense and interest costs due to due date difference calculated in accordance with the law recognized under finance costs) scheduled to be paid within the 36-month term has been calculated as TL 3,743,184. A tax amnesty accrual has been accounted for at this amount in the financial statements as at 31 December 2011 in conformity with the prudence principle. In accordance with the above mentioned progress, the Group management decided to recognize an accrual under trade and other payables (Note 23) as of 31 December 2011.

10 Selling and marketing expenses

For the years ended 31 December, selling and marketing expenses comprised the following:

	2012	2011
Advertising and promotion expenses	368,579	188,118
Commission expenses	120,560	138,616
Representation expenses	22,212	--
Travelling expenses	7,993	153,535
Other	--	47,497
Total	**519,344**	**527,766**

11 Administrative expenses

For the years ended 31 December, administrative expenses comprised the following:

	2012	2011
Personnel expenses	6,435,479	5,714,377
Consultancy expenses	1,840,226	2,916,391
Depreciation and amortization expenses	651,835	565,142
Travelling expenses	537,034	1,030,262
Representation expenses	326,607	209,438
Vehicle expenses	206,466	207,754
Communication expenses	196,405	174,998
Taxes other than on income	178,701	241,196
Office operating expenses	139,541	148,450
Stationary expenses	64,204	79,751
Rent expenses	24,620	66,486
Repair and maintenance expenses	55,618	36,882
Other expenses	507,292	1,071,937
	11,164,028	**12,463,064**

12 Finance income and expenses

For the years ended 31 December, finance income comprised the following:

Finance income	**2012**	**2011**
Foreign exchange gain	15,226,805	3,971,220
Interest income on banks and others	3,593,011	1,549,014
Gain on sale of marketable securities (*)	2,332,438	991,461
Interest income on marketable securities (*)	1,351,307	6,507,619
Total	**22,503,561**	**13,019,314**

(*) Interest income on marketable securities comprises the interest income earned from the Global Yatırım Holding bonds during the period. Gains on sale of marketable securities result from trading of marketable securities during the period.

For the year ended 31 December, finance expenses comprised the following:

Finance expenses	**2012**	**2011**
Foreign exchange losses	10,289,492	8,676,316
Interest expense on loans and borrowings	7,871,610	9,384,370
Loss on sale of marketable securities	4,569,536	--
Loan commission expenses	348,763	726,701
Interest expense on tax restructuring (*)	3,502	839,661
Other	22,136	215,337
Total	**23,105,039**	**19,842,385**

(*) The realized interest expense on the nominal amount of tax amnesty payables are recognized under finance expenses.

For the year ended 31 December, finance income and costs accounted for in other comprehensive income comprised the following:

	2012	**2011**
Foreign currency translation differences	(33,486,873)	89,758,296
Total	**(33,486,873)**	**89,758,296**

13 Property and equipment

Movements of property and equipment for the year ended 31 December 2012 comprised the following:

Cost	1 January 2012	Additions	Disposals	Transfers	Currency translation differences	31 December 2012
Leasehold improvements	60,634,690	835,171	--	1,551,895	(3,109,556)	59,912,200
Machinery and equipment	53,665,933	2,010,959	(81,452)	--	(3,020,138)	52,575,302
Motor vehicles	15,407,064	372,667	(153,696)	--	(868,258)	14,757,777
Furniture and fixtures	3,356,872	431,658	--	--	(177,956)	3,610,574
Construction in progress	1,392,294	2,983,489	--	(1,551,895)	(427,160)	2,396,728
Land improvement	--	9,901	--	--	(55)	9,846
Total	**134,456,853**	**6,643,845**	**(235,148)**	**--**	**(7,603,123)**	**133,262,427**

Accumulated Depreciation	1 January 2012	Depreciation expense	Disposal	Transfers	Currency translation differences	31 December 2012
Leasehold improvements	12,230,268	3,357,973			(701,329)	14,886,912
Machinery and equipment	14,266,554	4,532,110	(81,452)	--	(827,449)	17,889,763
Motor vehicles	3,712,170	1,147,106	(17,244)	--	(215,144)	4,626,888
Furniture and fixtures	1,738,664	470,678	--	--	(96,009)	2,113,333
Land improvement	--	307	--	--	(2)	305
Total	**31,947,656**	**9,508,174**	**(98,696)**	**--**	**(1,839,933)**	**39,517,201**
Net book value	**102,509,197**					**93,745,226**

13 Property and equipment *(continued)*

Movements of property and equipment for the year ended 31 December 2011 comprised the following:

Cost	1 January 2011	Additions	Transfers	Currency translation differences	31 December 2011
Leasehold improvements	40,599,728	1,537,801	8,426,557	10,070,604	60,634,690
Machinery and equipment	33,493,258	12,689,769	40,664	7,442,242	53,665,933
Motor vehicles	12,236,657	456,339	--	2,714,068	15,407,064
Furniture and fixtures	1,975,183	941,059	--	440,630	3,356,872
Construction in progress	729,947	8,879,412	(8,467,221)	250,156	1,392,294
Total	**89,034,773**	**24,504,380**	**--**	**20,917,700**	**134,456,853**

Accumulated Depreciation	1 January 2011	Depreciation expense	Transfers	Currency translation differences	31 December 2011
Leasehold improvements	7,275,986	2,954,898	--	1,999,384	12,230,268
Machinery and equipment	8,160,061	3,800,727	--	2,305,766	14,266,554
Motor vehicles	2,086,409	1,028,760	--	597,001	3,712,170
Furniture and fixtures	1,035,559	428,558	--	274,547	1,738,664
Total	**18,558,015**	**8,212,943**	**--**	**5,176,698**	**31,947,656**
Net book value	**70,476,758**				**102,509,197**

13 Property and equipment *(continued)*

As at 31 December 2012, the net book value of machinery and equipment purchased through leasing amounts to TL 5,538,946 (2011: TL 4,933,845) and the net book value of motor vehicles purchased through leasing amounts to TL 3,167,882 (2011: TL 6,230,571).

As at 31 December 2012 and 2011, according to the "TOORA" signed with Ege Liman and Ortadoğu Liman and the "BOT" tender agreement signed with Bodrum Liman, at the end of the agreement periods, real estate with their capital improvements will be returned as running, clean, free of any liability and free of charge. The details of the pledge or mortgage on property and equipment regarding the loans and borrowings are explained in Note 22.

For the years ended 31 December 2012 and 2011, there is no capitalized borrowing cost on property and equipment.

As at 31 December 2012, the insured amount of property and equipment amounts to TL 98,378,708 (2011: TL 90,044,402).

14 Intangible assets

Movements of intangible assets for the year ended 31 December 2012 comprised the following:

Cost	**1 January 2012**	**Additions**	**Currency translation differences**	**31 December 2012**
Port operation rights	634,148,548	--	(34,813,221)	599,335,327
Customer relationships	7,092,045	--	(397,667)	6,694,378
Software	146,929	1,741	(5,077)	143,593
Other intangibles	575,252	79,093	(9,028)	645,317
Total	**641,962,774**	**80,834**	**(35,224,993)**	**606,818,615**

Accumulated amortization	**1 January 2012**	**Amortization expense**	**Currency translation differences**	**31 December 2012**
Port operation rights	74,286,933	31,686,723	(3,390,673)	102,582,983
Customer relationships	2,068,513	560,841	(119,505)	2,509,849
Software	109,605	22,248	(3,098)	128,755
Other intangibles	254,658	158,908	(10,493)	403,073
Total	**76,719,709**	**32,428,720**	**(3,523,769)**	**105,624,660**
Net book value	**565,243,065**			**501,193,955**

14 Intangible assets *(continued)*

Movements of intangible assets for the year ended 31 December 2011 comprised the following:

Cost	1 January 2011	Additions	Currency translation differences	31 December 2011
Port operation rights	521,756,956	--	112,391,592	634,148,548
Customer relationships	5,804,596	--	1,287,449	7,092,045
Software	116,578	17,082	13,269	146,929
Other intangibles	239,975	289,656	45,621	575,252
Total	**527,918,105**	**306,738**	**113,737,931**	**641,962,774**

Accumulated amortization	1 January 2011	Amortization expense	Currency translation differences	31 December 2011
Port operation rights	36,278,799	29,537,155	8,470,979	74,286,933
Customer relationships	1,209,291	522,783	336,439	2,068,513
Software	69,097	33,411	7,097	109,605
Other intangibles	120,558	103,134	30,966	254,658
Total	**37,677,745**	**30,196,483**	**8,845,481**	**76,719,709**
Net book value	**490,240,360**			**565,243,065**

15 Goodwill

Movements of goodwill for the years ended 31 December comprised the following:

1 January 2011	**17,231,683**
Currency translation differences	7,060,373
31 December 2011	**24,292,056**
Currency translation differences	(1,367,063)
Book value as at 31 December 2012	**22,924,993**

As at 31 December 2012 and 2011, the Group recognized goodwill related to the acquisition of Ege Liman in its consolidated financial statements.

As at 31 December 2012, the Group tested impairment by comparing the goodwill from the acquisition of Ege Liman with the values in use of the cash generating units and concluded that no impairment exists. Cash flow forecasts are prepared up to the end of the port usage rights, which is 2033. The basic assumption is that the expected increase in the intensity of the port activity will increase operational profit. Cash flows used to calculate value in use are prepared in USD. An interest rate of 11.5% was used for discounting future cash flows to reporting date.

16 Investments

Financial assets available for sale

As at 31 December 2012 and 2011, financial assets available for sale, comprised the following:

	2012	**2011**
Global Yatırım Holding bonds	24,691,641	29,430,931
Accrued interest on Global Yatırım Holding bonds	--	1,535,813
Share certificates of Global Yatırım Holding	--	1,480,475
Total	**24,691,641**	**32,447,219**

At December 28, 2011, Global Yatırım Holding's bonds which had the maturity of August 2012 with an annual nominal interest rate of 9.25% were exchanged with new bonds. The new bonds' maturity was 30 June 2017 with an annual nominal interest rate of 11%. The nominal amount of new bonds was USD 17,085,000 and new bonds were recognized at fair value of the previous bonds. The accrued interests of the previous bonds were recognized as accrued interest and were collected in January 2012.

Global Yatırım Holding bonds were sold in September 2012 and new bonds were acquired on 31 December 2012 from Global Yatırım Holding. As at 31 December 2012, the bonds' maturity is 30 June 2017 with an annual nominal interest rate of 11%. The nominal amounts of the new bonds are USD 15,515,000.

Global Yatırım Holding shares are actively traded in ISE.

As at 31 December 2012 and 2011, investments in equity instruments that are not quoted in an active market comprised the following:

	Share ratio (%)	**2012 Book Value**	**Share Ratio (%)**	**2011 Book Value**
Torba (*)	79.00	79,000	79.00	79,000
Randa (**)	99.99	22,232	99.99	22,232
Total		**101,232**		**101,232**

(*) Torba is excluded from consolidation due to appointment of a trustee at 4 January 2008 and loss of control. Torba is carried at cost in the consolidated financial statements, since its shares are not quoted in an active market.

(**) Randa was purchased by Global Liman on 17 February 2011 for a consideration of Euro 10,000. As at 31 December 2012 and 2011, Randa is inactive and is excluded from the scope of consolidation.

17 Taxation

Corporate tax

Corporate income tax is levied at the rate of 20% on the statutory corporate income tax base, which is determined by modifying income for certain tax exclusions and allowances.

In Turkey, advance tax returns are measured and accrued on a quarterly basis. The advance corporate income tax rate as at 31 December 2012 is 20% (2011: 20%).

In Turkey, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes shown in the consolidated financial statements reflects the total amount of taxes calculated on each entity that is included in the consolidation.

Losses can be carried forward for offsetting against future taxable income for up to 5 years. Losses cannot be carried back.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within four months following the close of the accounting year to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Transfer pricing

The transfer pricing provisions are set out under the Article 13 of the Corporate Tax Law under the heading of “disguised profit distribution via transfer pricing”. The General Communiqué on disguised profit distribution via transfer pricing dated 18 November 2007 sets out details about the implementation of these provisions. If a tax payer enters into transactions regarding the sale or purchase of goods and services with related parties, where the prices are not set in accordance with an arm’s-length basis, the related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as a tax deductible for corporate income tax purposes.

Income withholding tax

In addition to corporate taxes, companies should also calculate income withholding taxes on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax was 10% from 24 April 2003, rising to 15% from 21 September 2006. Appropriation of retained earnings to capital is not considered a profit distribution and therefore is not subject to withholding tax.

17 Taxation *(continued)*

Investment allowance

With effect from 24 April 2003, the investment incentives scheme was amended such that companies directly deduct 40 percent of qualifying capital investments from their annual taxable income. In addition, corporations that had unused qualifying capital investment amounts from periods prior to 24 April 2003 were entitled to carry these forward.

The tax law was then changed retrospectively on 8 April 2006 such that with effect from 1 January 2006, no new investment incentives were allowed, and taxpayers could only deduct the amount of the investment allowance exemption to which they were already entitled from the taxable income of 2006, 2007 and 2008. Investment allowances could not be carried forward at 31 December 2008.

However, on 15 October 2009, the Turkish Constitutional Court cancelled parts of the revised tax law such that new investment allowances created prior to 8 April 2006 were re-allowed and the restriction on the carryforward of allowances after 31 December 2008 was removed; the carryforward is now indefinite. This change to the tax law became substantively enacted when the Court's decision was made and became law on 8 January 2010.

The usage of investment incentives was revised again with the amendments to the related tax law published in the Official Gazette dated 1 August 2010. Accordingly, with effect from the 2010 calendar year taxable income, investment incentives that will be deducted from income shall not exceed 25% of income for a particular year, while determining the tax base. The unused investment incentives continue to be deductible without time limit.

As at 31 December 2012 and 2011, there were no available investment incentives deductable from taxable income and no unused investment incentive.

Tax exemption on maritime operations

The Turkish International Ship Registry Law, authorized on 16 December 1999, is designed to accelerate the development of the Turkish maritime sector and increase its contribution to the Turkish economy. The law supports the procurement and operation of ships registered on the Turkish International Ship Registry, and yachts registered to the inventory of tourism companies. Income generated through the vessels covered by the law is not subject to income tax and expenses related to these operations are considered as disallowable expenses.

17 Taxation *(continued)*

Tax expense

For the years ended 31 December, income tax expense comprised the following:

	2012	2011
Current tax charge	(10,354,451)	(10,632,125)
Deferred tax benefit	6,757,889	3,018,289
Total	**(3,596,562)**	**(7,613,836)**

As at 31 December 2012 and 2011, current tax liabilities for the period comprised the following:

	2012	2011
Current tax liability at 1 January	**2,571,160**	**1,289,157**
Current tax charge	10,354,451	10,632,125
Taxes paid during year	(9,423,057)	(9,350,122)
Total	**3,502,554**	**2,571,160**

The tax reconciliation for the years ended 31 December is as follows:

	%	2012	%	2011
Profit before income tax		**37,477,716**		**15,705,770**
Corporate tax using domestic rate	20	(7,495,543)	20	(3,141,154)
Exemption on maritime operations	(9)	3,194,467	(17)	2,706,702
Effect of unrecognized tax losses	1	(302,892)	3	(426,967)
Disallowable expenses	--	(87,652)	1	(156,658)
Disallowable interest expenses and foreign exchange losses on loans (*)	--	--	23	(3,567,579)
Effect of tax amnesty	--	--	10	(1,514,849)
Business combination effect (Note 7)	--	--	3	(430,773)
Tax of previous years	--	--	2	(276,346)
Other	(3)	1,095,058	5	(806,212)
	9	**(3,596,562)**	**50**	**(7,613,836)**

(*) Finance costs, interest expenses and foreign exchange losses on the bank loan amounting to USD 50,000,000 obtained to finance the acquisition of Ortadoğu Liman by Akdeniz Liman (Note 1) are treated as disallowable expenses for tax purposes.

17 Taxation *(continued)*

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

In Turkey the tax legislation does not permit a parent company, its subsidiaries and joint ventures to file a consolidated tax return. Therefore, deferred tax positions of companies with deferred tax assets and companies with deferred tax liabilities are not netted and are disclosed separately.

Deferred tax assets and deferred tax liabilities as at 31 December 2012 and 2011, are attributable to the items detailed in the table below:

	2012		2011		2012	2011
	Deferred tax assets	**Deferred tax liabilities**	**Deferred tax assets**	**Deferred tax liabilities**	**Deferred tax assets/ (liabilities), net**	**Deferred tax assets/ (liabilities), net**
Property and equipment and intangible assets	2,409,954	(101,258,477)	--	(110,360,595)	(98,848,523)	(110,360,595)
Tax losses carried forward	2,879,068	--	3,261,956	--	2,879,068	3,261,956
Provision for employment termination indemnity and vacation pay	313,194	--	317,396	--	313,194	317,396
Differences of receivables	44,101	--	51,154	--	44,101	51,154
Available for sale financial assets	--	--	--	(553,430)	--	(553,430)
Other	1,071,175	(320,143)	--	(956,128)	751,032	--
Subtotal	**6,717,492**	**(101,578,620)**	**3,630,506**	**(111,870,153)**	**(94,861,128)**	**(107,283,519)**
Set off of tax	(547,979)	547,979	3,143,931	(3,143,931)	--	--
Total deferred tax assets/(liabilities)	**6,169,513**	**(101,030,641)**	**6,774,437**	**(115,014,084)**	**(94,861,128)**	**(107,283,519)**

17 Taxation *(continued)*

Deferred tax *(continued)*

The movement of deferred taxes for the years ended 31 December, is as follows:

	2012	**2011**
Balance at the beginning of the year	(107,283,519)	(90,572,298)
Deferred tax benefit in income	6,757,889	3,018,289
Business combination effect (Note 7)	--	2,559,369
Currency translation difference	5,664,502	(22,288,879)
	(94,861,128)	**(107,283,519)**

As at 31 December 2012 and 31 December 2011, the breakdown of the tax losses carried forward in terms of their final years of utilization is as follows:

	2012		**2011**	
Expiry years of the tax losses carried forward	**Recognized**	**Unrecognized**	**Recognized**	**Unrecognized**
2012	--	--	798,810	71,604
2013	--	1,776,483	--	1,776,483
2014	--	2,951,160	977,141	2,951,160
2015	1,895,260	1,324,980	2,325,262	1,324,980
2016	12,500,081	2,134,835	12,208,565	2,134,835
2017	--	1,514,462	--	--
	14,395,341	**9,701,920**	**16,309,778**	**8,259,062**

Unrecognized deferred tax assets

At the reporting date, the Group has statutory tax losses available for offsetting against future profits which are shown above. Such losses carried forward expire until 2017. Deferred tax assets have not been recognized in respect of some portion of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits there from.

18 Trade and other receivables

As at 31 December 2012 and 2011, trade and other receivables comprised the following:

	2012	2011
Trade receivables	3,802,592	3,526,444
Receivables from VAT	--	43,241
Deposits and advances given	37,332	21,094
Other receivables	1,517,574	243,747
Total trade and other receivables	**5,357,498**	**3,834,526**

As at 31 December 2012 and 2011, trade receivables comprised the following:

	2012	2011
Receivables from customers	3,802,592	3,526,444
Doubtful receivables	664,610	648,969
Allowance for doubtful receivables (-)	(664,610)	(648,969)
Total	**3,802,592**	**3,526,444**

Movements in the allowance for doubtful trade receivables for the years ended 31 December, comprised the following:

	2012	2011
Balance at the beginning of the year	(648,969)	(735,658)
Allowance for the year	(15,641)	(104,793)
Written off during the year	--	15,998
Collections	--	175,484
Balance at the end of the year	**(664,610)**	**(648,969)**

As at 31 December 2012 and 2011, current trade receivables mature between 0-1 month.

Credit risk and foreign currency risk with respect to trade and other receivables are disclosed in Note 28.

Bad debt expense on doubtful receivables is recognized in administrative expenses.

19 Other assets

Other non-current assets

As at 31 December 2012 and 2011, other non-current assets comprised the following:

	2012	2011
Value added tax receivable(*)	4,075,692	4,055,938
Advances given(**)	911,120	586,699
Deposits and guarantees given	35,590	--
Prepaid expenses	23,370	216,274
Other	812	25,698
Total	**5,046,584**	**4,884,609**

(*) The Group classified value added tax receivables of İzmir Liman as non-current since value added tax payables from revenues cannot be offset with the value added tax receivables in the short-term.

(**) Advances given are mainly composed of the advances given by Ortadoğu Liman for the purchase of machinery and for the investments related to the passenger terminal.

Other current assets

As at 31 December 2012 and 2011, other current assets comprised the following:

	2012	2011
Advances given	2,691,492	2,642,804
Income accruals	1,609,674	880,114
Prepaid expenses	1,372,605	867,235
Value added tax receivable	1,167,349	1,284,542
Prepaid taxes	121,251	120,566
Personnel salary and work advances	420,194	18,543
Other	338,550	157,405
Total	**7,721,115**	**5,971,209**

20 Cash and cash equivalents

As at 31 December 2012 and 2011, cash and cash equivalents comprised the following:

	2012	2011
Cash on hand	293,693	140,149
Cash at banks	3,439,465	35,389,767
-Demand deposits	*3,395,878*	*1,463,207*
-Time deposits	*43,587*	*33,926,560*
Reverse repo	18,512,737	1,983,345
Other liquid assets	--	27,068
Cash and cash equivalents	**22,245,895**	**37,540,329**

	2012	2011
Cash and cash equivalents	22,245,895	37,540,329
Restricted cash	(32,587)	(30,415)
Cash and cash equivalents for cash flow statement purposes	**22,213,308**	**37,509,914**

As at 31 December 2012 and 2011, maturities of time deposits comprised the following:

	2012	2011
Up to 1 month	11,000	33,926,560
1-3 months	32,587	--
Total	**43,587**	**33,926,560**

As at 31 December 2012 and 2011, the ranges of interest rates for time deposits are as follows:

	2012	2011
Interest rate for time deposit-TL (highest)	6.50%	11.75%
Interest rate for time deposit-TL (lowest)	6.25%	6.50%
Interest rate for time deposit-USD (highest)	--	5.00%
Interest rate for time deposit-USD (lowest)	--	4.00%

As at 31 December 2012, cash at banks amounting to 32,587 (31 December 2011: TL 30,415) is restricted due to the bank loan guarantees and subscription guarantees (Note 22).

The Group's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities is disclosed in Note 28.

21 Capital and reserves

Share capital

As at 31 December 2012, the Company's statutory nominal value of paid-in share capital consists of 85.000.000 (2011: 85.000.000) registered ordinary shares with a par value of TL 1 each. The Company's share capital was increased to TL 85,000,000 on 16 September 2010. TL 11,864,500 of the capital increase was paid in cash on 24 September 2010 and the remaining amount was offset from payables due to Global Yatırım Holding.

As at 31 December 2012 and 2011, the share ownership structure of the Company was as follows:

	31 December 2012		31 December 2011	
	Value of Share	Proportion of share %	Value of Share	Proportion of share %
Global Yatırım Holding A.Ş.	66,202,500	77.89	66,202,300	77.88
Savina Holding GmbH	18,796,900	22.11	18,796,900	22.11
Others	600	0.00	800	0.01
Paid in capital (nominal)	**85,000,000**	**100**	**85,000,000**	**100**
Inflation accounting adjustment	16,583		16,583	
Inflation adjusted capital	**85,016,583**		**85,016,583**	

Translation reserves

The translation reserves amounting to TL 65,695,417 (2011: TL 97,484,578) is recognized as a separate account under equity and comprises foreign exchange differences arising from the translation of the financial statements of subsidiaries and joint ventures from their functional currencies (of USD) to the presentation currency, TL.

Legal reserves

Under the Turkish Commercial Code, Turkish companies are required to set aside first and second level legal reserves out of their profits. First level legal reserves are set aside as up to 5% of the distributable income per the statutory accounts each year. The ceiling of the first level reserves is 20% of the paid-up share capital. The requirement to set aside ends when the 20% of the paid-up capital level has been reached. Second level legal reserves correspond to 10% of profit actually distributed after the deduction of the first legal reserves and the minimum obligatory dividend pay-out, but holding companies are not subject to this regulation. There is no ceiling for second level legal reserves and they are accumulated every year. First and second level legal reserves cannot be distributed until they exceed 50% of the capital, but the reserves can be used for offsetting the losses in case of running out of arbitrary reserves. As at 31 December 2012, the legal reserves of the Group amounted to TL 16,825,353 (2011: TL 7,591,909).

22 Loans and borrowings

As at 31 December 2012 and 2011, loans and borrowings comprised the following:

Short term loans and borrowings	**2012**	**2011**
Short term bank loans	--	100,000
-TL Loans	--	*100,000*
-Foreign currency loans	--	--
Short term portion of long term bank loans	31,771,891	35,807,727
-TL Loans	*22,517*	*164,246*
-Foreign currency loans	*31,749,374*	*35,643,481*
Finance lease obligations	1,620,900	1,831,436
Total	**33,392,791**	**37,639,163**

Long term loans and borrowings	**2012**	**2011**
Long term bank loans	81,828,540	113,783,946
-TL Loans	--	*20,304*
-Foreign currency loans	*81,828,540*	*113,763,642*
Finance lease obligations	1,266,911	2,705,716
Total	**83,095,451**	**116,489,662**

As at 31 December 2012 and 2011, maturity profile of long term bank loans comprised the following:

Year	**2012**	**2011**
Between 1-2 years	33,925,216	31,912,864
Between 2-3 years	28,812,210	27,061,113
Between 3-4 years	18,196,978	25,055,252
Over 5 years	894,136	29,754,717
Total	**81,828,540**	**113,783,946**

As at 31 December 2012 and 2011, maturity profile of finance lease obligations comprised the following:

	2012			**2011**		
	Future minimum lease payments	*Interest*	*Present value of minimum lease payments*	*Future minimum lease payments*	*Interest*	*Present value of minimum lease payments*
Less than one year	1,727,837	106,937	1,620,900	2,030,143	198,707	1,831,436
Between one and five years	1,330,278	63,367	1,266,911	2,884,594	178,878	2,705,716
Total	**3,058,115**	**170,304**	**2,887,811**	**4,914,737**	**377,585**	**4,537,152**

22 Loans and borrowings *(continued)*

Details of the loans and borrowings as at 31 December 2012 are as follows:

						31 December 2012	
Loan Type	**Company Name**	**Currency**	**Maturity**	**Interest Type**	**Interest rate %**	**Principal (TL)**	**Carrying Value (TL)**
Loans used to finance investments and projects							
Secured Loan *(i)*	Global Liman	USD	2017	Floating	Libor + 4.95 %	26,471,610	27,307,841
Secured Loan *(ii)*	Ege Liman	USD	2013	Floating	Libor + 2.50 %	3,310,543	3,320,240
Secured Loan	Bodrum Liman	USD	2014	Fixed	7.95 %	1,602,263	1,652,743
Secured Loan	Bodrum Liman	USD	2016	Fixed	7.75 %	1,695,124	1,726,753
Secured Loan *(iii)*	Ortadoğu Liman	USD	2016	Floating	Libor + 4.95 %	44,921,520	45,335,812
Secured Loan *(iv)*	Ortadoğu Liman	USD	2013	Fixed	7.25 %	965,575	972,151
Secured Loan *(v)*	Ortadoğu Liman	USD	2016	Fixed	5.15 %	5,347,800	5,409,171
Secured Loan *(vi)*	Ortadoğu Liman	USD	2017	Floating	Libor + 5.05 %	10,027,125	10,053,126
Secured Loan	Ortadoğu Liman	TL	2013	Fixed	10.68 %	8,291	8,339
Secured Loan	Ortadoğu Liman	TL	2013	Fixed	10.68 %	5,067	5,081
Secured Loan	Ortadoğu Liman	TL	2013	Fixed	9.96 %	9,055	9,097
						94,363,973	**95,800,354**
Loans used to finance working capital							
Unsecured Loan	Ege Liman	USD	2016	Floating	Libor + 5.50 %	2,495,640	2,508,315
Secured Loan *(iii)*	Ortadoğu Liman	USD	2015	Floating	Libor + 4.95 %	15,152,100	15,291,762
						17,647,740	**17,800,077**
Finance lease obligations							
Leasing *(vii)*	Ortadoğu Liman	USD	2016	Fixed	5.92 %	2,007,128	2,007,128
Leasing	Ege Liman	USD	2013	Fixed	8.30 %	546,321	546,321
Leasing	Ortadoğu Liman	EUR	2013	Fixed	7.30 %	175,013	175,013
Leasing	Ortadoğu Liman	EUR	2013	Fixed	7.20 %	159,349	159,349
						2,887,811	**2,887,811**
						114,899,524	**116,488,242**

22 Loans and borrowings *(continued)*

Details of the loans and borrowings as at 31 December 2011 are as follows:

					31 December 2011		
Loan Type	**Company Name**	**Currency**	**Maturity**	**Interest Type**	**Interest rate %**	**Principal (TL)**	**Carrying Value (TL)**
Loans used to finance investments and projects							
Secured Loan *(i)*	Global Liman	USD	2017	Floating	Libor + 4.95 %	31,450,185	32,443,851
Secured Loan *(ii)*	Ege Liman	USD	2013	Floating	Libor + 2.50 %	10,523,872	10,550,770
Secured Loan	Bodrum Liman	USD	2014	Fixed	7.95 %	2,081,119	2,525,232
Secured Loan	Bodrum Liman	USD	2016	Fixed	7.75 %	1,796,208	2,263,434
Secured Loan *(iii)*	Ortadoğu Liman	USD	2016	Floating	Libor + 4.95 %	74,233,770	74,927,783
Secured Loan *(iv)*	Ortadoğu Liman	USD	2013	Fixed	7.25 %	3,069,463	3,092,129
Secured Loan *(v)*	Ortadoğu Liman	USD	2016	Fixed	5.15 %	7,083,375	7,166,783
Secured Loan *(vi)*	Ortadoğu Liman	USD	2017	Floating	Libor + 5.05 %	12,986,188	13,021,459
						143,224,180	**145,991,441**
Loans used to finance working capital							
Unsecured Loan	Ege Liman	USD	2016	Floating	Libor + 5.50 %	3,400,020	3,415,682
Secured Loan *(iii)*	Ortadoğu Liman	TL	2012	Fixed	9.48 %-10.68 %	183,921	184,550
Unsecured Loan	Bodrum Liman	TL	Revolving	Fixed	16.00 %	100,000	100,000
						3,683,941	**3,700,232**
Finance lease obligations							
Leasing	Ege Liman	USD	2013	Fixed	8.30 %	1,671,346	1,671,346
Leasing *(vii)*	Ortadoğu Liman	USD	2015	Fixed	5.92 %	2,865,806	2,865,806
						4,537,152	**4,537,152**
						151,445,273	**154,228,825**

22 Loans and borrowings *(continued)*

The detailed information related to the significant loans borrowed by the Group is as follows:

(i) Global Liman entered into a loan amounting to USD 35,000,000 in total on 20 July 2010 with a 7 year maturity and an interest rate of Libor+4.95%. Principal and interest is paid at the end of June of each year. On 15 June 2012, USD 1,800,000 was repaid. Under this loan agreement, in the event of default, the shares of Ege Liman and Ortadoğu Liman are pledged in accordance with a share pledge agreement.

(ii) As at 31 December 2012, the foreign currency loan amounting to USD 1,857,143 (2011: USD 5,571,429) represents the bank loan granted to Ege Liman on 15 June 2006, with a 7-year maturity. Principal and interest are paid at November and May each year. 100% of Ege Liman's common stock, which is owned by Global Liman and RCCL, has been pledged to the bank as collateral for the loans acquired based on the agreement signed on 25 May 2006. In the event of default, the cash generated from the Ege Liman's rent income is pledged to the bank and there is a blockage on the bank account.

(iii) In 2006, Ortadoğu Liman entered into a loan amounting to USD 40,000,000 in total with a 10-year maturity. The interest rate is Libor + 2.90%. Starting from 29 July 2010, the interest rate has been revised to Libor+4.95%. The remaining principal amount of the loan as at 31 December 2012 is USD 25,200,000 (2011: USD 30,000,000). Principal and interest is paid at the end of April and October of each year. The loan agreement imposes financial covenants on Ortadoğu Liman, and includes terms about limitation on financing activities, investment, dividend payments, the sales of the assets, and mergers and acquisitions of the related subsidiaries. All equity shares are pledged according to a share pledge agreement.

On 12 August 2010, with the amendment to the existing agreement, Ortadoğu Liman raised an additional loan amounting to USD 10,000,000 with the same conditions. The remaining principal amount of the loan as at 31 December 2012 is USD 8,500,000 (2011: USD 9,300,000).

(iv) Ortadoğu Liman entered into a loan on 24 May 2007, amounting to USD 6,500,000 in total with a 6-year maturity. The interest rate is 7.25%. The loan agreement includes financial covenants which may be exercised by the creditor in case of default. A pledge of TL 17,303,000 over the assets of Ortadoğu Liman was given to the bank as collateral.

(v) Ortadoğu Liman entered into a loan on 13 October 2010, amounting to USD 4,500,000 in total with a 6-year maturity. The interest rate is 5.15%. With reference to the loan agreement signed, in the event of default, the crane and the other machinery purchased by this loan are pledged to the bank.

(vi) Ortadoğu Liman entered into a loan on 14 June 2011, amounting to USD 7,500,000 in total with a 6-year maturity. The interest rate is Libor+ 5.05 %. Principal and interest are paid every 6 months. There is a pledge over the property and equipment in relation to the loan.

(vii) On 27 August 2010, Ortadoğu Liman has signed a finance lease agreement for a port tugboat amounting to USD 2,040,000 in total with the expiry date of 4 September 2015 and an interest rate of 5.92%.

23 Trade and other payables

As at 31 December 2012 and 2011, current trade and other payables comprised the following:

	2012	**2011**
Due to subsidiaries' other shareholders	10,186,207	1,339,100
Payables to suppliers	4,342,617	3,947,310
Taxes payable and social security contributions	2,598,221	806,655
Tax amnesty payables (*)	2,002,986	1,971,967
Advances received	1,072,332	1,693,420
Payables to personnel	752,734	250,403
Deposits received	524,383	450,814
Deferred revenue	35,754	13,896
Other	334,366	620,196
Total	**21,849,600**	**11,093,761**

As at 31 December 2012 and 2011, non-current trade and other payables comprised the following:

	2012	**2011**
Tax amnesty payables (*)	703,176	2,763,818
Total	**703,176**	**2,763,818**

(*) As at 31 December 2012 and 2011, the Group classified tax amnesty amount in the trade and other payables based on the future payment terms (Note 9).

The Group's exposure to currency and liquidity risk related to the trade and other payables is disclosed in Note 28.

24 Employee benefits

The reserve for employment termination indemnity has been calculated by estimating the present value of future probable obligations of the Group arising from the retirement of the employees. Such payments are calculated on the basis of 30 days' pay up to a maximum of TL 3,033.98 as at 31 December 2012 (31 December 2011: TL 2,731.85) per year of employment at the rate of pay applicable at the date of retirement or termination. The calculation was based upon the retirement pay ceiling announced by the government. That ceiling is determined using coefficients defined by the Council of Ministers. The reserve for retirement pay is computed and reflected in the financial statements on a current basis.

The provision has been calculated by estimating the present value of the future probable obligation of the Company and its subsidiaries and joint ventures registered in Turkey arising from the retirement of employees. IAS 19 *Employee Benefits* requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans such as the employment termination indemnity. Accordingly, the actuarial assumptions that follow are used in the calculation of the total liability.

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation.

24 Employee benefits *(continued)*

The principal statistical assumptions used in the calculation of the total liability in the accompanying consolidated financial statements at 31 December were as follows:

	2012	2011
Discount rate	2.90 %	4.48 %
Turnover rate for the expectation of retirement probability	90%-96.5 %	96 %

Movements in the reserve for employee termination indemnity during the years ended 31 December comprised the followings:

	2012	2011
Balance at the beginning of the period	1,225,477	821,889
Interest for the period	122,665	87,549
Current service cost and actuarial losses	193,374	318,865
Foreign currency translation differences	(70,728)	132,258
Paid during the period	(59,727)	(135,084)
Balance at the end of the period	**1,411,061**	**1,225,477**

25 Earnings per share

For the years ended 31 December, earnings per share is calculated by dividing the net profit attributable to ordinary shareholders, by the weighted average number of shares outstanding**.**

	2012	2011
Net profit for the period	29,756,503	3,477,298
Weighted average number of shares	85,000,000	85,000,000
Earnings per share with par value of TL 1	0.3501	0.0409

26 Commitments and contingencies

(a) Lawsuits

There are pending lawsuits that have been filed against or by the Group. 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 the possible expenses and liabilities. The amount of provision that has been accounted for as at 31 December 2012 is TL 362,541 (2011: TL 365,648).

The information related to the significant lawsuits that the Group is directly or indirectly a party to is as follows:

(i) The operating rights of Kuşadası Port were transferred by OIB to Ege Liman for 30 years in July 2003. In October 2006, two former members of the Kuşadası Municipal Council filed a lawsuit with the Council of State, requesting the cancellation of those ‘zoning plan and planning notes' of the Region of Kuşadası, which were to enable the construction of the new ‘Cruise Port Upper Structure Facilities'. The relevant Chamber of the Council of State ordered the cancellation of the zoning plan and planning notes in November 2009. That decision was appealed by the lawyers of the Ministry of Public Works as well as the lawyers for the Group. The file is under examination of Chamber of the Council of State.

While that appeal was pending, the Group lawyers filed a lawsuit against the termination of the occupancy and construction permit notification of the Municipality with the request of stay of execution. the Aydın Administrative Court issued a stay of execution for the cancellation. As the lawyers of the Municipality then objected to that decision, the stay of execution itself was cancelled. Aydın Administrative Court rejected the case. This decision has been appealed. The council of state has rejected the request. The appeal is currently pending.

The Municipality then issued a cease and desist order and delivered it to the Company in June 2010. The Group lawyers filed a lawsuit in order to cancel the order as well as issue a stay of execution. The Aydın Administrative Court first issued the stay of execution; however, upon the objection raised by the Municipality Lawyers, the court cancelled the stay of execution, which led the Group lawyers to raise an objection before the Regional Court in order to challenge this final decision. However such objection was denied. TDI's request to intervene the lawsuit has been accepted. Aydın Administrative Court has rejected the case, and such decision has been appealed.

A lawsuit regarding annulment of the decision of the Council of the Municipality regarding demolition of Kuşadası Port has been filed together with the request of a stay of execution. The court on the same day ordered that stay of execution. TDI's request regarding intervention in the case was accepted on 22 December 2010. The Court has renewed the order of a stay of execution after the first reply of the Municipality, but then overruled the stay of execution on 29 June 2011. Aydın Administrative Court rejected the case, and such decision has been appealed.

On 28 October 2010, the Ministry of Public Works approved the new zoning plans for Kuşadası Port; however several objections were raised by a number of local institutions. After the cancellation of the order of a stay of execution by the Court, a request regarding discharge of Kuşadası Port was sent by Kuşadası Municipality. A lawsuit has been filed as at 20 July 2011. TDI has also intervened the lawsuit. The court has rejected the lawsuit, and such decision has been appealed by the Group. The appeal is pending.

26 Commitments and contingencies *(continued)*

(a) ***Lawsuits*** *(continued)*

In parallel, the Ministry of Public Works has approved the new zoning plan for Kuşadası on 28 October 2010 but there have been objections. However, the Ministry of Public Works evaluated the objections and rejected them on the below-mentioned grounds and approved the new zoning plan with its writ dated 31 January 2011:

i. The zoning plan approved on 28 October 2010 is in line with the 1/100.000 "Environment Plan" of Aydın-Muğla-Denizli.

ii. Kuşadası is one of the most important cruise ports of the country and has served for this very purpose for years; Kuşadası Port would become an idle facility due to the cancellation of the zoning plan which will consequently have a negative effect on the economy of the country.

On 15 March 2011, Ege Liman applied to Kuşadası Municipality for building permit but the Municipality rejected such application due to unjust grounds and the Group lawyers therefore, filed a lawsuit against such action of the Municipality. The court has decided to reject the lawsuit; such decision has been appealed by the Group. The appeal is pending before the Council of State. The Group lawyers believe that the same arguments will cause the aforementioned lawsuits to become viewed as groundless.

In a related development, a former member of the Kuşadası Municipal Council has filed a lawsuit with the Aydın 1st Administrative Court, seeking to cancel the Privatization Administration's approval of the Kuşadası Port tender granted to Ege Liman. The Court ordered the cancellation of the tender on 2 June 2010. That decision was appealed by the lawyers of the Privatization Administration as well as the lawyers of the Group. The Council of the State approved the decision of the court of first instance and the Group and the PA lawyers requested the revision of the decision. The lawsuit is currently before the Council of State.

The Privatization Administration filed a lawsuit against the Ege Liman basing its claims on the annulment decision of Aydın 1st Administrative Court dated 2 June 2010 and numbered 2010/434 E. and 2010/936 K. for the return of Kuşadası Port to TDI. The Court denied the Privatization Administration's preliminary injunction request. This lawsuit has been filed in order to act in compliance with the aforementioned decision of Aydın 1st Administrative Court and it is believed that there would be no negative result of this case considering the fact that there has been no established practice as to the return of the privatized assets.
In accordance with Article 10 of the Law No. 6300 regarding Amendment of the Statutory Decree Pertaining Establishment and Obligations of the Public Surveillance, Accounting and Auditing Standards Authority and Some Laws, that entered into force by publishing in the Official Gazette dated 10 May 2012, and the Council of Ministers Decision numbered 2012/3240 that entered into force by publishing in the Official Gazette dated 12 June 2012, it has been decided not to enforce the civil jurisdictions that has been rendered for the cancellation of some privatization actions, transfer and delivery processes of which are completed by the execution of final transfer agreement as a result of the privatization transactions, and irrevocable for practical impossibility. Hereupon, the PA has withdrawn the lawsuit filed for return of Ege Ports to Turkey Maritime Organization, and the court decision has been finalized in this respect. Due to the new legal rectifications, it has not been expected to face any negative consequences in the lawsuits regarding cancellation of Ege Ports tender.

26 Commitments and contingencies *(continued)*

(ii) The former owner of the shares of Torba filed a lawsuit against the Group for the restitution of the shares. The expert appointed by the local court submitted his report which was against the defendants. On 2 March 2010, the court decided to restore the shares to the former owners and the trustee, previously appointed by the Court on 4 January 2008, shall remain in charge until the final decision. The Group lawyers appealed the decision on 28 April 2010 upon the notification of the decision. As a trustee was appointed to the management of Torba by the Court in January 2008, this subsidiary has been excluded from the scope of consolidation.

(iii) The Company participated in the consortium which placed the highest bid for the tender for the privatization of the operating rights of TCDD İzmir Ports through the process concluded by the Privatization Administration on 3 July 2007. The High Council of Privatization Administration approved the tender. Liman-İş Sendikası (the Trade Union of Port Workers) and Kamu İşletmeciliğini Geliştirme Merkezi Vakfı (the Foundation of Public Business Development Center) separately filed lawsuits for the cancellation of the tender and these lawsuits were rejected by the Council of State. The High Council of Privatization invited the Consortium to sign the Agreement with a declaration dated 23 September 2009. At the end of an extension period granted by the Privatization Administration, a letter of guarantee amounting to USD 15 million was converted to cash on 12 January 2010 and in this way the tender was closed out for the Consortium. On the same date, USD 3,750,000 was paid by Global Yatırım Holding on behalf of the Company. No provision is recognized since Global Yatırım Holding has no intention to have recourse against the Company. A member of the consortium which participated in the privatization tender of the İzmir Port, Ege İhracatçı Birlikleri Liman Hizmetleri ve Taşımacılık A.Ş., has filed a lawsuit amounting to USD 10,000 against Global Yatırım Holding and Global Liman, before the Beyoğlu Commercial Court, claiming that it suffered a loss of USD 997,501 upon the liquidation of the letter of guarantee. The management and attorneys of the Group do not anticipate the aforementioned lawsuit to be finalized to the disadvantage of the Group. The lawsuit is at the submission of proofs and legal arguments stage.

Global Yatırım Holding, the Company and Ege İhracatçı Birlikleri Liman Hizmetleri ve Taşımacılık A.Ş. filed a lawsuit against the Privatization Administration at İzmir 4th Commercial Court with respect to the İzmir Port Privatization tender for the granting of operating rights for a definite period claiming the plaintiffs should be granted a period of 6 months as a preliminary junction in order to enable them to perform their duties, and that the provisions of the agreement regarding duration and payment should be adjusted, and arguing that in case such adjustment request is not accepted then there should be termination of the agreement without any indemnification as well as release of the plaintiffs from their obligations and the return of their bid bonds. İzmir 4th Commercial Court denied the lawsuit on the ground that it was not the authorized court for the lawsuit but that decision of the court has been appealed.

(b) ***Guarantees***

As at 31 December 2012 and 2011, the letters of guarantee given comprised the following:

Letters of guarantee	2012	2011
Given to Privatization Administration (*)	971,788	19,918,738
Given to Electricity Distribution Companies	29,184	29,184
Others	356,991	315,586
Total letter of guarantee	**1,357,963**	**20,263,508**

(*) As at 31 December 2011, the Group had given a letter of guarantee amounting to USD 10,000,000 (TL 18,889,000) regarding the tender of İskenderun Port. Since the tender was lost the letter of guarantee has been received back in 2012.

Other collaterals are disclosed in Note 22.

26 Commitments and contingencies *(continued)*

(c) Contractual obligations

Ege Liman

The details of the TOORA dated 2 July 2003, executed by and between Ege Liman and OIB together with TDI are stated below:

Ege Liman will be performing services such as sheltering, installing, charging, discharging, shifting, terminal services, pilotage, towing, moorings, water quenching, waste reception, operating, maintaining and repairing of cruise terminals, in Kuşadası Cruise Port for an operational period of 30 years. Ege Liman is liable for the maintenance of Kuşadası Cruise Port together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the TDI, while the movable properties stay with Ege Liman.

Ortadoğu Liman

The details of the TOORA dated 31 August 1998, executed by and between Ortadoğu Liman and OIB together with TDI are stated below:

Ortadoğu Liman will be performing services such as sheltering, installing, charging, discharging, shifting, terminal services, pilotage, towing, moorings, water quenching, waste reception, operating, maintaining and repairing of cruise terminals, in Antalya Port for an operational period of 30 years. Ortadoğu Liman is liable for the maintenance of Antalya Port together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the TDI, while the movable properties stay with Ortadoğu Liman.

Bodrum Liman

The details of the BOT Contract dated 23 June 2004, executed by and between Bodrum Liman and the DLH are stated below:

Bodrum Liman had to construct the Bodrum Cruise Port in a period of 1 year and 4 months following the delivery of the land and thereafter, will operate the Bodrum Cruise Port for 12 years. The final acceptance of the construction was performed on 4 December 2007, and thus the operation period has commenced. Bodrum Liman is liable for the maintenance of the port together with the port equipment in good repair and in operating condition throughout its operating right period. The facilities, equipment, installations and the systems together with the tools and other equipment belonging thereto shall be surrendered to the DLH after the expiry of the contractual period.

26 Commitments and contingencies *(continued)*

(d) Operating leases

Lease as lessee

The Group entered into various operating lease agreements. Operating lease rentals are payable as follows:

	31 December 2012	31 December 2011
Less than one year	245,241	357,424
Between one and five years	1,261,410	1,379,958
More than five years	266,812	266,812
	1,773,463	**2,004,194**

In the periods presented, the Group's main operating lease arrangements as lessee are the port rent agreement of Bodrum Liman until 2019.

For the year ended 31 December 2012 payments recognized as rent expense were TL 370,627 (2011: TL 428,560).

Lease as lessor

The future lease payments under operating leases are as follows:

	31 December 2012	31 December 2011
Less than one year	7,427,827	6,029,581
Between one and five years	9,468,281	14,215,798
More than five years	16,225,426	27,279,067
	33,121,534	**47,524,446**

The Group's main operating lease arrangements as lessor are a marina lease agreement of Ortadoğu Liman until 2028, and various shopping center rent agreements of Ege Liman and Bodrum Liman of up to 5 years.

During the year ended 31 December 2012, TL 10,472,524 (2011: 9,520,144 TL) was recognized as rental income in the consolidated statement of comprehensive income.

27 Related parties

The related parties of the Group which are disclosed in this note comprised the following:

Related parties	Relationship
Mehmet Kutman	Shareholder
Global Yatırım Holding	Parent Company
Torba	Investment
Turkcom Turizm Enerji İnşaat Gıda Yatırımları A.Ş.	Shareholder's company
Global Sigorta Aracılık Hizmetleri A.Ş. ("Global Sigorta")	Parent Company's subsidiary
Global Menkul Değerler A.Ş. ("Global Menkul")	Parent Company's subsidiary
Enerji Yatırım Holding	Parent Company's joint venture
Energaz Gaz Elektrik ve Su Dağıtım A.Ş. (Energaz)	Parent Company's joint venture
Naturel Gaz Sanayi ve Ticaret A.Ş. ("Naturel Gaz")	Parent Company's subsidiary

Due from related parties

As at 31 December 2012 and 2011, current receivables from related parties comprised the following:

Current receivables from related parties	2012	2011
Turkcom Turizm Enerji İnşaat Gıda Yatırımları A.Ş.	2,993,000	--
Global Yatırım Holding	468,534	388,209
Naturel Gaz	181,922	--
Torba	59,644	28,966
Mehmet Kutman	42,761	--
Others	72,189	43,126
Total	**3,818,050**	**460,301**

As at 31 December 2012 and 2011, non-current receivables from related parties comprised the following:

Non-current receivables from related parties	2012	2011
Torba	5,029,659	5,029,659
Total	**5,029,659**	**5,029,659**

As at 31 December 2012, the Group has Global Yatırım Holding bonds amounting to TL 24,691,641 with a nominal value of USD 15,515,000 (2011: TL 29,430,931 with a nominal value of USD 17,085,000) which are classified as available for sale financial assets. There are no accrued interest as of 31 December 2012. As of 31 December 2011 accrued interests of previous bonds amounting to TL 1,535,813 were recognized as accrued interest and collected in January 2012.

As at 31 December 2012, the Group does not have any Global Yatırım Holding share certificates (2011: TL 1,480,475 with a nominal value of TL 1,396,675).

Due to related parties

As at 31 December 2012 and 2011, current payables to related parties comprised the following:

Current payables to related parties	2012	2011
Global Yatırım Holding	753,092	1,114,415
Global Menkul	29,432	150,532
Global Sigorta	47,152	128,796
Other	110,220	56,211
Total	**939,896**	**1,449,954**

27 Related parties *(continued)*

Transactions with related parties:

For the years ended 31 December, significant transactions with other related parties comprised the following:

	2012		2011	
	Interest Received	**Other**	**Interest received**	**Other**
Global Yatırım Holding	13,519,030	--	6,970,297	21,850
Global Menkul	1,368	--	--	--
Enerji Yatırım Holding	--	--	--	33,830
Total	**13,520,398**	**--**	**6,970,297**	**55,680**

	2012		2011	
	Interest Given	**Other**	**Interest Given**	**Other**
Global Yatırım Holding	193,384	110,693	1,231,915	17,400
Global Menkul	--	--	10,551	139,704
Global Sigorta	--	--	--	13,364
Total	**193,384**	**110,693**	**1,242,466**	**170,468**

In 2010, the Group purchased Global Yatırım Holding bonds with a nominal value of USD 16,750,000 for a consideration of TL 21,590,663. On 28 December 2011 these bonds were exchanged with new bonds amounting to TL 29,430,931 with a nominal value of USD 17,085,000. Those bonds were sold in September 2012 and new bonds were acquired on 31 December 2012 with nominal amounts of USD 15,515,000 for a consideration of TL 24,691,641(Note 16). Additionally, for the year ended 31 December 2012, the Group recognized interest income amounting to TL 1,351,307 (2011: TL 6,507,619).

In 2012, the Group accounted for a gain amounting to TL 2,332,438 from the purchase and the sale of Global Yatırım Holding's publicly traded share certificates (2011: TL 991,461).

Transactions with key management personnel

For the years ended 31 December, details of benefits to key management personnel comprised the following:

	2012	2011
Salaries	1,520,221	1,432,961
Bonuses	449,679	--
Attendance fees to Board of Directors	250,383	244,332
Compensation of seniority expenses-including provision and payment	38,919	14,382
Other	7,138	33,681
Total	**2,266,340**	**1,725,356**

28 Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- operational risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies which are governed centrally by Global Yatırım Holding are to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Management has a credit risk policy in place to monitor the exposure to credit risk on an ongoing basis. The Group has the ability to receive collateral for its financial assets. Furthermore, the Group obtains letters of guarantee or similar collaterals from third parties for specific agreements and projects, if necessary.

Regarding the credibility of the counterparty, letters of guarantee or advance payments are received as collateral for trade receivables from port operations. Within the context of credit risk policies described in this paragraph, the Group does not have significant credit risk from port operations.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has access to funding sources from banks and keeps a certain level of assets as cash and cash equivalents required for daily operations of the Group entities. The Group continuously assesses liquidity risk by identifying and monitoring changes in funding required in meeting business goals and targets set in terms of the overall Group strategy.

Current and future loan needs of the Group are supplied by continuous accessibility of a sufficient number of high quality banks for major subsidiaries of the Group.

28 Financial risk management *(continued)*

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Market risk for all subsidiaries is monitored and managed by the Global Yatırım Holding's Treasury and Fund Management Department.

Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currency of each company. The currencies in which these transactions primarily are denominated are USD, Euro and TL.

Ortadoğu Liman, Ege Liman and Bodrum Liman are exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than their functional currency. The currencies in which these transactions primarily are denominated are TL and Euro.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Interest rate risk

The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or reprice at different times or in differing amounts. As at 31 December 2012 and 2011, the Group does not use derivative instruments to hedge interest rate risk.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures

28 Financial risk management *(continued)*

Operational risk *(continued)*

- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective.

Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group aims include the continuity of the Group's operations, and an optimal capital structure to decrease the cost of the capital in order to provide earnings to shareholders when managing the capital.

28 Financial risk management *(continued)*

Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	RECEIVABLES					
31 December 2012	**Trade receivables**	**Due from related parties**	**Other receivables**	**Cash at banks**	**Financial investments**	**Total**
Net book value of financial assets not overdue or not exposed to impairment	3,802,592	8,847,709	1,554,906	3,439,465	24,691,641	**42,336,313**
Net book value of assets overdue but not exposed to impairment	--	--	--	--	--	**--**
Net book value of assets exposed to impairment	**--**	**--**	**--**	**--**	**--**	**--**
- Overdue (gross book value)	664,610	--	--	--	--	**664,610**
- Impairment(-)	(664,610)	--	--	--	--	**(664,610)**
Maximum credit risk exposure at reporting date	3,802,592	8,847,709	1,554,906	3,439,465	24,691,641	**42,336,313**
31 December 2011						
Net book value of financial assets not overdue or not exposed to impairment	3,526,444	5,489,960	308,082	35,389,767	32,447,219	**77,161,472**
Net book value of assets overdue but not exposed to impairment	--	--	--	--	--	**--**
Net book value of assets exposed to impairment	**--**	**--**	**--**	**--**	**--**	**--**
- Overdue (gross book value)	648,969	--	--	--	--	**648,969**
- Impairment(-)	(648,969)	--	--	--	--	**(648,969)**
Maximum credit risk exposure at reporting date	**3,526,444**	**5,489,960**	**308,082**	**35,389,767**	**32,447,219**	**77,161,472**

28 Financial risk management *(continued)*

Liquidity risk

The liabilities of the Group by relevant maturity groupings based on the remaining periods to repayment are as follows:

31 December 2012

CONTRACTUAL MATURITIES	Carrying value	Total cash outflow due to contracts	0-3 months	3-12 months	1-5 years	>5 years
NON-DERIVATIVE FINANCIAL LIABILITIES						
Bank loans	113,600,431	127,882,103	462,622	32,714,367	94,705,114	--
Finance lease liabilities	2,887,811	3,070,605	493,813	1,246,515	1,330,277	--
Trade and other payables	9,649,667	9,649,667	41,939	9,607,728	--	--
Due to related parties	939,896	939,896	679,401	260,495	--	--

31 December 2011

CONTRACTUAL MATURITIES	Carrying value	Total cash outflow due to contracts	0-3 months	3-12 months	1-5 years	>5 years
NON-DERIVATIVE FINANCIAL LIABILITIES						
Bank loans	149,691,673	168,868,238	508,044	36,203,607	130,941,238	1,215,349
Finance lease liabilities	4,537,152	4,981,940	521,297	1,563,898	2,896,745	--
Trade and other payables	5,991,285	5,991,285	5,991,285	--	--	--
Due to related parties	1,449,954	1,449,954	929,650	520,304	--	--

28 Financial risk management *(continued)*

Market risk

Currency risk

As at 31 December 2012, foreign currency risk exposures of the Group comprised the following:

	31 December 2012			
	TL equivalents	**USD**	**EURO**	**TL**
Trade receivables	3,802,592	1,598,846	74,545	777,182
Other monetary financial assets	57,651,650	26,423,815	422,881	9,554,068
Current assets	**61,454,242**	**28,022,661**	**497,426**	**10,331,250**
Monetary financial assets	115,474,854	--	--	115,474,854
Non current assets	**115,474,854**	**--**	**--**	**115,474,854**
Total assets	**176,929,096**	**28,022,661**	**497,426**	**125,806,104**
Trade payables	4,249,697	57,371	87,958	3,940,577
Financial liabilities	33,392,791	18,532,432	142,178	22,518
Other monetary liabilities	42,932,908	4,011,265	0	35,782,427
Current liabilities	**80,575,396**	**22,601,068**	**230,136**	**39,745,522**
Financial liabilities	83,095,451	46,614,749	--	--
Other monetary liabilities	703,176	--	--	703,176
Non-current liabilities	**83,798,627**	**46,614,749**	**--**	**703,176**
Total liabilities	**164,374,023**	**69,215,817**	**230,136**	**40,448,698**
Net foreign currency position	**12,555,073**	**(41,193,156)**	**267,290**	**85,357,406**

28 Financial risk management *(continued)*

Market risk *(continued)*

Currency risk *(continued)*

As at 31 December 2011, foreign currency risk exposures of the Group comprised the following:

	31 December 2011			
	TL equivalents	**USD**	**EURO**	**TL**
Trade receivables	221,372	--	63,319	66,634
Other monetary financial assets	7,982,289	300	327,344	7,654,645
Current assets	**8,203,661**	**300**	**390,663**	**7,721,279**
Monetary financial assets	4,960,143	--	225,972	4,407,914
Non current assets	**4,960,143**	**--**	**225,972**	**4,407,914**
Total assets	**13,163,804**	**300**	**616,635**	**12,129,193**
Trade payables	3,797,064	145,189	203,357	3,025,853
Financial liabilities	5,378,345	2,707,448	--	264,246
Other monetary liabilities	10,804,034	99,999	10,166	7,260,516
Current liabilities	**19,979,443**	**2,952,636**	**213,523**	**10,550,615**
Financial liabilities	27,350,056	14,468,607	--	20,304
Other monetary liabilities	2,763,816	**--**	--	2,763,816
Non-current liabilities	**30,113,872**	**14,468,607**	**--**	**2,784,120**
Total liabilities	**50,093,315**	**17,421,243**	**213,523**	**13,334,735**
Net foreign currency position	**(36,929,511)**	**(17,420,943)**	**403,112**	**(1,205,542)**

28 Financial risk management *(continued)*

Market risk *(continued)*

Currency risk *(continued)*

TL exchange rate risk of subsidiaries whose functional currency is other than TL, is shown in TL line in the foreign currency risk table.

Sensitivity Analysis

A 10 percent strengthening or depreciation of the Turkish Lira against the following currencies as at 31 December 2011 and 2010 would have increased equity or profit or loss, excluding tax effects, by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

31 December 2012	**PROFIT /LOSS**		**EQUITY(*)**	
	Increase	**Decrease**	**Increase**	**Decrease**
	A 10 percent (strengthening)/weakening of the USD against TL:			
1- Net USD asset/liability	(7,303,370)	7,303,370	--	--
2- Hedged portion against USD risk (-)	--	--	--	--
3- Net effect of USD (1+2)	**(7,303,370)**	**7,303,370**	**--**	**--**
	A 10 percent (strengthening)/weakening of the Euro against TL:			
4- Net Euro asset/liability	(88,675)	88,675	--	--
5- Hedged portion against Euro risk(-)	--	--	--	--
6- Net effect of Euro (4+5)	**(88,675)**	**88,675**	**--**	**--**
TOTAL (3+6)	**(7,392,045)**	**7,392,045**	**--**	**--**
31 December 2011	**PROFIT /LOSS**		**EQUITY(*)**	
	Increase	**Decrease**	**Increase**	**Decrease**
	A 10 percent (strengthening)/weakening of the USD against TL:			
1- Net USD asset/liability	(3,290,642)	3,290,642	--	--
2- Hedged portion against USD risk (-)	--	--	--	--
3- Net effect of USD (1+2)	**(3,290,642)**	**3,290,642**	**--**	**--**
	A 10 percent (strengthening)/weakening of the Euro against TL:			
4- Net Euro asset/liability	(52,181)	52,181	--	--
5- Hedged portion against Euro risk(-)	--	--	--	--
6- Net effect of Euro (4+5)	**(52,181)**	**52,181**	**--**	**--**
TOTAL (3+6)	**(3,342,823)**	**3,342,823**	**--**	**--**

(*) Profit/ loss excluded

28 Financial risk management *(continued)*

Market risk *(continued)*

Interest rate risk

The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or re-price at different times or in differing amounts.

Interest rate exposure			
		31 December 2012	**31 December 2011**
Fixed-rate financial instruments		**12,064,082**	**46,504,499**
Financial assets	Cash at banks	43,587	33,926,560
	Available for sale financial assets	24,691,641	30,966,744
Financial liabilities	Loans and borrowings	(12,671,146)	(19,869,280)
Floating-rate financial instruments		**(103,817,096)**	**(134,359,545)**
Financial liabilities	Loans and borrowings	(103,817,096)	(134,359,545)

Cash flow sensitivity analysis floating-rate financial instruments

As at 31 December 2012, had the interest rates been higher by 100 basis points where all other variables remain constant, profit before tax would have been lower by TL 1,038,171 (2011: TL 1,343,595) and equity attributable to equity holders of the Company, excluding tax effects, would have been lower by TL 988,673 (2011: TL 1,254,374). Had the interest rates been lower by 100 basis points, the effect would be the same but in the opposite direction.

28 Financial risk management *(continued)*

Fair values

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

	Note	31 December 2012 Carrying Amount	31 December 2012 Fair Value	31 December 2011 Carrying Amount	31 December 2011 Fair Value
Financial assets					
Cash and cash equivalents	20	22,245,895	22,245,895	37,540,329	37,540,329
Trade and other receivables	18	5,357,498	5,357,498	3,834,526	3,834,526
Due from related parties	27	8,847,709	8,847,709	5,489,960	5,489,960
Other assets	19	12,767,698	12,767,698	10,855,818	10,855,818
Investments	16	24,792,873	24,792,873	32,548,451	32,548,451
Total		**74,011,673**	**74,011,673**	**90,269,084**	**90,269,084**
Financial liabilities					
Loans and borrowings	22	116,488,242	116,488,242	154,228,825	154,080,259
Trade and other payables	23	22,552,776	22,552,776	13,857,579	13,857,579
Due to related parties	27	939,896	939,896	1,449,954	1,449,954
Total		**139,980,914**	**139,980,914**	**169,536,358**	**169,387,792**

Determination of the fair value of a financial instrument is based on market values when there are two counterparties willing to sell or buy, except under the conditions of events of default forced liquidation.

The Group determines the fair values based on the appropriate methods and market information. Fair values have been determined for measurement based on the following methods and assumptions:

The fair values of cash and cash equivalents, other monetary assets, which are short term, trade receivables and payables and long term foreign currency loans and borrowings with variable interest rates are expected to approximate to the carrying amounts of these assets and liabilities.

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Input other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or in directly (i.e., derived from prices);
Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

31 December 2012	Level 1	Level 2	Level 3	Total
Global Yatırım Holding bonds	--	24,691,641	--	**24,691,641**

31 December 2011	Level 1	Level 2	Level 3	Total
Global Yatırım Holding bonds	1,480,475	30,966,744	--	**32,447,219**

29 Events after reporting date

On 24 December 2012, Global Yatırım Holding has signed a share purchase agreement for 22,114% shares of Global Liman at an amount of USD 95,945,000 including dividend with Savina.

Savina's 22,114% share transfer of Global Liman to Global Yatırım Holding has been completed on 7 February 2013 after the fulfillment of the several pre-conditions, such as permission of the Competition Board. Global Yatırım Holding paid to Savina an amount of USD 91,724,063 after deduction of dividend amount paid during the period. Global Yatırım Holding's shares at Global Liman reached 99,999% following this share transfer.

KPMG

Global Liman İşletmeleri Anonim Şirketi and its Subsidiaries

Consolidated Financial Statements As at and for the Year Ended 31 December 2011 With Independent Auditors' Report

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
23 March 2012

This report includes 1 page of independent auditors' report and 72 pages of consolidated financial statements together with their explanatory notes.

Global Liman İşletmeleri Anonim Şirketi and its Subsidiaries

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Independent Auditors' Report

To the Board of Directors of
Global Liman İşletmeleri Anonim Şirketi

We have audited the accompanying consolidated financial statements of Global Liman İşletmeleri Anonim Şirketi ("Global Liman") and its subsidiaries (together "the Group"), which comprise the consolidated statement of financial position as at 31 December 2011, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2011, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG Akis Bağımsız Denetim ve SMMM A.Ş.

23 March 2012
Istanbul, Turkey

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.,
a Turkish corporation and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative, a Swiss entity.

Global Liman İşletmeleri A.Ş. and its Subsidiaries
Consolidated Statement of Financial Position
For the Year Ended 31 December 2011
Currency: Turkish Lira ("TL")

	Notes	2011	2010
Assets			
Property and equipment, net	13	102,509,197	70,476,758
Intangible assets	14	565,243,065	490,240,360
Goodwill	15	24,292,056	17,231,683
Investments	16	101,232	79,000
Deferred tax assets	17	6,774,437	1,966,903
Due from related parties	27	5,029,659	5,029,659
Other non-current assets	19	4,884,609	2,232,757
Total non-current assets		**708,834,255**	**587,257,120**
Trade and other receivables	18	3,834,526	3,146,471
Due from related parties	27	460,301	41,969
Investments	16	32,447,219	21,958,746
Other current assets	19	5,971,209	3,078,826
Cash and cash equivalents	20	37,540,329	15,927,600
Total current assets		**80,253,584**	**44,153,612**
Total assets		**789,087,839**	**631,410,732**
Equity			
Share capital	21	85,016,583	85,016,583
Translation reserves	21	97,484,578	12,818,479
Legal reserves	21	7,591,909	4,362,270
Retained earnings		279,265,910	279,018,251
Total equity attributable to equity holders of the Company		**469,358,980**	**381,215,583**
Non-controlling interests		**30,623,156**	**21,043,232**
Total equity		**499,982,136**	**402,258,815**
Liabilities			
Loans and borrowings	22	116,489,662	105,133,345
Trade and other payables		2,763,818	--
Deferred tax liabilities	17	115,014,084	92,539,201
Employee benefits	24	1,225,477	821,889
Total non-current liabilities		**235,493,041**	**198,494,435**
Loans and borrowings	22	37,739,163	25,372,092
Trade and other payables	23	11,093,761	3,046,331
Due to related parties	27	1,449,954	392,701
Current tax liabilities		2,571,160	1,289,157
Provisions		758,624	557,201
Total current liabilities		**53,612,662**	**30,657,482**
Total liabilities		**289,105,703**	**229,151,917**
Total equity and liabilities		**789,087,839**	**631,410,732**

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

Global Liman İşletmeleri A.Ş. and its Subsidiaries
Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2011
Currency: TL

	Notes	2011	2010
Revenue	8	108,133,744	60,963,939
Cost of sales	8	(65,791,486)	(32,440,882)
Gross profit		**42,342,258**	**28,523,057**
Other income	9	2,864,721	256,012,677
Selling and marketing expenses	10	(527,766)	(655,345)
Administrative expenses	11	(16,930,309)	(7,756,918)
Other expenses	9	(5,220,063)	(910,864)
Operating profit		**22,528,841**	**275,212,607**
Finance income	12	13,019,314	7,825,200
Finance expenses	12	(19,842,385)	(14,314,013)
Net finance costs		**(6,823,071)**	**(6,488,813)**
Profit before income tax		**15,705,770**	**268,723,794**
Income tax expense		(7,613,836)	(1,358,556)
Profit for the year		**8,091,934**	**267,365,238**
Other comprehensive income			
Change in currency translation difference	12	89,758,296	8,602,455
Other comprehensive income for the year, net of income tax		**89,758,296**	**8,602,455**
Total comprehensive income for the year		**97,850,230**	**275,967,693**
Profit attributable to:			
Non-controlling interests		4,614,636	2,125,247
Owners of the Company		3,477,298	265,239,991
		8,091,934	**267,365,238**
Total comprehensive income attributable to:			
Non-controlling interests		9,706,833	2,006,002
Owners of the Company		88,143,397	273,961,691
		97,850,230	**275,967,693**

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

Global Liman İşletmeleri A.Ş. and its Subsidiaries

Consolidated Statement of Changes in Shareholders' Equity

For the Year Ended 31 December 2011

Currency: TL

	Share Capital (Note 21)	Translation Reserves (Note 21)	Legal Reserves (Note 21)	Retained Earnings	Total	Non-controlling Interests	Total Equity
Balance at 1 January 2011	85,016,583	12,818,479	4,362,270	279,018,251	381,215,583	21,043,232	402,258,815
Transfer	--	--	3,229,639	(3,229,639)	--	--	--
Total comprehensive income							
Net profit for the year	--	--	--	3,477,298	3,477,298	4,614,636	8,091,934
Other comprehensive income							
Foreign currency translation differences	--	84,666,099	--	--	84,666,099	5,092,197	89,758,296
Total comprehensive income for the year	--	84,666,099	--	3,477,298	88,143,397	9,706,833	97,850,230
Transactions with owners, recorded directly in equity							
Dividend distributions	--	--	--	--	--	(1,594,844)	(1,594,844)
Acquisition through business combinations	--	--	--	--	--	1,467,935	1,467,935
Total transactions with owners	--	--	--	--	--	(126,909)	(126,909)
Balance at 31 December 2011	85,016,583	97,484,578	7,591,909	279,265,910	469,358,980	30,623,156	499,982,136

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

Global Liman İşletmeleri A.Ş. and its Subsidiaries

Consolidated Statement of Changes in Shareholders' Equity

For the Year Ended 31 December 2011

Currency: TL

	Share Capital (Note 21)	Translation Reserves (Note 21)	Legal Reserves (Note 21)	Retained Earnings	Total	Non-controlling Interests	Total Equity
Balance at 1 January 2010	30,016,583	4,096,779	--	18,140,530	52,253,892	19,302,468	71,556,360
Transfer	--	--	2,846,640	(2,846,640)	--	--	--
Total comprehensive income							
Net profit for the year	--	--	--	265,239,991	265,239,991	2,125,247	267,365,238
Other comprehensive income							
Foreign currency translation differences	--	8,721,700	-	--	8,721,700	(119,245)	8,602,455
Total comprehensive income for the year	--	8,721,700	2,846,640	265,239,991	273,961,691	2,006,002	275,967,693
Transactions with owners, recorded directly in equity							
Acquisition through business combination	--	--	1,515,630	(1,515,630)	--	646,712	646,712
Capital increase	55,000,000	--	--	--	55,000,000	--	55,000,000
Dividend distributions	--	--	--	--	--	(24,525)	(24,525)
Release of capital advances due to cancellation of subsidiary's capital increase	--	--	--	--	--	(1,487,429)	(1,487,429)
Increase in share capital of subsidiary	--	--	--	--	--	600,004	600,004
Total transactions with owners	55,000,000	--	1,515,630	(1,515,630)	55,000,000	(265,238)	54,734,762
Balance at 31 December 2010	85,016,583	12,818,479	4,362,270	279,018,251	381,215,583	21,043,232	402,258,815

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

Global Liman İşletmeleri A.Ş. and its Subsidiaries

Consolidated Statements of Cash Flows

For the Year Ended 31 December 2011

Currency: TL

	Notes	2011	2010
Cash flows from operating activities			
Net profit for the year		8,091,934	267,365,238
Adjustments			
Depreciation and amortization expense	13, 14	38,409,426	17,749,188
Gain on previously held interest	9	--	(120,060,982)
Bargain purchase gain	9	(2,153,864)	(134,795,127)
Interest expense	12	9,384,370	6,863,727
Income tax expense	17	7,613,836	1,358,556
Unrealized foreign exchange differences on loans and borrowings		26,546,860	767,100
Operating cash flow before changes in operating assets and liabilities		**87,892,562**	**39,247,700**
Income taxes paid	17	(9,350,122)	(4,867,258)
Change in employment termination indemnity		403,588	(39,800)
Change in trade and other other receivables		(688,055)	(211,436)
Change in other current assets		(325,352)	6,189,479
Change in other non current assets		343,646	(164,356)
Change in trade and other payables		10,388,646	(999,737)
Change in provisions		201,423	(102,726)
Net cash from operating activities		**88,866,336**	**39,051,866**
Investing activities			
Acquisition of property and equipment	13	(24,504,380)	(11,547,754)
Acquisition of intangible assets	14	(306,738)	(101,728)
Change in financial investments	16	(10,510,705)	(21,958,746)
Cash paid for acquisition of other shares of joint venture	7	(479,895)	(63,374,236)
Advances given for tangible assets		(2,507,406)	(1,041,208)
Capital increase in subsidiary		--	600,004
Net cash used in investing activities		**(38,309,124)**	**(97,423,668)**
Financing activities			
Proceeds from capital increase	21	--	11,864,500
Change in due from and due to related parties		638,921	9,353,393
Dividend payment		(1,594,844)	--
Interest paid		(7,528,875)	(6,027,302)
Proceeds from borrowings		20,089,750	78,638,712
Repayments of borrowings		(24,768,717)	(38,749,180)
Net cash from / (used in) financing activities		**(13,163,765)**	**55,080,123**
Currency translation differences		(15,580,153)	1,532,481
Net increase / (decrease) in cash and cash equivalents		**21,813,294**	**(1,759,198)**
Cash and cash equivalents at 1 January	20	15,696,620	17,455,818
Cash and cash equivalents at 31 December	20	**37,509,914**	**15,696,620**

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

Notes to the consolidated financial statements

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1 Reporting entity

Global Altyapı Hizmetleri ve İşletmecilik A.Ş. was originally incorporated to invest in Global Yatırım Holding A.Ş. ("Global Yatırım Holding")'s infrastructure projects in Istanbul, Turkey in 2004. On 13 September 2007, Global Altyapı Hizmetleri ve İşletmecilik A.Ş changed its trade name to Global Liman İşletmeleri A.Ş. ("Global Liman" or "the Company"). The main operation of the Company is to invest in the capital and management of companies that operate or will operate in the ports and port management industry.

Global Liman and its subsidiaries are together referred to as "the Group".

As at 31 December 2011, the number of employees of the Group was 192 (31 December 2010: 166).

As at 31 December 2010, 99.99% of the shares of the Company were owned by Global Yatırım Holding. In 2011, Global Yatırım Holding sold 22.11% of the shares of the Company to Savina Holding GmbH ("Savina"). Savina is a subsidiary of Venice European Investment Capital Spa, an Italian investment company dedicated to investments in private equity and infrastructure. As at 31 December 2011, 77.89% of the shares of the Company are owned by Global Yatırım Holding and 22.11% by Savina.

Global Yatırım Holding was established in 1990 with the trade name Global Menkul Değerler A.Ş. as a brokerage company in Istanbul, Turkey. In 2004, Global Yatırım Holding changed its trade name to Global Yatırım Holding A.Ş. and changed its field of activity into that of a holding company. The main activity of Global Yatırım Holding is to participate in the capital and management of companies that operate or will operate in the fields of finance, energy, infrastructure and transportation and to minimize the volatility of its investments against economic fluctuations by handling the capital expenditure, financing, organization and administration of those companies within a portfolio, while contributing to the achievement of sustainable growth and ensuring the going concern of those 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 is registered with the Capital Market Board ("CMB") and its shares have been traded on the Istanbul Stock Exchange ("ISE") since May 1995 (From May 1995 to October 2004, traded as Global Menkul Değerler A.Ş.)

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

The nature of the operations and the locations of the subsidiaries of the Company are listed below:

Subsidiaries	Location	Operations
Ege Liman İşletmeleri A.Ş. ("Ege Liman")	Aydın-Turkey	Port operations
Ortadoğu Antalya Liman İşletmeleri A.Ş. ("Ortadoğu Liman")	Antalya-Turkey	Port operations
Bodrum Liman İşletmeleri A.Ş. ("Bodrum Liman")	Muğla-Turkey	Port operations
Torba İnşaat ve Turistik A.Ş. ("Torba") (*)	İstanbul-Turkey	Real estate
Global Depolama A.Ş. ("Global Depolama")	İstanbul-Turkey	Storage
İzmir Liman İşletmeciliği A.Ş. ("İzmir Liman")	İstanbul-Turkey	Port operations
Randa Denizcilik San. ve Tic. Ltd. Şti. ("Randa")	Antalya-Turkey	Marine vehicle trade

(*) Refer to Note 3 (a) (iii)

1 Reporting entity *(continued)*

Ege Liman

Kuşadası Cruise Port was constructed in 1968 and was operated by the Turkish Maritime Organization Inc. (Turkiye Denizcilik Isletmeleri A.Ş.) ("TDI") until its privatization in 2003. On 2 July 2003, Ege Liman entered into a transfer of operational rights agreement ("TOORA") for Kuşadası Cruise Port for a period of 30 years with the Privatization Administration (Özelleştirme İdaresi Başkanlığı) ("OIB") and TDI. The TOORA will end in 2033. Kuşadası Cruise Port is the largest cruise ship terminal in Turkey and is a popular port of call for cruises originating from Greece, Italy, France, Spain and Turkey.

Global Liman acquired 72.50% of the shares of Ege Liman on 6 July 2005. The other shareholder of Ege Liman is Royal Caribbean Cruises Ltd ("RCCL").

Ege Liman offers the following basic services to ships calling at the port: tugging, pilotage, sheltering, security, clean water supply, disposal of solid waste, underwater diving inspection, fuel supply and liquid waste collection.

Ortadoğu Liman

Antalya Port, constructed in 1977, is a multi-functional facility harbouring a cruise port, a marina and a commercial port and was operated by the TDI until its privatization in 1998. Operational rights for Antalya Port were taken over for a period of 30 years by Ortadoğu Liman in August 1998. In 2001, due to the difficulties in the other commercial activities of the former shareholders of Ortadoğu Liman, Savings Deposit Insurance Fund ("SDIF") confiscated the company.

Akdeniz Liman İşletmeleri A.Ş. ("Akdeniz Liman"), a joint venture of Global Liman, acquired 99.99% of the shares of Ortadoğu Liman which were subsequently tendered by the SDIF. Akdeniz Liman merged with Ortadoğu Liman in December 2006 and all the rights and obligations of Akdeniz Liman were transferred to Ortadoğu Liman which was denoted the successor entity. The concession period will end in 2028.

Until 29 July 2010, Global Liman owned 39.80% shares of Ortadoğu Liman. On 29 July 2010, Global Liman acquired the 60% of the shares of Ortadoğu Liman from other shareholders (Çelebi Holding A.Ş, Can Çelebioğlu, Uğur Tevfik Doğan, Antmarin İnşaat Turizm and Ticaret A.Ş, and Hasan Yıldırım Akıncıoğlu) and obtained control by raising the ownership to 99.80%. Ortadoğu Liman was consolidated by the Group as a joint venture using the proportionate consolidation method until 29 July 2010. Starting from that date, the full consolidation method has been applied for Ortadoğu Liman, as a subsidiary.

Bodrum Liman

Bodrum Cruise Port was tendered by the State Railways, Ports and Airports Construction Company (Demiryolları, Limanlar ve Havayolları) ("DLH") in September 2003 through a 12-year Build-Operate-Transfer ("BOT") tender agreement, which commenced in December 2007. The BOT agreement period will end in 2019. The winning bidder of the BOT concession was a consortium, which later established Bodrum Liman to carry out the operations of Bodrum Cruise Port.

Global Liman acquired 60% of the shares of Bodrum Liman on 16 June 2008. As at 31 December 2011 and 2010, shareholders of the remaining 30% and 10% of the shares of Bodrum Liman are Yüksel Çağlar and Setur Servis Turistik A.Ş. ("Setur"), respectively.

1 Reporting entity *(continued)*

İzmir Liman

İzmir Liman was incorporated in 2008 by the shareholders of the consortium which made the highest bid for the İzmir Port tender. In 2011, Global Liman acquired 54% of the shares of İzmir Liman from the other shareholders and obtained control of İzmir Liman increasing its equity interest from 25% to 79%. Further details are given in Note 26.

Torba

Torba was incorporated in Istanbul, Turkey, in 2006, for the purpose of developing a real estate project in Bodrum, Muğla. On 4 January 2008, a trustee was appointed to Torba due to the legal dispute with the previous shareholders. Torba is not consolidated with effect from 4 January 2008 in the consolidated financial statements, due to lack of control.

Global Depolama

Global Depolama was established on 9 July 2008 for the purpose of investing in the storage sector.

Randa

Randa was acquired by Global Liman on 17 February 2011 for the purpose of marine vehicle trade for a consideration of Euro 10,000. As at 31 December 2011, Randa is inactive and is excluded from the scope of consolidation.

2 Basis of preparation

(a) Statement of compliance

The Company, its subsidiaries and joint ventures maintain their books of account and prepare their statutory financial statements in Turkish Lira ("TL") in accordance with the Turkish Commercial Code, tax legislation and Turkish Uniform Chart of Accounts.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRSs") and are based on these statutory records with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRSs.

The consolidated financial statements were authorized for issue by the Board of Directors on 23 March 2012.

(b) Basis of measurement

The consolidated financial statements have been prepared on an historical cost basis, except for available for sale financial assets which are measured at fair value.

Until 31 December 2005, the financial statements of the consolidated entities were restated for the changes in the general purchasing power of TL based on IAS 29 *Financial Reporting in Hyperinflationary Economies.*

Beginning from January 2006, it was declared that Turkey should be considered a non-hyperinflationary economy under IAS 29. Therefore, IAS 29 has not been applied to the accompanying consolidated financial statements since 1 January 2006.

(c) Functional and presentation currency

The accompanying consolidated financial statements are presented in TL which is Global Liman's functional currency. All financial information presented in TL has been rounded to the nearest digit.

The US Dollar ("USD") is most significant to the operations of the subsidiaries, Ege Liman and Ortadoğu Liman. Therefore, the USD has been determined as the functional currency of both Ege Liman and Ortadoğu Liman in line with IAS 21 *The Effects of Changes in Foreign Exchange Rates.*

Until March 2010, the Euro was the functional currency of Bodrum Liman. In March 2010, Bodrum Liman changed its functional currency to the USD since the currency of its tariffs, together with most of its other operations, has been converted from Euro to USD.

2 Basis of preparation *(continued)*

(d) Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation, uncertainty, and critical judgment in applying accounting policies that have the most significant effect on the amount recognized in the consolidated financial statements are described in the following notes:

Note	Definition
Note 3 (d)	Property and equipment
Note 3 (e)	Intangible assets
Note 4	Determination of fair values
Note 7	Business combination
Note 15	Allowances for recoverable amounts of cash generating units-goodwill
Note 17	Recognition of deferred tax assets
Note 24	Measurement of reserve for employee benefits
Note 26	Commitments and contingencies

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by the Group entities.

(a) Basis of consolidation

The accompanying consolidated financial statements include the accounts of the parent company, Global Liman, its subsidiaries and joint ventures on the basis set out in sections below. The financial statements of the entities included in the consolidation have been prepared as at the date of the consolidated financial statements.

(i) Subsidiaries

Subsidiaries for which the Group has the power to govern the financial and operating policies are consolidated in the accompanying consolidated financial statements if;

(a) the Group has the power over 50% of the voting rights acquired through shareholding interests held either directly or indirectly.

(b) the Group has the power and authority to govern the financial and operating policies of the Group so as to obtain benefits from its activities, although the Group does not own 50% of the voting right.

This power to control is evidenced when the Group is able to govern the financial and operating policies of an enterprise so as to benefit from its activities. Subsidiaries are consolidated from the date on which control is transferred to the Group, and cease to be consolidated from the date on which control is transferred out of the Group.

As at 31 December 2011 and 2010, the subsidiaries in which the Group owned a majority shareholding and/or effectively controlled their operations are as shown below:

	Effective ownership (%)		Voting power held (%)	
	2011	**2010**	**2011**	**2010**
Ege Liman	72.50	72.50	72.50	72.50
Ortadoğu Liman	99.80	99.80	100.00	100.00
Bodrum Liman	60.00	60.00	60.00	60.00
Global Depolama	99.99	99.99	100.00	100.00
İzmir Liman (*)	79.00	25.00	79.00	25.00

(*) İzmir Liman was consolidated by the Group as a joint venture using the proportionate consolidation method until 29 June 2011. Starting from that date, the full consolidation method has been applied as the entity became a subsidiary.

3 Significant accounting policies *(continued)*

(a) Basis of consolidation *(continued)*

(ii) Joint ventures

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Joint ventures are accounted for using the proportionate consolidation method. The consolidated financial statements include the Group's proportionate share of the enterprises' assets, liabilities, revenues and expenses with items of a similar nature on a line-by-line basis, from the date that joint control commences until the date that joint control ceases.

(iii) Unconsolidated subsidiaries

As at 31 December 2011 and 2010, Torba, in which the Group owns 79% of the shares but does not have control, and Randa in which Group owns 99.99% of shares but is inactive, were not consolidated and is classified and measured as an available for sale financial asset in accordance with IAS 39 *Financial Instruments: Recognition and Measurement.*

(iv) Consolidation adjustments

Subsidiaries are consolidated by using the full consolidation method. Therefore, the carrying value of subsidiaries is eliminated against the related shareholders' equity. The equity and net income attributable to non-controlling interests are shown separately in the consolidated statement of financial position and statement of comprehensive income. Intra-group balances, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(v) Business combinations

Acquisitions from third parties are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus (up to 31 December 2009) any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 *Business Combinations* are recognized at their fair values at the acquisition date.

The excess of the consideration transferred over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is accounted for as goodwill. Goodwill arising from business combinations is not amortized, but tested for impairment annually or more frequently if there is any evidence that the goodwill may be impaired. If the fair value of the identifiable assets, liabilities and contingent liabilities or the cost of the combination is temporarily determined, initial recognition of the business combination is performed based on the transitional amounts. After the initial recognition, which is allowed to be performed during 12 months after the acquisition, corrections in relation to the initial recognition are accounted for in accordance with IFRS 3 *Business Combinations* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

If the share of the fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree exceed the cost of a business combination, the difference is recognized as income (gain on a bargain purchase).

3 Significant accounting policies *(continued)*

(a) Basis of consolidation *(continued)*

(v) Business combinations (continued)

In a business combination achieved in stages, the acquirer remeasures its previously held equity interest in the acquiree at its acquisition-date fair value and recognises the resulting gain or loss in profit or loss.

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses ultimately are controlled by the same party or parties both before and after the combination. The acquisition of an entity under common control is accounted for using book values, and in its consolidated financial statements the acquirer is permitted, but not required, to restate its comparatives as if the combination had been in existence throughout the reporting periods presented. The Group has, however, elected to account for the acquisition of an entity under common control from the acquisition date.

(b) Foreign currency

Foreign currency transactions

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

The Group entities use USD or TL as their functional currency since these currencies are used to a significant extent in, or have a significant impact on, the operations of the related Group entities and reflect the economic substance of the underlying events and circumstances relevant to these entities. All currencies other than the currency selected for measuring items in the financial statements are treated as foreign currencies. Accordingly, transactions and balances not already measured in the functional currency have been re-measured to the related functional currencies in accordance with the relevant provisions of IAS 21 *The Effect of Changes in Foreign Exchange Rates*. The Group uses TL as the reporting currency.

Assets and liabilities of those Group entities with a different functional currency than the reporting currency of the Group are translated into the reporting currency of the Group at the rate of exchange ruling at the reporting date. The income and expenses of the Group entities are translated into the reporting currency at the average exchange rates for the period. Equity items, except for net income, are presented at their historical costs. These foreign currency differences are recognized in "other comprehensive income", within equity, under "Translation Reserves".

3 Significant accounting policies *(continued)*

(b) Foreign currency *(continued)*

As at 31 December 2011 and 2010, foreign currency exchange rates of the Central Bank of the Turkish Republic were as follows:

	2011	2010
USD/TL	1.8889	1.5460
Euro/TL	2.4438	2.0491

For the year ended 31 December 2011 and 2010, average foreign currency exchange rates of the Central Bank of the Turkish Republic were as follows:

	2011	2010
USD/TL	1.6700	1.5004
Euro/TL	2.3224	1.9894

(c) Financial instruments

All of the Group's financial instruments are non-derivative financial instruments.

(i) Financial assets

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

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

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

The Group has the following non-derivative financial assets: financial assets at fair value through profit or loss, loans and receivables and available for sale financial assets.

Accounting for finance income and expenses is discussed in Note 3 (l).

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is designated as such upon initial recognition or is classified as held for trading. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

3 Significant accounting policies *(continued)*

(c) Financial instruments *(continued)*

(i) Financial assets (continued)

Loans and receivables

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

Loans and receivables comprise bank deposits and trade and other receivables. Bank deposits with original maturities of three months or less are classified as cash and cash equivalents.

Cash and cash equivalents comprise cash balances, bank deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Available for sale financial assets

Available for sale financial assets are measured at fair value subsequent to initial recognition. Unrealized gains or losses from the changes in fair value of the available for sale financial assets are accounted for in the statement of comprehensive income and "fair value reserve" under equity. If the market for an available for sale financial asset is not active, the Group establishes fair value by using a valuation technique. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same and discounted cash flow analysis. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment losses. Fair value reserves accounted for under equity are recycled to the profit or loss when available for sale financial assets are derecognized.

(ii) Financial liabilities

Financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

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

The Group has the following non-derivative financial liabilities: loans and borrowings and trade and other payables. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

(iii) Share capital

Ordinary shares

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

3 Significant accounting policies *(continued)*

(d) Property and equipment

(i) Recognition and measurement

Items of property and equipment related to operations whose functional currency is TL and were acquired before 1 January 2006 are measured at cost restated for the effects of inflation in TL units current at 31 December 2005 less accumulated depreciation and accumulated impairment losses, and items of property and equipment acquired after 31 December 2005 are measured at cost less accumulated depreciation and accumulated impairment losses.

Property and equipment of companies, whose functional currencies are not TL, are denominated in the original currencies, stated at cost, less accumulated depreciation and accumulated impairment losses and are translated to TL by using the exchange rate ruling at the reporting date.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Borrowing costs related to the acquisition, construction or production of qualifying assets are capitalized up to the end of the period that relevant asset was ready to use.

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

(ii) Subsequent costs

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amounts substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Leasehold improvements are amortized over the periods of the respective leases, also on a straight-line basis.

The estimated useful lives for the current and comparative periods are as follows:

	Years
Leasehold improvements	4-30
Furniture and fixtures	4-20
Machinery and equipment	4-30
Motor vehicles	4-18

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(iv) De-recognition

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognized net within profit or loss.

3 Significant accounting policies *(continued)*

(e) Intangible Assets

(i) Recognition and measurement

Intangible assets comprise port operation rights, contract-based customer relationships and software.

Intangible assets related to operations whose functional currency is TL and which were acquired before 1 January 2006 are restated for the effects of inflation in TL units current at 31 December 2005, less accumulated amortization and accumulated impairment losses. Intangible assets acquired after 1 January 2006 are stated at cost less accumulated amortization and permanent impairment losses.

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

(ii) Subsequent expenditures

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures, are recognized in profit or loss as incurred.

(iii) Intangible assets recognized in a business combination

In a business combination or acquisition, the Group recognizes separately an intangible asset of the acquiree at the acquisition date only if it meets the definition of an intangible asset in IAS 38 *Intangible Assets* and its fair value can be measured reliably. The Group's intangible assets recognized in a business combination comprise the port operation rights and the customer relationships.

(iv) Amortization

Amortization is calculated over the cost of the asset, or other amount substituted for cost less its residual value.

Amortization is recognized in profit or loss on a straight line basis over the estimated useful lives of intangible assets from the date they are available for use, since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the assets.

The estimated useful lives for the current and comparative periods are as follows:

	Years
Port operation rights	12-30
Customer relationships	12
Software	5

3 Significant accounting policies *(continued)*

(f) Goodwill

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

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

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

(g) Leased assets

All leases which transfer to the Group substantially all the risks and rewards incidental to the ownership of an asset are classified as financial leases. Assets under financial leases are capitalized at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments, which are reflected as a liability at the same amount, in the consolidated financial statements of the Group. The finance lease obligations are reduced through principal payments and the finance charge portion is allocated to profit or loss of each period during the lease term.

Operating leases are those leases under which the risks and rewards incidental to the ownership of the asset remain with the lessor. Lease payments under an operating lease are recognized as an expense in the profit or loss on a straight-line basis over the lease term.

(h) Impairment

(i) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss has occurred after the initial recognition of the asset and the loss had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency of a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy and the disappearance of an active market for a security.

The Group considers evidence of impairment for receivables at both a specific asset and at a collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables not to be impaired are then collectively reassessed for any impairment that has been incurred, but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping similar risk characteristics.

3 Significant accounting policies *(continued)*

(h) Impairment *(continued)*

(i) Financial assets (continued)

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and accounted for as doubtful receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale financial assets are recognized by transferring the cumulative loss that has been recognized in other comprehensive income, and presented in the fair value reserve in equity, to profit or loss. The cumulative loss that is removed from other comprehensive income and recognized in profit or loss is the difference between the acquisition cost, net of any principal repayment and amortization and the current fair value, less any impairment loss previously recognized in profit or loss.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss for an asset other than goodwill is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3 Significant accounting policies *(continued)*

(i) Employee benefits

In accordance with the existing labor law in Turkey, the entities operating in Turkey are required to make lump-sum payments to employees who have completed one year of service and whose employment is terminated without cause, or due to retirement, military service or death. Retirement pay liability is calculated by using lower of an employee's monthly salary and the retirement pay ceiling, which at 31 December 2011 was TL 2,732 (31 December 2010: TL 2,517), for each year of the employee's service.

The Group recognizes the retirement pay liability as the present value of the estimated total reserve of the future probable obligation of the Group. The key assumptions used in the calculation of the retirement pay liability are detailed in Note 24.

(j) Provisions, contingent assets and liabilities

A provision is recognized in the accompanying consolidated financial statements if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. Unless the possibility of any outflow in settlement is remote, contingent liabilities are disclosed in the notes to the financial statements. Where an economic inflow of economic benefits is probable, contingent assets are disclosed in the notes to the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

(k) Revenue

Revenue is recognized on an accruals basis when services are rendered, the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable and the amount of revenue can be measured reliably.

(i) Port administration services

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

(ii) Rental income

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

(iii) Other service revenue and other sales

Other service revenues and other sales are presented on profit or loss on an accruals basis.

3 Significant accounting policies *(continued)*

(l) Finance income and finance costs

Finance income comprises interest income, gains on sale of marketable securities and net foreign currency gains that are recognized in the profit or loss. Interest income is recognized as it accrues, using the effective interest method.

Finance costs comprise interest expense on borrowings, net foreign currency losses and losses on sale of marketable securities. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Borrowing costs are capitalized if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred.

(m) Income tax

Income tax expense comprises current and deferred tax. A current tax charge is recognized in profit or loss except for the effects of the items reflected under equity.

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for the taxable temporary differences arising on initial recognition of goodwill. In addition, deferred tax is not recognized for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and joint ventures to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(n) Earnings per share

The Group presents basic earnings per share (“EPS”) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, less own shares acquired.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings and inflation adjustments on equity items. Such kind of bonus shares are taken into consideration in the computation of earnings per share as issued share certificates. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the period has been adjusted in respect of bonus share issues without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and each earlier period.

3 Significant accounting policies *(continued)*

(o) Related parties

Parties are considered related to the Company if;

(a) directly, or indirectly through one or more intermediaries, the party:

(i) controls, is controlled by, or is under common control with the Company (this includes parent, subsidiaries and fellow subsidiaries);

(ii) has an interest in the Company that gives it significant influence over the Company; or

(iii) has joint control over the Company;

(b) the party is an associate of the Company;

(c) the party is a joint venture in which the Company is a venturer;

(d) the party is member of the key management personnel of the Company and its parent;

(e) the party is a close member of the family of any individual referred to in (a) or (d);

(f) the party is an entity that is controlled or significantly influenced by, or for which significant voting power in such entity resides with directly or indirectly, any individual referred to in (d) or

(g) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any entity that is a related party of the Company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

A number of transactions are entered into with related parties in the normal course of business on an arm's length basis.

(p) Government subsidies and incentives

All subsidies and incentives, including non-monetary incentives stated at fair market values, are included in the consolidated financial statements when there is reasonable certainty that the Group will qualify and receive such subsidies and incentives. Government incentives utilized by the Group comprises investment allowances (Note 17).

(q) Lease payments

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(r) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The operating segments of the Group are Kuşadası Port, Antalya Port and Bodrum Port, which are operated by Ege Liman, Ortadoğu Liman and Bodrum Liman, respectively. The detailed information is disclosed in Note 5.

3 Significant accounting policies *(continued)*

(s) Events after the reporting date

Events after the reporting date include all events up to the date when the financial statements are authorized for issue, even if those events occur after the public announcement of profit or of other selected information.

The Group adjusts the amounts recognized in its consolidated financial statements to reflect adjusting events after the reporting date. Non-adjusting events are disclosed in the notes to the consolidated financial statements, if material.

(t) Statement of cash flows

Cash flows for the period are classified as cash flows from operations, investing activities and financing activities. Cash flows from operations are the cash flows generated from the principal activities of the Group. The Group presents the cash flows from operating activities by using the indirect method such as adjusting the accruals for cash inflows and outflows from gross profit/loss, other non-cash transactions, prior and future transactions or deferrals.

Cash flows from investing activities represent the cash flows used in/provided from investing activities (purchase of tangible and intangibles assets and investments).

Cash flows from financing activities represent the funds used in and repayment of the funds during the period.

For purposes of preparation of the statements of cash flows, cash and cash equivalents include cash on hand, bank deposits and highly liquid investments with maturity of less than three months having no impairment risk exposure.

(u) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective as at 31 December 2011, and have not been applied in preparing these consolidated financial statements. Among those new standards, the following are expected to have effect on the consolidated financial statements of the Group:

- The amendments to IAS 1 Presentation of Items of Other Comprehensive Income require that an entity present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The amendments are effective for annual periods beginning on or after 1 July 2012.
- IFRS 10 Consolidated Financial Statements supersedes IAS 27 (2008) and SIC-12 Consolidation—Special Purpose Entities and becomes effective for annual periods beginning on or after 1 January 2013.
- IFRS 12 Disclosure of Interests in Other Entities contains the disclosure requirements for entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities and becomes effective for annual periods beginning on or after 1 January 2013.
- IFRS 13 Fair Value Measurement replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance and becomes effective for annual periods beginning on or after 1 January 2013.
- IFRS 9 Financial Instruments could change the classification and measurement of financial assets and becomes effective for annual periods beginning on or after 1 January 2015.

The Group does not plan to adopt these standards early and the extent of the impact has not been determined yet.

4 Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods (where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability).

Property and equipment

The fair value of property and equipment recognized as a result of business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Intangible assets

The fair value of port operating rights and licenses acquired in a business combination is based on the discounted estimated future net cash flows from the assets. The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows.

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Financial liabilities

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

5 Segment reporting

Operating segments considered in performance evaluation by the Group Management are determined by considering the Group's risks and resources and internal reporting structure. The Group's operating segments are Kuşadası Port, Antalya Port and Bodrum Port, which are operated by Ege Liman, Ortadoğu Liman and Bodrum Liman, respectively. Other operations of the Group, which include Global Liman, İzmir Liman and Global Depolama, do not generate external revenues and therefore are presented to reconcile to the consolidated financial statements.

Information regarding all the segments is stated below. External revenues and earnings before interest, tax, depreciation and amortization ("EBITDA") are reviewed in the assessment of the financial performance of the operating segments. The Group management assesses EBITDA as the most appropriate method for the review of the segment operations, based on comparability with other companies in the same industry. The reconciliation of EBITDA to profit before tax and elements of EBITDA are disclosed as follows.

5 Segment reporting *(continued)*

As at and for the years ended 31 December 2011 and 2010, the details of reportable segments comprised the following:

	Kuşadası Port		Antalya Port (*)		Bodrum Port		Other		Total	
	2011	2010	2011	2010	2011	2010	2011 (***)	2010	2011	2010
Segment assets	131,759,484	89,682,572	610,332,382	507,921,918	29,791,683	24,018,387	17,204,290	9,787,855	**789,087,839**	**631,410,732**
Segment liabilities	28,372,766	23,135,274	217,797,195	172,195,636	7,551,337	4,775,857	35,384,405	29,045,150	**289,105,703**	**229,151,917**
Capital expenditures	5,007,281	953,390	16,979,918	10,353,184	2,401,346	272,296	422,573	70,612	**24,811,118**	**11,649,482**
	2011	**2010**	**2011**	**2010 (**)**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
External revenues	30,932,910	20,881,615	73,521,358	37,137,669	3,679,476	2,944,655	--	--	**108,133,744**	**60,963,939**
EBITDA	21,836,301	14,284,221	44,094,190	279,385,596	1,295,996	1,147,860	(6,288,220)	(1,855,882)	**60,938,267**	**292,961,795**
Depreciation and amortization expense	(2,614,897)	(2,222,522)	(32,497,523)	(13,116,152)	(3,150,601)	(2,408,301)	(146,405)	(2,213)	**(38,409,426)**	**(17,749,188)**
Significant non-cash income/expenses	--	--	--	254,856,109	--	--	2,153,864	--	**2,153,864**	**254,856,109**
Interest income	6,963,767	644,277	1,088,468	317,988	3,261	397	1,1377	1,377,387	**9,764,943**	**2,340,049**
Interest expense	(1,019,960)	(2,228,719)	(6,610,081)	(2,937,765)	(651,050)	(410,728)	(1,103,279)	(2,505,131)	**(9,384,370)**	**(8,082,343)**

(*) The operator of Antalya Port, Ortadoğu Liman, was consolidated by the Group as a joint venture using the proportionate consolidation method until 29 July 2010. Starting from that date, full consolidation method is applied as a subsidiary. Ortadoğu Liman's revenue and expenses have been consolidated by 39.80% for the period of 1 January- 29 July 2010, and 100% for the period of 29 July-31 December 2010.

(**) If the acquisition had occurred on 1 January 2010, management estimates that the external revenues and the EBITDA of Antalya Port would have been TL 56,226,323 and TL 291,841,322, respectively, and the consolidated external revenues and the consolidated EBITDA of the Group would have been TL 80,052,593 and TL 305,417,593, respectively including the gains arising on acquisition (see note 7).

(***) İzmir Liman, was consolidated by the Group as a joint venture using the proportionate consolidation method until 29 June 2011. Starting from that date, full consolidation method is applied as a subsidiary. İzmir Liman's revenue and expenses have been consolidated by 25% for the period of 1 January- 29 June 2011, and 100% for the period of 29 June-31 December 2011.

5 Segment reporting *(continued)*

	2011	2010
Revenues		
Total revenue for reportable segments	108,133,744	60,963,939
Consolidated revenue	**108,133,744**	**60,963,939**
Consolidated EBITDA	60,938,267	292,961,795
Finance income (Note 12)	13,019,314	7,825,200
Finance costs (Note 12)	(19,842,385)	(14,314,013)
Depreciation and amortization	(38,409,426)	(17,749,188)
Consolidated profit before income tax	**15,705,770**	**268,723,794**
Interest income		
Total interest income for reportable segments	9,764,943	2,340,049
Elimination of inter-segments	(1,708,310)	(1,218,616)
Consolidated interest income	**8,056,633**	**1,121,433**
Interest expense		
Total interest expense for reportable segments	(9,384,370)	(8,082,343)
Elimination of inter-segments	1,708,309	1,218,616
Consolidated interest expense	**(7,676,061)**	**(6,863,727)**
Significant non-cash income/expenses		
Bargain purchase gain (Note 7)	2,153,864	134,795,127
Gain on previously-held interest (Note 7)	--	120,060,982
Total	**2,153,864**	**254,856,109**

6 Joint ventures

As at 31 December 2010, unconsolidated financial statement information of İzmir Liman with participation rate of 25% is as follows:

Current Assets	237,117
Non-Current Assets	7,560,416
Current Liabilities	607,787
Non-Current Liabilities	
Revenues	12,428
Expenses	(583,210)
Net Profit/ (Loss)	(570,782)

İzmir Liman, was consolidated by the Group as a joint venture using the proportionate consolidation method until 29 June 2011. Starting from that date, full consolidation method is applied as a subsidiary. İzmir Liman's revenue and expenses have been consolidated by 25% for the period of 1 January-29 June 2011, and 100% for the period of 29 June-31 December 2011. Revenues and expenses which recalculated with the proportionate colsolidation purpose, for the period between 1 January and 29 June 2011, are amounting to TL 626 and TL 109,091 respectively.

7 Business combinations

31 December 2010

On 29 July 2010, Global Liman acquired 60% of the shares of its joint venture Ortadoğu Liman from the other shareholders and obtained control of Ortadoğu Liman increasing its equity interest from 39.8% to 99.8%. Global Liman and the other shareholders of Ortadoğu Liman agreed on the purchase price of USD 49,308,521 (equivalent to TL 74,115,638), including the receivables of the other shareholders of Ortadoğu Liman amounting to TL 14,897,065, which are transferred to Global Liman. Therefore, the acquisition cost of 60% of the shares of Ortadoğu Liman amounts to TL 59,218,573.

Taking control of Ortadoğu Liman will strengthen the Group's position in the Turkish port operations market. The acquisition is expected to increase the benefits to the Group in terms of creating value and optimising cash generation through strong contractual operating rights, modern and efficient facilities, provision of the world class security and operational excellence that shipping lines and cruise operators demand and imposing premium tariffs.

During the period from 29 July 2010 to 31 December 2010, the acquisition contributed revenue of TL 14,759,592 and profit of TL 253,057,952 (including the bargain purchase gain and the gain on previously-held interest, presented below in detail). If the acquisition had occurred on 1 January 2010, management estimates that the consolidated revenue would have been TL 80,052,593 and the consolidated profit for the year ended 31 December 2010 would have been TL 265,300,074 including the gains arising on acquisition. In determining these amounts, management assumed that the fair value adjustments that arose on the acquisition date as well as the carrying values and the acquisition conditions would have been the same if the acquisition had occurred on 1 January 2010.

7 Business combinations *(continued)*

31 December 2010 *(continued)*

The following summarizes the major classes of consideration transferred and bargain purchase gain recognized.

Goodwill	
Purchase price	74,115,638
Less: Receivables transferred	(14,897,065)
Consideration paid	59,218,573
Fair value of net identifiable assets and liabilities	(323,356,166)
Fair value of non-controlling interests	646,712
Fair value of previously-held interest	128,695,754
Bargain purchase gain (Note 9) (*)	**(134,795,127)**

(*) Bargain purchase gain is recognized in "Other Income" in the consolidated statement of comprehensive income (Note 9). The Group management reassessed the identifiable assets, liabilities and contingent liabilities before the recognition of the bargain purchase gain.

The acquisition of the Ortadoğu Liman shares resulted in a bargain purchase gain due to the following reasons:

- Negotiations and agreement on the acquisition and the actual purchase price were made during the financial crisis;
- At the acquisition date, which was subsequent to the crisis, the actual and expected growth of the operations of Ortadoğu Liman, with an increase in capacity, and a higher utilization ratio of that capacity reflecting the rise in both Gross Domestic Product and the foreign trade volume of Turkey after the crisis, contributed very positively to the fair value of the Ortadoğu Liman.

The following summarizes the recognized amounts of assets acquired and liabilities assumed at the acquisition date:

Identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	17,842,860
Trade and other receivables	1,430,914
Other current assets	885,643
Property and equipments	28,015,874
Intangible assets	452,706,246
Financial liabilities	(59,307,862)
Trade payables	(1,016,676)
Other payables	(27,681,018)
Deferred tax liabilities	(85,187,539)
Provisions for employee benefits	(688,704)
Other liabilities	(3,643,572)
Net identifiable assets and liabilities	**323,356,166**
Shares acquired	60%
Net identifiable assets and liabilities of shares acquired	**194,013,700**

7 Business combinations *(continued)*

31 December 2010 *(continued)*

This acquisition transaction is accounted by applying the acquisition method which requires the measurement of the identifiable assets, liabilities and contingent liabilities at their fair values at the date of acquisition in accordance with IFRS 3 *Business Combinations.*

As a result of the acquisition, non-controlling interests of the Group, which represent 0.2% of the shares of Ortadoğu Liman, increased by TL 646,712. As a result of the acquisition of the 60% shares of Ortadoğu Liman, together with the non-controlling interests, net assets of the Group increased by TL 194,660,412, property and equipment increased by TL 16,865,555 (Note 13), intangible assets increased by TL 272,529,160 (Note 14) and deferred tax liabilities increased by 51,282,898 (Note 17), and all other net assets decreased by TL 43,451,405 in the consolidated financial statements.

Net cash outflow due to acquisition is as follows:

Consideration paid	74,115,638
Less: Cash associated with purchased assets	(10,741,402)
Net cash outflow due to acquisition	**63,374,236**

Pursuant to the required application of the acquisition accounting, the Group recognized net identifiable assets, liabilities and contingent liabilities corresponding to the previously held 39.8% equity interest at their fair values at the acquisition date in its consolidated financial statements. As a result of this recognition, the difference between the fair value and the carrying amount of the net identifiable assets at the acquisition date corresponding to the equity interest held immediately prior to acquisition is recognized as gain on previously-held interest in "Other Income" in the consolidated statement of comprehensive income.

The following summarizes the gain on the previously-held interest recognized:

Fair value of the net identifiable assets corresponding to equity interest held immediately prior to acquisition (39.8%)	128,695,754
Less: Carrying amount of the net identifiable assets corresponding to equity interest held immediately prior to acquisition (39.8%)	(8,634,772)
Gain on previously-held interest	**120,060,982**

As a result of the acquisition, which requires the recognition of the fair value of the net identifiable assets, liabilities and contingent liabilities corresponding to the previously held 39.8% equity interest, net assets of the Group increased by TL 120,060,982, property and equipment increased by TL 3,412,506 (Note 13), intangible assets increased by TL 151,452,361 (Note 14) and deferred tax liabilities increased by 30,015,246 (Note 17) in the consolidated financial statements. Moreover, since the acquisition accounting resulted in a bargain purchase gain, the previously recognized goodwill amounting to TL 4,788,639 (Note 15) was derecognized at the acquisition date.

31 December 2011

On 29 June 2011, Global Liman acquired 54% of the shares of its joint venture İzmir Liman from the other shareholders and obtained control of İzmir Liman increasing its equity interest from 25% to 79%. Global Liman and the other shareholders of İzmir Liman agreed on the purchase price of USD 300,000 (equivalent to TL 486,990) together with deduction of TL 1,133,838 (receivables from other shareholder) from the receivables of Global Liman from the other shareholders of İzmir Liman. Therefore, the acquisition cost of 54% of the shares of İzmir Liman amounts to TL 1,620,828. In 2011, transfer fee was paid in cash amounting to USD 200,000 and remaining amount was paid in 2012, subsequently.

7 Business combinations *(continued)*

31 December 2011 *(continued)*

If the acquisition had occurred on 1 January 2011, management estimates that consolidated external revenues would have not change of and the consolidated net profit for the period would have been less by TL 107,771. In determining these amounts, management assumed that the fair values that arose on the acquisition date would have been the same if the acquisition had occurred on 1 January 2011.

The following table summarizes the details related to the accounting of the acquisition in accordance with the acquisition method:

Goodwill	
Purchase price	486,990
Plus receivables deducted	1,133,838
Total consideration	**1,620,828**
Fair value of net identifiable assets and liabilities	(6,990,170)
Fair value of non-controlling interests (21%)	1,467,935
Fair value of previously-held interest (25%)	1,747,543
Bargain purchase gain (Note 9) (*)	**(2,153,864)**

(*) Bargain purchase gain is recognized in other operating income in the consolidated statement of comprehensive income (Note 9).

Identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	13,138
Prepaid tax	120,053
Property and equipments	13,959
Deferred tax assets	3,412,492
Value added taxes	3,993,997
Trade and other payables	(563,469)
Net identifiable assets and liabilities (*)	**6,990,170**
Shares acquired	54%
Net identifiable assets and liabilities of shares acquired (**)	**3,774,691**

(*) Represents 100% of the net identifiable assets of İzmir Liman.

(**) Signifies the share in the net identifiable assets of İzmir Liman purchased by the Group (54 %).

As a result of the acquisition, non-controlling interests of the Group, which represent 21% of the shares of İzmir Liman, increased by TL 1,467,935. As a result of the acquisition of the 75% shares of İzmir Liman, together with the non-controlling interests, net assets of the Group increased by TL 5,242,628, and deferred tax assets increased by 2,559,369 (Note 17), and all other net assets increased by TL 2,683,259 in the consolidated financial statements.

This acquisition transaction is accounted for by applying the acquisition method which requires the measurement of the identifiable assets, liabilities and contingent liabilities at their fair values at the date of acquisition in accordance with IFRS 3 *Business Combinations*.

Net cash outflow due to acquisition is as follows:

Consideration paid	486,990
Cash associated with purchased assets	(7,095)
Net cash outflow due to acquisition	**479,895**

8 Revenue and cost of sales

Revenue

For the years ended 31 December, revenue comprised the following:

	2011	2010
Container revenue	40,497,782	15,526,193
Port service revenue	27,821,720	18,716,676
Cargo revenue	16,903,038	11,587,752
Landing fees	9,858,249	6,226,908
Rent revenue (*)	7,004,116	4,922,635
Setur rent revenue	2,516,028	788,954
Domestic water sales	1,803,157	1,056,995
Other revenue	1,729,654	2,137,826
Total	**108,133,744**	**60,963,939**

(*) Includes all rent revenue except Setur rent revenue.

Cost of sales

For the years ended 31 December, cost of sales comprised the following:

	2011	2010
Depreciation and amortization expenses	37,844,284	17,370,981
Personnel expenses	9,430,003	5,393,318
Subcontractor crane and container service expenses	6,210,954	1,970,868
Fuel expenses	3,006,270	1,205,079
Container shipping expenses	1,430,543	542,253
Commission fees to government authorities and pilotage expense	1,361,027	1,158,373
Insurance expenses	1,210,331	841,085
Repair and maintenance expense	1,200,661	669,346
Security expenses	1,039,775	781,655
Electricity expenses	781,273	590,000
Shopping mall expenses	472,569	467,390
Fresh water expenses	357,329	263,793
Other expenses	1,446,467	1,186,741
Total	**65,791,486**	**32,440,882**

9 Other income and expenses

Other income

For the years ended 31 December, other income comprised the following:

	2011	2010
Bargain purchase gain (Note 7)	2,153,864	134,795,127
Reversed lawsuit provisions	98,887	378,928
Gain on previously held interest (Note 7)	--	120,060,982
Other	611,970	777,640
Total	**2,864,721**	**256,012,677**

Other expenses

For the years ended 31 December, other expenses comprised the following:

	2011	2010
Tax amnesty expense (*)	3,743,184	--
Partial exception expenses	892,007	290,886
Donations	437,376	93,750
Provision expenses	147,424	38,430
Other	72	487,798
Total	**5,220,063**	**910,864**

(*) The Law numbered 6111 "Concerning the Restructuring of Certain Receivables, Social Security and the Amendment of the General Health Law and Certain Other Laws and Decrees with the Force of Law" has been put into effect following its promulgation in the Official Gazette on 25 February 2011. The Group management decided to utilize the possibilities stated in the scope of the law within the application period for some of its subsidiaries with respect to the base increase of corporate tax and VAT tax as well as the contentious issues. According to the law, no assessment will be made related to the taxes and periods for which the tax bases will be increased, between the years of 2006-2009. Within the scope of the law, the additional tax amount (excluding the current income tax recognized under income tax expense and interest costs due to due date difference calculated in accordance with the law recognized under finance costs) scheduled to be paid within the 36-month term has been calculated as TL 3,743,184. A tax amnesty payable has been accounted for at this amount in the financial statements as at 31 December 2011. In accordance with the above mentioned progress, the Group management decided to recognize an accrual under trade and other payables (Note 23).

10 Selling and marketing expenses

For the years ended 31 December, selling and marketing expenses comprised the following:

	2011	2010
Advertising and promotion expenses	188,118	173,626
Travelling expenses	153,535	8,440
Consultancy expenses	--	256,211
Personnel expenses	--	205,951
Other	186,113	11,117
Total	**527,766**	**655,345**

11 Administrative expenses

For the years ended 31 December, administrative expenses comprised the following:

	2011	2010
Consultancy expenses	7,383,636	2,152,570
Personnel expenses	5,714,377	3,101,238
Travelling expenses	1,030,262	176,168
Depreciation and amortization expenses	565,142	378,207
Taxes other than on income	241,196	315,627
Representation expenses	209,438	97,431
Vehicle expenses	207,754	146,379
Communication expenses	174,998	78,758
Office operating expenses	148,450	69,878
Stationary expenses	79,751	51,628
Rent expenses	66,486	82,278
Repair and maintenance expenses	36,882	41,906
Other expenses	1,071,937	1,064,850
	16,930,309	**7,756,918**

12 Finance income and costs

For the years ended 31 December, finance income comprised the following:

Finance income	**2011**	**2010**
Interest income on marketable securities (*)	6,507,619	390,015
Foreign exchange gain	3,971,220	5,652,264
Interest income on banks and others	1,549,014	731,418
Gain on sale of marketable securities (*)	991,461	1,051,503
Total	**13,019,314**	**7,825,200**

(*) Interest income on marketable securities comprises the interest income earned from the Global Yatırım Holding bonds during the period. Gains on sale of marketable securities result from trading of marketable securities during the period.

For the year ended 31 December, finance costs comprised the following:

Finance costs	**2011**	**2010**
Interest expense on loans and borrowings	9,384,370	6,863,727
Foreign exchange losses	8,676,316	6,479,350
Interest expense on tax restructuring (*)	839,661	--
Loan commission expenses	726,701	845,251
Other	215,337	125,685
Total	**19,842,385**	**14,314,013**

(*) The realized interest expense on the nominal amount of tax amnesty payables are recognized under finance costs.

For the year ended 31 December, finance income and costs accounted for in other comprehensive income comprised the following:

	2011	**2010**
Foreign currency translation differences	89,758,296	8,602,455
Total	**89,758,296**	**8,602,455**

13 Property and equipment

Movements of property and equipment for the year ended 31 December 2011 comprised the following:

Cost	1 January 2011	Additions	Transfers	Currency translation differences	31 December 2011
Leasehold improvements	40,599,728	1,537,801	8,426,557	10,070,604	60,634,690
Machinery and equipment	33,493,258	12,689,769	40,664	7,442,242	53,665,933
Motor vehicles	12,236,657	456,339	--	2,714,068	15,407,064
Furniture and fixtures	1,975,183	941,059	--	440,630	3,356,872
Construction in progress	729,947	8,879,412	(8,467,221)	250,156	1,392,294
Total	**89,034,773**	**24,504,380**	**--**	**20,917,700**	**134,456,853**

Accumulated Depreciation	1 January 2011	Depreciation expense	Transfers	Currency translation differences	31 December 2011
Leasehold improvements	8,160,061	3,800,727	--	2,305,766	14,266,554
Machinery and equipment	7,275,986	2,954,898	--	1,999,384	12,230,268
Motor vehicles	2,086,409	1,028,760	--	597,001	3,712,170
Furniture and fixtures	1,035,559	428,558	--	274,547	1,738,664
Total	**18,558,015**	**8,212,943**	**--**	**5,176,698**	**31,947,656**
Net book value	**70,476,758**				**102,509,197**

13 Property and equipment *(continued)*

Movements of property and equipment for the year ended 31 December 2010 comprised the following:

Cost	1 January 2010	Additions	Transfers	Revaluation effect of previously held interest (*)	Currency translation differences	Acquisition through business combination (*)	31 December 2010
Leasehold improvements	33,299,579	11,451	2,262,291	459,291	(12,232)	4,579,348	40,599,728
Machinery and equipment	8,003,885	6,427,907	155,104	2,986,769	702,415	15,217,178	33,493,258
Motor vehicles	8,982,616	3,257,777	--	--	(6,381)	2,645	12,236,657
Furniture and fixtures	1,452,159	179,605	--	(33,554)	4,629	372,344	1,975,183
Construction in progress	556,078	1,671,014	(2,417,395)	--	14,002	906,248	729,947
Total	**52,294,317**	**11,547,754**	**--**	**3,412,506**	**702,433**	**21,077,763**	**89,034,773**

Accumulated Depreciation	1 January 2010	Depreciation expense	Transfers	Revaluation effect of previously held interest (*)	Currency translation differences	Acquisition through business combination (*)	31 December 2010
Leasehold improvements	4,927,585	1,911,368	--	--	87,611	349,422	7,275,986
Machinery and equipment	2,678,097	1,515,178	--	--	219,537	3,747,249	8,160,061
Motor vehicles	1,340,720	698,694	--	--	45,143	1,852	2,086,409
Furniture and fixtures	646,520	256,501	--	--	18,853	113,685	1,035,559
Total	**9,592,922**	**4,381,741**	**--**	**--**	**371,144**	**4,212,208**	**18,558,015**
Net book value	**42,701,395**		**--**	**3,412,506**	**331,289**	**16,865,555**	**70,476,758**

(*) Ortadoğu Liman (Note 7)

13 Property and equipment *(continued)*

As at 31 December 2011, the net book value of machinery and equipment purchased through leasing amounts to TL 4,933,845 (2010: TL 5,898,924) and the net book value of motor vehicles purchased through leasing amounts to TL 6,230,571 (2010: TL 6,257,018).

As at 31 December 2011 and 2010, according to the "TOORA" signed with Ege Liman and Ortadoğu Liman and the "BOT" tender agreement signed with Bodrum Liman, at the end of the agreement periods, real estate with their capital improvements will be returned as running, clean, free of any liability and free of charge. The details of the pledge or mortgage on property and equipment regarding the loans and borrowings are explained on Note 22.

For the years ended 31 December 2011 and 2010, there is no capitalized borrowing cost on property and equipment.

As at 31 December 2011, the insured amount of property and equipment amounts to TL 90,044,402 (2010: TL 93,417,060).

14 Intangible assets

Movements of intangible assets for the year ended 31 December 2011 comprised the following:

Cost	1 January 2011	Additions	Currency translation differences	31 December 2011
Port operation rights	521,756,956	--	112,391,592	634,148,548
Customer relationships	5,804,596	--	1,287,449	7,092,045
Other intangibles	239,975	289,656	45,621	575,252
Software	116,578	17,082	13,269	146,929
Total	**527,918,105**	**306,738**	**113,737,931**	**641,962,774**

Accumulated amortization	1 January 2011	Amortization expense	Currency translation differences	31 December 2011
Port operation rights	36,278,799	29,537,155	8,470,979	74,286,933
Customer relationships	1,209,291	522,783	336,439	2,068,513
Other intangibles	120,558	103,134	30,966	254,658
Software	69,097	33,411	7,097	109,605
Total	**37,677,745**	**30,196,483**	**8,845,481**	**76,719,709**
Net book value	**490,240,360**		**104,892,450**	**565,243,065**

14 Intangible assets *(continued)*

Movements of intangible assets for the year ended 31 December 2010 comprised the following:

Cost	1 January 2010	Additions	Revaluation effect of previously held interest (*)	Currency translation differences	Acquisition through business combination (*)	31 December 2010
Port operation rights	75,081,943	--	151,452,361	13,670,097	281,552,555	521,756,956
Customer relationships	6,025,137	--	--	(220,541)	--	5,804,596
Other intangibles	154,967	82,759	--	2,249	--	239,975
Software	37,491	18,969	--	2,567	57,551	116,578
Total	**81,299,538**	**101,728**	**151,452,361**	**13,454,372**	**281,610,106**	**527,918,105**

Accumulated amortization	1 January 2010	Amortization expense	Revaluation effect of previously held interest (*)	Currency translation differences	Acquisition through business combination (*)	31 December 2010
Port operation rights	13,390,196	12,860,381	--	981,442	9,046,780	36,278,799
Customer relationships	753,142	469,438	--	(13,289)	--	1,209,291
Other intangibles	98,155	19,755	--	2,648	--	120,558
Software	16,048	17,873	--	1,010	34,166	69,097
Total	**14,257,541**	**13,367,447**	--	**971,811**	**9,080,946**	**37,677,745**
Net book value	**67,041,997**		**151,452,361**	**12,482,561**	**272,529,160**	**490,240,360**

(*) Ortadoğu Liman (Note 7)

15 Goodwill

Movements of goodwill for the years ended 31 December comprised the following:

1 January 2010	**22,024,142**
Business combination effect (Note 7)	(4,788,639)
Currency translation differences	(3,820)
31 December 2010	**17,231,683**
Currency translation differences	7,060,373
Book value as at 31 December 2011	**24,292,056**

As at 31 December 2011 and 2010, the Group recognized goodwill related to the acquisition of Ege Liman in its consolidated financial statements.

As at 31 December 2011, the Group tested impairment by comparing the goodwill from the acquisition of Ege Liman with the values in use of the cash generating units and concluded that no impairment exists. Cash flow forecasts are prepared up to the end of the port usage rights, which is 2033. The basic assumption is that the expected increase in the intensity of the port activity will increase operational profit. Cash flows used to calculate value in use are prepared in USD. An interest rate of 12.4% was used for discounting future cash flows to reporting date.

As at 31 December 2009, the goodwill from the merger of Ortadoğu Liman and Akdeniz Liman amounted to TL 4,792,459 in the consolidated financial statements. As at 31 December 2010, this goodwill was derecognized as explained in detail Note 7.

16 Investments

Financial assets available for sale

As at 31 December 2011 and 2010, financial assets available for sale, comprised the following:

	2011	**2010**
Global Yatırım Holding bonds	29,430,931	21,958,746
Accrued interest on Global Yatırım Holding bonds	1,535,813	--
Share certificates of Global Yatırım Holding	1,480,475	--
Total	**32,447,219**	**21,958,746**

As at 31 December 2011, the bonds' maturity is 30 June 2017 with an annual interest rate of 11% (31 December 2010: the bonds' maturity was July 2012 with an annual interest rate of 9.25%).

At 28 December 2011, Global Yatırım Holding bonds with the maturity of July 2012 were exchanged with the new bonds with a maturity of 30 June 2017. The initial cost of the new bonds is determined as the fair value of the previous bonds at the date of exchange. The accrued interests of the previous bonds were recognized as accrued interest and were collected in January 2012.

Global Yatırım Holding shares are actively traded in ISE.

As at 31 December 2011 and 2010, investments in equity instruments that are not quoted in an active market comprised the following:

	Share ratio (%)	**2011 Book Value**	**Share Ratio (%)**	**2010 Book Value**
Torba (*)	79.00	79,000	79.00	79,000
Randa (**)	99.99	22,232	--	--
Total		**101,232**		**79,000**

(*) Torba is excluded from consolidation due to appointment of a trustee at 4 January 2008 and loss of control. Torba is carried at cost in the consolidated financial statements, since its shares are not quoted in an active market.

(**) Randa was purchased by Global Liman on 17 February 2011 for a consideration of Euro 10,000. As at 31 December 2011, Randa is inactive and is excluded from the scope of consolidation.

17 Taxation

Corporate tax

Corporate income tax is levied at the rate of 20% on the statutory corporate income tax base, which is determined by modifying income for certain tax exclusions and allowances.

In Turkey, advance tax returns are measured and accrued on a quarterly basis. The advance corporate income tax rate as at 31 December 2011 is 20% (2010: 20%).

In Turkey, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes shown in the consolidated financial statements reflects the total amount of taxes calculated on each entity that is included in the consolidation.

Losses can be carried forward for offsetting against future taxable income for up to 5 years. Losses cannot be carried back.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within four months following the close of the accounting year to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Transfer pricing

The transfer pricing provisions are set out under the Article 13 of the Corporate Tax Law under the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via transfer pricing dated 18 November 2007 sets out details about the implementation of these provisions. If a tax payer enters into transactions regarding the sale or purchase of goods and services with related parties, where the prices are not set in accordance with an arm's-length basis, the related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as a tax deductible for corporate income tax purposes.

Income withholding tax

In addition to corporate taxes, companies should also calculate income withholding taxes on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax was 10% from 24 April 2003, rising to 15% from 21 September 2006. Appropriation of retained earnings to capital is not considered a profit distribution and therefore is not subject to withholding tax.

17 Taxation *(continued)*

Investment allowance

With effect from 24 April 2003, the investment incentives scheme was amended such that companies directly deduct 40 percent of qualifying capital investments from their annual taxable income. In addition, corporations that had unused qualifying capital investment amounts from periods prior to 24 April 2003 were entitled to carry these forward.

The tax law was then changed retrospectively on 8 April 2006 such that with effect from 1 January 2006, no new investment incentives were allowed, and taxpayers could only deduct the amount of the investment allowance exemption to which they were already entitled from the taxable income of 2006, 2007 and 2008. Investment allowances could not be carried forward at 31 December 2008.

However, on 15 October 2009, the Turkish Constitutional Court cancelled parts of the revised tax law such that new investment allowances created prior to 8 April 2006 were re-allowed and the restriction on the carryforward of allowances after 31 December 2008 was removed; the carryforward is now indefinite. This change to the tax law became substantively enacted when the Court's decision was made and became law on 8 January 2010.

The usage of investment incentives was revised again with the amendments to the related tax law published in the Official Gazette dated 1 August 2010. Accordingly, with effect from the 2010 calendar year taxable income, investment incentives that will be deducted from income shall not exceed 25% of income for a particular year, while determining the tax base. The unused investment incentives continue to be deductible without time limit.

In 2011, the Group deducted all investment incentives from taxable income and there is not any unused investment incentive (31 December 2010: TL 3,594,110 on unused investment incentive)

Tax exemption on maritime operations

The Turkish International Ship Registry Law, authorized on 16 December 1999, is designed to accelerate the development of the Turkish maritime sector and increase its contribution to the Turkish economy. The law supports the procurement and operation of ships registered on the Turkish International Ship Registry, and yachts registered to the inventory of tourism companies. Income generated through the vessels covered by the law is not subject to income tax and expenses related to these operations are considered as disallowable expenses.

17 Taxation *(continued)*

Tax expense

For the years ended 31 December, income tax expense comprised the following:

	2011	2010
Current tax charge	(10,632,125)	(5,030,791)
Deferred tax benefit	3,018,289	3,672,235
Total	**(7,613,836)**	**(1,358,556)**

As at 31 December 2011 and 2010, current tax liabilities for the period comprised the following:

	2011	2010
Current tax liability at 1 January	**1,289,157**	--
Current tax charge	10,632,125	5,030,791
Taxes paid during year	(9,350,122)	(4,867,258)
Total	**2,571,160**	**163,533**
Liability through business combination	--	1,125,624
Current tax liabilities	**2,571,160**	**1,289,157**

The tax reconciliation for the years ended 31 December is as follows:

	%	2011	%	2010
Profit before income tax		15,705,770		268,723,794
Corporate tax using domestic rate	20	(3,141,154)	20	(53,744,759)
Business combination effect (Note 7)	3	(430,773)	(19)	50,971,221
Exemption on maritime operations	(17)	2,706,702	(1)	1,351,928
Investment incentive	--	--	--	129,400
Disallowable interest expenses and foreign exchange losses on loans (*)		(3,567,579)		
Disallowable expenses	24	(156,658)	--	(191,781)
Effect of unrecognized tax losses	3	(426,967)	--	(264,996)
Effect of tax amnesty	10	(1,514,849)	--	--
Unrecognized tax losses	2	(276,346)	--	--
Other	5	(806,212)	--	390,431
	50	**(7,613,836)**	--	**(1,358,556)**

(*) The finance costs , interest expenses and foreign exchange losses, on the bank loan amounting to USD 50,000,000 obtained to finance the acquisition of Ortadoğu Liman by Akdeniz Liman (Note 1) are treated as disallowable expenses for the tax purpose.

17 Taxation *(continued)*

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

In Turkey the tax legislation does not permit a parent company, its subsidiaries and joint ventures to file a consolidated tax return. Therefore, deferred tax positions of companies with deferred tax assets and companies with deferred tax liabilities are not netted and are disclosed separately.

Deferred tax assets and deferred tax liabilities as at 31 December 2011 and 2010, are attributable to the items detailed in the table below:

	2011		2010		2011	2010
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities	Deferred tax assets/ (liabilities), net	Deferred tax assets/ (liabilities), net
Property and equipment and intangible assets	--	(110,360,595)	--	(92,895,977)	(110,360,595)	(92,895,977)
Tax losses carried forward	3,261,956	--	820,243	--	3,261,956	820,243
Investment allowance	--	--	718,822	--	--	718,822
Differences of receivables	51,154	--	365,883	--	51,154	365,883
Provision for employment termination indemnity and vacation pay	317,396	--	188,388	--	317,396	188,388
Available for sale financial assets	--	(553,430)	--	--	(553,430)	--
Other	--	(956,128)	230,343	--	--	230,343
Subtotal	**3,630,506**	**(111,870,153)**	**2,323,679**	**(92,895,977)**	**(107,283,519)**	**(90,572,298)**
Set off of tax	3,143,931	(3,143,931)	(356,776)	356,776	--	--
Total deferred tax assets/(liabilities)	**6,774,437**	**(115,014,084)**	**1,966,903**	**(92,539,201)**	**(107,283,519)**	**(90,572,298)**

17 Taxation *(continued)*

Deferred tax *(continued)*

The movement of deferred taxes for the years ended 31 December, is as follows:

	2011	2010
Balance at the beginning of the year	(90,572,298)	(10,611,623)
Deferred tax benefit in income	3,018,289	3,672,235
Business combination effect (Note 7)	2,559,369	(81,298,144)
Currency translation difference	(22,288,879)	(2,334,766)
	(107,283,519)	**(90,572,298)**

As at 31 December 2011 and 31 December 2010, the breakdown of the tax losses carried forward in terms of their final years of utilization is as follows:

	2011		2010	
Expiry years of the tax losses carried forward	**Recognized**	**Unrecognized**	**Recognized**	**Unrecognized**
2011	--	--	--	47,099
2012	798,810	71,604	798,810	71,604
2013	--	1,776,483	--	1,776,483
2014	977,141	2,951,160	977,141	2,951,160
2015	2,325,262	1,324,980	2,325,262	1,324,980
2016	12,208,565	2,134,835	--	--
	16,309,778	**8,259,062**	**4,101,213**	**6,171,326**

Unrecognized deferred tax assets

At the reporting date, the Group has statutory tax losses available for offsetting against future profits which are shown above. Such losses carried forward expire until 2016. Deferred tax assets have not been recognized in respect of some portion of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits there from.

18 Trade and other receivables

As at 31 December 2011 and 2010, trade and other receivables comprised the following:

	2011	2010
Trade receivables	3,526,444	1,336,452
Receivables from VAT	43,241	--
Deposits and advances given	21,094	1,191,048
Other receivables	243,747	618,971
Total trade and other receivables	**3,834,526**	**3,146,471**

As at 31 December 2011 and 2010, trade receivables comprised the following:

	2011	2010
Receivables from customers	3,526,444	1,245,470
Doubtful receivables	648,969	826,640
Allowance for doubtful receivables (-)	(648,969)	(735,658)
Total	**3,526,444**	**1,336,452**

Movements in the allowance for doubtful trade receivables for the years ended 31 December, comprised the following:

	2011	2010
Balance at the beginning of the year	(735,658)	(229,454)
Allowance for the year	(104,793)	(459,222)
Written off during the year	15,998	6,022
Business combination effect	--	(204,355)
Collections	175,484	151,351
Balance at the end of the year	**(648,969)**	**(735,658)**

As at 31 December 2011 and 2010, current trade receivables mature between 1-3 months.

Credit risk and foreign currency risk with respect to trade and other receivables are disclosed in Note 28.

Bad debt expense on doubtful receivables is recognized in administrative expenses.

19 Other assets

Other non-current assets

As at 31 December 2011 and 2010, other non-current assets comprised the following:

	2011	2010
Value added tax receivable(*)	4,055,938	996,167
Advances given(**)	586,699	1,185,615
Prepaid expenses	216,274	--
Other	25,698	50,975
Total	**4,884,609**	**2,232,757**

(*) The Group classified value added tax receivables of İzmir Liman as non-current since value added tax payables from revenues cannot be offset with the value added tax receivables in the short-term.

(**) Advances given are mainly composed of the advances given by Ortadoğu Liman for the purchase of machinery and for the investments related to the passenger terminal.

Other current assets

As at 31 December 2011 and 2010, other current assets comprised the following:

	2011	2010
Advances given	2,642,804	135,398
Value added tax receivable	1,284,542	1,818,529
Income accruals	880,114	161,050
Prepaid expenses	867,235	769,522
Prepaid taxes	120,566	34,683
Personnel salary and work advances	18,543	26,246
Other	157,405	133,398
Total	**5,971,209**	**3,078,826**

20 Cash and cash equivalents

As at 31 December 2011 and 2010, cash and cash equivalents comprised the following:

	2011	2010
Cash on hand	140,149	94,254
Cash at banks	35,389,767	15,833,346
-Demand deposits	*1,463,207*	*2,673,121*
-Time deposits	*33,926,560*	*13,160,225*
Reverse repo	1,983,345	--
Other liquid assets	27,068	--
Cash and cash equivalents	**37,540,329**	**15,927,600**

	2011	2010
Cash and cash equivalents	37,540,329	15,927,600
Restricted cash	(30,415)	(230,980)
Cash and cash equivalents for cash flow statement purposes	**37,509,914**	**15,696,620**

As at 31 December 2011 and 2010, maturities of time deposits comprised the following:

	2011	2010
Up to 1 month	33,926,560	12,959,245
1-3 months	--	200,980
Total	**33,926,560**	**13,160,225**

As at 31 December 2011 and 2010, the ranges of interest rates for time deposits are as follows:

	2011	2010
Interest rate for time deposit-TL (highest)	11.75%	7.25%
Interest rate for time deposit-TL (lowest)	6.50%	3.25%
Interest rate for time deposit-USD (highest)	5.00%	0.50%
Interest rate for time deposit-USD (lowest)	4.00%	0.24%

As at 31 December 2011, cash at banks amounting to 30,415 (31 December 2010: TL 230,980) is restricted due to the bank loan guarantees and subscription guarantees (Note 22).

The Group's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities is disclosed in Note 28.

21 Capital and reserves

Share capital

As at 31 December 2011, the Company's statutory nominal value of paid-in share capital consists of 85.000.000 (2010: 85.000.000) registered ordinary shares with a par value of TL 1 each. The Company's share capital was increased to TL 85,000,000 on 16 September 2010. TL 11,864,500 of the capital increase was paid in cash on 24 September 2010 and the remaining amount was offset from payables due to Global Yatırım Holding.

As at 31 December 2011 and 2010, the share ownership structure of the Company was as follows:

	31 December 2011		31 December 2010	
	Value of Share	Proportion of share %	Value of Share	Proportion of share %
Global Yatırım Holding A.Ş.	66,202,300	77.88	84,999,200	99.999
Savina Holding GmbH	18,796,900	22.11	--	--
Others	800	0.01	800	0.001
Paid in capital (nominal)	**85,000,000**	**100**	**85,000,000**	**100**
Inflation accounting adjustment	16,583		16,583	
Inflation adjusted capital	**85,016,583**		**85,016,583**	

Translation reserves

The translation reserves amounting to TL 97,484,578 (2010: TL 12,818,479) is recognized as a separate account under equity and comprises foreign exchange differences arising from the translation of the financial statements of subsidiaries and joint ventures from their functional currencies (of USD and Euro) to the presentation currency, TL.

Legal reserves

Under the Turkish Commercial Code, Turkish companies are required to set aside first and second level legal reserves out of their profits. First level legal reserves are set aside as up to 5% of the distributable income per the statutory accounts each year. The ceiling of the first level reserves is 20% of the paid-up share capital. The requirement to set aside ends when the 20% of the paid-up capital level has been reached. Second level legal reserves correspond to 10% of profit actually distributed after the deduction of the first legal reserves and the minimum obligatory dividend pay-out, but holding companies are not subject to this regulation. There is no ceiling for second level legal reserves and they are accumulated every year. First and second level legal reserves cannot be distributed until they exceed 50% of the capital, but the reserves can be used for offsetting the losses in case of running out of arbitrary reserves. As at 31 December 2011, the legal reserves of the Group amounted to TL 7,591,909 (2010: TL 4,362,270).

22 Loans and borrowings

As at 31 December 2011 and 2010, loans and borrowings comprised the following:

Short term loans and borrowings	**2011**	**2010**
Short term bank loans	100,000	289,875
-TL Loans	*100,000*	--
-Foreign currency loans	--	*289,875*
Short term portion of long term bank loans	35,807,727	23,684,042
-TL Loans	*164,246*	*52,443*
-Foreign currency loans	*35,643,481*	*23,631,599*
Finance lease obligations	1,831,436	1,398,175
Total	**37,739,163**	**25,372,092**

Long term loans and borrowings	**2011**	**2010**
Long term bank loans	113,783,946	101,419,841
-TL Loans	*20,304*	*47,484*
-Foreign currency loans	*113,763,642*	*101,372,357*
Finance lease obligations	2,705,716	3,713,504
Total	**116,489,662**	**105,133,345**

As at 31 December 2011 and 2010, maturity profile of long term bank loans comprised the following:

Year	**2011**	**2010**
Between 1-2 years	31,912,864	24,230,343
Between 2-3 years	27,061,113	21,591,604
Between 3-4 years	25,055,252	18,142,362
Over 5 years	29,754,717	37,455,532
Total	**113,783,946**	**101,419,841**

As at 31 December 2011 and 2010, maturity profile of finance lease obligations comprised the following:

	2011			**2010**		
	Future minimum lease payments	*Interest*	*Present value of minimum lease payments*	*Future minimum lease payments*	*Interest*	*Present value of minimum lease payments*
Less than one year	2,030,143	198,707	1,831,436	1,596,177	198,002	1,398,175
Between one and five years	2,884,594	178,878	2,705,716	4,327,984	614,480	3,713,504
Total	**4,914,737**	**377,585**	**4,537,152**	**5,924,161**	**812,482**	**5,111,679**

22 Loans and borrowings *(continued)*

Details of the loans and borrowings as at 31 December 2011 are as follows:

					31 December 2011		
Loan Type	**Company Name**	**Currency**	**Maturity**	**Interest Type**	**Interest rate %**	**Principal (TL)**	**Carrying Value (TL)**
Loans used to finance investments and projects							
Secured Loan *(i)*	Global Liman	USD	2017	Floating	Libor + 4.95 %	31,450,185	32,443,851
Secured Loan *(ii)*	Ege Liman	USD	2013	Floating	Libor + 2.50 %	10,523,872	10,550,770
Secured Loan	Bodrum Liman	USD	2014	Fixed	7.95 %	2,081,119	2,525,232
Secured Loan	Bodrum Liman	USD	2016	Fixed	7.75 %	1,796,208	2,263,434
Secured Loan *(iii)*	Ortadoğu Liman	USD	2016	Floating	Libor + 4.95 %	74,233,770	74,927,783
Secured Loan *(iv)*	Ortadoğu Liman	USD	2013	Fixed	7.25 %	3,069,463	3,092,129
Secured Loan *(v)*	Ortadoğu Liman	USD	2016	Fixed	5.15 %	7,083,375	7,166,783
Secured Loan *(vi)*	Ortadoğu Liman	USD	2017	Floating	Libor + 5.05 %	12,986,188	13,021,459
						143,224,180	**145,991,441**
Loans used to finance working capital							
Unsecured Loan	Ege Liman	USD	2016	Floating	Libor + 5.50 %	3,400,020	3,415,682
Secured Loan	Ortadoğu Liman	TL	2012	Fixed	9.48%-10.68%	183,921	184,550
Unsecured Loan	Bodrum Liman	TL	Revolving	Fixed	16.00 %	100,000	100,000
						3,683,941	**3,700,232**
Finance lease obligations							
Leasing	Ege Liman	USD	2012	Fixed	8.30 %	1,671,346	1,671,346
Leasing *(vii)*	Ortadoğu Liman	USD	2015	Fixed	5.92 %	2,865,806	2,865,806
						4,537,152	**4,537,152**
						151,445,273	**154,228,825**

22 Loans and borrowings *(continued)*

Details of the loans and borrowings as at 31 December 2010 are as follows:

						31 December 2010	
Loan Type	Company Name	Currency	Maturity	Interest Type	Interest rate %	Principal (TL)	Carrying Value (TL)
Loans used to finance investments and projects							
Secured Loan *(i)*	Global Liman	USD	2017	Floating	Libor+4.95 %	27,828,000	28,454,864
Secured Loan	Bodrum Liman	USD	2014	Fixed	7.95 %	2,571,200	2,651,113
Secured Loan *(ii)*	Ege Liman	USD	2013	Floating	Libor+ 2.50%	13,637,929	13,669,806
Secured Loan *(iii)*	Ortadoğu Liman	USD	2016	Floating	Libor+ 4.95%	68,333,200	68,971,229
Secured Loan *(iv)*	Ortadoğu Liman	USD	2013	Fixed	7.25%	4,187,083	4,218,024
Secured Loan *(v)*	Ortadoğu Liman	USD	2016	Fixed	5.15%	6,957,000	7,038,921
						123,514,412	**125,003,957**
Loans used to finance working capital							
Unsecured Loan	Bodrum Liman	USD	Revolving	Fixed	6.00%	289,874	289,874
Secured Loan	Ortadoğu Liman	TL	2012	Fixed	9.48%	99,900	99,927
						389,774	**389,801**
Finance lease obligations							
Leasing	Ege Liman	USD	2012	Fixed	8.30%	2,195,212	2,195,212
Leasing *(vii)*	Ortadoğu Liman	USD	2015	Fixed	5.92%	2,916,467	2,916,467
						5,111,679	**5,111,679**
						129,015,865	**130,505,437**

22 Loans and borrowings *(continued)*

The detailed information related to the significant loans borrowed by the Group is as follows:

(i) Global Liman entered into a loan amounting to USD 35,000,000 in total on 20 July 2010 with a 7 year maturity and an interest rate of Libor+4.95%. Principal and interest is paid at the end of June of each year. On 12 August 2010 and 15 June 2011, USD 17,000,000 and USD 1,350,000 were repaid, respectively. Under this loan agreement, in the event of default, the shares of Ege Liman and Ortadoğu Liman are pledged in accordance with a share pledge agreement.

(ii) As at 31 December 2011, the foreign currency loan amounting to USD 5,571,429 (2010: USD 8,821,429) represents the bank loan granted to Ege Liman on 15 June 2006, with a 7-year maturity. Principal and interest are paid at November and May each year. 100% of Ege Liman's common stock, which is owned by Global Liman and RCCL, has been pledged to the bank as collateral for the loans acquired based on the agreement signed on 25 May 2006. In the event of default, the cash generated from the Ege Liman's rent income is pledged to the bank and there is a blockage on the bank account.

(iii) In 2006, Ortadoğu Liman entered into a loan amounting to USD 40,000,000 in total with a 10-year maturity. The interest rate is Libor + 2.90%. Starting from 29 July 2010, the interest rate has been revised to Libor+4.95%. The remaining principal amount of the loan as at 31 December 2011 is USD 30,000,000 (2010: USD 34,400,000). Principal and interest is paid at the end of April and October of each year. The loan agreement imposes financial covenants on Ortadoğu Liman, and includes terms about limitation on financing activities, investment, dividend payments, the sales of the assets, and mergers and acquisitions of the related subsidiaries. All equity shares are pledged according to a share pledge agreement.

On 12 August 2010, with the amendment to the existing agreement, Ortadoğu Liman raised an additional loan amounting to USD 10,000,000 with the same conditions. The remaining principal amount of the loan as at 31 December 2011 is USD 9,300,000 (2010: USD 9,800,000).

(iv) Ortadoğu Liman entered into a loan on 24 May 2007, amounting to USD 6,500,000 in total with a 6-year maturity. The interest rate is 7.25%. The loan agreement includes financial covenants which may be exercised by the creditor in case of default. A pledge of TL 17,303,000 over the assets of Ortadoğu Liman was given to the bank as collateral.

(v) Ortadoğu Liman entered into a loan on 13 October 2010, amounting to USD 4,500,000 in total with a 6-year maturity. The interest rate is 5.15%. With reference to the loan agreement signed, in the event of default, the crane and the other machinery purchased by this loan are pledged to the bank.

(vi) Ortadoğu Liman entered into a loan 14 June 2011, amounting to USD 7.500.000 in total with a 6 year maturity. The interest rate is Libor+%5.05. Principal and interest are paid every 6 months. There is a pledge over the property and equipment in relation to the loan.

On 27 August 2010, Ortadoğu Liman has signed a finance lease agreement for a port tugboat amounting to USD 2,040,000 in total with the expiry date of 4 September 2015 and an interest rate of 5.92%.

23 Trade and other payables

As at 31 December 2011 and 2010, current trade and other payables comprised the following:

	2011	2010
Payables to suppliers	3,947,310	1,544,262
Tax amnesty payables (*)	1,971,967	--
Advances received	1,693,420	209,081
Due to subsidiaries' other shareholders	1,339,100	--
Taxes payable and social security contributions	806,655	669,770
Deposits received	450,814	358,104
Payables to personnel	250,403	10,183
Deferred revenue	13,896	149,636
Other	620,196	105,295
Total	**11,093,761**	**3,046,331**

As at 31 December 2011 and 2010, non-current trade and other payables comprised the following:

	2011	2010
Tax amnesty payables (*)	2,763,818	--
Total	**2,763,818**	--

(*) As at 31 December 2011, the Group classified tax amnesty amount in the trade and other payables based on the future payment terms (Note 9).

The Group's exposure to currency and liquidity risk related to the trade and other payables is disclosed in Note 28.

24 Employee benefits

The reserve for employment termination indemnity has been calculated by estimating the present value of future probable obligations of the Group arising from the retirement of the employees. Such payments are calculated on the basis of 30 days' pay up to a maximum of TL 2,731.85 as at 31 December 2011 (31 December 2010: TL 2,517.01) per year of employment at the rate of pay applicable at the date of retirement or termination. The calculation was based upon the retirement pay ceiling announced by the government. That ceiling is determined using coefficients defined by the Council of Ministers. The reserve for retirement pay is computed and reflected in the financial statements on a current basis.

The provision has been calculated by estimating the present value of the future probable obligation of the Company and its subsidiaries and joint ventures registered in Turkey arising from the retirement of employees. IAS 19 *Employee Benefits* requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans such as the employment termination indemnity. Accordingly, the actuarial assumptions that follow are used in the calculation of the total liability.

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation.

24 Employee benefits *(continued)*

The principal statistical assumptions used in the calculation of the total liability in the accompanying consolidated financial statements at 31 December were as follows:

	2011	2010
Discount rate	4.48 %	4.66 %
Turnover rate for the expectation of retirement probability	96 %	96 %

Movements in the reserve for employee termination indemnity during the years ended 31 December comprised the followings:

	2011	2010
Balance at the beginning of the period	821,889	447,089
Interest for the period	87,549	46,019
Current service cost and actuarial losses	318,865	(29,698)
Foreign currency translation differences	132,258	17,744
Paid during the period	(135,084)	(73,865)
Acquisition through business combination (Note 7)	--	414,600
Balance at the end of the period	**1,225,477**	**821,889**

25 Earnings per share

For the years ended 31 December, earnings per share is calculated by dividing the net profit attributable to ordinary shareholders, by the weighted average number of shares outstanding.

	2011	2010
Net profit for the period	3,477,298	265,239,991
Weighted average number of shares	85,000,000	45,712,559
Earnings per share with par value of TL 1	0.0409	5.8023

26 Commitments and contingencies

(a) Lawsuits

There are pending lawsuits that have been filed against or by the Group. 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 the possible expenses and liabilities. The amount of provision that has been accounted for as at 31 December 2011 is TL 365,648 (2010: TL 268,306).

The information related to the significant lawsuits that the Group is directly or indirectly a party to is as follows:

(i) The operating rights of Kuşadası Port were transferred by OIB to Ege Liman for 30 years in July 2003. In October 2006, two former members of the Kuşadası Municipal Council filed a lawsuit with the Council of State, requesting the cancellation of those 'zoning plan and planning notes' of the Region of Kuşadası, which were to enable the construction of the new 'Cruise Port Upper Structure Facilities'. The relevant Chamber of the Council of State ordered the cancellation of the zoning plan and planning notes in November 2009. That decision was appealed by the lawyers of the Ministry of Public Works as well as the lawyers for the Group. The file is under examination of Chamber of the Council of State.

While that appeal was pending, the Group lawyers filed a lawsuit against the termination of the occupancy and construction permit notification of the Municipality with the request of stay of execution. the Aydın Administrative Court issued a stay of execution for the cancellation. As the lawyers of the Municipality then objected to that decision, the stay of execution itself was cancelled

The Municipality then issued a cease and desist order and delivered it to the Company in June 2010. The Group lawyers filed a lawsuit in order to cancel the order as well as issue a stay of execution. The Aydın Administrative Court first issued the stay of execution; however, upon the objection raised by the Municipality Lawyers, the court cancelled the stay of execution, which led the Group lawyers to raise an objection before the Regional Court in order to challenge this final decision. However such objection was denied. TDI's request to intervene the lawsuit has been accepted.

A lawsuit regarding annulment of the decision of the Council of the Municipality regarding demolition of Kuşadası Port has been filed together with the request of a stay of execution. The court on the same day ordered that stay of execution. TDI's request regarding intervention in the case was accepted on 22 December 2010. The Court has renewed the order of a stay of execution after the first reply of the Municipality.

After the cancellation of the order of a stay of execution by the Court, a request regarding discharge of Kuşadası Port was sent by Kuşadası Municipality. A lawsuit has been filed as at 20 July 2011 against the related request and TDI has been involved as a party in that case as at 6 September 2011.

26 Commitments and contingencies *(continued)*

(a) Lawsuits (continued)

In parallel, the Ministry of Public Works has approved the new zoning plan for Kuşadası on 28 October 2010 but there have been objections. However, the Ministry of Public Works evaluated the objections and rejected them on the below-mentioned grounds and approved the new zoning plan with its writ dated 31 January 2011:

i. The zoning plan approved on 28 October 2010 is in line with the 1/100.000 "Environment Plan" of Aydın-Muğla-Denizli.

ii. Kuşadası is one of the most important cruise ports of the country and has served for this very purpose for years; Kuşadası Port would become an idle facility due to the cancellation of the zoning plan which will consequently have a negative effect on the economy of the country.

On 15 March 2011, Ege Liman applied to Kuşadası Municipality for building permit but the Municipality rejected such application due to unjust grounds and the Group lawyers therefore, filed a lawsuit against such action of the Municipality.

The Group lawyers believe that the same arguments will cause the aforementioned lawsuits to become viewed as groundless.

In a related development, a former member of the Kuşadası Municipal Council has filed a lawsuit with the Aydın 1st Administrative Court, seeking to cancel the Privatization Administration's approval of the Kuşadası Port tender granted to Ege Liman. The Court ordered the cancellation of the tender on 2 June 2010. That decision was appealed by the lawyers of the Privatization Administration as well as the lawyers of the Group. The attorneys and Legal Counsel of the Group believe that the decision to cancel the privatization cannot be enforced against the Group. Although it is believed that the Appeal Court will anyway reverse the decision to cancel, the decision to cancel the privatization is un-enforceable in practical terms when the actual transfer has taken place and the facilities are being operated throughout the legal process.

The Privatization Administration filed a lawsuit against the Ege Liman basing its claims on the annulment decision of Aydın 1st Administrative Court dated 2 June 2010 and numbered 2010/434 E. and 2010/936 K. for the return of Kuşadası Port to TDI. The Court denied the Privatization Administration's preliminary injunction request. This lawsuit has been filed in order to act in compliance with the aforementioned decision of Aydın 1st Administrative Court and it is believed that there would be no negative result of this case considering the fact that there has been no established practice as to the return of the privatized assets.

For the reason explained above, Group management and lawyers do not anticipate a negative result from the legal process.

(ii) The former owner of the shares of Torba filed a lawsuit against the Group for the restitution of the shares. The expert appointed by the local court submitted his report which was against the defendants. On 2 March 2010, the court decided to restore the shares to the former owners and the trustee, previously appointed by the Court on 4 January 2008, shall remain in charge until the final decision. The Group lawyers appealed the decision on 28 April 2010 upon the notification of the decision. As a trustee was appointed to the management of Torba by the Court in January 2008, this subsidiary has been excluded from the scope of consolidation.

26 Commitments and contingencies *(continued)*

(a) ***Lawsuits (continued)***

(iii) The Company participated in the consortium which placed the highest bid for the tender for the privatization of the operating rights of TCDD İzmir Ports through the process concluded by the Privatization Administration on 3 July 2007. The High Council of Privatization Administration approved the tender. Liman-İş Sendikası (the Trade Union of Port Workers) and Kamu İşletmeciliğini Geliştirme Merkezi Vakfi (the Foundation of Public Business Development Center) separately filed lawsuits for the cancellation of the tender and these lawsuits were rejected by the Council of State. The High Council of Privatization invited the Consortium to sign the Agreement with a declaration dated 23 September 2009. At the end of an extension period granted by the Privatization Administration, a letter of guarantee amounting to USD 15 million was converted to cash on 12 January 2010 and in this way the tender was closed out for the Consortium. On the same date, USD 3,750,000 was paid by Global Yatırım Holding on behalf of the Company. No provision is recognized since Global Yatırım Holding has no intention to have recourse against the Company.

A member of the consortium which participated in the privatization tender of the İzmir Port, Ege İhracatçı Birlikleri Liman Hizmetleri ve Taşımacılık A.Ş., has filed a lawsuit amounting to USD 10,000 against Global Yatırım Holding and Global Liman, before the Beyoğlu Commercial Court, claiming that it suffered a loss of USD 997,501 upon the liquidation of the letter of guarantee. The management and attorneys of the Group do not anticipate the aforementioned lawsuit to be finalized to the disadvantage of the Group. The lawsuit is at the submission of proofs and legal arguments stage.

Global Yatırım Holding, the Company and Ege İhracatçı Birlikleri Liman Hizmetleri ve Taşınacılık A.Ş. filed a lawsuit against the Privatization Administration at İzmir 4th Commercial Court with respect to the İzmir Port Privatization tender for the granting of operating rights for a definite period claiming the plaintiffs should be granted a period of 6 months as a preliminary junction in order to enable them to perform their duties, and that the provisions of the agreement regarding duration and payment should be adjusted, and arguing that in case such adjustment request is not accepted then there should be termination of the agreement without any indemnification as well as release of the plaintiffs from their obligations and the return of their bid bonds. İzmir 4th Commercial Court denied the lawsuit on the ground that it was not the authorized court for the lawsuit but that decision of the court has been appealed.

(b) ***Guarantees***

As at 31 December 2011 and 2010, the letters of guarantee given comprised the following:

Letters of guarantee	2011	2010
Given to Privatization Administration (*)	19,918,738	16,302,805
Given to Electricity Distribution Companies	29,184	276,144
Others	315,586	205,000
Total letter of guarantee	**20,263,508**	**16,783,949**

(*) As at 31 December 2011 and 2010, the Group had given a letter of guarantee amounting to USD 10,000,000 (31 December 2011: TL 18,889,000; 31 December 2010: TL 15,460,000) regarding the tender of İskenderun Port.

Other collaterals are disclosed in Note 22.

26 Commitments and contingencies *(continued)*

(c) Contractual obligations

Ege Liman

The details of the TOORA dated 2 July 2003, executed by and between Ege Liman and OIB together with TDI are stated below:

Ege Liman will be performing services such as sheltering, installing, charging, discharging, shifting, terminal services, pilotage, towing, moorings, water quenching, waste reception, operating, maintaining and repairing of cruise terminals, in Kuşadası Cruise Port for an operational period of 30 years. Ege Liman is liable for the maintenance of Kuşadası Cruise Port together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the TDI, while the movable properties stay with Ege Liman.

Ortadoğu Liman

The details of the TOORA dated 31 August 1998, executed by and between Ortadoğu Liman and OIB together with TDI are stated below:

Ortadoğu Liman will be performing services such as sheltering, installing, charging, discharging, shifting, terminal services, pilotage, towing, moorings, water quenching, waste reception, operating, maintaining and repairing of cruise terminals, in Antalya Port for an operational period of 30 years. Ortadoğu Liman is liable for the maintenance of Antalya Port together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the TDI, while the movable properties stay with Ortadoğu Liman.

Bodrum Liman

The details of the BOT Contract dated 23 June 2004, executed by and between Bodrum Liman and the DLH are stated below:

Bodrum Liman had to construct the Bodrum Cruise Port in a period of 1 year and 4 months following the delivery of the land and thereafter, will operate the Bodrum Cruise Port for 12 years. The final acceptance of the construction was performed on 4 December 2007, and thus the operation period has commenced. Bodrum Liman is liable for the maintenance of the port together with the port equipment in good repair and in operating condition throughout its operating right period. The facilities, equipment, installations and the systems together with the tools and other equipment belonging thereto shall be surrendered to the DLH after the expiry of the contractual period.

26 Commitments and contingencies *(continued)*

(d) Operating leases

Lease as lessee

The Group entered into various operating lease agreements. Operating lease rentals are payable as follows:

	31 December 2011	31 December 2010
Less than one year	357,424	285,907
Between one and five years	1,379,958	1,074,774
More than five years	266,812	869,564
	2,004,194	**2,230,245**

In the periods presented, the Group's main operating lease arrangements as lessee are the port rent agreement of Bodrum Liman until 2019.

For the year ended 31 December 2011 payments recognized as rent expense were TL 428,560 (2010: TL 656,726).

Lease as lessor

The future lease payments under operating leases are as follows:

	31 December 2011	31 December 2010
Less than one year	6,029,581	5,571,895
Between one and five years	14,215,798	11,700,328
More than five years	27,279,067	14,746,388
	47,524,446	**32,018,611**

The Group's main operating lease arrangements as lessor are a marina lease agreement of Ortadoğu Liman until 2028, and various shopping center rent agreements of Ege Liman and Bodrum Liman of up to 5 years.

During the year ended 31 December 2011, TL 9,520,144 (2010: 5,711,589 TL) was recognized as rental income in the consolidated statement of comprehensive income.

27 Related parties

The related parties of the Group which are disclosed in this note comprised the following:

Related parties	Relationship
Mehmet Kutman	Shareholder
Global Yatırım Holding	Parent Company
Ortadoğu Liman (*)	Joint venture (until 29 July 2010)
Torba	Investment
Global Sigorta Aracılık Hizmetleri A.Ş. ("Global Sigorta")	Parent Company's subsidiary
Global Menkul Değerler A.Ş. ("Global Menkul")	Parent Company's subsidiary
İzmir Liman	Joint venture (until 29 June 2011)
Energaz Gaz Elektrik ve Su Dağıtım A.Ş. (Energaz)	Parent Company's joint venture

(*) Ortadoğu Liman was consolidated by the Group as a joint venture using the proportionate consolidation method until 29 July 2010. Starting from that date, full consolidation method has been applied as that entity is now a subsidiary.

Due from related parties

As at 31 December 2011 and 2010, current receivables from related parties comprised the following:

Current receivables from related parties	2011	2010
Global Yatırım Holding	388,209	5,420
Torba	28,966	--
Others	43,126	36,549
Total	**460,301**	**41,969**

As at 31 December 2011 and 2010, non-current receivables from related parties comprised the following:

Non-current receivables from related parties	2011	2010
Torba	5,029,659	5,029,659
Total	**5,029,659**	**5,029,659**

As at 31 December 2011, the Group has Global Yatırım Holding bonds amounting to TL 29,430,931 with a nominal value of USD 17,085,000 (2010: TL 21,590,663 with a nominal value of USD 16,750,000) which are classified as available for sale financial assets and, the accrued interests of the previous bonds amounting to TL 1,535,813 which were recognized as accrued interest and collected in January 2012.

As at 31 December 2011, the Group has Global Yatırım Holding share certificates amounting to TL 1,480,475 with a nominal value of TL 1,396,675.

Due to related parties

As at 31 December 2011 and 2010, current payables to related parties comprised the following:

Current payables to related parties	2011	2010
Global Yatırım Holding	1,114,415	227,404
Global Menkul	150,532	6,070
Global Sigorta	128,796	135,225
Other	56,211	24,002
Total	**1,449,954**	**392,701**

27 Related parties *(continued)*

Transactions with related parties:

For the years ended 31 December, significant transactions with other related parties comprised the following:

	2011		2010	
	Interest Received	Other	Interest received	Other
Global Yatırım Holding	6,970,297	21,850	381,689	88,169
Enerji Yatırım Holding A.Ş.	--	33,830	--	--
Ortadoğu Liman (*)	--	--	152,848	--
Total	**6,970,297**	**55,680**	**534,537**	**88,169**

	2011		2010	
	Interest Given	Other	Interest Given	Other
Global Yatırım Holding	1,231,915	17,400	1,764,085	64,500
Global Sigorta	--	13,364	--	12,433
Global Menkul	10,551	139,704	90,267	34,033
Total	**1,242,466**	**170,468**	**1,854,352**	**110,966**

(*) Transactions in 2010 include amounts until 29 July 2010, the date on which the Group bought the 60% shareholding of Ortadoğu Liman's other investors.

In 2010, the Group purchased Global Yatırım Holding bonds with a nominal value of USD 16,750,000 for a consideration of TL 21,590,663 and on 28 December 201, these bonds were exchanged with new bonds amounting to TL 29,430,931 with a nominal value of USD 17,085,000. Additionally, for the year ended 31 December 2011, the Group recognized interest income amounting to TL 6,507,619 (2010: TL 390,015).

In 2011, the Group accounted for a gain amounting to TL 991,461 from the purchase and the sale of Global Yatırım Holding's publicly traded share certificates (2010: TL 954,600).

Transactions with key management personnel

For the years ended 31 December, details of benefits to key management personnel comprised the following:

	2011	2010
Salaries	1,432,961	905,216
Attendance fees to Board of Directors	244,332	357,858
Bonus	--	100,177
Compensation of seniority expenses-including provision and payment	14,382	--
Other	33,681	166,733
Total	**1,725,356**	**1,529,984**

28 Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- operational risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies which are governed centrally by Global Yatırım Holding are to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Management has a credit risk policy in place to monitor the exposure to credit risk on an ongoing basis. The Group has the ability to receive collateral for its financial assets. Furthermore, the Group obtains letters of guarantee or similar collaterals from third parties for specific agreements and projects, if necessary.

Regarding the credibility of the counterparty, letters of guarantee or advance payments are received as collateral for trade receivables from port operations. Within the context of credit risk policies described in this paragraph, the Group does not have significant credit risk from port operations.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has access to funding sources from banks and keeps a certain level of assets as cash and cash equivalents required for daily operations of the Group entities. The Group continuously assesses liquidity risk by identifying and monitoring changes in funding required in meeting business goals and targets set in terms of the overall Group strategy.

Current and future loan needs of the Group are supplied by continuous accessibility of a sufficient number of high quality banks for major subsidiaries of the Group.

28 Financial risk management *(continued)*

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Market risk for all subsidiaries is monitored and managed by the Global Yatırım Holding's Treasury and Fund Management Department.

Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currency of each company. The currencies in which these transactions primarily are denominated are USD, Euro and TL.

Ortadoğu Liman, Ege Liman and Bodrum Liman are exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than their functional currency. The currencies in which these transactions primarily are denominated are TL and Euro.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Interest rate risk

The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or reprice at different times or in differing amounts. As at 31 December 2011 and 2010, the Group does not use derivative instruments to hedge interest rate risk.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures

28 Financial risk management *(continued)*

Operational risk *(continued)*

- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective.

Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group aims include the continuity of the Group's operations, and an optimal capital structure to decrease the cost of the capital in order to provide earnings to shareholders when managing the capital.

28 Financial risk management *(continued)*

Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	RECEIVABLES					
31 December 2011	Trade receivables	Due from related parties	Other receivables	Cash at banks	Financial investments	Total
Net book value of financial assets not overdue or not exposed to impairment	3,526,444	5,489,960	308,082	35,389,767	32,447,219	77,161,472
Net book value of assets overdue but not exposed to impairment	--	--	--	--	--	--
Net book value of assets exposed to impairment	--	--	--	--	--	--
- Overdue (gross book value)	648,969	--	--	--	--	648,969
- Impairment(-)	(648,969)	--	--	--	--	(648,969)
Maximum credit risk exposure at reporting date	**3,526,444**	**5,489,960**	**308,082**	**35,389,767**	**32,447,219**	**77,161,472**
31 December 2010						
Net book value of financial assets not overdue or not exposed to impairment	1,245,471	5,071,628	1,810,019	15,833,346	21,958,746	45,919,210
Net book value of assets overdue but not exposed to impairment	--	--	--	--	--	--
Net book value of assets exposed to impairment	90,981	--	--	--	--	90,981
- Overdue (gross book value)	826,639	--	--	--	--	826,639
- Impairment(-)	(735,658)	--	--	--	--	(735,658)
Maximum credit risk exposure at reporting date	**1,336,452**	**5,071,628**	**1,810,019**	**15,833,346**	**21,958,746**	**46,010,191**

28 Financial risk management *(continued)*

Liquidity risk

The liabilities of the Group by relevant maturity groupings based on the remaining periods to repayment are as follows:

31 December 2011

CONTRACTUAL MATURITIES	Carrying value	Total cash outflow due to contracts	0-3 months	3-12 months	1-5 years	>5 years
NON-DERIVATIVE FINANCIAL LIABILITIES						
Banks loans	149,691,673	168,868,238	508,044	36,203,607	130,941,238	1,215,349
Finance lease liabilities	4,537,152	4,981,940	521,297	1,563,898	2,896,745	--
Trade and other payables	5,991,285	5,991,285	5,991,285	--	--	--
Due to related parties	1,449,954	1,449,954	929,650	520,304	--	--

31 December 2010

CONTRACTUAL MATURITIES	Carrying value	Total cash outflow due to contracts	0-3 months	3-12 months	1-5 years	>5 years
NON-DERIVATIVE FINANCIAL LIABILITIES						
Banks loans	125,393,758	136,248,548	678,288	23,997,829	94,411,848	17,160,583
Finance lease liabilities	5,111,679	5,817,580	428,485	1,285,455	4,103,640	--
Trade and other payables	1,679,487	1,679,487	1,679,487	--	--	--
Due to related parties	1,369,234	1,369,234	833,629	535,605	--	--

28 Financial risk management *(continued)*

Market risk

Currency risk

As at 31 December 2011, foreign currency risk exposures of the Group comprised the following:

	31 December 2011			
	TL equivalents	**USD**	**EURO**	**TL**
Trade receivables	221,372	--	63,319	66,634
Other monetary financial assets	7,982,289	300	327,344	7,654,645
Current assets	**8,203,661**	**300**	**390,663**	**7,721,279**
Monetary financial assets	4,960,143	--	225,972	4,407,914
Non current assets	**4,960,143**	**--**	**225,972**	**4,407,914**
Total assets	**13,163,804**	**300**	**616,635**	**12,129,193**
Trade payables	3,797,064	145,189	203,357	3,025,853
Financial liabilities	5,378,345	2,707,448	--	264,246
Other monetary liabilities	10,804,034	99,999	10,166	7,260,516
Current liabilities	**19,979,443**	**2,952,636**	**213,523**	**10,550,615**
Financial liabilities	27,350,056	14,468,607	--	20,304
Other monetary liabilities	2,763,816	--	--	2,763,816
Non-current liabilities	**30,113,872**	**14,468,607**	**--**	**2,784,120**
Total liabilities	**50,093,315**	**17,421,243**	**213,523**	**13,334,735**
Net foreign currency position	**(36,929,511)**	**(17,420,943)**	**403,112**	**(1,205,542)**

28 Financial risk management *(continued)*

Market risk *(continued)*

***Currency risk** (continued)*

As at 31 December 2010, foreign currency risk exposures of the Group comprised the following:

	31 December 2010			
	TL equivalents	**USD**	**EURO**	**TL**
Trade receivables	119,952	--	45,290	27,148
Other monetary financial assets	6,794,428	384,831	59,398	6,077,767
Current assets	**6,914,380**	**384,831**	**104,688**	**6,104,915**
Monetary financial assets	1,173,053	--	--	1,173,053
Non current assets	**1,173,053**	--	--	**1,173,053**
Total assets	**8,087,433**	**384,831**	**104,688**	**7,277,968**
Trade payables	1,273,335	--	14,597	1,243,425
Financial liabilities	3,423,470	2,180,483	--	52,443
Other monetary liabilities	1,189,205	--	25,544	1,136,863
Current liabilities	**5,886,010**	**2,180,483**	**40,141**	**2,432,731**
Financial liabilities	25,131,321	16,224,992	--	47,484
Other monetary liabilities	2,527,617	--	--	2,527,617
Non-current liabilities	**27,658,938**	**16,224,992**	--	**2,575,101**
Total liabilities	**33,544,948**	**18,405,475**	**40,141**	**5,007,832**
Net foreign currency position	**(25,457,515)**	**(18,020,644)**	**64,547**	**2,270,136**

28 Financial risk management *(continued)*

Market risk *(continued)*

Currency risk *(continued)*

TL exchange rate risk of subsidiaries and joint ventures whose functional currency is other than TL, is shown in TL line in the foreign currency risk table.

Sensitivity Analysis

A 10 percent strengthening or depreciation of the Turkish Lira against the following currencies as at 31 December 2011 and 2010 would have increased equity or profit or loss, excluding tax effects, by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

31 December 2011	PROFIT /LOSS		EQUITY(*)	
	Increase	Decrease	Increase	Decrease
	A 10 percent (strengthening)/weakening of the USD against TL:			
1- Net USD asset/liability	(3,290,642)	3,290,642	--	--
2- Hedged portion against USD risk (-)	--	--	--	--
3- Net effect of USD (1+2)	(3,290,642)	3,290,642	--	--
	A 10 percent (strengthening)/weakening of the Euro against TL:			
4- Net Euro asset/liability	(52,181)	52,181	--	--
5- Hedged portion against Euro risk(-)	--	--	--	--
6- Net effect of Euro (4+5)	(52,181)	52,181	--	--
TOTAL (3+6)	(3,342,823)	3,342,823	--	--

31 December 2010	PROFIT /LOSS		EQUITY	
	Increase	Decrease	Increase	Decrease
	A 10 percent (strengthening)/weakening of the USD against TL:			
1-Net USD asset/liability	(3,013,005)	3,013,005	--	--
2- Hedged portion against USD	--	--	--	--
3- Net effect of USD (1+2)	(3,013,005)	3,013,005	--	--
	A 10 percent (strengthening)/weakening of the Euro against TL:			
4- Net Euro asset/liability	13,226	(13,226)	--	--
5- Hedged portion against Euro risk(-)	--	--	--	--
6- Net effect of Euro (4+5)	13,226	(13,226)	--	--
TOTAL (3+6)	(2,999,779)	2,999,779	--	--

(*) Profit/ loss excluded

28 Financial risk management *(continued)*

Market risk *(continued)*

Interest rate risk

The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or re-price at different times or in differing amounts.

Interest rate exposure			
		31 December 2011	**31 December 2010**
Fixed-rate financial instruments		**46,504,499**	**15,709,433**
Financial assets	Cash at banks	33,926,560	13,160,225
	Available for sale financial assets	32,447,219	21,958,746
Financial liabilities	Loans and borrowings	(19,869,280)	(19,409,538)
Floating-rate financial instruments		**(134,359,545)**	**(111,095,899)**
Financial liabilities	Loans and borrowings	(134,359,545)	(111,095,899)

Cash flow sensitivity analysis floating-rate financial instruments

As at 31 December 2011, had the interest rates been higher by 100 basis points where all other variables remain constant, profit before tax would have been lower by TL 1,343,595 (2010: TL 1,110,959) and equity attributable to equity holders of the Company, excluding tax effects, would have been lower by TL 1,254,374 (2010: TL 858,694). Had the interest rates been lower by 100 basis points, the effect would be the same but in the opposite direction.

28 Financial risk management *(continued)*

Fair values

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

	Note	31 December 2011		31 December 2010	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets					
Cash and cash equivalents	20	37,540,329	37,540,329	15,927,600	15,927,600
Trade and other receivables	18	3,834,526	3,834,526	3,146,471	3,146,471
Due from related parties	27	5,489,960	5,489,960	5,071,628	5,071,628
Other assets	19	10,855,818	10,855,818	5,311,583	5,311,583
Investments	16	32,548,451	32,548,451	22,037,746	22,037,746
Total		**90,269,084**	**90,269,084**	**51,495,028**	**51,495,028**
Financial liabilities					
Loans and borrowings	22	154,228,825	154,080,259	130,505,437	130,360,249
Trade and other payables	23	13,857,579	13,857,579	3,046,331	3,046,331
Due to related parties	27	1,449,954	1,449,954	392,701	392,701
Total		**169,536,358**	**169,387,792**	**133,944,469**	**133,799,281**

Determination of the fair value of a financial instrument is based on market values when there are two counterparties willing to sell or buy, except under the conditions of events of default forced liquidation.

The Group determines the fair values based on the appropriate methods and market information. Fair values have been determined for measurement based on the following methods and assumptions:

The fair values of cash and cash equivalents, other monetary assets, which are short term, trade receivables and payables and long term foreign currency loans and borrowings with variable interest rates are expected to approximate to the carrying amounts of these assets and liabilities.

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Input other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or in directly (i.e., derived from prices);
Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

31 December 2011	Level 1	Level 2	Level 3	Total
Global Yatırım Holding bonds	1,480,475	30,966,744	--	**32,447,219**

31 December 2010	Level 1	Level 2	Level 3	Total
Global Yatırım Holding bonds	--	21,958,746	--	**21,958,746**

Global Liman İşletmeleri Anonim Şirketi
and its Subsidiaries

Condensed Consolidated Interim
Financial Information
As at and for the Six-Month Period Ended
30 June 2014
With Independent Auditors' Review Report

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
13 October 2014

This report includes 1 page of independent auditors' review report and 41 pages of condensed consolidated interim financial information together with their explanatory notes.

Global Liman İşletmeleri Anonim Şirketi and its Subsidiaries

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Notes to the Condensed Consolidated Interim Financial Information

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Independent Auditors' Report on Review of Consolidated Interim Financial Information

To the Board of Directors of
Global Liman İşletmeleri Anonim Şirketi

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Global Liman İşletmeleri Anonim Şirketi ("Global Liman") and its subsidiaries (together "the Group") as at 30 June 2014, 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, and notes to the interim financial information ("the condensed consolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard ("IAS 34"), *"Interim Financial Reporting"*. 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 the International 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 International 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 as at and for the six-month period ended 30 June 2014 is not prepared, in all material respects, in accordance with IAS 34, *"Interim Financial Reporting"*.

KPMG Akis Bağımsız Denetim ve SMMM A.Ş.

13 October 2014

Istanbul, Turkey

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
a Turkish corporation and a member firm of the KPMG network of independent
member firms affiliated with KPMG International Cooperative, a Swiss entity

Global Liman İşletmeleri A.Ş. and its Subsidiaries

Condensed Consolidated Interim Statement of Financial Position

As at 30 June 2014

Currency: TL

	Notes	30 June 2014	31 December 2013 Restated*
Assets			
Property and equipment, net	*12*	208,059,866	197,210,446
Intangible assets	*13*	589,582,239	612,751,046
Goodwill	*14*	27,307,825	27,448,004
Equity-accounted investees	*15*	45,853,354	46,420,009
Other investments	*16*	101,232	101,232
Deferred tax assets	*9*	9,727,952	11,838,676
Due from related parties	*28*	5,029,659	5,029,659
Other non-current assets	*18*	11,095,581	16,373,794
Total non-current assets		**896,757,708**	**917,172,866**
Trade and other receivables	*17*	15,517,190	12,423,674
Due from related parties	*28*	112,125,146	20,701,331
Other investments	*16*	29,882,770	33,045,271
Other current assets	*18*	16,211,907	13,223,689
Cash and cash equivalents	*19*	1,976,497	42,676,034
Total current assets		**175,713,510**	**122,069,999**
Total assets		**1,072,471,218**	**1,039,242,865**
Equity			
Share capital	*23*	66,269,683	66,269,683
Distribution to shareholders	*5*	(158,494,494)	(158,494,494)
Reserves	*23*	152,669,709	152,090,510
Retained earnings		311,593,334	310,094,985
Total equity attributable to equity holders of the Company		**372,038,232**	**369,960,684**
Non-controlling interests		**69,303,677**	**73,702,635**
Total equity		**441,341,909**	**443,663,319**
Liabilities			
Loans and borrowings	*20*	369,366,373	339,603,220
Deferred tax liabilities	*9*	111,562,170	116,699,761
Provisions	*24*	7,934,934	15,687,963
Employee benefits	*22*	3,566,782	3,641,396
Total non-current liabilities		**492,430,259**	**475,632,340**
Loans and borrowings	*20*	99,169,376	66,941,303
Trade and other payables	*21*	32,091,680	27,415,100
Due to related parties	*28*	830,088	19,618,359
Deferred income		1,299,972	--
Current tax liabilities		4,460,078	5,016,668
Provisions	*24*	847,856	955,776
Total current liabilities		**138,699,050**	**119,947,206**
Total liabilities		**631,129,309**	**595,579,546**
Total equity and liabilities		**1,072,471,218**	**1,039,242,865**

* See Note 3.

The accompanying notes are an integral part of this condensed consolidated interim financial information.

Global Liman İşletmeleri A.Ş. and its Subsidiaries

Condensed Consolidated Interim Statement of Profit or Loss and Comprehensive Income For the Six-Month Period Ended 30 June 2014

Currency: TL

	Notes	1 January-30 June 2014	1 January-30 June 2013
Revenue	*7*	85,293,014	60,792,652
Cost of sales	*7*	(53,942,902)	(38,412,712)
Gross profit		**31,350,112**	**22,379,940**
Other income		630,072	217,957
Selling and marketing expenses		(132,066)	(151,057)
Administrative expenses	*10*	(11,433,491)	(10,803,859)
Other expenses	*8*	(4,736,735)	(3,703,176)
Operating profit		**15,677,892**	**7,939,805**
Finance income	*11*	45,018,906	9,814,611
Finance costs	*11*	(55,513,553)	(9,870,195)
Net finance costs		**(10,494,647)**	**(55,584)**
Share of profit of equity-accounted investees, net of tax	*15*	2,252,150	--
Profit before income tax		**7,435,395**	**7,884,221**
Income tax expense		(3,078,777)	(2,772,344)
Profit for the period		**4,356,618**	**5,111,877**
Other comprehensive income			
Items that will never be reclassified to profit or loss			
Remeasurement of defined benefit liability	*22*	(529,010)	--
Related tax		105,802	--
		(423,208)	**--**
Items that may be reclassified to profit or loss			
Change in currency translation differences	*11*	(7,617,883)	32,723,327
Net change in fair value	*11*	--	1,198,238
Net investment hedge, net loss	*23*	4,470,820	--
		(3,147,063)	**33,921,565**
Other comprehensive income for the period, net of income tax		**(3,570,271)**	**33,921,565**
Total comprehensive income for the period		**786,347**	**39,033,442**
Profit attributable to:			
Owners of the Company		4,015,500	5,353,537
Non-controlling interests		341,118	(241,660)
		4,356,618	**5,111,877**
Total comprehensive income attributable to:			
Owners of the Company		2,077,548	36,885,256
Non-controlling interests		(1,291,201)	2,148,186
		786,347	**39,033,442**

The accompanying notes are an integral part of this condensed consolidated interim financial information.

Global Liman İşletmeleri A.Ş. and its Subsidiaries

Condensed Consolidated Interim Statement of Changes in Equity

For the Six-Month Period Ended 30 June 2014

Currency: TL

	Note	Share capital	Distribution to shareholders	Legal reserves	Hedging reserve	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2014		**66,269,683**	**(158,494,494)**	**18,909,630**	**(12,781,207)**	**145,962,087**	**310,094,985**	**369,960,684**	**73,702,635**	**443,663,319**
Total comprehensive income										
Profit for the period		--	--	--	--	--	4,015,500	4,015,500	341,118	**4,356,618**
Other comprehensive income		--	--	--	4,470,820	(5,985,564)	(423,208)	(1,937,952)	(1,632,319)	**(3,570,271)**
Total comprehensive income for the period		**--**	**--**	**--**	**4,470,820**	**(5,985,564)**	**3,592,292**	**2,077,548**	**(1,291,201)**	**786,347**
Transactions with owners of the Company										
Contributions and distributions										
Transfer		--	--	2,093,943	--	--	(2,093,943)	**--**	--	**--**
Dividends	23	--	--	--	--	--	--	**--**	(3,107,757)	**(3,107,757)**
Total contributions and distributions		**--**	**--**	**2,093,943**	**--**	**--**	**(2,093,943)**	**--**	**(3,107,757)**	**(3,107,757)**
Total transactions with owners of the Company		**--**	**--**	**2,093,943**	**--**	**--**	**(2,093,943)**	**--**	**(3,107,757)**	**(3,107,757)**
Balance at 30 June 2014		**66,269,683**	**(158,494,494)**	**21,003,573**	**(8,310,387)**	**139,976,523**	**311,593,334**	**372,038,232**	**69,303,677**	**441,341,909**

The accompanying notes are an integral part of this condensed consolidated interim financial information.

Global Liman İşletmeleri A.Ş. and its Subsidiaries

Condensed Consolidated Interim Statement of Changes in Equity

For the Six-Month Period Ended 30 June 2014

Currency: TL

	Note	Share capital	Distribution to shareholders	Legal reserves	Fair value reserve	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2013		**85,016,583**	**--**	**16,825,353**	**--**	**65,695,417**	**259,191,146**	**426,728,499**	**24,609,375**	**451,337,874**
Total comprehensive income										
Profit for the period		--	--	--	--	--	5,353,537	5,353,537	(241,660)	**5,111,877**
Other comprehensive income		--	--	--	794,345	30,737,374	--	31,531,719	2,389,846	**33,921,565**
Total comprehensive income for the period		**--**	**--**	**--**	**794,345**	**30,737,374**	**5,353,537**	**36,885,256**	**2,148,186**	**39,033,442**
Transactions with owners of the Company										
Contributions and distributions										
Transfer		--	--	479,026	--	--	(479,026)	**--**		**--**
Dividends		--	--	--	--	--	(8,707,339)	(8,707,339)	(4,959,954)	**(13,667,293)**
Total contributions and distributions		**--**	**--**	**479,026**	**--**	**--**	**(9,186,365)**	**(8,707,339)**	**(4,959,954)**	**(13,667,293)**
Changes in ownership interests										
Purchase of shares of entities under common control	5(i)	(18,746,900)	(158,494,494)	--	--	--	--	(177,241,394)	--	**(177,241,394)**
Total changes in ownership interests		**(18,746,900)**	**(158,494,494)**	**--**	**--**	**--**	**--**	**(177,241,394)**	**--**	**(177,241,394)**
Total transactions with owners of the Company		**(18,746,900)**	**(158,494,494)**	**479,026**	**--**	**--**	**(9,186,365)**	**(185,948,733)**	**(4,959,954)**	**(190,908,687)**
Balance at 30 June 2013		**66,269,683**	**(158,494,494)**	**17,304,379**	**794,345**	**96,432,791**	**255,358,318**	**277,665,022**	**21,797,607**	**299,462,629**

The accompanying notes are an integral part of this condensed consolidated interim financial information.

Global Liman İşletmeleri A.Ş. and its Subsidiaries

Condensed Consolidated Interim Statement of Cash Flows
As at and for the Six-Month Period Ended 30 June 2014
Currency: TL

	Notes	2014	2013
Cash flows from operating activities			
Profit for the period		4,356,618	5,111,877
Adjustments for			
Depreciation and amortization expense	*12&13*	28,812,166	20,851,217
Share of profit of equity-accounted investees, net of tax	*15*	(2,252,150)	--
Interest expense	*11*	14,994,975	3,487,500
Income tax expense		3,078,777	2,772,344
Unrealized foreign exchange differences on loans and borrowings		5,517,366	(3,521,599)
Operating cash flow before changes in operating assets and liabilities		**54,507,752**	**28,701,339**
Changes in:			
- employment termination indemnity		653,541	487,032
- trade and other receivables		(2,546,884)	(3,736,288)
- other current assets		(2,988,218)	421,937
- other non-current assets		5,278,213	(391,552)
- trade and other payables		5,976,552	2,191,955
- provisions		(7,860,949)	25,689
Cash generated from operating activities		**53,020,007**	**27,700,112**
Employee benefits paid	*22*	(728,155)	(182,494)
Income taxes paid		(6,712,796)	(5,055,804)
Net cash from operating activities		**45,579,056**	**22,461,814**
Investing activities			
Acquisition of property and equipment	*12*	(21,929,510)	(4,775,197)
Acquisition of intangible assets	*13*	(209,775)	(78,044)
Disposal of property and equipment	*12*	--	1,145,521
Change in financial investments	*16*	3,162,501	(7,787,986)
Change in other investments		885,716	--
Advances given for tangible assets	*16*	(547,549)	(2,133,458)
Net cash used in investing activities		**(18,638,617)**	**(13,629,164)**
Financing activities			
Decrease in share capital	*23*	--	(18,746,900)
Change in due from / due to related parties		(19,134,140)	10,794,225
Changes in advance dividends		(91,077,946)	--
Dividends paid	*23*	--	(5,193,246)
Interest paid		(13,598,516)	(3,431,081)
Proceeds from borrowings		109,173,592	27,792,265
Repayments of borrowings		(54,096,191)	(20,289,248)
Net cash used in financing activities		**(68,733,201)**	**(9,073,985)**
Currency translation differences		1,092,308	(13,273,746)
Net decrease in cash and cash equivalents		**(40,700,454)**	**(13,515,081)**
Cash and cash equivalents at 1 January	*19*	42,625,466	22,213,308
Cash and cash equivalents at 30 June	*19*	**1,925,012**	**8,698,227**

The accompanying notes are an integral part of this condensed consolidated interim financial information.

Notes to the condensed consolidated interim financial information

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1 Reporting entity

Global Altyapı Hizmetleri ve İşletmecilik A.Ş was originally incorporated to invest in Global Yatırım Holding A.Ş. ("Global Yatırım Holding")'s infrastructure projects in Istanbul, Turkey in 2004. On 13 September 2007, Global Altyapı Hizmetleri ve İşletmecilik A.Ş changed its trade name to Global Liman İşletmeleri A.Ş. ("Global Liman" or "the Company"). The main operation of the Company is to invest in the capital and management of companies that operate or will operate in the ports and port management industry.

Global Liman and its subsidiaries are together referred to as "the Group".

As at 30 June 2014 and 31 December 2013, 100% of the shares of the Company are owned by Global Yatırım Holding.

Global Yatırım Holding was established in 1990 with the trade name Global Menkul Değerler A.Ş. as a brokerage company in Istanbul, Turkey. In 2004, Global Yatırım Holding changed its trade name to Global Yatırım Holding A.Ş and changed its field of activity into that of a holding company. The main activity of Global Yatırım Holding is to participate in the capital and management of companies that operate or will operate in the fields of finance, energy, infrastructure and transportation and to minimize the volatility of its investments against economic fluctuations by handling the capital expenditure, financing, organization and administration of those companies within a portfolio, while contributing to the achievement of sustainable growth and ensuring the going concern of those 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 is registered with the Capital Market Board ("CMB") and its shares have been traded on the Istanbul Stock Exchange (Borsa Istanbul - "BIST") since May 1995 (From May 1995 to October 2004, traded as Global Menkul Değerler A.Ş.).

As at 30 June 2014, the number of employees of the Group was 728 (31 December 2013: 750). The address of the registered office of the Company is "Rıhtım Caddesi No: 51 Karaköy / Istanbul".

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

Subsidiaries	Location	Operations
Ege Liman İşletmeleri A.Ş. ("Ege Liman")	Aydın-Turkey	Port operations
Ortadoğu Antalya Liman İşletmeleri A.Ş. ("Ortadoğu Liman")	Antalya-Turkey	Port operations
Bodrum Liman İşletmeleri A.Ş. ("Bodrum Liman")	Muğla-Turkey	Port operations
Container Terminal and General Cargo – Bar ("Port of Bar")	Bar-Montenegro	Port operations
Torba İnşaat ve Turistik A.Ş. ("Torba")	İstanbul-Turkey	Real estate
Global Depolama A.Ş. ("Global Depolama")	İstanbul-Turkey	Storage
Randa Denizcilik San. ve Tic. Ltd. Şti. ("Randa")	Antalya-Turkey	Marine Vehicle Trade

1 Reporting entity *(continued)*

Ege Liman

Kuşadası Cruise Port was constructed in 1968 and was operated by the Turkish Maritime Organization Inc. (Turkiye Denizcilik Isletmeleri A.Ş.) ("TDI") until its privatization in 2003. On 2 July 2003, Ege Liman entered into a transfer of operational rights agreement ("TOORA") for Kuşadası Cruise Port for a period of 30 years with the Privatization Administration (Özelleştirme İdaresi Başkanlığı) ("OIB") and TDI. The TOORA will end in 2033. Kuşadası Cruise Port is the largest cruise ship terminal in Turkey and is a popular port of call for cruises originating from Greece, Italy, France, Spain and Turkey.

Global Liman acquired 72.50% of the shares of Ege Liman on 6 July 2005. The other shareholder of Ege Liman is Royal Caribbean Cruises Ltd ("RCCL").

Ege Liman offers the following basic services to ships calling at the port: tugging, pilotage, sheltering, and security, and clean water supply, disposal of solid waste, underwater diving inspection, fuel supply and liquid waste collection.

Ortadoğu Liman

Antalya Port, constructed in 1977, is a multi-functional facility harbouring a cruise port, a marina and a commercial port and was operated by the TDI until its privatization in 1998. Operational rights for Antalya Port were taken over for a period of 30 years by Ortadoğu Liman in August 1998. In 2001, due to the difficulties in the other commercial activities of the former shareholders of Ortadoğu Liman, Savings Deposit Insurance Fund ("SDIF") confiscated the company.

Akdeniz Liman İşletmeleri A.Ş. ("Akdeniz Liman"), a joint venture of Global Liman, acquired 99.99% of the shares of Ortadoğu Liman which were subsequently tendered by the SDIF. Akdeniz Liman merged with Ortadoğu Liman in December 2006 and all the rights and obligations of Akdeniz Liman were transferred to Ortadoğu Liman which was denoted the successor entity. The concession period will end in 2028.

Until 29 July 2010, Global Liman owned 39.80% shares of Ortadoğu Liman. On 29 July 2010, Global Liman acquired the 60% of the shares of Ortadoğu Liman from other shareholders and obtained control by raising the ownership to 99.80%.

Bodrum Liman

Bodrum Cruise Port was tendered by the State Railways, Ports and Airports Construction Company (Demiryolları, Limanlar ve Havayolları) ("DLH") in September 2003 through a 12-year Build-Operate-Transfer ("BOT") tender agreement, which commenced in December 2007. The BOT agreement period will end in 2019. The winning bidder of the BOT concession was a consortium, which later established Bodrum Liman to carry out the operations of Bodrum Cruise Port.

Global Liman acquired 60% of the shares of Bodrum Liman on 16 June 2008. Shareholders of the remaining 30% and 10% of the shares of Bodrum Liman are Yüksel Çağlar and Setur Servis Turistik A.Ş. ("Setur"), respectively.

1 Reporting entity *(continued)*

Port of Bar

On 23 July 2013, Global Liman won the tender for the repair, financing, operation, maintenance and transfer of Port of Bar and the right to acquire 62.09% of the shares in Port of Bar from the Montenegro Government through Container Terminal and General Cargo JSC-Bar, which has an operating concession for thirty years (terminating in 2043). Global Liman finalized a share purchase agreement with the Montenegro Government on 15 November 2013 and it was approved by the tender commission, the Montenegro Privatization and Capital Investments Authority and the Montenegro Council of Ministers. The shares were transferred to the Company on 30 December 2013.

Port of Bar represents an important link in the chain of intermodal transport because of its integration with the Belgrade-Bar railway and road traffic network, and benefits from a free zone regime. Port of Bar had a pier length of 1,619 meters and discount shopping area of 295 square meters.

For the first three years of its ownership, the Group is obliged to implement certain investment programs and social programs outlined in the share purchase agreement.

Torba

Torba was incorporated in Istanbul, Turkey, in 2006, for the purpose of developing a real estate project in Bodrum, Muğla. On 4 January 2008, a trustee was appointed to Torba due to the legal dispute with the previous shareholders. Torba is not consolidated with effect from 4 January 2008 in the consolidated financial statements, due to lack of control.

Global Depolama

Global Depolama was established on 9 July 2008 for the purpose of investing in the storage sector.

Randa

Randa was purchased by Global Liman on 17 February 2011 for a consideration of Euro 10,000. As at 30 June 2014 and 31 December 2013, Randa is inactive and is excluded from the scope of consolidation.

The nature of the operations and the locations of the equity-accounted investees of the Company are listed below:

Equity-accounted investees	Locations	Operations
Barcelona Port Investments, S.L (“BPI”)	Spain	Port operations
Creuers del Port de Barcelona, S.A. (“Creuers”)	Spain	Port operations

BPI was established with partnership of RCCL on 26 July 2013 to make investment in Barcelona cruise port. BPI is a special purpose joint venture between the Group and RCCL. The Group holds a 49% interest in BPI, and a call option right to acquire a further 1% interest from RCCL.

In 2013, the Group acquired a 21.5% interest in Creuers through BPI. Creuers holds a 100% interest in the port operation rights for the Barcelona cruise port, as well as 80% in the port operation rights for the Malaga cruise port and a 40% in the port operation rights for the Singapore cruise port.

Subsequently on 30 September 2014, BPI acquired the entire shares of Creuers and the Group’s interest in Creuers reached to 62% through the share transfer to BPI.

BPI has been provided with a long term project financing by the consortium comprises Banco Santander S.A, Bancı Bilbao Vizcaya Argentaria S.A (“BBVA”), CaixaBank S.A located in Spain and Demir-Halk Bank N.V (located in Nederland) with the leadership of BBVA in order to acquire the shares of Creuers.

2 Basis of preparation

(a) Statement of compliance

This condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2013. This condensed consolidated interim financial information does not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS").

The Company and its subsidiaries operating in Turkey maintain their books of account and prepare their statutory financial statements in Turkish Lira ("TL") in accordance with the Turkish Commercial Code, tax legislation and Turkish Uniform Chart of Accounts. The subsidiary operating in Montenegro and the equity-accounted investees operating in Spain maintain their books of account and prepare their statutory financial statements in Euro in accordance with their respective local laws. The accompanying condensed consolidated interim financial information are based on these statutory record with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRSs.

(b) Use of estimates and judgments

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2013.

(c) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective as at 30 June 2014, and have not been applied in preparing these consolidated interim financial statements. Among those new standards, the following are expected to have effect on the consolidated financial statements of the Group:

- *IFRS 9 Financial Instruments* - could change the classification and measurement of financial assets and becomes effective for annual periods beginning on or after 1 January 2015.
- *IFRS 15 Revenue from Contracts with Customers* - establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

  IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2017, with early adoption permitted.

The Group does not plan to adopt this standard early and the extent of the impact has not been determined yet.

3 Significant accounting policies

Except as described below, the accounting policies applied in preparation of the accompanying condensed consolidated interim financial information are consistent with the accounting policies applied in the annual consolidated financial statements of the Group as at and for the year ended 31 December 2013. The following changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2014.

Finalization of acquisition accounting of the Port of Bar

As explained in Note 5 (ii) (c), the acquisition accounting of Port of Bar which was temporarily recognized as at and for the year ended 31 December 2013 according to IFRS 3 "Business Combinations" has been completed as at 30 June 2014. As a result of this transaction, provisions for employee termination indemnity and intangible assets increased by TL 15,687,903. This accounting change has been applied retrospectively in compliance with IFRS 3 and reflected in the interim consolidated financial statements for comparative figures as at 31 December 2013.

4 Segment reporting

Operating segments considered in performance evaluation by the Group management are determined by considering the Group's risks and resources and internal reporting structure. The Group's operating segments are Kuşadası Port, Antalya Port, Bodrum Port and Port of Bar, which are operated by Ege Liman, Ortadoğu Liman, Bodrum Liman and Port of Bar, respectively. Other operations of the Group, which include Global Liman, and Global Depolama, do not generate external revenues and therefore are presented to reconcile to the consolidated financial statements.

Information regarding all the segments is stated below. External revenues and earnings before interest, tax, depreciation and amortization ("EBITDA") are reviewed in the assessment of the financial performance of the operating segments. The Group management assesses EBITDA as the most appropriate method for the review of the segment operations, based on comparability with other companies in the same industry. The reconciliation of EBITDA to profit before tax and elements of EBITDA are disclosed as follows.

4 Segment reporting *(continued)*

As at 30 June 2014 and 31 December 2013, the details of reportable segments comprised the following:

	Kuşadası Port		Antalya Port		Bodrum Port		Port of Bar		Other		Total	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013 (*) Restated
Segment assets	109,676,893	105,096,702	586,907,903	618,636,332	25,847,308	29,203,237	149,410,308	104,175,325	200,628,806	166,443,306	**1,072,471,218**	**1,023,554,902**
Segment liabilities	50,308,377	28,290,071	186,321,827	201,915,759	6,453,818	6,219,987	19,268,703	10,321,445	368,776,584	333,144,321	**631,129,309**	**579,891,583**
Capital expenditures	16,327,581	2,978,514	5,025,952	12,085,353	54,864	153,267	566,136	--	164,752	106,574	**22,139,285**	**15,323,708**

(*) See Note 3

For the six-month periods ended 30 June, the details of reportable segments comprised the following:

	Kuşadası Port		Antalya Port		Bodrum Port		Port of Bar		Other		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
External revenues	11,428,465	9,873,024	61,775,956	49,712,020	1,329,918	1,207,608	10,758,675	--	--	--	**85,293,014**	**60,792,652**
EBITDA	7,945,988	2,706,096	42,341,519	27,149,517	(197,113)	63,713	1,674,857	--	(5,023,043)	(1,128,304)	**46,742,208**	**28,791,022**
Depreciation and amortization expense	(2,005,115)	(1,557,098)	(22,354,400)	(17,995,762)	(2,024,820)	(1,203,027)	(2,338,225)	--	(89,606)	(95,330)	**(28,812,166)**	**(20,851,217)**

	2014	2013
Revenues		
Total revenue for reportable segments	85,293,014	60,792,652
Consolidated revenue	**85,293,014**	**60,792,652**
Consolidated EBITDA	46,742,208	28,791,022
Finance income	45,018,906	9,814,611
Finance costs	(55,513,553)	(9,870,195)
Depreciation and amortization	(28,812,166)	(20,851,217)
Consolidated profit before income tax	**7,435,395**	**7,884,221**

5 Acquisitions

(i) Purchase of shares of entities under common control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses ultimately are controlled by the same party or parties both before and after the combination. The acquisition of an entity under common control is accounted for using carrying amounts, and in its consolidated financial statements the acquirer is permitted, but not required, to restate its comparatives as if the combination had been in existence throughout the reporting periods presented. The Group has, however, elected to account for the acquisitions of entities under common control from the acquisition date.

On 24 December 2012, Global Yatırım Holding signed a share purchase agreement with Savina Holding GmbH for 22.11% shares of Global Liman at an amount of USD 95,945,000 including dividend rights of Savina. Transfer of Global Liman shares to Global Yatırım Holding has been completed on 7 February 2013 after the fulfillment of the several pre-conditions, such as permission of the Competition Board. Global Yatırım Holding paid to Savina an amount of USD 91,724,063 after deduction of dividend amount paid during the period. Global Yatırım Holding's shares at Global Liman reached 99.99% following this share transfer.

Subsequent to the acquisition, as part of a structuring process, Global Yatırım Holding sold 22.11% of Global Liman shares to Adonia Deniz ve Liman Yatırımları ve İşletmeciliği A.Ş. ("Adonia"), a newly established company with a share capital of TL 50,000 and a fully owned subsidiary of Global Yatırım Holding, at an amount of TL 177,241,394 on 24 June 2013. As part of this transaction, Global Yatırım Holding transferred bank loans amounting TL 161,867,430 (equivalent to USD 83,700,000) (see Note 23, (ii)) to Adonia and the remaining amount of TL 15,373,964 is due to Global Yatırım Holding.

On 28 June 2013, Global Liman and Adonia merged into Global Liman and the legal personality of Adonia has ended.

In order to comply with the provisions of the Turkish Commercial Code, share capital of Global Liman has been decreased by TL 18,746,900, from TL 85,000,000 to TL 66,253,100.

As a result, the difference between the book value of Global Liman shares in Adonia's accounts and Global Liman's accounts, TL 158,494,494, have been recognized in equity under "Distribution to Shareholders" in the accompanying consolidated financial statements.

(ii) Acquisition of the Port of Bar

The contract comprising acquisition of 62.09 % shares of general freight and cargo terminal of the Port of Bar located in Montenegro has been signed on 15 November 2013 after Global Liman offered the tender comprised the repair and maintenance of the port, financing, construction and operating the port for 30 years and initiated by the Ministry of Transportation and the Maritime and Port Administration of Montenegro, approvals and procedures related to sales transaction was completed on 30 December 2013 and after that day the Group obtained management and control of the Port of Bar.

Global Liman is under obligation of performing some investment and social programs stated in the agreement in the first three years following the acquisition. Global Liman has made a commitment amounting to Euro 13.5 million with respect to investment expenditures for the first three years. Service scale of the Port of Bar will be arranged with the Port Administration of Montenegro in accordance with the terms of concession agreement.

5 Acquisitions *(continued)*

(ii) ***Acquisition of the Port of Bar*** *(continued)*

Taking control of the Port of Bar will enable the Group to acquire the operation right of a port operating overseas. The Group plans to increase port investments overseas and expands its port portfolio overseas by new port investments.

a) Consideration transferred

The acquisition cost amounting to Euro 8,071,700 (equivalent to TL 23,160,129) was totally paid to the Ministry of Transportation and Maritime Affairs on 30 December 2013.

b) Acquisition-related costs

The Group incurred acquisition-related costs of TL 2,479,284 on legal fees and due diligence costs. These costs have been recognized under gain on bargain purchase, net (see (d)).

c) Identifiable assets acquired and liabilities assumed

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the acquisition date.

In TL	*Note*	
Property and equipment	*12*	82,881,996
Intangible assets	*13*	51,104,572
Deferred tax asset	*9*	3,968,598
Other assets		10,430,251
Trade and other receivables		3,280,147
Cash and cash equivalents		426,838
Loans and borrowings		(2,656,302)
Trade and other payables		(5,436,278)
Provisions for employee termination indemnity		(17,666,371)
Other liabilities		(250,457)
Total identifiable net assets acquired		**126,082,994**

Measurement of fair values

The valuation techniques used for measuring the fair value of the assets acquired were as follows.

Identifiable assets, liabilities and contingent liabilities are recognized at fair value according to “Business Combinations (“IFRS 3”)”. Transaction was recognized using provisional values in the consolidated financial statements due to limited duration between the date of acquisition and preparation of financial statements and measurement of identifiable assets and liabilities were in progress at 31 December 2013. The fair value of the identifiable monetary assets of the Port of Bar are assessed to be equal to the carrying value and the fair value of the property and equipment is determined by a fixed asset expert for the recognition of the provisional values in the acquisition transaction. A separate intangible asset was recognized as a result of the acquisition as port operation right after identifiable assets and liabilities mentioned above are excluded.

The fair value of the Port of Bar has been determined by using the weighted average of the value based on the market approach method and income approach method prepared by an independent appraisal company.

5 Acquisitions *(continued)*

(ii) ***Acquisition of the Port of Bar*** *(continued)*

c) ***Identifiable assets acquired and liabilities assumed*** *(continued)*

According to income approach method, the company value has been determined by using discounted cash flow method over cash flows in specified future. The company value was determined by discounted cash flow method, on the basis of Euro and a rate of 13.66% was used as discount rate and weighted average capital cost. In valuation process, current and forecast port traffic of 30 years, existing capacity and capacity which the Group is targeting to have after investing the planned amount, discounted cash flow has been calculated over 30 years projections in consideration with commitments of contract articles and planning restructuring operations. In the market approach method, the valuation methods which respect to relative valuation approach and comparable share trading transactions were used based on the Pricing/Sales and Firm Value standard rates of similar companies.

The acquisition accounting of the Port of Bar which was provisionally determined as at and for the year ended 31 December 2013 according to IFRS 3 "Business Combinations" has been completed as at 30 June 2014. As a result of this transaction:

- provisions for employee termination indemnity increased by TL 15,687,903.
- intangible assets increased to TL 51,104,572 from TL 35,416,609.
- Other identifiable assets and liabilities and gain on bargain purchase price calculations were not changed.

The adjustments to the provisional amounts have been applied retrospectively in compliance with IFRS 3 and reflected in the consolidated financial statements as at 31 December 2013.

d) ***Gain on bargain purchase***

Gain on bargain purchase arising from the acquisition has been recognized as follows.

In TL	*Note*	
Consideration transferred	*(a)*	23,160,129
NCI, based on their proportionate interest in the recognized amounts of the assets and liabilities of Port of Bar		47,798,063
Fair value of identifiable net assets	*(c)*	(126,082,994)
Gain on bargain purchase		**(55,124,802)**

The realized and expected growth in the operations due to the increase in the capacity usage ratio as a result of the working capital fund transfers and investments in order to improve the productivity and working capacity of the port that would contribute to the value of the operation resulted in gain on bargain purchase as a result of the acquisition of the Port of Bar. The acquisition of the Port of Bar's shares contributed a net profit of TL 55,124,802 which was accounted for as gain on bargain purchase under other income in the consolidated financial statements for the year ended 31 December 2013.

Gain on bargain purchase amounting to TL 55,124,802 has been recognized after netting off with the related acquisition costs amounting to TL 2,479,284 in other income amounting to TL 52,645,518 in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2013.

6 Acquisition of non-controlling interests

In 2013, the Group acquired an additional 21% and 0.20% interests in İzmir Liman and Ortadoğu Liman respectively, increasing its ownership from 79% to 100% in İzmir Liman and from 99.80% to 100.00% in Ortadoğu Liman. The Group recognized:

- a decrease in NCI of TL 2,014,191; and
- a decrease in retained earnings of TL 4,041,022

On 24 June 2014, Global Liman and İzmir Liman have merged into Global Liman and the legal personality of İzmir Liman has ended.

7 Revenue and cost of sales

Revenue

For the six-month periods ended 30 June, revenue comprised the following:

	2014	2013
Container revenues	43,452,388	29,170,581
Port service revenues	17,704,031	13,337,761
Cargo revenues	13,303,479	9,838,953
Rent revenues (*)	4,980,977	3,556,180
Landing fees	3,173,594	3,242,839
Setur rent revenues	826,261	808,917
Domestic water sales	406,974	416,910
Other revenue	1,445,310	420,511
Total	**85,293,014**	**60,792,652**

(*) Includes all rent revenues except Setur rent revenues.

Cost of sales

For the six-month periods ended 30 June, cost of sales comprised the following:

	2014	2013
Depreciation and amortization expenses	27,190,635	20,469,996
Personnel expenses	13,567,465	7,214,371
Subcontractor lashing expenses	2,040,704	2,086,448
Subcontractor crane expenses	2,002,093	1,518,988
Fuel expenses	1,475,184	1,044,870
Repair and maintenance expenses	1,152,010	787,694
Container transportation expenses	965,597	898,702
Security expenses	824,236	584,436
Commission fees to government authorities and pilotage expenses	711,067	638,762
Insurance expenses	667,687	517,605
Port energy usage expenses	485,317	502,836
Tugboat rental expenses	480,516	--
Shopping mall expenses	329,952	340,374
Port rental expenses	151,398	510,218
Other expenses	1,899,041	1,297,412
Total	**53,942,902**	**38,412,712**

8 Other expenses

For the six-month periods ended 30 June, other expenses comprised the following:

	2014	2013
Project expenses (*)	3,188,792	880,264
Partial exception expenses	406,316	213,863
Provisions	274,528	--
Donations	--	1,953,883
Other	867,099	655,166
Total	**4,736,735**	**3,703,176**

(*) The project expenses are mainly related to the projects for new acquisitions and financing of these new projects.

9 Income tax expense

The movement of net deferred tax liability for the six-month periods ended 30 June, is as follows:

	2014	2013
Balance at 1 January	**(104,861,085)**	**(94,861,128)**
Deferred tax benefit in income	3,077,429	2,278,842
Currency translation difference	(50,562)	(8,364,547)
Balance as at 30 June	**(101,834,218)**	**(100,946,833)**

10 Administrative expenses

For the six-month periods ended 30 June, administrative expenses comprised the following:

	2014	2013
Personnel expenses	5,606,951	5,977,159
Depreciation and amortization expenses	1,681,930	381,220
Consultancy expenses	1,158,757	1,909,899
Travel expenses	493,940	473,957
Representation expenses	450,787	158,100
IT Expenses	294,665	67,977
Taxes other than on income	260,874	81,511
Vehicle expenses	157,010	101,824
Communication expenses	141,462	103,257
Office operating expenses	131,039	115,623
Stationary expenses	86,126	53,349
Repair and maintenance expenses	23,440	49,857
Other expenses	946,510	1,330,126
Total	**11,433,491**	**10,803,859**

11 Finance income and costs

For the six-month periods ended 30 June, finance income comprised the following:

Finance income	**2014**	**2013**
Foreign exchange gain	40,272,601	7,663,057
Interest income on marketable securities (*)	2,129,354	1,909,320
Interest income on banks and others	2,199,509	146,652
Gain on sale of marketable securities	417,442	95,582
Total	**45,018,906**	**9,814,611**

(*) Interest income on marketable securities comprises the interest income earned from the Global Yatırım Holding's bonds during the year.

For the six-month periods ended 30 June, finance costs comprised the following:

Finance costs	**2014**	**2013**
Foreign exchange losses	37,884,795	6,052,277
Interest expense on loans and borrowings	14,994,975	3,487,500
Loan commission expenses	531,851	--
Loss on sale of marketable securities	817,237	45,891
Other	1,284,695	284,527
Total	**55,513,553**	**9,870,195**

For the six-month periods ended 30 June, finance income and costs accounted for in other comprehensive income comprised the following:

	2014	**2013**
Foreign currency translation differences	(7,617,883)	32,723,327
Net investment hedge	4,470,820	--
Fair value reserve	--	1,198,238
Total	**(3,147,063)**	**33,921,565**

12 Property and equipment

For the six-month periods ended 30 June, movements of property and equipment comprised the following:

	2014	**2013**
Net book value as at 1 January	**197,210,446**	**93,745,226**
Additions (*)	21,929,510	4,775,197
Disposals	--	(1,145,521)
Depreciation	(8,426,046)	(4,487,474)
Currency translation differences	(2,654,044)	6,330,404
Net book value as at 30 June	**208,059,866**	**99,217,832**

(*) A significant portion of the additions are comprised of leasehold improvement and machinery and equipment for the six-month period ended 30 June 2014 and 2013.

As at 30 June 2014, the net book value of machinery and equipment purchased through leasing amounts to TL 6,602,757 (30 June 2013: TL 5,771,392) and the net book value of motor vehicles purchased through leasing amounts to TL 19,380,859 (30 June 2013: TL 3,312,217).

12 Property and equipment *(continued)*

As at 30 June 2014 and 31 December 2013, according to the "TOORA" signed with Ege Liman and Ortadoğu Liman and the "BOT" tender agreement signed with Bodrum Liman, at the end of the agreement periods, real estate with their capital improvements will be returned as running, clean, free of any liability and free of charge. The details of the pledge or mortgage on property and equipment regarding the loans and borrowings are explained on Note 20.

For the six-month period ended 30 June 2014 and as at and for the year ended 31 December 2013, there is no capitalization of borrowing cost on property and equipment.

13 Intangible assets

For the six-month periods ended 30 June, movements of intangible assets comprised the following:

	2014	2013
Net book value as at 1 January	**612,751,046**	**501,193,955**
Additions	209,775	78,044
Amortization	(20,386,120)	(16,363,743)
Currency translation differences	(2,992,462)	38,926,656
Net book value as at 30 June	**589,582,239**	**523,834,912**

14 Goodwill

For the six-month periods ended 30 June, movements of goodwill comprised the following:

	2014	2013
Net book value as at 1 January	**27,448,004**	**22,924,993**
Currency translation differences	(140,179)	1,828,752
Net book value as at 30 June	**27,307,825**	**24,753,745**

As at 30 June 2014 and 31 December 2013, the net book value included goodwill related to the acquisition of Ege Liman in its consolidated financial statements.

As at 31 December 2013, the Group tested impairment by comparing the goodwill from the acquisition of Ege Liman with the values in use of the cash generating units and concluded that no impairment exists.

As at 30 June 2014, goodwill was not tested for impairment because there were no impairment indicators.

15 Equity-accounted investees

At 30 June 2014 and 31 December 2013, BPI is the only joint arrangement in which the Group participates.

The following table summarizes the financial information of BPI as included in its own financial statements. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in BPI.

In TL	**30 June 2014**	**31 December 2013**
Percentage ownership interest	49%	49%
Non-current assets	91,880,276	94,298,806
Current assets	2,802,401	563,732
Current liabilities	(1,104,405)	(127,826)
Net assets (100%)	93,578,272	94,734,712
The Group's share of net assets (49%)	45,853,354	46,420,009
Carrying amount of interest in joint venture	**45,853,354**	**46,420,009**
Revenue	4,738,963	2,013,914
Expenses	(142,738)	(541,708)
Profit and total comprehensive income (100%)	4,596,225	1,472,206
The Group's share of profit and total comprehensive income (49%)	**2,252,150**	**721,380**

16 Other investments

Financial assets available for sale

As at 30 June 2014 and 31 December 2013, financial assets available for sale comprised the following:

	30 June 2014	**31 December 2013**
Global Yatırım Holding bonds	28,582,770	29,054,619
Share certificates of Global Yatırım Holding	1,300,000	3,990,652
Total	**29,882,770**	**33,045,271**

The Group has purchased Global Yatırım Holding's bonds. As at 30 June 2014, the bonds' maturity is 30 June 2017 with an annual nominal interest rate of 11% and a nominal amount of USD 14,750,000 (31 December 2013: the bonds' maturity is 30 June 2017, annual nominal interest rate of 11% and a nominal amount of USD 15,050,000).

Global Yatırım Holding shares are actively traded in Borsa İstanbul.

As at 30 June 2014 and 31 December 2013, investments in equity instruments that are not quoted in an active market comprised the following:

	30 June 2014		**31 December 2013**	
	Share Ratio (%)	**Book Value**	**Share Ratio (%)**	**Book Value**
Torba (*)	79.00	79,000	79.00	79,000
Randa (**)	99.99	22,232	99.99	22,232
Total		**101,232**		**101,232**

(*) Torba is excluded from consolidation due to appointment of a trustee at 4 January 2008 and loss of control. Torba is carried at cost in the consolidated financial statements, since its shares are not quoted in an active market.

(**) Randa was purchased by Global Liman on 17 February 2011 for a consideration of Euro 10,000. As at 30 June 2013, Randa is inactive and is excluded from the scope of consolidation.

17 Trade and other receivables

As at 30 June 2014 and 31 December 2013, trade and other receivables comprised the following:

	30 June 2014	31 December 2013
Trade receivables	12,789,797	11,727,970
Receivables from VAT	1,336,771	20,153
Due from subsidiaries' other shareholders	937,219	--
Deposits and advances given	37,751	37,751
Other receivables (*)	415,652	637,800
Total trade and other receivables	**15,517,190**	**12,423,674**

(*) As at 30 June 2014 and 31 December 2013, the Group companies except Ege Liman classified receivables from RCCL under other receivables.

As at 30 June 2014 and 31 December 2013, trade receivables comprised the following:

	30 June 2014	31 December 2013
Receivables from customers	13,519,955	12,183,600
Allowance for doubtful receivables (-)	(730,158)	(455,630)
Total	**12,789,797**	**11,727,970**

Movements in the allowance for doubtful trade receivables for the six-month periods ended 30 June comprised the following:

	2014	2013
Balance at 1 January	(455,630)	(664,610)
Allowance for the period	(274,528)	(7,130)
Written off during the period	--	50,461
Balance as at 30 June	**(730,158)**	**(621,279)**

As at 30 June 2014 and 31 December 2013, current trade receivables mature between 0-1 months.

Foreign currency risk with respect to trade and other receivables are disclosed in Note 27.

Bad debt expense on doubtful receivables is recognized in administrative expenses.

18 Other assets

Other non-current assets

As at 30 June 2014 and 31 December 2013, other non-current assets comprised the following:

	30 June 2014	31 December 2013
Housing loans given to personnel (*)	7,872,695	8,653,178
Advances given (**)	3,143,495	547,549
Prepaid expenses	44,697	3,016,944
Deposits and guarantees given	34,694	35,194
Value added tax (“VAT”) (***)	--	4,081,571
Other	--	39,358
Total	**11,095,581**	**16,373,794**

(*) As a state-owned company before being acquired by the Group, the Port of Bar had granted housing loans to its personnel.

(**) Advances given are mainly composed of the advances given by Ortadoğu Liman for the purchase of machinery and for the investments related to the passenger terminal.

(***) As at 31 December 2013, the Group classified VAT receivables of İzmir Liman amounting to TL 4,081,571 previously as non-current since value added tax payables from revenues cannot be offset with the value added tax receivables in the short-term. On 24 June 2014, Global Liman and İzmir Liman have merged into Global Liman and the legal personality of İzmir Liman has ended and this VAT receivables have been netted off after the merger.

Other current assets

As at 30 June 2014 and 31 December 2013, other current assets comprised the following:

	30 June 2014	31 December 2013
Advances given	5,135,146	4,441,786
Prepaid expenses	4,292,159	1,753,938
Value added tax (“VAT”)	4,261,623	2,053,310
Income accruals	375,478	1,339,818
Prepaid taxes	46,862	1,638,086
Other	2,100,639	1,996,751
Total	**16,211,907**	**13,223,689**

19 Cash and cash equivalents

As at 30 June 2014 and 31 December 2013, cash and cash equivalents comprised the following:

	30 June 2014	**31 December 2013**
Cash on hand	222,740	177,083
Cash at banks	1,753,757	37,998,443
-Demand deposits	*1,690,047*	*5,348,869*
-Time deposits	*63,710*	*32,649,574*
Reverse repo	--	4,495,547
Other liquid assets	--	4,961
Cash and cash equivalents	**1,976,497**	**42,676,034**

	30 June 2014	**31 December 2013**
Cash and cash equivalents	1,976,497	42,676,034
Restricted cash	(51,485)	(50,568)
Cash and cash equivalents for cash flow statement purposes	**1,925,012**	**42,625,466**

As at 30 June 2014 and 31 December 2013, maturities of time deposits comprised the following:

	30 June 2014	**31 December 2013**
Up to 1 month	63,710	32,615,250
1-3 months	--	34,324
Total	**63,710**	**32,649,574**

As at 30 June 2014 and 31 December 2013, the ranges of interest rates for time deposits are as follows:

	30 June 2014	**31 December 2013**
Interest rate for time deposit-TL (lowest)	5.25%	6.50%
Interest rate for time deposit-TL (highest)	5.25%	8.25%
Interest rate for time deposit-USD (lowest)	--	0.35%
Interest rate for time deposit-USD (highest)	--	0.35%

As at 30 June 2014, cash at banks amounting to TL 51,485 (31 December 2013: TL 50,568) is restricted due to the bank loans guarantees and subscription guarantees.

20 Loans and borrowings

As at 30 June 2014 and 31 December 2013, loans and borrowings comprised the following:

Short term loans and borrowings	**30 June 2014**	**31 December 2013**
Short term bank loans	11,573,810	2,684,300
-TL Loans	*1,700,000*	*550,000*
-Foreign currency loans	*9,873,810*	*2,134,300*
Short term portion of long term bank loans	78,078,427	63,169,421
-TL Loans	*48,582*	*48,479*
-Foreign currency loans	*78,029,845*	*63,120,942*
Finance lease obligations	9,517,139	1,087,582
Total	**99,169,376**	**66,941,303**

Long term loans and borrowings	**30 June 2014**	**31 December 2013**
Long term bank loans	361,264,564	338,621,635
-TL Loans	*11,312*	*32,922*
-Foreign currency loans	*361,253,252*	*338,588,713*
Finance lease obligations	8,101,809	981,585
Total	**369,366,373**	**339,603,220**

As at 30 June 2014 and 31 December 2013, maturity profile of long term bank loans comprised the following:

Year	**30 June 2014**	**31 December 2013**
Between 1-2 years	13,108,617	66,949,349
Between 2-3 years	75,471,708	66,447,626
Between 3-4 years	50,449,040	41,962,371
Over 5 years	222,235,199	163,262,289
Total	**361,264,564**	**338,621,635**

As at 30 June 2014 and 31 December 2013, maturity profile of finance lease obligations comprised the following:

	30 June 2014			**31 December 2013**		
	Future minimum lease payments	*Interest*	*Present value of minimum lease payments*	*Future minimum lease payments*	*Interest*	*Present value of minimum lease payments*
Less than one year	9,609,449	92,310	9,517,139	1,177,968	90,386	1,087,582
Between one and five years	10,765,956	2,664,147	8,101,809	1,022,017	40,432	981,585
Total	**20,375,405**	**2,756,457**	**17,618,948**	**2,199,985**	**130,818**	**2,069,167**

20 Loans and borrowings *(continued)*

Details of the loans and borrowings as at 30 June 2014 are as follows:

					30 June 2014		
Loan Type	**Company Name**	**Currency**	**Maturity**	**Interest Type**	**Interest rate %**	**Principal (TL)**	**Carrying Value (TL)**
Loans used to finance investments and projects							
Secured Loan *(i)*	Global Liman	USD	2017	Floating	Libor+4.95%	21,021,660	21,068,350
Secured Loan *(ii)*	Global Liman	USD	2021	Floating	Libor+5.35%	168,397,830	168,693,503
Secured Loan *(ii)*	Global Liman	USD	2023	Floating	Libor+5.60%	23,187,528	20,631,822
Secured Loan *(ii)*	Global Liman	USD	2023	Floating	Libor+5.60%	21,738,308	21,790,639
Secured Loan *(ii)*	Global Liman	USD	2023	Floating	Libor+5.60%	57,037,178	57,174,487
Secured Loan *(ii)*	Global Liman	USD	2023	Floating	Libor+5.60%	35,298,871	35,348,689
Secured Loan *(ii)*	Global Liman	USD	2023	Floating	Libor+6.75%	41,406,300	41,471,443
Secured Loan	Bodrum Liman	USD	2014	Fixed	7.95%	506,908	522,551
Secured Loan	Bodrum Liman	USD	2016	Fixed	7.75%	1,222,781	1,245,650
Secured Loan *(iii)*	Ortadoğu Liman	USD	2016	Floating	Libor+4.95%	33,974,400	34,275,479
Secured Loan *(iv)*	Ortadoğu Liman	USD	2016	Fixed	5.15%	3,981,375	4,027,064
Secured Loan *(v)*	Ortadoğu Liman	USD	2017	Floating	Libor+5.05%	7,962,750	7,979,191
Secured Loan *(vi)*	Ortadoğu Liman	USD	2019	Fixed	5.65%	7,077,999	7,116,465
Secured Loan	Ortadoğu Liman	TL	2015	Fixed	11.76%	59,486	59,894
Secured Loan	Port of Bar	EUR	2017	Fixed	7.80%	1,371,995	1,374,054
						424,245,369	**422,779,281**
Loans used to finance working capital							
Unsecured Loan	Bodrum Liman	TL	2015	Fixed	11.00%	1,700,000	1,700,000
Unsecured Loan	Ege Liman	USD	2016	Floating	Libor+5.05%	1,698,720	1,707,925
Unsecured Loan	Ege Liman	USD	2015	Fixed	4.75%	1,380,210	1,380,210
Unsecured Loan	Ege Liman	USD	2015	Fixed	3.51%	6,370,200	6,370,200
Unsecured Loan	Ege Liman	USD	2015	Fixed	6.25%	2,123,400	2,123,400
Secured Loan *(iii)*	Ortadoğu Liman	USD	2016	Floating	Libor+4.95%	13,802,100	13,924,321
Secured Loan	Port of Bar	EUR	2017	Fixed	7.62%	933,112	931,464
						28,007,742	**28,137,520**
Finance lease obligations							
Leasing *(vii)*	Ortadoğu Liman	USD	2015	Fixed	5.92%	1,048,339	1,048,339
Leasing	Ortadoğu Liman	USD	2017	Fixed	5.75%	477,123	477,123
Leasing *(viii)*	Ege Liman	EUR	2020	Fixed	7.75%	16,093,486	16,093,486
						17,618,948	**17,618,948**
						469,872,059	**468,535,749**

20 Loans and borrowings *(continued)*

Details of the loans and borrowings as at 31 December 2013 are as follows:

						31 December 2013	
Loan type	**Company name**	**Currency**	**Maturity**	**Interest type**	**Interest rate %**	**Principal (TL)**	**Carrying value (TL)**
Loans used to finance investments and projects							
Secured Loan *(i)*	Global Liman	USD	2017	Floating	Libor + 4.95	26,892,180	27,733,079
Secured Loan *(ii)*	Global Liman	USD	2021	Floating	Libor + 5.35	178,640,910	184,476,593
Secured Loan *(ii)*	Global Liman	USD	2023	Floating	Libor + 5.60	46,314,310	44,220,489
Secured Loan *(ii)*	Global Liman	USD	2023	Floating	Libor + 5.60	58,799,965	58,871,757
Secured Loan	Bodrum Liman	USD	2014	Fixed	7.95%	998,200	1,029,656
Secured Loan	Bodrum Liman	USD	2016	Fixed	7.75%	1,506,721	1,535,219
Secured Loan *(iii)*	Ortadoğu Liman	USD	2016	Floating	Libor + 4.95%	40,978,560	41,343,701
Secured Loan *(iv)*	Ortadoğu Liman	USD	2016	Fixed	5.15%	4,802,175	4,858,004
Secured Loan *(v)*	Ortadoğu Liman	USD	2017	Floating	Libor + 5.05%	9,337,563	9,358,296
Secured Loan *(vi)*	Ortadoğu Liman	USD	2019	Fixed	5.65%	7,825,767	7,869,524
Secured Loan	Ortadoğu Liman	TL	2015	Fixed	11.76%	80,821	81,400
Secured Loan	Port of Bar	EUR	2017	Fixed	7.80%	1,567,436	1,569,084
						377,744,608	**382,946,802**
Loans used to finance working capital							
Unsecured Loan	Bodrum Liman	TL	2014	Fixed	9.00%	550,000	550,000
Unsecured Loan	Ege Liman	USD	2016	Floating	Libor + 5.05 %	2,134,300	2,145,498
Unsecured Loan	Ege Liman	USD	2014	Fixed	5.00%	1,067,150	1,067,150
Unsecured Loan	Ege Liman	USD	2014	Fixed	5.25%	1,067,150	1,067,150
Secured Loan *(iii)*	Ortadoğu Liman	USD	2015	Floating	Libor + 4.95%	15,473,675	15,611,538
Secured Loan	Port of Bar	EUR	2017	Fixed	7.62%	1,082,250	1,087,218
						21,374,525	**21,528,554**
Finance lease obligations							
Leasing *(vii)*	Ortadoğu Liman	USD	2015	Fixed	5.92%	1,516,867	1,516,867
Leasing	Ortadoğu Liman	USD	2017	Fixed	5.75%	552,300	552,300
						2,069,167	**2,069,167**
						401,188,300	**406,544,523**

20 Loans and borrowings *(continued)*

The detailed information related to the significant loans borrowed by the Group is as follows:

(i) Global Liman entered into a loan amounting to USD 35,000,000 in total on 20 July 2010 with a 7-year maturity and an interest rate of Libor+4.95%. Principal and interest is paid at the end of June of each year. On 17 June 2013, USD 2,250,000 was repaid. Under this loan agreement, in the event of default, the shares of Ege Liman and Ortadoğu Liman are pledged in accordance with a share pledge agreement. The remaining principle amount of the loan as at 30 June 2014 is USD 9,900,000 (31 December 2013: USD 12,600,000).

(ii) As at 30 June 2014, the foreign currency loan amounting to USD 83,700,000 represents the bank loan granted to Global Liman on 26 June 2013, with an 8-year maturity. The interest rate is Libor+5.35%. Principal and interest are paid at June once in each year. The loan agreement imposes financial covenants on Global Liman, and includes terms about limitation on financing activities, investment, and dividend payments, the sales of the assets, and mergers and acquisitions of the related subsidiaries. All equity shares of Global Liman, Ortadoğu Liman and Ege Liman are pledged according to a share pledge agreement.

On 31 July 2013 and 27 December 2013, with the amendment to the existing agreement, Global Liman raised additional loans amounting to USD 11,200,000 and USD 38,050,000 with the interest rate of Libor+5.60%. Payments are once in a year and the loan has a maturity of 10 years.

On 7 March 2014 with the amendment to the existing agreement, Global Liman raised additional loans amounting to USD 17,050,000 and USD 20,000,000 with the interest rates of Libor+5.60% and Libor+6.75%. Payments are once in a year and the loans have a maturity of 9 years.

(iii) In 2006, Ortadoğu Liman entered into a loan amounting to USD 40,000,000 in total with a 10-year maturity. The interest rate was Libor + 2.90%. Starting from 29 July 2010, the interest rate has been revised to Libor+4.95%. The remaining principal amount of the loan as at 30 June 2014 is USD 16,000,000 (31 December 2013: USD 19,200,000). Principal and interest is paid at the end of April and October of each year. The loan agreement imposes financial covenants on Ortadoğu Liman, and includes terms about limitation on financing activities, investment, dividend payments, the sales of the assets, and mergers and acquisitions of the related subsidiaries. All equity shares are pledged according to a share pledge agreement.

On 12 August 2010, with the amendment to the existing agreement, Ortadoğu Liman raised an additional loan amounting to USD 10 million with the same conditions. The remaining principal amount of the loan as at 30 June 2014 is USD 6,500,000 (31 December 2013: USD 7,250,000).

(iv) Ortadoğu Liman entered into a loan on 13 October 2010, amounting to USD 4,500,000 in total with a 6-year maturity. The interest rate is 5.15%. With reference to the loan agreement signed, in the event of default, the crane and the other machinery purchased through this loan are pledged to the bank.

(v) Ortadoğu Liman entered into a loan on 14 June 2011, amounting to USD 7,500,000 in total with a 6-year maturity. Principal and interest are paid every 6 months. There is a pledge over the property and equipment in relation to the loan.

(vi) Ortadoğu Liman entered into a loan on 24 May 2013, amounting to USD 4,000,000 in total with a 6-year maturity. The interest rate is 5.65%. With reference to the loan agreement signed, in the event of default, the crane and the other machinery purchased through this loan are pledged to the bank.

A pledge of TL 31,503,000 over the assets of Ortadoğu Liman was given to the bank as collateral for the loans obtained on 13 October 2010 and 24 May 2013.

(vii) On 27 August 2010, Ortadoğu Liman has signed a finance lease agreement for a port tugboat amounting to USD 2,040,000 in total with the expiry date of 4 September 2015 and an interest rate of 5.92%.

(viii) On 25 July 2014, Ege Liman has signed a finance lease agreement for a port tugboat amounting to EUR 5,500,000 in total with the expiry date of 17 July 2020 and an interest rate of 7.75%.

21 Trade and other payables

As at 30 June 2014 and 31 December 2013, current trade and other payables comprised the following:

	30 June 2014	**31 December 2013**
Due to subsidiaries' other shareholders	7,990,887	5,360,397
Payables to suppliers	7,843,661	9,115,712
Taxes payable and social security contributions	7,836,951	5,992,441
Tax amnesty payables	--	680,389
Payables to personnel	3,472,170	2,853,157
Expense accruals	1,592,527	171,395
Advances received	1,511,345	1,165,436
Deposits received	625,097	663,894
Other	1,219,042	1,412,279
Total	**32,091,680**	**27,415,100**

The Group's exposure to currency risk related to the trade and other payables is disclosed in Note 27.

22 Employee benefits

The reserve for employment termination indemnity has been calculated by estimating the present value of future probable obligations of the Group arising from the retirement of the employees. Such payments are calculated on the basis of 30 days' pay up to a maximum of TL 3,438.00 as at 30 June 2014 (31 December 2013: TL 3,254.44) per year of employment at the rate of pay applicable at the date of retirement or termination. The calculation was based upon the retirement pay ceiling announced by the government. That ceiling is determined using coefficients defined by the Council of Ministers. The reserve for retirement pay is computed and reflected in the financial statements on a current basis.

The provision has been calculated by estimating the present value of the future probable obligation of the Company and its subsidiaries and joint ventures registered in Turkey arising from the retirement of employees. IAS 19 *Employee Benefits* requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans such as the employment termination indemnity. Accordingly, the actuarial assumptions that follow are used in the calculation of the total liability.

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation.

22 Employee benefits *(continued)*

The principal statistical assumptions used in the calculation of the total liability in the accompanying condensed consolidated financial statements at 30 June 2014 and 31 December 2013 were as follows:

	30 June 2014	**31 December 2013**
Discount rate	3.81%	3.81%
Turnover rate for the expectation of retirement probability	90%-96.5%	90%-96.5%

Movements in the reserve for employee termination indemnity for the six-month periods ended 30 June comprised the followings:

	Note	**2014**	**2013**
1 January		**3,641,396**	**1,411,061**
Included in profit or loss			
Current service costs and interest		456,264	426,783
Actuarial (gain) / losses		--	(41,167)
Included in OCI			
Actuarial (gain) / losses		529,010	--
Other			
Benefits paid		(728,155)	(182,494)
Foreign currency translation differences		(331,733)	101,416
30 June		**3,566,782**	**1,715,599**

23 Capital and reserves

a) *Share capital*

As at 30 June 2014, the Company's statutory nominal value of paid-in share capital consists of 66,253,100 (31 December 2013: 66,253,100) registered ordinary shares with a par value of TL 1 each. In 2013, the Company's share capital was decreased to TL 66,253,100 (Note 5 (i)).

As at 30 June 2014 and 31 December 2013, the share ownership structure of the Company was as follows:

	30 June 2014		**31 December 2013**	
	Value of Share	**Proportion of share %**	**Value of Share**	**Proportion of share %**
Global Yatırım Holding A.Ş.	66,253,100	100	66,253,100	100
Paid in capital (nominal)	**66,253,100**	**100**	**66,253,100**	**100**
Inflation accounting adjustment	16,583		16,583	
Inflation adjusted capital	**66,269,683**		**66,269,683**	

23 Capital and reserves *(continued)*

b) *Nature and purpose of reserves*

(i) Translation reserves

The translation reserves amounting to TL 139,976,523 (31 December 2013: TL 145,962,087) is recognized as a separate account under equity and comprises foreign exchange differences arising from the translation of the financial statements of subsidiaries and joint ventures from their functional currencies (of Euro and USD) to the presentation currency, TL.

(ii) Legal reserves

Under the Turkish Commercial Code, Turkish companies are required to set aside first and second level legal reserves out of their profits. First level legal reserves are set aside as up to 5% of the distributable income per the statutory accounts each year. The ceiling of the first level reserves is 20% of the paid-up share capital. The requirement to set aside ends when the 20% of the paid-up capital level has been reached. Second level legal reserves correspond to 10% of profit actually distributed after the deduction of the first legal reserves and the minimum obligatory dividend pay-out, but holding companies are not subject to this regulation. There is no ceiling for second level legal reserves and they are accumulated every year. First and second level legal reserves cannot be distributed until they exceed 50% of the capital, but the reserves can be used for offsetting the losses in case of running out of arbitrary reserves. As at 31 December 2013, the legal reserves of the Group amounted to TL 21,003,573 (31 December 2013: TL 18,909,630).

(iii) Hedging reserve

As at 30 June 2014, the effective portion of gain arising from investment hedging instrument is recognized in other comprehensive income amounting to TL 4,470,820 (31 December 2013: a loss of TL 12,781,207).

c) *Dividends*

Dividend distributions are made by the Company in TL in accordance with its articles, after deducting taxes and setting aside the legal reserves as discussed above. In 2014, there is only the dividend distribution made by Ege Liman to RCCL on which it has a non-controlling interest amounting to TL 3,107,757.

In 2013, the General Assembly decided to distribute TL 21,385,393. In the General Assembly meetings dated 5 April 2013 and 18 December 2013, TL 1,049,534 of this amount was transferred to the legal reserves, TL 22,434,927 was distributed to its shareholders.

24 Provisions

Non-current	**30 June 2014**	**31 December 2013**
Restructuring provisions	7,934,934	15,687,963
Total	**7,934,934**	**15,687,963**

The restructuring provisions are related to the acquisition of the Port of Bar in compliance with TOORA Contract dated 15 November 2013, executed by and between Global Liman and the Montenegrin Government (see Note 24 (c)).

Current	**30 June 2014**	**31 December 2013**
Other	847,856	955,776
Total	**847,856**	**955,776**

25 Commitment and contingencies

(a) Lawsuits

There are pending lawsuits that have been filed against or by the Group. 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 the possible expenses and liabilities. The amount of provision that has been accounted for as at 30 June 2014 is TL 250,591 (31 December 2013: TL 534,228).

The information related to the significant lawsuits that the Group is directly or indirectly a party to is as follows:

(i) The operating rights of Kuşadası Port were transferred by OIB to Ege Liman for 30 years in July 2003. In October 2006, two former members of the Kuşadası Municipal Council filed a lawsuit with the Council of State, requesting the cancellation of those 'zoning plan and planning notes' of the Region of Kuşadası, which were to enable the construction of the new 'Cruise Port Upper Structure Facilities'. The relevant Chamber of the Council of State ordered the cancellation of the zoning plan and planning notes in November 2009. That decision was appealed by the lawyers of the Ministry of Public Works as well as the lawyers for the Group. Upon affirmation of such decision by the Council of State, the Group lawyers have applied for the rectification of the decision and the file is pending for review.

While that appeal was pending, the Group lawyers filed a lawsuit against the termination of the occupancy and construction permit notification of the Municipality with the request of stay of execution. Aydın Administrative Court issued a stay of execution for the cancellation. As the lawyers of the Municipality then objected to that decision, the stay of execution itself was cancelled. Aydın Administrative Court rejected the case. This decision has been appealed.

The Municipality then issued a cease and desist order and delivered it to the Group in June 2010. The Group lawyers filed a lawsuit in order to cancel the order as well as issue a stay of execution. The Aydın Administrative Court first issued the stay of execution; however, upon the objection raised by the Municipality Lawyers, the court cancelled the stay of execution, which led the Group lawyers to raise an objection before the Regional Court in order to challenge this final decision. However such objection was denied. TDI's request to intervene the lawsuit has been accepted. Upon affirmation of such decision by the Council of State, the Group lawyers have applied for the rectification of the decision.

A lawsuit regarding annulment of the decision of the Council of the Municipality regarding demolition of Kuşadası Port has been filed together with the request of a stay of execution. The Court on the same day ordered that stay of execution. TDI's request regarding intervention in the case was accepted on 22 December 2010. The Court has renewed the order of a stay of execution after the first reply of the Municipality, but then overruled the stay of execution on 29 June 2011. Aydın Administrative Court rejected the case, and such decision has been appealed. The Council of State has reversed the judgment in favour of the Company and the file has been returned to its court of first instance.

After the cancellation of the order of a stay of execution by the Court, a request regarding discharge of Kuşadası Port was sent by Kuşadası Municipality. A lawsuit has been filed as at 20 July 2011. TDI has also intervened the lawsuit. The court has rejected the lawsuit, and such decision has been appealed by the Group. The Council of State has reversed the judgment in favour of the Company and the file has been returned to its court of first instance.

25 Commitment and contingencies *(continued)*

(a) *Lawsuits (continued)*

In parallel, the Ministry of Public Works has approved the new zoning plan for Kuşadası on 28 October 2010 but there have been objections. However, the Ministry of Public Works evaluated the objections and rejected them on the below-mentioned grounds and approved the new zoning plan with its writ dated 31 January 2011:

i) The zoning plan approved on 28 October 2010 is in line with the 1/100.000 "Environment Plan" of Aydın-Muğla-Denizli.

ii) Kuşadası is one of the most important cruise ports of the country and has served for this very purpose for years; Kuşadası Port would become an idle facility due to the cancellation of the zoning plan which will consequently have a negative effect on the economy of the country.

The Court rendered a stay of execution decision and the Group lawyers have appealed the stay of execution. Plenary Session of Administrative Law Divisions of the Council of State has sustained such objection. This decision of the Council of State has been challenged by the plaintiffs requesting a stay of execution; however Council of State has rejected this request. The new zoning plan has recently entered into force.

On 15 March 2011, Ege Liman applied to Kuşadası Municipality for building permit but the Municipality rejected such application due to unjust grounds and the Group lawyers therefore, filed a lawsuit against such action of the Municipality. The court has decided to reject the lawsuit; such decision has been appealed by the Group. The appeal is pending before the Council of State.

The Group lawyers believe that the same arguments will cause the aforementioned lawsuits to become viewed as groundless.

In a related development, a former member of the Kuşadası Municipal Council has filed a lawsuit with the Aydın 1st Administrative Court, seeking to cancel the OIB's approval of the Kuşadası Port tender granted to Ege Liman. The Court ordered the cancellation of the tender on 2 June 2010. That decision was appealed by the lawyers of the OIB as well as the lawyers of the Group. The Council of the State approved the decision of the court of first instance and the Group and the OIB lawyers requested the revision of the decision. The Council of State has rejected such request, thus the decision has been finalized.

The Council of Ministers, with an unpublished Decision of 2011, decided not to enforce court decisions that have been rendered for the cancellation of certain privatization transactions which have been completed pursuant to final transfer agreements as a result of the privatization acts, and are irrevocable for practical impossibilities, including the cancellation of the privatization of Ege Ports-Kuşadası. In addition to the mentioned decree of the Council of Minister and in accordance with Article 10 of the Law No. 6300 regarding Amendment of the Statutory Decree Pertaining Establishment and Obligations of the Public Surveillance, Accounting and Auditing Standards Authority and Some Laws ("the Law No. 6300"), that entered into force by publishing in the Official Gazette dated 10 May 2012, and the Council of Ministers Decision numbered 2012/3240 ("Council of Ministers Decision No. 2012/3240") that entered into force by publishing in the Official Gazette dated 12 June 2012, it has been decided not to enforce the civil jurisdictions that have been rendered for the cancellation of some privatization actions, transfer and delivery processes of which are completed by the execution of final transfer agreement as a result of the privatization transactions, and irrevocable for practical impossibility.

25 Commitment and contingencies *(continued)*

(a) ***Lawsuits*** *(continued)*

Hereupon, the OIB has withdrawn the lawsuit filed for return of Kuşadası Ports to Turkey Maritime Organization, and the court decision has been finalized in this respect. However, by the application of the main opposition party, namely CHP, the Constitutional Court decided to repeal the Law No. 6300 and also, the Council of State decided to grant a stay of execution for the Council of Ministers Decision as per the request of the Union of Chambers of Turkish Engineers and Architects ("TMMOB") in the lawsuit filed for the cancellation of the same decision, as a result of which, the Council of Ministers Decision became unenforceable.

Afterwards, the OIB further declared with its decision no. 2014/82 and dated August 7, 2014 (the "2014 Decision"), that it will not take any action with regards to claiming the return of Kuşadası Port. Shortly after the 2014 Decision, on September 11, 2014, a new law entered into force introducing the Provisional Article 26 of the Privatization Law No. 4046 (the "Provisional Article 26"). The Provisional Article 26 sets forth that the OIB cannot take any action for the return of the privatized assets the final transfer of which to investors has been completed at least 5 years prior to September 11, 2014, in relation to courts' cancellation decisions, except where such decisions relate to breaches of relevant transfer of operation rights agreements. The OIB, upon the entry into force of the Provisional Article 26, sent a confirmation letter to Ege Liman (the "OIB Confirmation"), stating that the OIB confirms, based on the 2014 Decision and the Provisional Article 26 of the Privatization Law, not to take any actions for the enforcement of court decisions regarding the cancellation of Ege Liman privatization. The OIB also confirmed, in the OIB Confirmation, that it will not initiate any lawsuit to enforce that Ege Liman is returned to the OIB and informed Ege Liman to continue operating Kuşadası Port in accordance with the transfer of operation rights agreement.

However, Republican People's Party ("CHP") filed a lawsuit before the Constitutional Court for the annulment of the Provisional Article 26 with a request for stay of execution. The Constitutional Court decided on October 2, 2014 to annul the Provisional Article 26 but refused the request for a stay of execution. Since the Constitutional Court's annulment decision has not yet been published in the Official Gazette, its reasoning behind the annulment decision is currently not clear and the annulment will not come into effect until such publication. Provisional Article 26 is therefore still in existence until the publication of the Constitutional Court's reasoned judgment, which may take up to six months after the judgment date.

Even though the Law No. 6300 is cancelled and the Council of Ministers Decision No. 2012/3240 has been granted a stay of execution, since the unpublished Decision of the Council of Ministers of 2011 is not challenged and still in force, both the management and the legal attorney of the Group do not expect to face any negative consequences in the lawsuits regarding cancellation of Kuşadası Ports tender and assess that the likelihood of these lawsuits to result against the Group is low.

(ii) The former owner of the shares of Torba filed a lawsuit against the Group for the restitution of the shares. The expert appointed by the local court submitted his report which was against the defendants. On 2 March 2010, the court decided to restore the shares to the former owners and the trustee, previously appointed by the Court on 4 January 2008, shall remain in charge until the final decision. The Group lawyers appealed the decision on 28 April 2010 upon the notification of the decision. The Court of Appeals has overruled the decision and the case has been tried in the court of first instance. The court has decided in favor of the former owners. The Group lawyers have appealed such decision and the file is being tried in the court of appeals. As a trustee was appointed to the management of Torba by the Court in January 2008, this subsidiary has been excluded from the scope of consolidation.

25 Commitment and contingencies *(continued)*

(a) ***Lawsuits*** *(continued)*

Global Yatırım Holding, the Company and Ege İhracatçı Birlikleri Liman Hizmetleri ve Taşımacılık A.Ş. filed a lawsuit against the Privatization Administration at İzmir 4th Commercial Court with respect to the İzmir Port Privatization tender for the granting of operating rights for a definite period claiming the plaintiffs should be granted a period of 6 months as a preliminary junction in order to enable them to perform their duties, and that the provisions of the agreement regarding duration and payment should be adjusted, and arguing that in case such adjustment request is not accepted then there should be termination of the agreement without any indemnification as well as release of the plaintiffs from their obligations and the return of their bid bonds. İzmir 4th Commercial Court denied the lawsuit on the ground that it was not the authorized court for the lawsuit but that decision of the court has been appealed.

The decision was approved by the Court of Appeals, and the Group lawyers requested a revision of the decision, which the court has rejected. The Group lawyers have commenced enforcement proceedings, which were objected by the Privatization Authority. Upon this, the Group lawyers have filed a lawsuit in Ankara 5th Commercial Court, but the court has denied the lawsuit on the basis that such lawsuit is subject to administrative law, and such decision has been finalized. Accordingly, the Group lawyers have filed a lawsuit before the administrative court, which was also denied based on the lack of subject matter jurisdiction. The file was sent to the Court of Conflicts, and the Court of Conflicts decided that the file should be tried by the ordinary courts and sent the file back to Ankara 5th Commercial Court. The file is pending.

(iii) Upon the decision of the Constitutional Court dated 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") (together "Plaintiffs") filed their applications regarding extension of the operation periods of the ports, to the relevant authorities. Such applications are rejected and left unattended by the authorities.

Upon this, the Plaintiffs filed below lawsuits against the unfavorable actions of the governmental authorities:

Port Akdeniz filed lawsuits against Privatization Administration and the General Directorate of Turkey Maritime Organization requesting cancellation with respect to rejection of the extension applications. Privatization Administration filed its defense on 12 May 2014 and Port Akdeniz submitted its reply to the defense in due time.

Ege Ports filed lawsuits against Privatization Administration and General Directorate of Turkey Maritime Organization requesting cancellation with respect to rejection of the extension applications. Both authorities filed their defense and Ege Ports will submit its reply to the defense in due time.

Bodrum Cruise Port filed a lawsuit against (i) Ministry of Finance General Directorate of National Estate, (ii) the District Governorship of Bodrum and (iii) the Ministry of Transportation, Maritime Affairs and Communication requesting cancellation with respect to rejection of the extension applications. The Ministry of Transportation, Maritime Affairs and Communication filed its defense and Bodrum Cruise Port submitted its reply in due time. Ministry of Finance General Directorate of National Estate and the District Governorship of Bodrum did not submit their defenses yet.

25 Commitment and contingencies *(continued)*

(b) Guarantees

As at 30 June 2014 and 31 December 2013, the letters of guarantee given comprised the following:

Letters of guarantee	30 June 2014	31 December 2013
Given to Privatization Administration	1,157,576	1,163,518
Given to courts	154,590	154,590
Given to Electricity Distribution Companies	119,184	289,184
Given to the Ministry	--	350,000
Others	265,696	445,560
Total letter of guarantee	**1,697,046**	**2,402,852**

(c) Contractual obligations

Ege Liman

The details of the TOORA dated 2 July 2003, executed by and between Ege Liman and OIB together with TDI are stated below:

Ege Liman will be performing services such as sheltering, installing, charging, discharging, shifting, terminal services, pilotage, towing, moorings, water quenching, waste reception, operating, maintaining and repairing of cruise terminals, in Kuşadası Cruise Port for an operational period of 30 years. Ege Liman is liable for the maintenance of Kuşadası Cruise Port together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the TDI, while the movable properties stay with Ege Liman.

Ortadoğu Liman

The details of the TOORA dated 31 August 1998, executed by and between Ortadoğu Liman and OIB together with TDI are stated below:

Ortadoğu Liman will be performing services such as sheltering, installing, charging, discharging, shifting, terminal services, pilotage, towing, moorings, water quenching, waste reception, operating, maintaining and repairing of cruise terminals, in Antalya Port for an operational period of 30 years. Ortadoğu Liman is liable for the maintenance of Antalya Port together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the TDI, while the movable properties stay with Ortadoğu Liman.

Bodrum Liman

The details of the BOT Contract dated 23 June 2004, executed by and between Bodrum Liman and the DLH are stated below:

Bodrum Liman had to construct the Bodrum Cruise Port in a period of 1 year and 4 months following the delivery of the land and thereafter, will operate the Bodrum Cruise Port for 12 years. The final acceptance of the construction was performed on 4 December 2007, and thus the operation period has commenced. Bodrum Liman is liable for the maintenance of the port together with the port equipment in good repair and in operating condition throughout its operating right period. The facilities, equipment, installations and the systems together with the tools and other equipment belonging thereto shall be surrendered to the DLH after the expiry of the contractual period.

25 Commitment and contingencies *(continued)*

(c) *Contractual obligations (continued)*

Port of Bar

The details of the TOORA Contract dated 15 November 2013, executed by and between Global Liman and the Montenegrin Government are stated below:

Global Liman will be performing services such as repair, financing, operation, maintenance in the Port of Bar for an operational period of 30 years (terminating in 2043). For the first three years of its ownership, the Group must implement certain investment programs and social programs outlined in the share purchase agreement. Global Liman is liable for the maintenance of the Port of Bar together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the Government of Montenegro, while the movable properties stay with Global Liman.

26 Operating leases

Lease as lessee

The Group entered into various operating lease agreements. Operating lease rentals are payable as follows:

	30 June 2014	31 December 2013
Less than one year	473,158	557,688
Between one and five years	1,406,672	1,237,967
More than five years	--	333,046
Total	**1,879,830**	**2,128,701**

In the periods presented, the Group's main operating lease arrangements as lessee are the port rent agreement of Bodrum Liman until 2019.

Lease as lessor

The future lease payments under operating leases are as follows:

	30 June 2014	31 December 2013
Less than one year	7,605,903	5,761,431
Between one and five years	16,582,086	18,319,814
More than five years	15,754,143	16,698,741
	39,942,132	**40,779,986**

The Group's main operating lease arrangements as lessor are a marina lease agreement of Ortadoğu Liman until 2028, and various shopping center rent agreements of Ege Liman and Bodrum Liman of up to 5 years.

During the six-month period ended 30 June 2014, TL 5,807,238 was recognized as rental income in the consolidated statement of profit or loss and other comprehensive income (30 June 2013: TL 4,365,097).

27 Foreign currency position

As at 30 June 2014 and 31 December 2013, foreign currency risk exposures of the Group comprised the following:

	30 June 2014			
	TL equivalents	**USD**	**EURO**	**TL**
Trade receivables	119,043,876	3,709,554	1,683,410	106,298,756
Other monetary financial assets	48,024,311	13,939,580	1,225,705	14,880,391
Current assets	**167,068,187**	**17,649,134**	**2,909,115**	**121,179,147**
Monetary financial assets	16,226,471	1,480,406	2,722,326	5,210,282
Non-current assets	**16,226,471**	**1,480,406**	**2,722,326**	**5,210,282**
Total assets	**183,294,658**	**19,129,540**	**5,631,441**	**126,389,429**
Trade payables	26,894,322	436,196	2,660,012	18,275,615
Financial liabilities	99,169,376	41,576,100	3,159,896	1,748,582
Other monetary liabilities	8,119,251	--	--	8,119,251
Current liabilities	**134,182,949**	**42,012,296**	**5,819,908**	**28,143,448**
Financial liabilities	369,366,375	169,588,970	3,202,359	254
Other monetary liabilities	11,501,716	--	3,240,066	2,131,768
Non-current liabilities	**380,868,091**	**169,588,970**	**6,442,425**	**2,132,022**
Total liabilities	**515,051,040**	**211,601,266**	**12,262,333**	**30,275,470**
Net foreign currency position	**(331,756,382)**	**(192,471,726)**	**(6,630,892)**	**96,113,959**

	31 December 2013			
	TL equivalents	**USD**	**EURO**	**TL**
Trade receivables	29,844,858	2,595,566	1,193,598	20,800,141
Other monetary financial assets	85,100,384	33,993,177	1,138,107	9,206,695
Current assets	**114,945,242**	**36,588,743**	**2,331,705**	**30,006,836**
Monetary financial assets	12,812,149	169,200	10,446	12,420,351
Non-current assets	**12,812,149**	**169,200**	**10,446**	**12,420,351**
Total assets	**127,757,391**	**36,757,943**	**2,342,151**	**42,427,187**
Trade payables	37,882,647	823,894	141,907	35,707,500
Financial liabilities	66,168,929	30,653,155	50,203	598,479
Other monetary liabilities	7,169,818	496,209	36,226	6,004,381
Current liabilities	**111,221,394**	**31,973,258**	**228,336**	**42,310,360**
Financial liabilities	337,719,293	157,648,594	--	1,249,900
Other monetary liabilities	2,380,706	--	--	2,380,706
Non-current liabilities	**340,099,999**	**157,648,594**	**--**	**3,630,606**
Total liabilities	**451,321,393**	**189,621,852**	**228,336**	**45,940,966**
Net foreign currency position	**(323,564,002)**	**(152,863,909)**	**2,113,815**	**(3,513,779)**

TL exchange rate risk of subsidiaries whose functional currency is other than TL, is shown in TL line in the foreign currency risk table.

30 June 2014 and 31 December 2013, foreign currency exchange rates of the Central Bank of the Turkish Republic comprised were as follows:

	30 June 2014	**31 December 2013**
USD/TL	2.1234	2.1343
Euro/TL	2.8919	2.9365

27 Foreign currency position *(continued)*

For the six-month periods ended 30 June, average foreign currency exchange rates of the Central Bank of the Turkish Republic were as follows:

	2014	2013
USD/TL	2.1642	1.8085
Euro/TL	2.9666	2.3747

Sensitivity Analysis

A 10 percent strengthening or depreciation of the Turkish Lira against the following currencies as at 30 June 2014 and 2013 would have increased equity or profit or loss, excluding tax effects, by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

30 June 2014	PROFIT /LOSS		EQUITY (*)	
	Increase	Decrease	Increase	Decrease
	A 10 percent (strengthening)/weakening of USD against TL:			
1- Net USD asset/liability	(40,869,446)	40,869,446	--	--
2- Hedged portion against USD risk (-)	4,470,820	(4,470,820)	--	--
3- Net effect of USD (1+2)	**(36,398,626)**	**36,398,626**	**--**	**--**
	A 10 percent (strengthening)/weakening of Euro against TL:			
4- Net Euro asset/liability	(1,917,588)	1,917,588	--	--
5- Hedged portion against Euro risk (-)	--	--	--	--
6- Net effect of Euro (4+5)	**(1,917,588)**	**1,917,588**	**--**	**--**
TOTAL (3+6)	**(38,316,214)**	**38,316,214**	**--**	**--**

30 June 2013	PROFIT /LOSS		EQUITY (*)	
	Increase	Decrease	Increase	Decrease
	A 10 percent (strengthening)/weakening of USD against TL:			
1- Net USD asset/liability	(22,365,965)	22,365,965	--	--
2- Hedged portion against USD risk (-)	--	--	--	--
3- Net effect of USD (1+2)	**(22,365,965)**	**22,365,965**	**--**	**--**
	A 10 percent (strengthening)/weakening of Euro against TL:			
4- Net Euro asset/liability	38,195	(38,195)	--	--
5- Hedged portion against Euro risk(-)	--	--	--	--
6- Net effect of Euro (4+5)	**38,195**	**(38,195)**	**--**	**--**
TOTAL (3+6)	**(22,327,770)**	**22,327,770**	**--**	**--**

(*) Profit/ loss excluded

28 Related parties

The related parties of the Group which are disclosed in this note comprised the following:

Related parties	Relationship
Mehmet Kutman	Shareholder
Global Yatırım Holding	Parent Company
Torba	Investment
Global Sigorta Aracılık Hizmetleri A.Ş. ("Global Sigorta")	Parent Company's subsidiary
Global Menkul Değerler A.Ş. ("Global Menkul")	Parent Company's subsidiary
Adonia Shipping	Parent Company's subsidiary
Naturel Gaz	Parent Company's subsidiary

Due from related parties

As at 30 June 2014 and 31 December 2013, current receivables from related parties comprised the following:

Current receivables from related parties	30 June 2014	31 December 2013
Global Yatırım Holding (*)	109,463,487	18,385,541
Adonia Shipping	2,008,037	1,509,494
Naturel Gaz	274,622	274,622
Mehmet Kutman	214,100	300,508
Torba	84,136	74,774
Others	80,764	156,392
Total	**112,125,146**	**20,701,331**

(*) Although Global Liman has sufficient retained earnings in its consolidated financial statements, in accordance with the Turkish Commercial Code, dividends can be distributed based on financial statements prepared according to the Tax Procedural Law. The other current assets from Global Yatırım Holding are comprised of advance dividend payments, which will be closed with the corporate tax income in 2014 which is subject to dividend distribution for the year ending 31 December 2014. As at 30 June 2014 and 31 December 2013, non-current receivables from related parties comprised the following:

Non-current receivables from related parties	30 June 2014	31 December 2013
Torba	5,029,659	5,029,659
Total	**5,029,659**	**5,029,659**

Other current assets

Other current assets	30 June 2014	31 December 2013
Global Yatırım Holding (Note 18)	109,463,487	18,385,541
Total	**109,463,487**	**18,385,541**

28 Related parties *(continued)*

Other investments

As at 30 June 2014, the Group has Global Yatırım Holding bonds amounting to TL 28,582,770 with a nominal value of USD 14,750,000 which are classified as available for sale financial assets (31 December 2013: TL 29,054,619 with a nominal value of USD 15,050,000). There is no accrued interest for the six-month period ended 30 June 2014 and 2013.

As at 30 June 2014, the Group has Global Yatırım Holding share certificates amounting TL 1,300,000 with a nominal value of TL 1,000,000 (31 December 2013: 3,990,652 with a nominal value of TL 3,030,562).

Due to related parties

As at 30 June 2014 and 31 December 2013, current payables to related parties comprised the following:

Current payables to related parties	**30 June 2014**	**31 December 2013**
Mehmet Kutman	741,985	739,854
Global Menkul	73,337	42,601
Global Sigorta	13,547	210,884
Global Yatırım Holding	--	18,621,871
Other	1,219	3,149
Total	**830,088**	**19,618,359**

Transactions with related parties:

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

	2014		**2013**	
	Interest received	**Other**	**Interest received**	**Other**
Global Yatırım Holding	2,490,096	--	195,876	169,412
Total	**2,490,096**	**--**	**195,876**	**169,412**

	2014		**2013**	
	Interest paid	**Other**	**Interest paid**	**Other**
Global Yatırım Holding	68,546	1,800	191,195	21,750
Global Menkul	2,982	--	1,799	22,769
Total	**71,528**	**1,800**	**192,994**	**44,519**

For the six-month period ended 30 June 2014, the Group recognized interest income on Global Yatırım Holding bonds amounting to TL 2,129,354 (30 June 2013: TL 1,909,320). For the six-month period ended 30 June 2014, the effective interest rate was 14.30% (30 June 2013: 14.95%).

For the six-month period ended 30 June 2014, the Group accounted for a loss amounting to TL 399,795 from the purchase and the sale of Global Yatırım Holding's publicly traded share certificates (30 June 2013: a gain of TL 4,028).

28 Related parties *(continued)*

Transactions with key management personnel

For the six-month periods ended 30 June, details of benefits to key management personnel comprised the following:

	2014	**2013**
Salaries	1,723,830	804,736
Bonus	606,969	343,430
Attendance fees to Board of Directors	519,713	120,363
Other	26,330	100,046
Total	**2,876,842**	**1,368,575**

29 Events after the reporting date

Subsequently on 30 September 2014, BPI acquired the entire shares of Creuers and the Group's interest in Creuers reached to 62% through the share transfer to BPI.

BPI has been provided with a long term project financing by the consortium comprises Banco Santander S.A, Bancı Bilbao Vizcaya Argentaria S.A ("BBVA"), CaixaBank S.A located in Spain and Demir-Halk Bank N.V (located in Nederland) with the leadership of BBVA in order to acquire the shares of Creuers.

For the six-month period ended 30 June 2014, the General Assembly decided to distribute TL 41,926,585 in relation to the year 2013 in the General Assembly meeting dated 30 September 2014.

KPMG

Global Liman İşletmeleri Anonim Şirketi
and its Subsidiaries

Condensed Consolidated Interim Financial Information As at and for the Six-Month Period Ended 30 June 2013 With Independent Auditors' Review Report

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
15 Ağustos 2013

This report includes 1 page of independent auditors' review report and 35 pages of condensed consolidated interim financial information together with their explanatory notes.

Global Liman İşletmeleri Anonim Şirketi and its Subsidiaries

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Notes to the Condensed Consolidated Interim Financial Information

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Independent Auditors' Report on Review of Consolidated Interim Financial Information

To the Board of Directors of
Global Liman İşletmeleri Anonim Şirketi

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Global Liman İşletmeleri Anonim Şirketi ("Global Liman") and its subsidiaries (together "the Group") as at 30 June 2013, the condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the interim financial information ("the condensed consolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting". 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 the International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of interim financial report 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 International 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 as at and for the six-month period ended 30 June 2013 is not prepared, in all material respects, in accordance with IAS 34, "*Interim Financial Reporting*".

KPMG Akis Bağımsız Denetim ve SMMM A.Ş.

15 August 2013

Istanbul, Turkey

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.,
a Turkish corporation and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative, a Swiss entity.

Global Liman İşletmeleri A.Ş. and its Subsidiaries

Condensed Consolidated Interim Statement of Financial Position

As at 30 June 2013

Currency: TL

	Notes	**30 June 2013**	**31 December 2012**
Assets			
Property and equipment, net	*11*	99,217,832	93,745,226
Intangible assets	*12*	523,834,912	501,193,955
Goodwill	*13*	24,753,745	22,924,993
Investments	*14*	101,232	101,232
Deferred tax assets		6,544,710	6,169,513
Due from related parties	*25*	5,029,659	5,029,659
Other non-current assets	*16*	5,438,136	5,046,584
Total non-current assets		**664,920,226**	**634,211,162**
Trade and other receivables	*15*	11,226,419	5,357,498
Due from related parties	*25*	4,031,009	3,818,050
Investments	*14*	32,479,627	24,691,641
Other current assets	*16*	7,299,178	7,721,115
Cash and cash equivalents	*17*	8,731,639	22,245,895
Total current assets		**63,767,872**	**63,834,199**
Total assets		**728,688,098**	**698,045,361**
Equity			
Share capital	*21*	66,269,683	85,016,583
Distribution to shareholders	*5*	(158,494,494)	--
Translation reserves	*21*	96,432,791	65,695,417
Fair value reserves	*21*	794,345	--
Legal reserves	*21*	17,304,379	16,825,353
Retained earnings		255,358,318	259,191,146
Total equity attributable to equity holders of the Company		**277,665,022**	**426,728,499**
Non-controlling interests		**21,797,607**	**24,609,375**
Total equity		**299,462,629**	**451,337,874**
Liabilities			
Loans and borrowings	*18*	223,411,131	83,095,451
Trade and other payables	*19*	--	703,176
Deferred tax liabilities		107,491,543	101,030,641
Employee benefits	*20*	1,715,599	1,411,061
Total non-current liabilities		**332,618,273**	**186,240,329**
Loans and borrowings	*18*	53,318,455	33,392,791
Trade and other payables	*19*	24,744,731	21,849,600
Due to related parties	*25*	14,238,067	939,896
Current tax liabilities		3,497,937	3,502,554
Provisions		808,006	782,317
Total current liabilities		**96,607,196**	**60,467,158**
Total liabilities		**429,225,469**	**246,707,487**
Total equity and liabilities		**728,688,098**	**698,045,361**

The accompanying notes are an integral part of this condensed consolidated interim financial information.

Global Liman İşletmeleri A.Ş. and its Subsidiaries

Condensed Consolidated Interim Statement of Comprehensive Income

For the Six-Month Period Ended 30 June 2013

Currency: TL

	Notes	1 January- 30 June 2013	1 January- 30 June 2012
Revenue	*6*	60,792,652	51,469,578
Cost of sales	*6*	(38,412,712)	(34,816,341)
Gross profit		**22,379,940**	**16,653,237**
Other income		217,957	55,565
Selling and marketing expenses		(151,057)	(201,526)
Administrative expenses	*9*	(10,803,859)	(6,476,895)
Other expenses	*7*	(3,703,176)	(348,676)
Operating profit		**7,939,805**	**9,681,705**
Finance income	*10*	9,814,611	9,393,321
Finance costs	*10*	(9,870,195)	(10,789,318)
Net finance costs		**(55,584)**	**(1,395,997)**
Profit before income tax		**7,884,221**	**8,285,708**
Income tax expense		(2,772,344)	(847,917)
Profit for the period		**5,111,877**	**7,437,791**
Other comprehensive income			
Change in currency translation differences	*10*	32,723,327	(21,302,358)
Fair value reserve		1,198,238	--
Other comprehensive income for the period, net of income tax		**33,921,565**	**(21,302,358)**
Total comprehensive income for the period		**39,033,442**	**(13,864,567)**
Profit/(loss) attributable to:			
Owners of the Company		5,353,537	6,410,162
Non-controlling interests		(241,660)	1,027,629
		5,111,877	**7,437,791**
Total comprehensive income attributable to:			
Owners of the Company		36,885,256	(13,598,908)
Non-controlling interests		2,148,186	(265,659)
		39,033,442	**(13,864,567)**

The accompanying notes are an integral part of this condensed consolidated interim financial information.

Global Liman İşletmeleri A.Ş. and its Subsidiaries

Condensed Consolidated Interim Statement of Changes in Shareholders' Equity

For the Six-Month Period Ended 30 June 2013

Currency: TL

	Share Capital (Note 21)	Distribution to shareholders (Note 5)	Legal Reserves (Note 21)	Fair Value Reserves (Note 21)	Translation Reserves (Note 21)	Retained Earnings	Total	Non-controlling Interests	Total Equity
Balance at 1 January 2013	**85,016,583**		**16,825,353**	**--**	**65,695,417**	**259,191,146**	**426,728,499**	**24,609,375**	**451,337,874**
Total comprehensive income									
Net profit for the period	--		--	--	--	5,353,537	**5,353,537**	(241,660)	**5,111,877**
Other comprehensive income									
Fair value reserve	--	--	--	794,345	--	--	**794,345**	403,893	**1,198,238**
Foreign currency translation differences	--		--	--	30,737,374	--	**30,737,374**	1,985,953	**32,723,327**
Total comprehensive income for the period	**--**		**--**	**794,345**	**30,737,374**	**5,353,537**	**36,885,256**	**2,148,186**	**39,033,442**
Transactions with owners, recorded directly in equity									**--**
Transfer	--	--	479,026	--	--	(479,026)	**--**		**--**
Dividend distributions	--		--	--	--	(8,707,339)	**(8,707,339)**	(4,959,954)	**(13,667,293)**
Business combination under common control	(18,746,900)	(158,494,494)	--	--	--	--	**(177,241,394)**	--	**(177,241,394)**
Total transactions with owners	**(18,746,900)**	**(158,494,494)**	**479,026**	**--**	**--**	**(9,186,365)**	**(185,948,733)**	**(4,959,954)**	**(189,710,449)**
Balance at 30 June 2013	**66,269,683**	**(158,494,494)**	**17,304,379**	**794,345**	**96,432,791**	**255,358,318**	**277,665,022**	**21,797,607**	**299,462,629**
Balance at 1 January 2012	**85,016,583**	**--**	**7,591,909**	--	**97,484,578**	**279,265,910**	**469,358,980**	**30,623,156**	**499,982,136**
Total comprehensive income									
Net profit for the period	--	--	--	--	--	6,410,162	**6,410,162**	1,027,629	**7,437,791**
Other comprehensive income									
Foreign currency translation differences	--	--	--	--	(20,009,070)	--	**(20,009,070)**	(1,293,288)	**(21,302,358)**
Total comprehensive income for the period	**--**	**--**	**--**	**--**	**(20,009,070)**	**6,410,162**	**(13,598,908)**	**(265,659)**	**(13,864,567)**
Transactions with owners, recorded directly in equity									
Transfer	--	--	2,382,667	--	--	(2,382,667)	**--**		**--**
Dividend distributions	--	--	--	--	--	(24,510,388)	**(24,510,388)**	(1,708,541)	**(26,218,929)**
Total transactions with owners	**--**	**--**	**2,382,667**	**--**	**--**	**(26,893,055)**	**(24,510,388)**	**(1,708,541)**	**(26,218,929)**
Balance at 30 June 2012	**85,016,583**	**--**	**9,974,576**	**--**	**77,475,508**	**258,783,017**	**431,249,684**	**28,648,956**	**459,898,640**

The accompanying notes are an integral part of this condensed consolidated interim financial information.

Global Liman İşletmeleri A.Ş. and its Subsidiaries

Condensed Consolidated Interim Statements of Cash Flows

As at and for the Six-Month Period Ended 30 June 2013

Currency: TL

	Notes	2013	2012
Cash flows from operating activities			
Net profit for the period		5,111,877	7,437,791
Adjustment to reconcile net profit/ (loss) net cash provided by operating activities			
Depreciation and amortization expense	*11&12*	20,851,217	20,919,271
Interest expense	*10*	3,487,500	3,941,981
Income tax expense		2,772,344	847,917
Unrealized foreign exchange differences on loans and borrowings		(3,521,599)	(6,557,443)
Operating cash flow before changes in operating assets and liabilities		**28,701,339**	**26,589,517**
Employee benefits paid		(182,494)	(47,998)
Income taxes paid		(5,055,804)	(3,754,743)
Change in employment termination indemnity		487,032	387,987
Change in trade and other receivables		(3,736,288)	(3,547,767)
Change in other current assets		421,937	(77,129)
Change in other non-current assets		(391,552)	126,640
Change in trade and other payables		2,191,955	1,215,971
Change in provisions		25,689	18,268
Net cash from operating activities		**22,461,814**	**20,910,746**
Investing activities			
Acquisition of property and equipment	*11*	(4,775,197)	(1,591,516)
Acquisition of intangible assets	*12*	(78,044)	(80,858)
Disposal of property and equipment	*11*	1,145,521	--
Change in financial investments	*14*	(7,787,986)	3,021,311
Advances given for tangible assets	*16*	(2,133,458)	(621,924)
Net cash (used in) / from investing activities		**(13,629,164)**	**727,013**
Financing activities			
Decrease in share capital	*21*	(18,746,900)	--
Change in due from and due to related parties		10,794,225	(1,525,819)
Dividends paid	*21*	(5,193,246)	(26,218,929)
Interest paid		(3,431,081)	(4,989,334)
Proceeds from borrowings		27,792,265	--
Repayments of borrowings		(20,289,248)	(16,291,413)
Net cash used in financing activities		**(9,073,985)**	**(49,025,495)**
Currency translation differences		(13,273,746)	3,831,993
Net decrease in cash and cash equivalents		**(13,515,081)**	**(23,555,743)**
Cash and cash equivalents at 1 January	*17*	22,213,308	37,509,914
Cash and cash equivalents at 30 June	*17*	**8,698,227**	**13,954,171**

The accompanying notes are an integral part of this condensed consolidated interim financial information.

Notes to the consolidated financial statements

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1 Reporting entity

Global Altyapı Hizmetleri ve İşletmecilik A.Ş was originally incorporated to invest in Global Yatırım Holding's infrastructure projects in Istanbul, Turkey in 2004. On 13 September 2007, Global Altyapı Hizmetleri ve İşletmecilik A.Ş changed its trade name to Global Liman İşletmeleri A.Ş. ("Global Liman" or "the Company"). The main operation of the Company is to invest in the capital and management of companies that operate or will operate in the ports and port management industry.

Global Liman and its subsidiaries are together referred to as "the Group".

As at 30 June 2013, 100% of the shares of the Company are owned by Global Yatırım Holding A.Ş. ("Global Yatırım Holding"). As at 31 December 2012, 77.89% of the shares of the Company were owned by Global Yatırım Holding A.Ş. and remaining 22.11% shares of the company were owned by Savina Holding GmbH ("Savina").

Global Yatırım Holding was established in 1990 with the trade name Global Menkul Değerler A.Ş. as a brokerage company in Istanbul, Turkey. In 2004, Global Yatırım Holding changed its trade name to Global Yatırım Holding A.Ş and changed its field of activity into that of a holding company. The main activity of Global Yatırım Holding is to participate in the capital and management of companies that operate or will operate in the fields of finance, energy, infrastructure and transportation and to minimize the volatility of its investments against economic fluctuations by handling the capital expenditure, financing, organization and administration of those companies within a portfolio, while contributing to the achievement of sustainable growth and ensuring the going concern of those 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 is registered with the Capital Market Board ("CMB") and its shares have been traded on the Istanbul Stock Exchange ("ISE") since May 1995 (From May 1995 to October 2004, traded as Global Menkul Değerler A.Ş.).

As at 30 June 2013, the number of employees of the Group was 242 (31 December 2012: 198). The address of the registered office of the Company is "Rıhtım Caddesi No: 51 Karaköy / Istanbul".

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

Subsidiaries	Location	Operations
Ege Liman İşletmeleri A.Ş. ("Ege Liman")	Aydın-Turkey	Port operations
Ortadoğu Antalya Liman İşletmeleri A.Ş. ("Ortadoğu Liman")	Antalya-Turkey	Port operations
Bodrum Liman İşletmeleri A.Ş. ("Bodrum Liman")	Muğla-Turkey	Port operations
İzmir Liman İşletmeciliği A.Ş ("İzmir Liman")	İstanbul-Turkey	Port operations
Torba İnşaat ve Turistik A.Ş. ("Torba")	İstanbul-Turkey	Real estate
Global Depolama A.Ş. ("Global Depolama")	İstanbul-Turkey	Storage
Randa Denizcilik San. ve Tic. Ltd. Şti. ("Randa")	Antalya-Turkey	Marine Vehicle Trade

1 Reporting entity *(continued)*

Ege Liman

Kuşadası Cruise Port was constructed in 1968 and was operated by the Turkish Maritime Organization Inc. (Turkiye Denizcilik Isletmeleri A.Ş.) ("TDI") until its privatization in 2003. On 2 July 2003, Ege Liman entered into a transfer of operational rights agreement ("TOORA") for Kuşadası Cruise Port for a period of 30 years with the Privatization Administration (Özelleştirme İdaresi Başkanlığı) ("OIB") and TDI. The TOORA will end in 2033. Kuşadası Cruise Port is the largest cruise ship terminal in Turkey and is a popular port of call for cruises originating from Greece, Italy, France, Spain and Turkey.

Global Liman acquired 72.50% of the shares of Ege Liman on 6 July 2005. The other shareholder of Ege Liman is Royal Caribbean Cruises Ltd ("RCCL").

Ege Liman offers the following basic services to ships calling at the port: tugging, pilotage, sheltering, and security, and clean water supply, disposal of solid waste, underwater diving inspection, fuel supply and liquid waste collection.

Ortadoğu Liman

Antalya Port, constructed in 1977, is a multi-functional facility harbouring a cruise port, a marina and a commercial port and was operated by the TDI until its privatization in 1998. Operational rights for Antalya Port were taken over for a period of 30 years by Ortadoğu Liman in August 1998. In 2001, due to the difficulties in the other commercial activities of the former shareholders of Ortadoğu Liman, Savings Deposit Insurance Fund ("SDIF") confiscated the company.

Akdeniz Liman İşletmeleri A.Ş. ("Akdeniz Liman"), a joint venture of Global Liman, acquired 99.99% of the shares of Ortadoğu Liman which were subsequently tendered by the SDIF. Akdeniz Liman merged with Ortadoğu Liman in December 2006 and all the rights and obligations of Akdeniz Liman were transferred to Ortadoğu Liman which was denoted the successor entity. The concession period will end in 2028.

Until 29 July 2010, Global Liman owned 39.80% shares of Ortadoğu Liman. On 29 July 2010, Global Liman acquired the 60% of the shares of Ortadoğu Liman from other shareholders and obtained control by raising the ownership to 99.80%.

Bodrum Liman

Bodrum Cruise Port was tendered by the State Railways, Ports and Airports Construction Company (Demiryolları, Limanlar ve Havayolları) ("DLH") in September 2003 through a 12-year Build-Operate-Transfer ("BOT") tender agreement, which commenced in December 2007. The BOT agreement period will end in 2019. The winning bidder of the BOT concession was a consortium, which later established Bodrum Liman to carry out the operations of Bodrum Cruise Port.

Global Liman acquired 60% of the shares of Bodrum Liman on 16 June 2008. Shareholders of the remaining 30% and 10% of the shares of Bodrum Liman are Yüksel Çağlar and Setur Servis Turistik A.Ş. ("Setur"), respectively.

İzmir Liman

İzmir Liman was incorporated in 2008 by the shareholders of the consortium which made the highest bid for the İzmir Port tender. In 2011, Global Liman acquired 54% of the shares of İzmir Liman from the other shareholders and obtained control of İzmir Liman increasing its equity interest from 25% to 79%.

1 Reporting entity *(continued)*

Torba

Torba was incorporated in Istanbul, Turkey, in 2006, for the purpose of developing a real estate project in Bodrum, Muğla. On 4 January 2008, a trustee was appointed to Torba due to the legal dispute with the previous shareholders. Torba is not consolidated with effect from 4 January 2008 in the consolidated financial statements, due to lack of control.

Global Depolama

Global Depolama was established on 9 July 2008 for the purpose of investing in the storage sector.

Randa

Randa was purchased by Global Liman on 17 February 2011 for a consideration of Euro 10,000. As at 30 June 2013 and 31 December 2012, Randa is inactive and is excluded from the scope of consolidation.

2 Basis of preparation

(a) Statement of compliance

This condensed consolidated interim financial information has been prepared in accordance with IAS 34 *Interim Financial Reporting*. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2012. This condensed consolidated interim financial information does not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards.

The Company and its subsidiaries maintain their books of account and prepare their statutory financial statements in Turkish Lira ("TL") in accordance with the Turkish Commercial Code, tax legislation and Turkish Uniform Chart of Accounts.

(b) Use of estimates and judgments

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2012.

(c) Change in accounting policy

i) Defined benefit obligation

The Group adopted IAS 19 Employee Benefits (2011) with a date of initial application of 1 January 2012, however, not changed its basis for determining the expense related to defined benefit obligations due to immateriality.

2 Basis of preparation *(continued)*

(c) Change in accounting policy *(continued)*

ii) Subsidiaries

The Group has adopted IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, as well as the consequential amendments to IAS 28 Investments in Associates and Joint Ventures (2011), with a date of initial application of 1 January 2012.
As a result of the adoption of IFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over and consequently whether it consolidates its investees.

In accordance with the transitional provisions of IFRS 10, the Group re-assessed the control conclusion for its investees at 1 January 2012. As a consequence, the Group's control conclusion in respect of its investment in its investees has not changed and there has been no impact on the recognised assets, liabilities and comprehensive income of the Group.

(d) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective as at 30 June 2013, and have not been applied in preparing these consolidated interim financial statements. Among those new standards, the following are expected to have effect on the consolidated interim financial statements of the Group:

- IFRS 9 Financial Instruments could change the classification and measurement of financial assets and becomes effective for annual periods beginning on or after 1 January 2015.
- IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial liabilities (Amended): The amendments clarify the meaning of ―currently has a legally enforceable right to set-off and also clarify the application of the IAS 32 offsetting criteria to settlement systems which apply gross settlement mechanisms that are not simultaneous. These amendments are to be retrospectively applied for annual periods beginning on or after 1 January 2014.

The Group does not plan to adopt these standards early and the extent of the impact has not been determined yet.

3 Significant accounting policies

Except for the new standards which have become effective on 1 January 2013 disclosed above, the accounting policies applied in preparation of the accompanying condensed consolidated interim financial statements are consistent with the accounting policies applied in the annual consolidated financial statements of the Group as at and for the year ended 31 December 2012.

Certain comparative amounts in the statement of comprehensive income have been reclassified to conform to the current year's presentation. For the six-month period ended 30 June 2012, the administrative expenses (Note 8) were decreased in the amount of TL 44,751, whereas the other expenses (Note 6) were increased in the amount of TL 44,751.

4 Segment reporting

Operating segments considered in performance evaluation by the Group management are determined by considering the Group's risks and resources and internal reporting structure. The Group's operating segments are Kuşadası Port, Antalya Port and Bodrum Port, which are operated by Ege Liman, Ortadoğu Liman and Bodrum Liman, respectively. Other operations of the Group, which include Global Liman, İzmir Liman and Global Depolama, do not generate external revenues and therefore are presented to reconcile to the consolidated financial statements.

Information regarding all the segments is stated below. External revenues and earnings before interest, tax, depreciation and amortization ("EBITDA") are reviewed in the assessment of the financial performance of the operating segments. The Group management assesses EBITDA as the most appropriate method for the review of the segment operations, based on comparability with other companies in the same industry. The reconciliation of EBITDA to profit before tax and elements of EBITDA are disclosed as follows.

4 Segment reporting *(continued)*

As at 30 June 2013 and 31 December 2012, the details of reportable segments comprised the following:

	Kuşadası Port		Antalya Port		Bodrum Port		Other		Total	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 2012
Segment assets	93,244,115	84,959,140	565,187,493	549,243,620	26,748,343	25,882,272	60,596,166	37,960,329	**745,776,117**	**698,045,361**
Segment liabilities	32,017,992	24,372,645	194,612,760	183,989,481	6,075,334	5,578,447	213,607,402	15,305,768	**446,313,488**	**229,246,341**
Capital expenditures	2,064,680	1,979,268	2,605,710	4,579,006	149,840	70,777	33,011	95,628	**4,853,241**	**6,724,679**

For the six-month periods ended 30 June, the details of reportable segments comprised the following:

	Kuşadası Port		Antalya Port		Bodrum Port		Other		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
External revenues	9,873,024	10,360,716	49,712,020	39,671,179	1,207,608	1,437,683	--	--	**60,792,652**	**51,469,578**
EBITDA	2,706,096	6,142,046	27,149,517	24,400,978	63,713	297,682	(1,128,304)	(239,730)	**28,791,022**	**30,600,976**
Depreciation and amortization expense	(1,557,098)	(1,562,461)	(17,995,762)	(17,660,465)	(1,203,027)	(1,598,575)	(95,330)	(97,770)	**(20,851,217)**	**(20,919,271)**

	2013	2012
Revenues		
Total revenue for reportable segments	60,792,652	51,469,578
Consolidated revenue	**60,792,652**	**51,469,578**
Consolidated EBITDA	28,791,022	30,600,976
Finance income	9,814,611	9,393,321
Finance costs	(9,870,195)	(10,789,318)
Depreciation and amortization	(20,851,217)	(20,919,271)
Consolidated profit/(loss) before income tax	**7,884,221**	**8,285,708**

5 Business combination under common control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses ultimately are controlled by the same party or parties both before and after the combination. The acquisition of an entity under common control is accounted for using book values, and in its consolidated financial statements the acquirer is permitted, but not required, to restate its comparatives as if the combination had been in existence throughout the reporting periods presented. The Group has, however, elected to account for the acquisitions of entities under common control from the acquisition date.

On 24 December 2012, Global Yatırım Holding has signed a share purchase agreement with Savina for 22.11% shares of Global Liman at an amount of USD 95,945,000 including dividend rights of Savina. Transfer of Global Liman shares to Global Yatırım Holding has been completed on 7 February 2013 after the fulfillment of the several pre-conditions, such as permission of the Competition Board. Global Yatırım Holding paid to Savina an amount of USD 91,724,063 after deduction of dividend amount paid during the period. Global Yatırım Holding's shares at Global Liman reached 99.99% following this share transfer.

Subsequent to the acquisition, as part of a structuring process, Global Yatırım Holding sold 22.11% of Global Liman shares to Adonia Deniz ve Liman Yatırımları ve İşletmeciliği A.Ş. ("Adonia"), a newly established company with a share capital of TL 50,000 and a fully owned subsidiary of Global Yatırım Holding, at an amount of TL 177,241,394. As part of this transaction, Global Yatırım Holding transferred bank loans amounting TL 161,867,430 to Adonia.

On 28 June 2013, Global Liman and Adonia have merged under Global Liman and legal personality of Adonia has ended.

In order to comply with the provisions of the Turkish Commercial Code, share capital of Global Liman has been decreased by TL 18,746,900, from 85,000,000 to TL 66,253,100.

As a result, the difference between the book value of Global Liman shares in Adonia's accounts and Global Liman's accounts, TL 158,494,494, have been recognized in equity under "Distribution to Shareholders" in the accompanying consolidated financial statements.

6 Revenue and cost of sales

Revenue
For the six-month periods ended 30 June, revenue comprised the following:

	2013	**2012**
Container revenues	29,170,581	22,247,125
Port service revenues	13,337,761	11,775,469
Cargo revenues	9,838,953	9,269,228
Rent revenues (*)	3,556,180	3,497,642
Landing fees	3,242,839	3,265,622
Setur rent revenues	808,917	729,061
Domestic water sales	416,910	457,535
Other revenue	420,511	227,896
Total	**60,792,652**	**51,469,578**

(*) Includes all rent revenues except Setur rent revenues.

6 Revenue and cost of sales *(continued)*

Cost of sales

For the six-month periods ended 30 June, cost of sales comprised the following:

	2013	2012
Depreciation and amortization expenses	20,469,996	20,596,188
Personnel expenses	7,214,371	5,364,328
Subcontractor lashing expenses	2,086,448	1,551,762
Subcontractor crane expenses	1,518,988	1,612,510
Fuel expenses	1,044,870	1,037,354
Container transportation expenses	898,702	676,669
Repair and maintenance expenses	787,694	688,167
Commission fees to government authorities and pilotage expenses	638,762	557,649
Security expenses	584,436	506,805
Insurance expenses	517,605	536,631
Port rental expenses	510,218	128,203
Port energy usage expenses	502,836	520,138
Shopping mall expenses	340,374	322,771
Other expenses	1,297,412	717,166
Total	**38,412,712**	**34,816,341**

7 Other expenses

For the six-month periods ended 30 June, other expenses comprised the following:

	2013	2012
Donations	(1,953,883)	--
Project expenses	(880,264)	(44,751)
Partial exception expenses	(213,863)	(149,660)
Other	(655,166)	(154,265)
Total	**(3,703,176)**	**(348,676)**

8 Income tax expense

In accordance with the Tax Amnesty Law (The Law numbered 6111) if applied until 2 May 2011, Turkish companies gained an alternative method for the settlement of previous disputes with the tax authorities related to the years prior to 2009. In 2011, the Group decided to apply to the Turkish Ministry of Finance in order to restructure the corporate income tax pertaining years 2006-2007-2008-2009 and to pursue related negotiations.

The Group companies applied to the Ministry of Finance related to the Tax Amnesty Law in 2011. According to the Tax Amnesty Law, current income tax was calculated as TL 2,451,875 (excluding the interest costs due to due date difference calculated in accordance with the law recognized under finance costs) in total for the years of 2006-2009. In accordance with the above mentioned progress, the Group management decided to recognize an accrual under trade and other payables (Note 18).

In 2011, the Group recognized current income tax income amounting to TL 1,512,990 regarding the over charged current income tax to Ortadoğu Liman. The refund of the balances is decided by report of tax inspectors. The return balance has been recognized under the income tax charge and other assets (Note 15).

The movement of deferred taxes for the six-month period ended 30 June, is as follows:

	2013	2012
Balance at 1 January	**(94,861,127)**	**(107,283,519)**
Deferred tax benefit in income	2,278,842	3,123,657
Currency translation difference	(8,364,548)	4,278,744
Balance at 30 June	**(100,946,833)**	**(99,881,118)**

9 Administrative expenses

For the six-month periods ended 30 June, administrative expenses comprised the following:

	2013	2012
Personnel expenses	5,977,159	3,513,803
Consultancy expenses	1,909,899	1,322,949
Travel expenses	473,957	269,933
Depreciation and amortization expenses	381,220	323,083
Representation expenses	158,100	66,955
Office operating expenses	115,623	81,809
Communication expenses	103,257	92,215
Vehicle expenses	101,824	101,793
Taxes other than on income	81,511	106,831
IT Expenses	67,977	62,280
Stationary expenses	53,349	34,122
Repair and maintenance expenses	49,857	18,588
Other expenses	1,330,126	482,534
Total	**10,803,859**	**6,476,895**

10 Finance income and costs

For the six-month periods ended 30 June, finance income comprised the following:

Finance income	**2013**	**2012**
Foreign exchange gain	7,663,057	5,817,763
Interest income on Global Yatırım Holding's bonds (Note 24)	1,909,320	2,319,763
Interest income on banks and others	146,652	1,027,627
Gain on sale of marketable securities	95,582	228,168
Total	**9,814,611**	**9,393,321**

For the six-month periods ended 30 June, finance costs comprised the following:

Finance costs	**2013**	**2012**
Foreign exchange losses	6,052,277	6,341,300
Interest expense	3,487,500	3,941,981
Loan commission expenses	--	180,048
Loss on sale of marketable securities	45,891	--
Interest expense on tax amnesty provision	5,088	--
Other	279,439	325,989
Total	**9,870,195**	**10,789,318**

For the six-month periods ended 30 June, finance income and costs accounted for in other comprehensive income comprised the following:

	2013	**2012**
Foreign currency translation differences	32,723,327	(21,302,358)
Fair value reserve	1,198,238	--
Total	**33,921,565**	**(21,302,358)**

11 Property and equipment

For the six-month periods ended 30 June, movements of property and equipment comprised the following:

	2013	**2012**
Net book value as at 1 January	**93,745,226**	**102,509,197**
Additions (*)	4,775,197	1,591,516
Disposals	(1,145,521)	--
Depreciation	(4,487,474)	(4,603,063)
Currency translation differences	6,330,404	(4,544,412)
Net book value as at 30 June	**99,217,832**	**94,953,238**

(*) A significant portion of the additions are comprised of leasehold improvement and machinery and equipment for the six-month periods ended 30 June 2013 and 2012.

As at 30 June 2013, the net book value of machinery and equipment purchased through leasing amounts to TL 5,771,392 (31 December 2012: TL 5,538,946) and the net book value of motor vehicles purchased through leasing amounts to TL 3,312,217 (31 December 2012: TL 3,167,882).

11 Property and equipment *(continued)*

As at 30 June 2013 and 31 December 2012, according to the "TOORA" signed with Ege Liman and Ortadoğu Liman and the "BOT" tender agreement signed with Bodrum Liman, at the end of the agreement periods, real estate with their capital improvements will be returned as running, clean, free of any liability and free of charge. The details of the pledge or mortgage on property and equipment regarding the loans and borrowings are explained on Note 18.

For the six-month periods ended 30 June 2013 and 2012, there is no capitalization of borrowing cost on property and equipment.

12 Intangible assets

For the six-month periods ended 30 June, movements of intangible assets comprised the following:

	2013	2012
Net book value as at 1 January	**501,193,955**	**565,243,065**
Additions	78,044	80,858
Amortization	(16,363,743)	(16,316,208)
Currency translation differences	38,926,656	(24,765,112)
Net book value as at 30 June	**523,834,912**	**524,242,603**

13 Goodwill

For the six-month periods ended 30 June, movements of goodwill comprised the following:

	2013	2012
Net book value as at 1 January	**22,924,993**	**24,292,056**
Currency translation differences	1,828,752	(1,059,699)
Net book value as at 30 June	**24,753,745**	**23,232,357**

As at 30 June 2013 and 31 December 2012, the Group recognized goodwill related to the acquisition of Ege Liman in its consolidated financial statements.

As at 31 December 2012, the Group tested impairment by comparing the goodwill from the acquisition of Ege Liman with the values in use of the cash generating units and concluded that no impairment exists.

As at 30 June 2013, goodwill was not tested for impairment because there were no impairment indicators as comparing with 31 December 2012.

14 Investments

Financial assets available for sale

As at 30 June 2013 and 31 December 2012, financial assets available for sale comprised the following:

	30 June 2013	31 December 2012
Global Yatırım Holding bonds	29,693,467	24,691,641
Share certificates of Global Yatırım Holding	2,786,160	--
Total	**32,479,627**	**24,691,641**

Global Yatırım Holding bonds were acquired on 31 December 2012. As at 30 June 2013, the bonds' maturity is 30 June 2017 with an annual nominal interest rate of 11% and a nominal amount of USD 15,350,000 (31 December 2012; the bonds' maturity is 30 June 2017, annual nominal interest rate of 11% and a nominal amount of USD 15,515,000).

Global Yatırım Holding shares are actively traded in ISE.

As at 30 June 2013 and 31 December 2012, investments in equity instruments that are not quoted in an active market comprised the following:

	30 June 2013		31 December 2012	
	Share Ratio (%)	Book Value	Share Ratio (%)	Book Value
Torba (*)	79.00	79,000	79.00	79,000
Randa (**)	99.99	22,232	99.99	22,232
Total		**101,232**		**101,232**

(*) Torba is excluded from consolidation due to appointment of a trustee at 4 January 2008 and loss of control. Torba is carried at cost in the consolidated financial statements, since its shares are not quoted in an active market.

(**) Randa was purchased by Global Liman on 17 February 2011 for a consideration of Euro 10,000. As at 30 June 2013, Randa is inactive and is excluded from the scope of consolidation.

15 Trade and other receivables

As at 30 June 2013 and 31 December 2012, trade and other receivables comprised the following:

	30 June 2013	31 December 2012
Trade receivables	5,801,928	3,802,592
Due from subsidiaries' other shareholders	193,847	--
Deposits and advances given	37,751	37,332
Other receivables (*)	5,192,893	1,517,574
Total trade and other receivables	**11,226,419**	**5,357,498**

(*) As at 30 June 2013 and 31 December 2012, the Group companies except Ege Liman classified receivables from RCCL under other receivables.

15 Trade and other receivables *(continued)*

As at 30 June 2013 and 31 December 2012, trade receivables comprised the following:

	30 June 2013	31 December 2012
Receivables from customers	5,777,456	3,802,592
Other trade receivables	24,472	--
Doubtful receivables	621,279	664,610
Allowance for doubtful receivables (-)	(621,279)	(664,610)
Total	**5,801,928**	**3,802,592**

Movements in the allowance for doubtful trade receivables for the six-month periods ended 30 June comprised the following:

	2013	2012
Balance at 1 January	(664,610)	(648,969)
Allowance for the period	(7,130)	(103,646)
Written off during the period	50,461	--
Balance at 30 June	**(621,279)**	**(752,615)**

As at 30 June 2013 and 31 December 2012, current trade receivables mature between 0-1 months.

Foreign currency risk with respect to trade and other receivables are disclosed in Note 24.

Bad debt expense on doubtful receivables is recognized in administrative expenses.

16 Other assets

Other non-current assets

As at 30 June 2013 and 31 December 2012, other non-current assets comprised the following:

	30 June 2013	31 December 2012
Value added tax (*)	4,081,571	4,075,692
Advances given (**)	1,263,290	911,120
Prepaid expenses	58,583	23,370
Deposits and guarantees given	34,692	35,590
Other	--	812
Total	**5,438,136**	**5,046,584**

(*) The Group classified value added tax receivables of İzmir Liman as non-current since value added tax payables from revenues cannot be offset with the value added tax receivables in the short-term.

(**) Advances given are mainly composed of the advances given by Ortadoğu Liman for the purchase of machinery and for the investments related to the passenger terminal.

16 Other assets *(continued)*

Other current assets

As at 30 June 2013 and 31 December 2012, other current assets comprised the following:

	30 June 2013	31 December 2012
Advances given	3,420,907	2,691,492
Value added tax	1,586,974	1,609,674
Current income tax receivable (*)	756,455	1,372,605
Prepaid expenses	726,233	1,167,349
Income accruals	610,816	121,251
Prepaid taxes	44,119	420,194
Other	153,674	338,550
Total	**7,299,178**	**7,721,115**

(*) Current income tax receivable comprises the over charged current income tax to Ortadoğu Liman. The refund of the balances is decided by report of tax inspectors. The return balance has been recognized under income tax charge.

17 Cash and cash equivalents

As at 30 June 2013 and 31 December 2012, cash and cash equivalents comprised the following:

	30 June 2013	31 December 2012
Cash on hand	355,292	293,693
Cash at banks	1,327,283	3,439,465
-Demand deposits	*1,282,871*	*3,395,878*
-Time deposits	*44,412*	*43,587*
Receivables from reverse repurchase agreements	7,049,064	18,512,737
Cash and cash equivalents	**8,731,639**	**22,245,895**

	30 June 2013	31 December 2012
Cash and cash equivalents	8,731,639	22,245,895
Restricted cash	(33,412)	(32,587)
Cash and cash equivalents for cash flow statement purposes	**8,698,227**	**22,213,308**

As at 30 June 2013 and 31 December 2012, maturities of time deposits comprised the following:

	30 June 2013	31 December 2012
Up to 1 month	11,000	11,000
1-3 months	33,412	32,587
Total	**44,412**	**43,587**

17 Cash and cash equivalents *(continued)*

As at 30 June 2013 and 31 December 2012, the ranges of interest rates for time deposits are as follows:

	2013	2012
Interest rate for time deposit-TL (lowest)	5.75%	6.25%
Interest rate for time deposit-TL (highest)	6.00%	6.50%

As at 30 June 2013, cash at banks amounting to TL 33,412 (31 December 2012: TL 32,587) is restricted due to the bank loans guarantees and subscription guarantees.

18 Loans and borrowings

As at 30 June 2013 and 31 December 2012, loans and borrowings comprised the following:

Short term loans and borrowings	**30 June 2013**	**31 December 2012**
Short term bank loans	2,424,800	--
-TL Loans	*500,000*	--
-Foreign currency loans	*1,924,800*	--
Short term portion of long term bank loans	49,916,011	31,771,891
-TL Loans	--	*22,517*
-Foreign currency loans	*49,916,011*	*31,749,374*
Finance lease obligations	977,644	1,620,900
Total	**53,318,455**	**33,392,791**

Long term loans and borrowings	**30 June 2013**	**31 December 2012**
Long term bank loans	222,460,842	81,828,540
-TL Loans	--	--
-Foreign currency loans	*222,460,842*	*81,828,540*
Finance lease obligations	950,289	1,266,911
Total	**223,411,131**	**83,095,451**

As at 30 June 2013 and 31 December 2012, maturity profile of long term bank loans comprised the following:

Year	**30 June 2013**	**31 December 2012**
Between 1-2 years	12,564,119	33,925,216
Between 2-3 years	49,717,154	28,812,210
Between 3-4 years	49,321,681	18,196,978
Over 5 years	110,857,888	894,136
Total	**222,460,842**	**81,828,540**

18 Loans and borrowings *(continued)*

As at 30 June 2013 and 31 December 2012, maturity profile of finance lease obligations comprised the following:

	30 June 2013			**31 December 2012**		
	Future minimum lease payments	*Interest*	*Present value of minimum lease payments*	*Future minimum lease payments*	*Interest*	*Present value of minimum lease payments*
Less than one year	1,063,007	85,363	977,644	1,727,837	106,937	1,620,900
Between one and five years	983,404	33,115	950,289	1,330,278	63,367	1,266,911
Total	**2,046,411**	**118,478**	**1,927,933**	**3,058,115**	**170,304**	**2,887,811**

18 Loans and borrowings *(continued)*

Details of the loans and borrowings as at 30 June 2013 are as follows:

						30 June 2013	
Loan Type	**Company Name**	**Currency**	**Maturity**	**Interest Type**	**Interest rate %**	**Principal (TL)**	**Carrying Value (TL)**
Loans used to finance investments and projects							
Secured Loan *(i)*	Global Liman	USD	2017	Floating	Libor + 4.95%	24,252,480	24,302,843
Secured Loan *(ii)*	Global Liman	USD	2021	Floating	Libor + 5.35%	161,105,760	161,215,984
Secured Loan	Bodrum Liman	USD	2014	Fixed	7.95%	1,324,109	1,364,960
Secured Loan	Bodrum Liman	USD	2016	Fixed	7.75%	1,599,336	1,628,840
Secured Loan *(iii)*	Ortadoğu Liman	USD	2016	Floating	Libor+4.95%	43,115,520	43,505,072
Secured Loan *(iv)*	Ortadoğu Liman	USD	2016	Fixed	5.15%	5,052,600	5,109,826
Secured Loan *(v)*	Ortadoğu Liman	USD	2017	Floating	Libor+5.05%	9,624,000	9,647,069
Secured Loan *(vi)*	Ortadoğu Liman	USD	2019	Fixed	5.65%	7,699,200	7,743,406
						253,773,005	**254,518,000**
Loans used to finance working capital							
Unsecured Loan	Bodrum Liman	TL	2014	Fixed	9.00%	500,000	500,000
Unsecured Loan	Ege Liman	USD	2016	Floating	Libor + 5.05%	2,309,760	2,321,456
Unsecured Loan	Ege Liman	USD	2014	Fixed	5.00%	962,400	962,400
Unsecured Loan	Ege Liman	USD	2014	Fixed	5.25%	962,400	962,400
Secured Loan *(iii)*	Ortadoğu Liman	USD	2015	Floating	Libor+4.95%	15,398,400	15,537,397
						20,132,960	**20,283,653**
Finance lease obligations							
Leasing *(vii)*	Ortadoğu Liman	USD	2015	Fixed	5.92%	1,772,909	1,772,909
Leasing	Ortadoğu Liman	EUR	2013	Fixed	7.30%	86,056	86,056
Leasing	Ortadoğu Liman	EUR	2013	Fixed	7.20%	68,968	68,968
						1,927,933	**1,927,933**
						275,833,898	**276,729,586**

18 Loans and borrowings *(continued)*

Details of the loans and borrowings as at 31 December 2012 are as follows:

					31 December 2012		
Loan Type	**Company Name**	**Currency**	**Maturity**	**Interest Type**	**Interest rate %**	**Principal (TL)**	**Carrying Value (TL)**
Loans used to finance investments and projects							
Secured Loan *(i)*	Global Liman	USD	2017	Floating	Libor + 4.95%	26,471,610	27,307,841
Secured Loan	Ege Liman	USD	2013	Floating	Libor + 2.50%	3,310,543	3,320,240
Secured Loan	Bodrum Liman	USD	2014	Fixed	7.95%	1,602,263	1,652,743
Secured Loan	Bodrum Liman	USD	2016	Fixed	7.75%	1,695,124	1,726,753
Secured Loan *(iii)*	Ortadoğu Liman	USD	2016	Floating	Libor + 4.95%	44,921,520	45,335,812
Secured Loan	Ortadoğu Liman	USD	2013	Fixed	7.25%	965,575	972,151
Secured Loan *(iv)*	Ortadoğu Liman	USD	2016	Fixed	5.15%	5,347,800	5,409,171
Secured Loan *(v)*	Ortadoğu Liman	USD	2017	Floating	Libor + 5.05%	10,027,125	10,053,126
Secured Loan	Ortadoğu Liman	TL	2013	Fixed	10.68%	8,291	8,339
Secured Loan	Ortadoğu Liman	TL	2013	Fixed	10.68%	5,067	5,081
Secured Loan	Ortadoğu Liman	TL	2013	Fixed	9.96%	9,055	9,097
						94,363,973	**95,800,354**
Loans used to finance working capital							
Unsecured Loan	Ege Liman	USD	2016	Floating	Libor + 5.05%	2,495,640	2,508,315
Secured Loan *(iii)*	Ortadoğu Liman	USD	2015	Floating	Libor + 4.95%	15,152,100	15,291,762
						17,647,740	**17,800,077**
Finance lease obligations							
Leasing *(vii)*	Ortadoğu Liman	USD	2015	Fixed	5.92%	2,007,128	2,007,128
Leasing	Ege Liman	USD	2013	Fixed	8.30%	546,321	546,321
Leasing	Ortadoğu Liman	EUR	2013	Fixed	7.30%	175,013	175,013
Leasing	Ortadoğu Liman	EUR	2013	Fixed	7.20%	159,349	159,349
						2,887,811	**2,887,811**
						114,899,524	**116,488,242**

18 Loans and borrowings *(continued)*

The detailed information related to the significant loans borrowed by the Group is as follows:

(i) Global Liman entered into a loan amounting to USD 35,000,000 in total on 20 July 2010 with a 7-year maturity and an interest rate of Libor+4.95%. Principal and interest is paid at the end of June of each year. On 17 June 2013, USD 2,500,000 was repaid. Under this loan agreement, in the event of default, the shares of Ege Liman and Ortadoğu Liman are pledged in accordance with a share pledge agreement. The remaining principle amount of the loan as at 30 June 2013 is USD 12,600,000 (31 December 2012: USD 14,850,000).

(ii) As at 30 June 2013, the foreign currency loan amounting to USD 83,700,000 represents the bank loan granted to Global Liman on 26 June 2013, with an 8-year maturity. The interest rate is Libor+5.35%. Principal and interest are paid at June once in each year. The loan agreement imposes financial covenants on Global Liman, and includes terms about limitation on financing activities, investment, dividend payments, the sales of the assets, and mergers and acquisitions of the related subsidiaries. All equity shares of Global Liman, Ortadoğu Liman and Ege Liman are pledged according to a share pledge agreement.

(iii) In 2006, Ortadoğu Liman entered into a loan amounting to USD 40,000,000 in total with a 10-year maturity. The interest rate is Libor + 2.90%. Starting from 29 July 2010, the interest rate has been revised to Libor+4.95%. The remaining principal amount of the loan as at 30 June 2013 is USD 22,400,000 (31 December 2012: USD 25,200,000). Principal and interest is paid at the end of April and October of each year. The loan agreement imposes financial covenants on Ortadoğu Liman, and includes terms about limitation on financing activities, investment, dividend payments, the sales of the assets, and mergers and acquisitions of the related subsidiaries. All equity shares are pledged according to a share pledge agreement.

On 12 August 2010, with the amendment to the existing agreement, Ortadoğu Liman raised an additional loan amounting to USD 10 million with the same conditions. The remaining principal amount of the loan as at 30 June 2013 is USD 8,000,000 (31 December 2012: USD 8,500,000).

(iv) Ortadoğu Liman entered into a loan on 13 October 2010, amounting to USD 4,500,000 in total with a 6-year maturity. The interest rate is 5.15%. With reference to the loan agreement signed, in the event of default, the crane and the other machinery purchased by this loan are pledged to the bank.

(v) Ortadoğu Liman entered into a loan 14 June 2011, amounting to USD 7,500,000 in total with a 6 year maturity. Principal and interest are paid every 6 months. There is a pledge over the property and equipment in relation to the loan.

(vi) Ortadoğu Liman entered into a loan on 24 May 2013, amounting to USD 4,000,000 in total with a 6-year maturity. The interest rate is 5.65%. With reference to the loan agreement signed, in the event of default, the crane and the other machinery purchased by this loan are pledged to the bank.

A pledge of TL 31,503,000 over the assets of Ortadoğu Liman was given to the bank as collateral for the loans obtained on 13 October 2010 and 24 May 2013.

(vii) On 27 August 2010, Ortadoğu Liman has signed a finance lease agreement for a port tugboat amounting to USD 2,040,000 in total with the expiry date of 4 September 2015 and an interest rate of 5.92%.

19 Trade and other payables

As at 30 June 2013 and 31 December 2012, current trade and other payables comprised the following:

	30 June 2013	31 December 2012
Due to subsidiaries' other shareholders	9,882,554	10,186,207
Payables to suppliers	5,404,511	4,342,617
Taxes payable and social security contributions	3,893,440	2,598,221
Tax amnesty payables (*)	1,679,049	2,002,986
Payables to personnel	1,319,340	752,734
Advances received	1,076,993	1,072,332
Deferred revenue	900,231	35,754
Deposits received	201,137	524,383
Other	387,476	334,366
Total	**24,744,731**	**21,849,600**

As at 30 June 2013 and 31 December 2012, non-current trade and other payables comprised the following:

	30 June 2013	31 December 2012
Tax amnesty payables (*)	--	703,176
Total	**--**	**703,176**

(*) As at 30 June 2013 and 31 December 2012, the Group classified tax amnesty amount in the current and non-current liabilities based on the future payment terms.

The Group's exposure to currency risk related to the trade and other payables is disclosed in Note 24.

20 Employee benefits

The reserve for employment termination indemnity has been calculated by estimating the present value of future probable obligations of the Group arising from the retirement of the employees. Such payments are calculated on the basis of 30 days' pay up to a maximum of TL 3,129.25 as at 30 June 2013 (31 December 2012: TL 3,033.98) per year of employment at the rate of pay applicable at the date of retirement or termination. The calculation was based upon the retirement pay ceiling announced by the government. That ceiling is determined using coefficients defined by the Council of Ministers. The reserve for retirement pay is computed and reflected in the financial statements on a current basis.

The provision has been calculated by estimating the present value of the future probable obligation of the Company and its subsidiaries and joint ventures registered in Turkey arising from the retirement of employees. IAS 19 *Employee Benefits* requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans such as the employment termination indemnity. Accordingly, the actuarial assumptions that follow are used in the calculation of the total liability.

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation.

20 Employee benefits *(continued)*

The principal statistical assumptions used in the calculation of the total liability in the accompanying condensed consolidated financial statements at 30 June 2013 and 31 December 2012 were as follows:

	30 June 2013	31 December 2012
Discount rate	2.90%	2.90%
Turnover rate for the expectation of retirement probability	90%-96.5%	90%-96.5%

Movements in the reserve for employee termination indemnity for the six-month periods ended 30 June comprised the followings:

	2013	2012
Balance at 1 January	1,411,061	1,225,477
Interest for the period	97,979	47,858
Current service cost and actuarial losses	287,637	392,074
Foreign currency translation differences	101,416	(51,945)
Paid during the period	(182,494)	(47,998)
Balance as at 30 June	**1,715,599**	**1,565,466**

21 Capital and reserves

Share capital

For the six-month period ended 30 June 2013, the Company's statutory nominal value of paid-in share capital consists of 66,253,100 (31 December 2012: 85,000,000) registered ordinary shares with a par value of TL 1 each. In 2013, share capital of Global Liman has been decreased by TL 18,746,900, from 85,000,000 to TL 66,253,100 (Note 5).

As at 30 June 2013 and 31 December 2012, the share ownership structure of the Group was as follows:

	30 June 2013		31 December 2012	
	Value of Share	Proportion of share %	Value of Share	Proportion of share %
Global Yatırım Holding A.Ş.	66,253,100	100	66,202,300	77.88
Savina Holding GmbH	--	--	18,796,900	22.11
Others	--	--	800	0.01
Paid in capital (nominal)	**66,253,100**	**100**	**85,000,000**	**100**
Inflation accounting adjustment	16,583		16,583	
Inflation adjusted capital	**66,269,683**		**85,016,583**	

Translation reserve

The translation reserve amounting to TL 96,432,791 (31 December 2012: TL 65,695,417) is recognized as a separate account under equity and comprises foreign exchange differences arising from the translation of the financial statements of subsidiaries from their functional currencies (of USD) to the presentation currency, TL.

21 Capital and reserves *(continued)*

Legal reserves

Under the Turkish Commercial Code, Turkish companies are required to set aside first and second level legal reserves out of their profits. First level legal reserves are set aside as up to 5% of the distributable income per the statutory accounts each year. The ceiling of the first level reserves is 20% of the paid-up share capital. The requirement to set aside ends when the 20% of the paid-up capital level has been reached. Second level legal reserves correspond to 10% of profit actually distributed after the deduction of the first legal reserves and the minimum obligatory dividend pay-out, but holding companies are not subject to this regulation. There is no ceiling for second level legal reserves and they are accumulated every year. First and second level legal reserves cannot be distributed until they exceed 50% of the capital, but the reserves can be used for offsetting the losses in case of running out of arbitrary reserves. As at 30 June 2013, the legal reserves of the Group amounted to TL 17,304,379 (31 December 2012: TL 16,825,363).

Dividend distributions

Please refer to Note 5.

22 Commitment and contingencies

(a) Lawsuits

There are pending lawsuits that have been filed against or by the Group. 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 the possible expenses and liabilities. The amount of provision that has been accounted for as at 30 June 2013 is TL 370,921 (31 December 2012: TL 362,541).

The information related to the significant lawsuits that the Group is directly or indirectly a party to is as follows:

(i) The operating rights of Kuşadası Port were transferred by OIB to Ege Liman for 30 years in July 2003. In October 2006, two former members of the Kuşadası Municipal Council filed a lawsuit with the Council of State, requesting the cancellation of those ‘zoning plan and planning notes’ of the Region of Kuşadası, which were to enable the construction of the new ‘Cruise Port Upper Structure Facilities’. The relevant Chamber of the Council of State ordered the cancellation of the zoning plan and planning notes in November 2009. That decision was appealed by the lawyers of the Ministry of Public Works as well as the lawyers for the Group. The file is under examination of Chamber of the Council of State.

While that appeal was pending, the Group lawyers filed a lawsuit against the termination of the occupancy and construction permit notification of the Municipality with the request of stay of execution. the Aydın Administrative Court issued a stay of execution for the cancellation. As the lawyers of the Municipality then objected to that decision, the stay of execution itself was cancelled. Aydın Administrative Court rejected the case. This decision has been appealed. The council of state has rejected the request. The appeal is currently pending.

The Municipality then issued a cease and desist order and delivered it to the Company in June 2010. The Group lawyers filed a lawsuit in order to cancel the order as well as issue a stay of execution. The Aydın Administrative Court first issued the stay of execution; however, upon the objection raised by the Municipality Lawyers, the court cancelled the stay of execution, which led the Group lawyers to raise an objection before the Regional Court in order to challenge this final decision. However such objection was denied. TDI’s request to intervene the lawsuit has been accepted. Aydın Administrative Court has rejected the case, and such decision has been appealed.

22 Commitment and contingencies *(continued)*

(a) *Lawsuits (continued)*

A lawsuit regarding annulment of the decision of the Council of the Municipality regarding demolition of Kuşadası Port has been filed together with the request of a stay of execution. The court on the same day ordered that stay of execution. TDI's request regarding intervention in the case was accepted on 22 December 2010. The Court has renewed the order of a stay of execution after the first reply of the Municipality, but then overruled the stay of execution on 29 June 2011. Aydın Administrative Court rejected the case, and such decision has been appealed.

After the cancellation of the order of a stay of execution by the Court, a request regarding discharge of Kuşadası Port was sent by Kuşadası Municipality. A lawsuit has been filed as at 20 July 2011. TDI has also intervened the lawsuit. The court has rejected the lawsuit, and such decision has been appealed by the Group. The appeal is pending.

In parallel, the Ministry of Public Works has approved the new zoning plan for Kuşadası on 28 October 2010 but there have been objections. However, the Ministry of Public Works evaluated the objections and rejected them on the below-mentioned grounds and approved the new zoning plan with its writ dated 31 January 2011:

i) The zoning plan approved on 28 October 2010 is in line with the 1/100.000 "Environment Plan" of Aydın-Muğla-Denizli.

ii) Kuşadası is one of the most important cruise ports of the country and has served for this very purpose for years; Kuşadası Port would become an idle facility due to the cancellation of the zoning plan which will consequently have a negative effect on the economy of the country.

The Court rendered a stay of execution decision and the Group lawyers have appealed the stay of execution. Plenary Session of Administrative Law Divisions of the Council of State has sustained such objection.

On 15 March 2011, Ege Liman applied to Kuşadası Municipality for building permit but the Municipality rejected such application due to unjust grounds and the Group lawyers therefore, filed a lawsuit against such action of the Municipality. The court has decided to reject the lawsuit; such decision has been appealed by the Group. The appeal is pending before the Council of State. The Group lawyers believe that the same arguments will cause the aforementioned lawsuits to become viewed as groundless.

In a related development, a former member of the Kuşadası Municipal Council has filed a lawsuit with the Aydın 1st Administrative Court, seeking to cancel the Privatization Administration's approval of the Kuşadası Port tender granted to Ege Liman. The Court ordered the cancellation of the tender on 2 June 2010. That decision was appealed by the lawyers of the Privatization Administration as well as the lawyers of the Group. The Council of the State approved the decision of the court of first instance and the Group and the PA lawyers requested the revision of the decision. The lawsuit is currently before the Council of State.

The Privatization Administration filed a lawsuit against the Ege Liman basing its claims on the annulment decision of Aydın 1st Administrative Court dated 2 June 2010 and numbered 2010/434 E. and 2010/936 K. for the return of Kuşadası Port to TDI. The Court denied the Privatization Administration's preliminary injunction request.

22 Commitment and contingencies *(continued)*

(a) *Lawsuits* (continued)

In accordance with Article 10 of the Law No. 6300 regarding Amendment of the Statutory Decree Pertaining Establishment and Obligations of the Public Surveillance, Accounting and Auditing Standards Authority and Some Laws, that entered into force by publishing in the Official Gazette dated 10 May 2012, and the Council of Ministers Decision numbered 2012/3240 that entered into force by publishing in the Official Gazette dated 12 June 2012, it has been decided not to enforce the civil jurisdictions that has been rendered for the cancellation of some privatization actions, transfer and delivery processes of which are completed by the execution of final transfer agreement as a result of the privatization transactions, and irrevocable for practical impossibility. Hereupon, the PA has withdrawn the lawsuit filed for return of Ege Ports to Turkey Maritime Organization, and the court decision has been finalized in this respect. Due to the new legal rectifications, it has not been expected to face any negative consequences in the lawsuits regarding cancellation of Ege Ports tender.

(ii) The former owner of the shares of Torba filed a lawsuit against the Group for the restitution of the shares. The expert appointed by the local court submitted his report which was against the defendants. On 2 March 2010, the court decided to restore the shares to the former owners and the trustee, previously appointed by the Court on 4 January 2008, shall remain in charge until the final decision. The Group lawyers appealed the decision on 28 April 2010 upon the notification of the decision. As a trustee was appointed to the management of Torba by the Court in January 2008, this subsidiary has been excluded from the scope of consolidation.

(iii) The Company participated in the consortium which placed the highest bid for the tender for the privatization of the operating rights of TCDD İzmir Ports through the process concluded by the Privatization Administration on 3 July 2007. The High Council of Privatization Administration approved the tender. Liman-İş Sendikası (the Trade Union of Port Workers) and Kamu İşletmeciliğini Geliştirme Merkezi Vakfı (the Foundation of Public Business Development Center) separately filed lawsuits for the cancellation of the tender and these lawsuits were rejected by the Council of State. The High Council of Privatization invited the Consortium to sign the Agreement with a declaration dated 23 September 2009. At the end of an extension period granted by the Privatization Administration, a letter of guarantee amounting to USD 15 million was converted to cash on 12 January 2010 and in this way the tender was closed out for the Consortium. On the same date, USD 3,750,000 was paid by Global Yatırım Holding on behalf of the Company. No provision is recognized since Global Yatırım Holding has no intention to have recourse against the Company. A member of the consortium which participated in the privatization tender of the İzmir Port, Ege İhracatçı Birlikleri Liman Hizmetleri ve Taşımacılık A.Ş., has filed a lawsuit amounting to USD 10,000 against Global Yatırım Holding and Global Liman, before the Beyoğlu Commercial Court, claiming that it suffered a loss of USD 997,501 upon the liquidation of the letter of guarantee. The management and attorneys of the Group do not anticipate the aforementioned lawsuit to be finalized to the disadvantage of the Group. The lawsuit is at the submission of proofs and legal arguments stage.

Global Yatırım Holding, the Company and Ege İhracatçı Birlikleri Liman Hizmetleri ve Taşımacılık A.Ş. filed a lawsuit against the Privatization Administration at İzmir 4th Commercial Court with respect to the İzmir Port Privatization tender for the granting of operating rights for a definite period claiming the plaintiffs should be granted a period of 6 months as a preliminary junction in order to enable them to perform their duties, and that the provisions of the agreement regarding duration and payment should be adjusted, and arguing that in case such adjustment request is not accepted then there should be termination of the agreement without any indemnification as well as release of the plaintiffs from their obligations and the return of their bid bonds. İzmir 4th Commercial Court denied the lawsuit on the ground that it was not the authorized court for the lawsuit but that decision of the court has been appealed.

22 Commitment and contingencies *(continued)*

(b) Guarantees

As at 30 June 2013 and 31 December 2012, the letters of guarantee given comprised the following:

Letters of guarantee	2013	2012
Given to Privatization Administration	1,049,309	971,788
Given to Electricity Distribution Companies	289,184	29,184
Others	640,991	356,991
Total letter of guarantee	**1,979,484**	**1,357,963**

(c) Contractual obligations

Ege Liman

The details of the TOORA dated 2 July 2003, executed by and between Ege Liman and OIB together with TDI are stated below:

Ege Liman will be performing services such as sheltering, installing, charging, discharging, shifting, terminal services, pilotage, towing, moorings, water quenching, waste reception, operating, maintaining and repairing of cruise terminals, in Kuşadası Cruise Port for an operational period of 30 years. Ege Liman is liable for the maintenance of Kuşadası Cruise Port together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the TDI, while the movable properties stay with Ege Liman.

Ortadoğu Liman

The details of the TOORA dated 31 August 1998, executed by and between Ortadoğu Liman and OIB together with TDI are stated below:

Ortadoğu Liman will be performing services such as sheltering, installing, charging, discharging, shifting, terminal services, pilotage, towing, moorings, water quenching, waste reception, operating, maintaining and repairing of cruise terminals, in Antalya Port for an operational period of 30 years. Ortadoğu Liman is liable for the maintenance of Antalya Port together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the TDI, while the movable properties stay with Ortadoğu Liman.

Bodrum Liman

The details of the BOT Contract dated 23 June 2004, executed by and between Bodrum Liman and the DLH are stated below:

Bodrum Liman had to construct the Bodrum Cruise Port in a period of 1 year and 4 months following the delivery of the land and thereafter, will operate the Bodrum Cruise Port for 12 years. The final acceptance of the construction was performed on 4 December 2007, and thus the operation period has commenced. Bodrum Liman is liable for the maintenance of the port together with the port equipment in good repair and in operating condition throughout its operating right period. The facilities, equipment, installations and the systems together with the tools and other equipment belonging thereto shall be surrendered to the DLH after the expiry of the contractual period.

23 Operating leases

Lease as lessee

The Group entered into various operating lease agreements. Operating lease rentals are payable as follows:

	30 June 2013	31 December 2012
Less than one year	557,688	245,241
Between one and five years	1,237,967	1,261,410
More than five years	333,046	266,812
Total	**2,128,701**	**1,773,463**

In the periods presented, the Group's main operating lease arrangements as lessee are the port rent agreement of Bodrum Liman until 2019.

Lease as lessor

The future lease payments under operating leases are as follows:

	30 June 2013	31 December 2012
Less than one year	8,482,230	7,427,827
Between one and five years	13,907,782	9,468,281
More than five years	14,837,059	16,225,426
	37,227,071	**33,121,534**

The Group's main operating lease arrangements as lessor are a marina lease agreement of Ortadoğu Liman until 2028, and various shopping center rent agreements of Ege Liman and Bodrum Liman of up to 5 years.

During the six-month period ended 30 June 2013, TL 3,911,822 was recognized as rental income in the consolidated statement of comprehensive income (30 June 2012: TL 4,226,703).

24 Foreign currency position

As at 30 June 2013 and 31 December 2012, foreign currency risk exposures of the Group comprised the following:

	30 June 2013			
	TL equivalents	**USD**	**EURO**	**TL**
Trade receivables	32,345,447	6,243,717	1,087,678	17,593,444
Other monetary financial assets	48,510,444	20,690,269	82,397	8,478,693
Current assets	**80,855,891**	**26,933,986**	**1,170,075**	**26,072,137**
Monetary financial assets	10,414,300	200,000	12,995	9,996,674
Non-current assets	**10,414,300**	**200,000**	**12,995**	**9,996,674**
Total assets	**91,270,191**	**27,133,986**	**1,183,070**	**36,068,811**
Trade payables	55,974,972	295,843	469,450	54,225,477
Financial liabilities	53,318,455	26,967,259	561,672	-
Other monetary liabilities	4,409,156	-	-	4,409,156
Current liabilities	**113,702,583**	**27,263,102**	**1,031,122**	**58,634,633**
Financial liabilities	223,411,131	116,069,790	-	-
Other monetary liabilities	1,715,599	-	-	1,715,599
Non-current liabilities	**225,126,730**	**116,069,790**	**-**	**1,715,599**
Total liabilities	**338,829,313**	**143,332,892**	**1,031,122**	**60,350,232**
Net foreign currency position	**(247,559,122)**	**(116,198,906)**	**151,948**	**(24,281,421)**

24 Foreign currency position *(continued)*

	31 December 2012			
	TL equivalents	**USD**	**EURO**	**TL**
Trade receivables	3,802,592	1,598,846	74,545	777,182
Other monetary financial assets	57,651,650	26,423,815	422,881	9,554,068
Current assets	**61,454,242**	**28,022,661**	**497,426**	**10,331,250**
Monetary financial assets	115,474,854	--	--	115,474,854
Non-current assets	**115,474,854**	**--**	**--**	**115,474,854**
Total assets	**176,929,096**	**28,022,661**	**497,426**	**125,806,104**
Trade payables	4,249,697	57,371	87,958	3,940,577
Financial liabilities	33,392,791	18,532,432	142,178	22,518
Other monetary liabilities	42,932,908	4,011,265	--	35,782,427
Current liabilities	**80,575,396**	**22,601,068**	**230,136**	**39,745,522**
Financial liabilities	83,095,451	46,614,749	--	(1)
Other monetary liabilities	703,176	**--**	--	703,176
Non-current liabilities	**83,798,627**	**46,614,749**	**--**	**703,175**
Total liabilities	**164,374,023**	**69,215,817**	**230,136**	**40,448,697**
Net foreign currency position	**12,555,073**	**(41,193,156)**	**267,290**	**85,357,407**

TL exchange rate risk of subsidiaries whose functional currency is other than TL, is shown in TL line in the foreign currency risk table.

30 June 2013 and 31 December 2012, foreign currency exchange rates of the Central Bank of the Turkish Republic comprised were as follows:

	30 June 2013	**31 December 2012**
USD/TL	1.9248	1.7826
Euro/TL	2.5137	2.3517

For the periods ended 30 June 2013 and 31 December 2012, average foreign currency exchange rates of the Central Bank of the Turkish Republic were as follows:

	30 June 2013	**30 June 2012**
USD/TL	1.8085	1.7935
Euro/TL	2.3747	2.3268

24 Foreign currency position *(continued)*

Sensitivity Analysis

A 10 percent strengthening or depreciation of the Turkish Lira against the following currencies as at 30 June 2013 and 2011 would have increased equity or profit or loss, excluding tax effects, by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

30 June 2013	**PROFIT /LOSS**		**EQUITY (*)**	
	Increase	**Decrease**	**Increase**	**Decrease**
	A 10 percent (strengthening)/weakening of USD against TL:			
1- Net USD asset/liability	(22,365,965)	22,365,965	--	--
2- Hedged portion against USD risk (-)	--	--	--	--
3- Net effect of USD (1+2)	**(22,365,965)**	**22,365,965**	**--**	**--**
	A 10 percent (strengthening)/weakening of Euro against TL:			
4- Net Euro asset/liability	38,195	(38,195)	--	--
5- Hedged portion against Euro risk(-)	--	--	--	--
6- Net effect of Euro (4+5)	**38,195**	**(38,195)**	**--**	**--**
TOTAL (3+6)	**(22,327,770)**	**22,327,770**	**--**	**--**

30 June 2012	**PROFIT /LOSS**		**EQUITY (*)**	
	Increase	**Decrease**	**Increase**	**Decrease**
	A 10 percent (strengthening)/weakening of USD against TL:			
1- Net USD asset/liability	(1,277,717)	1,277,717	--	--
2- Hedged portion against USD risk (-)	--	--	--	--
3- Net effect of USD (1+2)	**(1,277,717)**	**1,277,717**	**--**	**--**
	A 10 percent (strengthening)/weakening of Euro against TL:			
4- Net Euro asset/liability	206,796	(206,796)	--	--
5- Hedged portion against Euro risk(-)	--	--	--	--
6- Net effect of Euro (4+5)	**206,796**	**(206,796)**	**--**	**--**
TOTAL (3+6)	**(1,070,921)**	**1,070,921**	**--**	**--**

(*) Profit/ loss excluded

25 Related parties

The related parties of the Group which are disclosed in this note comprised the following:

Related parties	Relationship
Mehmet Kutman	Shareholder
Global Yatırım Holding	Parent Company
Torba	Investment
Turcom Turizm Enerji İnşaat Gıda Yatırımları A.Ş.	Shareholder's subsidiary
Global Sigorta Aracılık Hizmetleri A.Ş. ("Global Sigorta")	Parent Company's subsidiary
Global Menkul Değerler A.Ş. ("Global Menkul")	Parent Company's subsidiary
Adonia Shipping	Parent Company's subsidiary
Naturel Gaz	Parent Company's subsidiary

Due from related parties

As at 30 June 2013 and 31 December 2012, current receivables from related parties comprised the following:

Current receivables from related parties	30 June 2013	31 December 2012
Turcom Turizm Enerji İnşaat Gıda Yatırımları A.Ş.	3,001,500	2,993,000
Adonia Shipping	472,417	--
Global Yatırım Holding	319,206	468,534
Torba	73,264	59,644
Mehmet Kutman	50,614	42,761
Naturel Gaz	--	181,922
Others	114,008	72,189
Total	**4,031,009**	**3,818,050**

As at 30 June 2013 and 31 December 2012, non-current receivables from related parties comprised the following:

Non-current receivables from related parties	30 June 2013	31 December 2012
Torba	5,029,659	5,029,659
Total	**5,029,659**	**5,029,659**

Other investments

As at 30 June 2013, the Group has Global Yatırım Holding bonds amounting to TL 29,693,467 with a nominal value of USD 15,350,000 which are classified as available for sale financial assets (31 December 2012: TL 24,691,641 with a nominal value of USD 15,515,000).

As at 30 June 2013, the Group has Global Yatırım Holding share certificates amounting TL 2,786,160 with a nominal value of TL 1,647,665 (31 December 2012: none).

25 Related parties *(continued)*

Due to related parties

As at 30 June 2013 and 31 December 2012, current payables to related parties comprised the following:

Current payables to related parties	30 June 2013	31 December 2012
Global Yatırım Holding	14,122,061	753,092
Global Menkul	30,749	29,432
Global Sigorta	25,402	47,152
Other	59,855	110,220
Total	**14,238,067**	**939,896**

Transactions with related parties:

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

	30 June 2013		30 June 2012	
	Interest received	Other	Interest received	Other
Global Yatırım Holding	195,876	169,412	50,301	1,800
Total	**195,876**	**169,412**	**50,301**	**1,800**

	30 June 2013		30 June 2012	
	Interest given	Other	Interest given	Other
Global Yatırım Holding	191,195	21,750	78,101	9,450
Global Menkul	1,799	22,769	11,034	45,702
Total	**192,994**	**44,519**	**89,135**	**55,152**

Global Yatırım Holding bonds were acquired on 31 December 2012. As at 30 June 2013 and 31 December 2012, the bonds' maturity is 30 June 2017 with an annual nominal interest rate of 11%. The total nominal value of the bonds is USD 15,350,000. Additionally, for the period ended 30 June 2013, the Group recognized interest income on these bonds amounting to TL 1,909,320 (30 June 2012: TL 2,319,763). For the six-month period ended 30 June 2013, the effective interest rate was 14.95% (30 June 2012: 13.78%).

For the six-month period ended 30 June 2013, the Group accounted for a gain amounting to TL 4,028 from the purchase and the sale of Global Yatırım Holding's publicly traded share certificates (30 June 2012: TL 228,168).

Transactions with key management personnel

For the six-month periods ended 30 June, details of benefits to key management personnel comprised the following:

	2013	2012
Salaries	804,736	833,232
Attendance fees to Board of Directors	120,363	168,658
Bonus	343,430	206,416
Other	100,046	42,890
Total	**1,368,575**	**1,251,196**

Creuers del Port de Barcelona, S.A.

Statutory Accounts for the year ended at December 31, 2013 and Management Report corresponding to 2013, together with the Auditor's Report

Translation of a report originally issued in Spanish, based on our work performed in accordance with generally-accepted auditing standards in Spain and of financial statements originally issued in Spanish and prepared in accordance with generally-accepted accounting principles in Spain. In the event of discrepancy, the Spanish-language version prevails

Auditor's Report

For the Shareholders of
Creuers del Port de Barcelona, S.A.,

1. We have audited the statutory accounts of **Creuers del Port de Barcelona, S.A.**, which comprise the balance sheet at December 31, 2013, the income statement, the statement of changes in equity, the statement of cash flows, and the notes to the statutory accounts corresponding to the year ended therein. The Administrators are responsible for the formulation of the Company's statutory accounts, according to the financial reporting framework applicable to the Company (identified on note 2.1 on the enclosed notes to the financial statements) and, in particular, with the accounting principles and criteria therein contained. Our responsibility is to express an opinion on said annual accounts taken as a whole, based on the work performed, which was conducted in accordance with the accounting audit regulation in force in Spain, which requires the examination, on a selective-test basis, of the evidence supporting the statutory accounts, and the assessment of whether their presentation, accounting principles and criteria used and estimations applied comply with the applicable financial reporting framework.

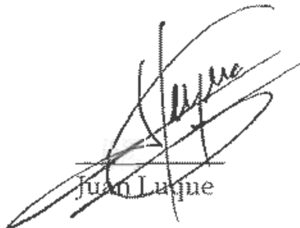
2. In our opinion, the enclosed 2013 statutory accounts express, in all significant aspects, the true and fair view of the net equity and financial situation of **Creuers del Port de Barcelona, S.A.**, at December 31, 2013, and of the results of its operations and cash flows corresponding to the year ended on such date, in accordance with the applicable financial reporting framework and, in particular, with the accounting principles and criteria therein contained.

3. The enclosed 2013 Management Report contains the explanations deem necessary by Administrators in relation to the Company's situation, its businesses' development and other matters, and does not form an integral part of the statutory accounts. We have verified that the accounting information contained in such Management Report agrees with the information contained in 2013 statutory accounts. Our work as auditors is limited to the verification of the Management Report under the scope outlined in this paragraph, and does not include a review of information other than that obtained from the Company's accounting records.

CF2011A00183

Barcelona, 16 April 2014

MAZARS AUDITORES, S.L.P.
ROAC no. S1189



Juan Luque

Creuers del Port de Barcelona, S.A.

Statutory Accounts for the year ended at December 31, 2013
Together with the Management Report

CREUERS DEL PORT DE BARCELONA, S.A

BALANCE SHEET AT DECEMBER 31, 2013

(Euros)

ASSETS	Notes	31/12/2013	31/12/2012
NON-CURRENT ASSET:			
Intangible assets-	Note 5	21,731.892	23.094,811
Other intangible assets		21.731.892	23.094.811
Tangible fixed assets-	Note 6	1.786,924	1.821.693
Technical fixtures and other tangible fixed assets		1,784.071	1.818.840
Fixed assets under construction and advances		2.853	2.853
Investments in group companies and associates at long term-	Note 9.3	7.600,069	7,600.069
Equity instruments		7.600.069	7.600.069
Financial investments at long term-	Note 9.2	6,748,271	243.403
Other financial assets		6.748.271	243.403
Deferred tax assets	Note 13.5	568.114	461.051
Total non-current assets		38,435,270	33,221,027
CURRENT ASSETS:			
Trade and other receivables-		2,029,280	3.895,448
Accounts receivable from sales and service rendering	Note 9.4	1.870.756	3,833.530
Accounts receivable, group companies and associates	Note 9.4 and 16.2	82,259	11,224
Personnel	Note 9.4	7.120	6.943
Other credits with public administrations	Note 13.1	69.145	43.751
Short-term accrual accounts		28,482	29.219
Financial investments at short term-	Note 9.4	500,000	9.564,975
Cash and cash equivalents-	Note 9.4	8.009,296	1.104.991
Cash at hand and in bank		8.009.296	1.104.991
Total current assets		10.567.058	14,594,633
TOTAL ASSETS		49,002,328	47,815,660

LIABILITIES	Notes	31/12/2013	31/12/2012
NET EQUITY:	Note 10		
EQUITY-			
Share capital-		3,005.061	3.005.061
Registered capital		3.005.061	3,005.061
Reserves-	Note10.1	27,526.449	26.944.940
Legal and statutory reserves		601.012	601.012
Other reserves		26,925,437	26,343,928
Profit/(loss) for the period		7.836.165	7,012,340
(Interim dividend)		(1,855.000)	-
Total net equity		36.512.675	36,962.341
NON-CURRENT LIABILITIES:			
Provisions at long term-	Note 12	5.810,088	4,464,562
Other provisions		5,810.088	4.464.562
Debts at long term-		1,382	2,293,957
Debts with credit entities		-	2,292.575
Other financial liabilities	Note 11.1	1,382	1,382
Deferred tax liabilities	Note 13.5	160.293	171,743
Total non-current liabilities		5.971.763	6,930,262
CURRENT LIABILITIES:			
Debts at short term-		4.775.263	2,464,738
Debts with credit entities	Note 11.2 and 11.4	2,292.576	2.292.578
Other financial liabilities	Note 11.2	2.482.687	172.160
Trade payables and other accounts payable		1,742,527	1.458,319
Accounts payable	Note 11.2	787,683	685,693
Accounts payable, group companies and associates	Note 11.2 and 16.2	57.284	307.046
Sundry accounts payable	Note 11.2	29.917	8.445
Personnel (remunerations payable)	Note 11.2	20,105	16,714
Other debts with Public Administrations	Note 13.1	43,016	37.478
Current tax liabilities	Note 13.2	804.622	402,943
Total current liabilities		6,517.890	3,923.057
TOTAL NET EQUITY AND LIABILITIES		49,002,328	47,815.660

Notes 1 to 19 described in the enclosed Notes to the Financial Statements are an integral part of the balance sheet at December 31, 2013.

CREUERS DEL PORT DE BARCELONA, S.A.

INCOME STATEMENT 2013

(Euros)

	Notes	31/12/2013	31/12/2012
CONTINUING OPERATIONS:			
Net turnover-	Note 15.1	20.453.092	19,600.153
Services rendered		20.453,092	19.600.153
Supplies-	Note 15.2	(3,548,628)	(3,668,854)
Subcontracted work		(3.548.628)	(3.668.854)
Other operating income-		823,883	667,732
Non-trading and other operating income		823.883	667.732
Personnel expenses-	Note 15.3	(575.004)	(568,598)
Wages, salaries and similar		(450.009)	(423.177)
Employees benefits expense		(124.995)	(145.421)
Other operating expenses-	Note 15.4	(4.497,074)	(4.437.640)
External services		(2.383.045)	(2.273.910)
Taxes		(145.990)	(148.836)
Losses, impairment and changes in trade provisions	Notes 12 y 15.4	(1.228.524)	(1.170.023)
Other operating expenses		(739.515)	(844.871)
Amortization and depreciation	Note 5 y 6	(1.577,210)	(1.547,791)
Results from operating activities		11.079,059	10,045,002
Finance income-		312,312	204,661
Marketable securities and other financial instruments			
Third parties	Note 15.5	312.312	204.661
Finance expenses-		(196,849)	(198.337)
Debts with third parties	Note 15.5	(196.849)	(198.337)
Exchange gains/(losses)		-	-
Finance income/(expense)		115.463	6.324
Profit/(loss) before income tax		11.194,522	10,051,326
Corporate Income Tax	Note 13.3	(3.358.357)	(3,015.398)
Negative adjustments to tax		-	(23.588)
Profit/(loss) from discontinued operations		7.836,165	7,012,340
Profit/(loss) for the period		7.836,165	7,012.340

Notes 1 to 19 described in the enclosed Notes to the Financial Statements are an integral part of the income statement at December 31, 2013.

CREUERS DEL PORT DE BARCELONA, S.A

STATEMENT OF CHANGES IN EQUITY FOR 2013
A) STATEMENT OF RECOGNIZED INCOME AND EXPENSE
(Euros)

	Notes	Year 31/12/2013	Year 31/12/2012
RESULTS FROM THE INCOME STATEMENT (I)		7,836,165	7,012,340
Total income and expenses directly recognized in equity (II)		-	-
Total recognized income and expenses (I+II)		7,836,165	7,012,340

Notes 1 to 19 described in the enclosed Notes to the Financial Statements are an integral part of the statement of changes in equity at 2013.

CREUERS DEL PORT DE BARCELONA,S.A.

STATEMENT OF CHANGES IN EQUITY FOR 2013
B) STATEMENT OF TOTAL CHANGES IN EQUITY

	Capital	Legal Reserve	Other Reserves	Interim dividend	Profit/(loss) for the period	Total
Adjusted opening balance at 2012	3,005,061	601,012	21,909,978	(991,670)	7,348,858	31,873,239
Application profit/(loss) from 2011:	-	-	4,433,950	991,670	(7,348.858)	(1,923,238)
To reserves	-	-	4.433.950	-	(4.433.950)	-
To dividends	-	-	-	-	(1.923.238)	(1,923.238)
To interim dividend	-	-	-	991.670	(991.670)	-
Total recognized income and expenses	-	-	-	-	7,012.340	7,012,340
Closing balance for the period ended at December 31, 2012	3,005,061	601.012	26,343,928	-	7,012,340	36,962,341
Adjusted opening balance at 2013	3,005,061	601,012	26,343,928	-	7,012,340	36.962.341
Application profit/(loss) from 2012:	-	-	581,509	(1,855,000)	(7.012,340)	(8,285,831)
To reserves	-	-	4.097,430	-	(4.097.430)	-
To dividends	-	-	-	(1.855.000)	(2.914.909)	(4.769.909)
To interim dividend	-	-	-	-	-	-
Operations with equity holders or owners	-	-	-	-	-	-
Distribution of dividends	-	-	(3.515.921)	-	-	(3.515.921)
Total recognized income and expenses	-	-	-	-	7,836,165	7,836,165
Closing balance for the period ended at December 31, 2013	3,005,061	601.012	26,925,437	(1,855,000)	7,836,165	36,512,675

Notes 1 to 19 described in the enclosed Notes to the Financial Statements are an integral part of the statement of total changes in equity at 2013.

CREUERS DEL PORT DE BARCELONA, S.A

STATEMENT OF CASH FLOWS 2013

(Euros)

	Notes	31/12/2013	31/12/2012
CASH FLOS FROM OPERATING ACTIVITIES:			
Profit/(loss) for the period before tax		11.194.522	10.051.326
Adjustments for-			
Amortization and depreciation	Note 5 and 6	1.577.210	1.547.791
Variation of provisions	Note 15.4	1.228.524	1,170.023
Finance income	Note 15.5	(312.312)	(204.661)
Finance expenses	Note 15.5	196,849	198.337
Changes in operating assets and liabilities-			
Trade and other accounts receivable		1.479.900	(892.689)
Other current assets (short-term accrual accounts)		(737)	(6.595)
Trade and other accounts payable		(117.371)	(171.179)
Other cash flows from operating activities-			
Interests paid		(62.745)	(125.520)
Interests received		335,999	199.270
Corporate Income Tax		(2.691.818)	(3.112.003)
Cash flows from operating activities (I):		**12.828.021**	**8,654,100**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for investments-			
Intangible assets	Note 5	(6.420)	-
Tangible fixed assets	Note 6	(173.102)	(47.911)
Other financial assets		-	(9.055.608)
Proceeds from sale of investments-			
Other financial assets		2.523.687	3.442.788
Cash flows from investing activities (II):		**2.344,165**	**(5.660.731)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from and payments for equity instruments-			
Issue of debts with credit entities		-	-
Redemption and repayment of debts with credit entities		(2.292.578)	(2.309.680)
Other financial liabilities		3.681	(293)
Dividends paid	Note 10	(5.978.984)	(2.914.908)
Cash flows rom financing activities (III):		**(8,267,881)**	**(5.224,881)**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III)		**6,904.305**	**(2,231,512)**
Cash and cash equivalents at beginning of period		1.104.991	3.336.503
Cash and cash equivalents at end of period		8.009.296	1.104.991

Notes 1 to 19 described in the enclosed Notes to the Financial Statements are an integral part of the statement of cash flows at 2013.

Creuers del Port de Barcelona, S.A.

Notes to the Financial Statements corresponding to the year ended at December 31, 2013

1. Activity of the Company

The activity of Creuers del Port de Barcelona, S.A. (hereinafter, the Company) is the management and exploitation of the port service related to the traffic of tourist cruises on the Port of Barcelona, as well as the development of commercial complementary activities corresponding to a sea station.

The Company's head office is located on the North Sea Station - World Trade Centre – Wharf of Barcelona. The tax identification number of the company CREUERS DEL PORT DE BARCELONA, S.A. is A62035282. The Company has been inscribed with the Mercantile Registry of Barcelona with volume 32094, sheet 0172, page B 201707, first inscription, and was incorporated on July 29, 1999.

The Company is part of a group, together with its investee Cruceros Málaga, S.A., but is exempt from formulating consolidated financial statement due to its size. Additionally, the Company is part of the Suardiaz Group as associated company, whose parent company Grupo Logístico Suardiaz, S.L. resides in Spain, Calle Ayala 6, Madrid, and formulates and publishes consolidated financial statements.

2. Bases of presentation of statutory accounts

2.1. *Financial Reporting Framework applicable to the Company*

These statutory accounts have been formulated by the Company's Administrators in accordance with the financial reporting framework applicable to the Company, which is established in:

a) The Code of Commerce and remaining corporate legislation;
b) The adaptation of the General Accounting Plan to public infrastructure concessionaire companies, approved by Order of the Ministry of Economy and Finance EHA/3362/2010 of 23 December;
c) The General Accounting Plan approved by R.D. 1514/2007;
d) The mandatory standards approved by the Accounting and Accounting Audit Institute in development of the General Accounting Plan and complementary standards;
e) The remaining applicable Spanish accounting regulation.

2.2. *True and fair view*

The enclosed statutory accounts have been obtained from the Company's accounting records and are presented in accordance with the applicable financial reporting framework and, in particular, with the accounting principles and criteria therein contained, in a way to show the true and fair view of the Company's equity, financial situation, results from its transactions and cash flows during the corresponding year.

These statutory accounts, formulated by the Company's Board of Directors, will be subject to approval at the General Shareholders' Meeting, without expecting modifications. On the other hand, 2012 statutory accounts were approved at the General Shareholders' Meeting held on June 18, 2013.

2.3. *Main non-compulsory accounting principles applied*

The Company has not applied any non-compulsory accounting principle. Additionally, the Directors have formulated these statutory accounts taking into account all compulsory accounting principles and standards which have a significant effect on such financial statements. All compulsory accounting principles have been applied.

2.4. Critical valuation issues and estimation of uncertainty

For the preparation of certain information included in the present statutory accounts, the Company has used estimations based on hypotheses made by the Company's Administrators, in order to quantify certain assets, liabilities, income, expenses and commitments therein contained. The most significant estimations used in these statutory accounts refer to the following:

- Impairment losses of certain assets (Notes 5, 6 and 9).
- Useful life of tangible and intangible assets (Notes 4.1 and 4.2).
- The probability of occurrence and the amount of certain provisions and contingencies (Note 4.10).
- The fair value of some financial assets not listed in active stock markets (Note 9.3).
- Measurement of the financial risks faced by the Company when developing their activity (Note 9.5).

These estimations and hypotheses are based on the best information regarding the estimation of uncertainty at year end, available at the date of formulation of the statutory accounts, and are periodically reviewed. Nevertheless, it is possible that, either due to these periodical reviews or to future events, the estimations need to be modified in future years. In this case, the effects of the changes of the estimations would be prospectively registered in the income statement of this year and subsequent years, in accordance with Registry and Valuation Rule 22nd "Changes in accounting criteria, errors and accounting estimations".

2.5. Grouping of items

Certain items on the balance sheet, income statement, statement of changes in net equity and statement of cash flows are grouped in order to facilitate their understanding. Nevertheless, when significant, disaggregated information has been included on the corresponding notes to the financial statements.

2.6. Comparison of information

The information contained on this report in relation to 2013 is presented for comparison purposes together with the information on 2012.

3. Distribution of results

The proposal of distribution of profits from 2013, formulated by the Company's Administrators, and which will submitted for the approval by the General Shareholders' Meeting, is the following (Euros):

Basis of distribution:	
Income Statement	
	7,836,165
	7,836,165
Application:	
To voluntary reserves	3,918,083
To dividends	2,063,082
To interim dividend	1,855,000
	7,836,165

Also, on December 16, 2013, the Board of Directors agreed the distribution of an interim dividend from 2013 results, for an amount of 1,855,000 Euros. At the date of formulation of the statutory accounts from 2013, this dividend had been partially satisfied; the remaining amount payable had been included under

the caption "Other financial liabilities" of current liabilities of the enclosed balance sheet at December 31, 2013 for an amount of 795,000 Euros (Note 11.2).

4. Registration and valuation standards

The registration and valuation standards applied by the Company when preparing the statutory accounts corresponding to 2013, according to the standards established by the General Accounting Plan, have been the following:

4.1. Intangible assets

In general, intangible assets are initially valued at acquisition price or production cost. Subsequently, they are valued at their cost, decreased by the corresponding accumulated amortization and, if applicable, by impairment losses. Such assets are amortized based on their useful life.

"Intangible assets, concession agreement"

The caption "Intangible assets, concession agreement" includes the infrastructure constructed, improved or acquired by the Company to render the public service linked to the concession agreement, once it is under exploitation conditions, as well as the one to which the access right is granted by the granting entity.

During the construction or improvement period, the infrastructure constructed, improved or acquired by the Company to render the public service included on the concession agreement is included under the caption "Prepayments for intangible assets, concession agreements".

The "Intangible assets, concession agreement" is linearly amortized within the remaining period to the concession's completion.

Industrial Property

This account includes expenses incurred as a consequence of the Company's registration of property. The amortization of industrial property follows a linear method during 10 years.

Software

The Company includes on this caption the costs incurred in acquiring and developing computer applications, including costs for developing web pages. Software maintenance costs are booked on the income statement for the year on which they are incurred. Software is amortized by applying the linear method during a 3-year period.

4.2. Tangible fixed assets

Tangible fixed assets are initially valued at acquisition price or production cost and, subsequently, they are decreased by the corresponding accumulated amortization and impairment losses, if any.

Up-keeping and maintenance costs for the different elements which comprise fixed assets are allocated to the income statement for the year on which they are incurred. On the contrary, amounts invested on improvements which contribute to increasing the capacity or efficiency or to extending the useful life of such goods are registered as goods' higher cost.

The Company amortizes fixed assets following the linear method, applying annual amortization percentages calculated over the basis of estimated useful years of the respective goods. The Company amortizes tangible fixed assets, using the linear method, as per the following detail:

	Years of useful life
Constructions	50
Technical fixtures and equipment	10 to 15
Fixtures on the port	10 to 20
Tools	4 to 10
Transport elements	10
IT equipment	4

Fixed assets related to the administrative authorization, granted by the Port Authorities of Port of Barcelona in relation to Terminal C, are amortized by linear method, distributing the cost of assets among the initial three-year length of the authorization. Since the date of completion of such administrative authorization, it is annually renewed. At closing date, the Company was processing the extension of the administrative authorization, which was extended on February 6, 2014 until December 31, 2014. Incorporated assets related to this Terminal are amortized within their acquisition year, due to the annual nature of these renewals.

4.3 Value impairment of tangible and intangible assets

When there are signs of value loss, the Company estimates, through the so-called "Impairment test", the possible existence of value loss which may reduce the recoverable value of such assets to an amount below their book value.

The recoverable amount is determined as the highest amount between fair value less selling costs, and the value in use.

If the Company estimates that the recoverable amount of an asset is lower than its book amount, the asset's book amount is reduced to its recoverable amount. In order to do so, the Company recognizes the amount of impairment losses as expense.

When an impairment loss is subsequently reverted, the asset's book amount is increased to the reviewed estimation of its recoverable amount, but so that the increased book amount does not exceed the book amount which would have been determined if no impairment loss had been recognized for such asset on previous years. Immediately, the Company recognizes a reversion of an impairment loss as income.

4.4. Leases

Lease contracts are classified as financial leases as long as their conditions lead to consider that risks and benefits inherent to the asset's property, subject to the contract, are transferred to the lessee. All other leases are classified as operative leases.

Likewise, the leased good acquisition cost is presented on the balance sheet as per its nature, increased by the directly allocable amount of contract costs, which are recognized as expense on the contract's term, applying the same criterion used for the recognition of leasing income.

Operative leases

Income and expenses derived from operative leasing agreements are charged to the income statement on the year on which they are accrued.

Any collection or payment, when contracting an operative lease, will be treated as an early collection or payment and allocated to results throughout the leasing period, as benefits for the leased asset are ceded or received.

4.5. Financial instruments

A financial instrument is a contract which leads to a financial asset on an entity and, simultaneously, to a financial liability or equity instrument on another. The Company recognizes financial instruments on the balance sheet only when it is part of a contract, according to its specifications.

On the enclosed balance sheet, financial assets and liabilities are classified as current and non-current, based on whether their expiry date is similar, lower or higher than 12 months, respectively, since year end.

4.5.1. Financial assets

Classification

Financial assets held by the Company are classified into the following categories:

1. Loans and accounts receivable: financial assets originated on the sale of goods or service rendering for the company's trade, or which, not having a commercial origin, are not equity instruments or derivatives, and which collection amount is fixed or determinable and are not traded on an active market.

2. Investments on equity of Group and Multigroup Companies and Associates: Group companies are understood as those related to the Company through a control relationship; associates are those over which the Company exercises a significant influence; multigroup companies are those over which, by virtue of an agreement, a joint control is exercised with one or more partners.

3. Investments held to maturity: this category includes debt-representative securities, with an established due date, collections of a determined or determinable amount, which are traded on an active market and which the Company has the effective intention and ability to hold to their maturity.

Initial valuation

Financial assets are initially registered at the fair value of the consideration delivered, plus directly allocable transaction costs.

Investments held to maturity are initially valued at fair value which, except otherwise evidenced, will be the transaction's price, which would equal the fair value of the consideration delivered, plus directly allocable transaction costs.

Subsequent valuation

Loans and items receivable are valued at their amortized cost.

Investment on group, associated and multigroup companies are valued at cost, decreased, if applicable, by the accumulated amount of impairment value corrections. Such corrections are calculated as the difference between their book value and their recoverable amount, understood as the highest amount between fair value less selling costs, and the current value of future cash flows derived from the investment. Except for better evidence of the recoverable amount, the investee's net equity is taken into consideration, corrected by existing tacit capital gains at valuation date (including the goodwill, if any).

Investments held to maturity will be valued at amortized cost. Accrued interests will be registered on the income statement, applying the effective interest rate method.

At least at year end, the Company performs an impairment test for financial assets which are not booked at fair value. There is objective evidence of impairment if the financial asset's recoverable amount is lower than its book value. When this is the case, the impairment is registered on the income statement.

In particular, and in relation to the value corrections regarding trading receivables and other accounts receivable, the Company's criterion to calculate the corresponding value corrections consists on performing an individual analysis of accounts receivable, determining the solvency of each one of the debtors and the debt's recoverability.

The Company writes down financial assets when they expire or the rights on cash flows for the corresponding financial asset have been ceded and the risks and benefits inherent to their ownership have been substantially transferred, such as sales of assets, cessions of trade credits on "factoring" transactions on which the company does not have any credit or interest risk, sales of financial assets with re-purchase agreement at fair value or securitizations of financial assets on which the ceding company does not withhold subordinated financings or grants any guarantee or assumes any other risk.

On the contrary, the Company does not write off financial assets, and recognizes a financial liability for an amount equal to the consideration received, on the cessions of financial assets on which risks and benefits inherent to their ownership are substantially withheld, such as the discount of bills, the recourse factoring, sales of financial assets with re-purchase agreements at a fixed price or at the selling price plus an interests, and the securitizations of financial assets on which the ceding company withholdings subordinated financings or any other type of guarantees which substantially absorb all expected losses.

4.5.2. Financial liabilities

Financial liabilities are debts and items payable held by the Company and which have been originated on the purchase of goods and services for the Company's trade, or also those which are not originated on the Company's trade but cannot be considered as derivative financial instruments.

Debts and item payable are initially valued at the fair value of the consideration received, adjusted by directly allocable transaction costs. Subsequently, such liabilities are valued at amortized cost.

Guarantees received on leasing contracts are valued at settled amount, which does not significantly differ from their fair value.

The Company writes off financial liabilities when obligations generated by them expire.

4.5.3 Equity instruments

All equity instruments issued by the Company are classified into the item "Capital" of the caption "Equity" of Net Equity on the enclosed balance sheet. The Company does not hold any other equity instrument.

Such instruments are booked under net equity by the amount received, net of direct issuance costs.

When the Company acquires or sells its own equity instruments, the amount paid or received is directly booked on net equity accounts, and no amount is recognized on the income statement for such transactions.

4.5.4 Cash and other cash equivalents

This caption on the enclosed balance sheet includes petty cash, sight deposits on credit entities and other short-term investments with high liquidity and original expiry date below or equal to three months.

4.6. Transactions in foreign currency

The Company's functional currency is Euro. Consequently, transactions in other currencies are considered as denominated on foreign currency and are booked as per the exchange rates in force at the transaction date.

At year end, monetary assets and liabilities denominated on foreign currency are exchanged by applying the exchange rate at balance sheet date. Profits or losses arisen are directly allocated to the income statement for the year on which they take place.

4.7. Corporate Income Tax

Corporate Income Tax income or expense includes the portion related to the current tax expense or income and the portion corresponding to the deferred tax expense or income.

The current tax is the amount that the Company pays as a consequence of the corporate income tax return for one year. Deductions and other tax advantages on the tax amount, excluding withholdings and interim payments, as well as compensable tax losses from previous years, and effectively applied on the current year, lead to a lower current tax amount.

Deferred tax income or expense corresponds to the recognition and cancellation of deferred tax assets and liabilities. These include short-term differences, identified as those amounts which are expected to be paid or recovered, derived from differences between the book amounts of assets and liabilities and their tax value, as well as negative tax assessment bases to be offset and credits for unapplied tax deductions. Such amounts are registered by applying to the short-term difference, or to the corresponding credit, the tax rate to which they are expected to be recovered or liquidated.

Deferred tax liabilities are recognized for all taxable short-term differences, except for those derived from the initial recognition of goodwill or other assets and liabilities on a transaction which does not affect the tax or accounting results and which is not a business combination.

Additionally, deferred tax assets are only recognized in so far as the Company will probably dispose of future tax gains against which to make them effective.

Deferred tax assets and liabilities, originated on transactions with direct charges or credits on equity accounts, are also registered with counterpart on net equity.

At each accounting closing, deferred tax assets booked are reconsidered, performing the appropriate corrections to them in so far as there are doubts on their future recovery. Additionally, at each year end, deferred tax assets not booked on the balance sheet are analysed and submitted to recognition in so far as their recovery with future tax gains is probable.

4.8. Income and expenses

Income and expenses are allocated on the basis of the accrual criterion, that is to say, when the real flow of goods and services they represent takes place, regardless of the moment on which the monetary or financial flow derived from them occurs. Such income is valued at the fair value of the consideration received, deducing discounts and taxes.

Income from sales is recognized when significant risks and benefits, inherent to the ownership of the sold good, are transferred to the purchaser, when the current management or the effective control over such good are not withheld.

4.9. Personnel expenses

Personnel expenses include all of the Company's corporate income and obligations, voluntary or obligatory, accrued at each date, recognizing obligations for extraordinary pays, holidays and variable retributions, as well as related costs.

Short-term retributions

This kind of retributions are valued, not updated, at the amount to be paid for services received, and are registered, in general, as personnel expenses for the year under liabilities of the balance sheet by the difference between the total accrued expense and the amount paid at year end.

Severance payments

According to the legislation in force, the Company is compelled to paying a severance payment to employees who are dismissed without a justified cause. Such severance payments are paid to employees as a consequence of the Company's decision to terminate the labour contract before the

normal retirement date or when the employee voluntarily accepts leaving the Company in exchange for this benefit. The Company recognizes these benefits when it has demonstrably committed to dismiss the current employees according to a detailed plan, without possibility to withhold or to provide severance payments as a consequence of an offer to promote the voluntary resignation.

At 2012 and 2013 closings, the Company does not have any personnel reduction plan which would require the creation of a provision for this concept.

Post-employment retributions and other commitments

At 2012 and 2013 closings, the Company has not contracted commitments towards its employees for post-employment benefits or other concepts.

4.10. Provisions and contingencies

In the formulation of the statutory accounts, the Company's Administrators distinguish between:

1. Provisions: credit balances which cover current obligations derived from past events, which cancellation will probably originate an exit of resources, but which amount and/or cancellation date cannot be determined.

2. Contingent liabilities: possible obligations arisen as a consequence of past events, whose future materialization is conditioned to the occurrence, or not, of one or more future events, regardless of the Company's will.

The statutory accounts include all provisions with regards to which they estimate that the probability to face the obligation is higher than otherwise. Contingent liabilities are not recognized on the statutory accounts, but they are included on the notes to the financial statement report, in so far as they are not considered as remote.

Provisions are valued at the current value of the best estimation possible of the amount necessary to cancel or transfer the obligation, taking into account the information available on the event and its consequences, and adjustments arisen from the update of such provisions as financial expense, as it is accrued.

The caption "Provision for reposition and large repair actions" includes the provision booked to perform replacements of infrastructure elements in order for it to be apt and to appropriately develop services and activities subject to the concession. It is allocated from the infrastructure' start-up to the moment until such actions can be performed. It is periodically reviewed to adapt it to possible subsequent changes and it also includes adjustments for value updates.

4.11. Equity instruments of environmental nature

Environmental assets are long-lasting goods used for the Company's activity, which main aim is to minimize the environmental impact and the environment protection and improvement, including the reduction or elimination of future pollution.

The nature of the Company's activity does not have a significant environmental impact.

4.12. Transactions with related companies

The Company performs all transactions with related companies at market value. Additionally, transfer pricing are appropriately justified and the Company's Administrators consider that there are no significant risks that could derive in considerable liabilities in the future.

4.13. Statements of cash flows

The following expressions are used in the statements of cash flows in the sense below:

Cash or equivalents: Cash includes both petty cash and bank sight deposits. Cash equivalents are financial instruments which are part of the Company's normal cash management, are exchangeable in cash, their initial expiry dates do not exceed three months, and are subject to a not very significant risk of value change.

Cash flows: entries and exits of cash or equivalent, understood as investments with a term lower than three months, of high liquidity and low risk of value alterations.

Operating activities: they refer to activities which constitute the main source of the Company's ordinary income, as well as other activities which cannot be qualified as investment or financing.

Investment activities: they are acquisition or disposal activities of long-term assets and other investments not included on cash and equivalents.

Financing activities: they refer to activities which produce changes on the size and composition of net equity and financial liabilities.

5. Intangible assets

The variation of this caption on the 2013 Balance Sheet was the following:

	Euros		
	Balance at 31.12.12	Additions or allocations	Balance at 31.12.13
Cost:			
Industrial property	2,257	6,420	8,677
Software	70,922	-	70,922
Other intangible assets	-	-	-
Intangible assets, concession agreement	39,127,933	-	39,127,933
Prepayment for intangible assets, concession agreements	-	-	-
	39,201,112	**6,420**	**39,207,532**
Accumulated amortization:			
Industrial property	(2,257)	(134)	(2,391)
Software	(70,922)	-	(70,922)
Other intangible assets	-	-	-
Intangible assets, concession agreement	(16,033,122)	(1,369,205)	(17,402,327)
	(16,106,301)	**(1,369,339)**	**(17,475,640)**
Total	**23,094,811**	**(1,362,919)**	**21,731,892**

The variation of this caption on the 2012 Balance Sheet was the following:

	Euros		
	Balance at 31.12.11	Additions or allocations	Balance at 31.12.12
Cost:			
Industrial property	2,257	-	2,257
Software	70,922	-	70,922
Other intangible assets	-	-	-
Intangible assets, concession agreement	39,127,933	-	39,127,933
Prepayment for intangible assets, concession agreements	-	-	-
	39,201,112	-	**39,201,112**
Accumulated amortization:			
Industrial property	(2,257)	-	(2,257)
Software	(70,922)	-	(70,922)
Other intangible assets	-	-	-
Intangible assets, concession agreement	(14,663,917)	(1,369,205)	(16,033,122)
	(14,737,096)	**(1,369,205)**	**(16,106,301)**
Total	**24,464,016**	**(1,369,205)**	**23,094,811**

The caption "Intangible assets, concession agreement" includes fixed asset elements built or acquired from third parties to adapt the Sea Stations of the Port of Barcelona, by virtue of administrative concession contracts signed between the Port Authorities of Malaga and the Company, described below:

- Contract to adapt the Sea Station and render the tourist cruise port service of North and South terminals of the World Trade Center, signed for a 27-year period from its granting date, in October 1999.

- Contract to adapt the Sea Station A of the Adossat Wharf of Port of Barcelona and render the tourist cruise port service signed for a 27-year period from its granting date, in May 2003.

- Contract to adapt the Sea Station B of the Adossat Wharf of Port of Barcelona and render the tourist cruise port service signed for a 27-year period from its granting date, in May 2003.

The Company's main actions in relation to the adaptation of the Sea Station refer to the construction of a building, fixed fixtures and equipment of terminals for their exploitation under the terms contemplated on concession agreements.

At December 31, 2013, there are no amounts payables for works executed or to be executed with regards to assets related to terminals.

The Company has constituted a mortgage commitment on concessions, by virtue of the syndicated loan contract signed on May 23, 2008 in favour of the lenders.

The Company's policy is to formalize insurance policies to cover possible risks to which certain elements related to administrative concessions are subject. At 2013 closing, there was no coverage deficiency related to such risks. There is a pledge commitment of credit rights derived from insurance policies by virtue of the syndicate loan contract signed on May 23, 2008 in favour of the lenders.

Note 7 details the most relevant information on concession agreements granted to the Company.

6. Tangible fixed assets

The variation of this caption on the balance sheet of 2013, as well as the most significant information related to it, is the following:

	Euros			
	Balance at 31.12.12	Additions or allocations	Transfers	Balance at 31.12.13
Cost:				
Lands and buildings	1,551,074	-	-	1,551,074
Technical fixtures	1,447,668	116,198	-	1,563,866
Fixtures in ports	1,784,985	44,426	-	1,829,411
Tools	60,203	-	-	60,203
Furniture	611,198	11,679	-	622,877
IT equipment	40,255	799	-	41,054
Transport elements	35,091	-	-	35,091
Fixed assets in progress	-	-	-	-
Prepayments for fixed assets	2,853	-	-	2,853
	5,533,327	**173,102**	-	**5,706,429**
Accumulated amortization:				
Lands and buildings	(1,551,074)	-	-	(1,551,074)
Technical fixtures	(291,280)	(107,137)	-	(398,417)
Fixtures in ports	(1,377,634)	(48,578)	-	(1,426,212)
Tools	(58,192)	(350)	-	(58,542)
Furniture	(383,691)	(47,399)	-	(431,090)
IT equipment	(31,123)	(1,882)	-	(33,005)
Transport elements	(18,640)	(2,525)	-	(21,165)
	(3,711,634)	**(207,871)**	-	**(3,919,505)**
Tangible fixed assets net	**1,821,693**	**(34,769)**	-	**1,786,924**

Variations in this caption of the balance sheet in 2012, as well as the most significant information affecting this caption have been the following:

	Euros			
	Balance at 31.12.11	Additions or allocations	Transfers	Balance at 31.12.12
Cost:				
Lands and buildings	1,551,074	-	-	1,551,074
Technical fixtures	1,429,990	17,678	-	1,447,668
Fixtures in ports	1,575,185	8,537	201,263	1,784,985
Tools	60,203	-	-	60,203
Furniture	602,941	8,257	-	611,198
IT equipment	39,183	1,072	-	40,255
Transport elements	22,724	12,367	-	35,091
Fixed assets in progress	201,263	-	(201,263)	-
Prepayments for fixed assets	2,853	-	-	2,853
	5,485,416	**47,911**	-	**5,533,327**
Accumulated amortization:				
Lands and buildings	(1,551,074)	-	-	(1,551,074)
Technical fixtures	(190,476)	(100,804)	-	(291,280)
Fixtures in ports	(1,349,853)	(27,781)	-	(1,377,634)
Tools	(57,842)	(350)	-	(58,192)
Furniture	(337,217)	(46,474)	-	(383,691)
IT equipment	(29,439)	(1,684)	-	(31,123)
Transport elements	(17,147)	(1,493)	-	(18,640)
	(3,533,048)	**(178,586)**	-	**(3,711,634)**
Tangible fixed assets net	**1,952,368**	**(130,675)**	-	**1,821,693**

The caption "Lands and buildings" includes the extension and reform costs for the building of Terminal C of the Adossat Pier of Port of Barcelona, under administrative authorization by the Port Authorities of Barcelona, for an amount of 1,550 thousand Euros, fully amortized at closing date. As detailed in Note 4.2, the fixed assets related to the administrative authorization granted by the Port Authorities of Port of Barcelona in relation with Terminal C, are amortized following the linear method, distributing the cost of assets between the initial three-year term of the authorization (January 1, 2005 to December 31, 2007). Since the termination of such administrative authorization, it is annually renewed and, at the date of formulation of the present annual accounts it has been extended until December 31, 2014. Assets related to this Terminal are amortized on the basis of the renewal due date and elements not affected to the reversion are amortized on the basis of their estimated useful life.

The amount included under captions "Technical fixtures" and "Fixed fixtures" mainly corresponds to the constructions of a new-generation finger, security equipment for terminal C.

Additions in 2013, in captions "Technical fixtures and "Fixtures in ports", correspond to remodelling works in footbridges and to the fixture of methacrylate covers for footbridges.

During 2013, the amount related to works carried out and finished for the rising of a terminal C footbridge, for a joint amount of 175 thousand Euros, together with several gardening works and fixtures supply, for an amount of 26 thousand Euros, were transferred to the caption "Fixtures on ports".

The detail of fully-amortized elements at December 31, 2013 and 2012 is the following:

Description	Euros	
	Accounting value (Gross) Value	
	2013	2012
Constructions	1,551,074	1,551,074
Technical fixtures	71,196	65,081
Fixtures in ports	1,297,972	1,285,879
Remaining goods	244,499	244,499
Total	**3,164,741**	**3,146,533**

At December 31, 2013 and 2012, fully-amortized elements on Terminal C amounted to 2,403,251 Euros, in both cases. Incorporated assets related to the administrative authorization to exploit this Terminal are amortized on their acquisition year, due to the annual nature of renewals, except for elements not affected to the reversion, which are amortized on the basis of their estimated useful life.

At 2013 closing, the Company did not hold purchase commitments related to works performed to adapt the Terminal C of the Port of Barcelona. At year end, there were no contractual obligations for repairs, maintenance or improvements.

The Company's policy is to formalize insurance policies to cover possible risks to which its tangible fixed assets are subject. At 2013 closing, there was no deficit of coverage related to such risks. There is a pledge commitment for credit rights derived from insurance policies by virtue of the syndicated loan contract signed on May 23, 2008 in favour of lenders.

7. Concession agreements

The caption "Intangible assets, concession agreements" includes fixed asset elements built or acquired from third parties to adapt Sea Stations North and South of the World Trade Center and A and B of the Adossat Wharf of Port of Barcelona, by virtue of administrative concession contracts described on Note 5 to adapt and exploit such terminals in order to render the basic passengers' boarding and disembarkation port services and luggage and vehicle loading and unloading under passage system on cruise terminals.

The fixed assets model should be applied to such agreements, since the consideration received consists on the right to collect the corresponding rates on the basis of the usage degree of the public service.

Rates applied by the Company are annually reviewed and approved by the Port Authorities of Barcelona.

The Company pays an occupancy and utilization royalty to the Port Authorities of Barcelona on the basis of surfaces occupied and the value of fixtures made available. Additionally, an activity rate is accrued on the basis of the turnover generated by the activity (Note 15.1).

The amount of actions performed on the infrastructure to date is detailed on Note 5 of the notes to the statutory accounts.

On the basis of obligations assumed on the concession agreement, the corresponding provision for reposition and large repair actions is allocated (Note 12.1).

8. Leases

At 2013 and 2012 closings, the Company has contracted with lessees the following minimum leasing amounts, as per the current contracts in force, without taking into account the attribution of common expenses, future CPI increases, or future increases of leasing amounts agreed by contract:

Operative Leases Minimum instalments	Euros Nominal Value 2013	 2012
Below one year	149,727	142,304
Total	**149,727**	**142,304**

Contingent amounts recognized as income in 2013 and 2012 are detailed as follows:

	Euros 2013	 2012
Contingent instalments recognized in the year	1,382,193	1,304,585
Total	**1,382,193**	**1,304,585**

As lessor, the most significant operative lease contracts held by the Company at 2013 and 2012 closings are the following:

1. Leasing of commercial premises of 1,000 square metres, located on the Barcelona Pier. The lease contract was signed during 2013. The lease contract was formalized during 2011 with termination at December 31, 2011, and it could be annually renewed at the parties' will. Likewise, the rent payments received amounted to 69 thousand Euros in 2013 and 67 thousand Euros in 2012.

2. Leasing of several commercial premises on Terminals A, B, C and World Trade Centre, located on the Barcelona Pier. The leasing contract started on October 1, 2005 and lasts for 10 years and 2 months. Additionally, the amounts collected are 1,382 thousand Euros in 2013 and 1,304 thousand Euros in 2012. The monthly rent to pay by the lessee will depend on the volume of passengers boarding and disembarking on these terminals and those in transit.

9. Financial assets

9.1. Financial assets at long term

The classification of the different financial assets at long term at December 31, 2013 and 2012 is the following:

	Euros					
	Equity instruments		Credits, Derivatives and Other		Total	
	31.12.13	31.12.12	31.12.13	31.12.12	31.12.13	31.12.12
Financial investments at long term	-	-	**6,539,968**	-	**6,539,968**	-
Loans and items receivable-	-	-	**208,303**	**243,403**	**208,303**	**243,403**
Other financial assets	-	-	208,303	243,403	208,303	243,403
Investments in group companies and associates at long term-	**7,600,069**	**7,600,069**	-	-	**7,600,069**	**7,600,069**
Equity instruments	7,600,069	7,600,069	-	-	7,600,069	7,600,069
Total	**7,600,069**	**7,600,069**	**6,748,271**	**243,403**	**14,348,340**	**7,843,472**

9.2. Financial investments at long term

The balance in accounts of caption "Financial investments at long term" at 2013 and 2012 closings is the following:

	Euros	
	Credits, Derivatives and Other	
	31.12.13	31.12.12
Guarantees at long term	1,320	1,320
Deposits at long term	6,746,951	242,083
Total	**6,748,271**	**243,403**

The Company has recorded under caption "Deposits at long term" several deposits formalized in Banco Sabadell, for a joint amount of 6,500,000 Euros, due at long term and liquidations at maturity, as per the following detail:

- Deposit by 1,000,000 Euros, due on October 2015;
- Deposit by 2,000,000 Euros, due on January 2016;
- Deposit by 1,500,000 Euros, due on March 2016;
- Deposit by 2,000,000 Euros, due on June 2016.

At December 31, 2013, these deposits have been valued at amortized cost. Interests accrued and to be collected at 2013 closing amounts to 41,288 Euros. These deposits have accrued a market interest rate.

Also, at December 31, 2013 there is an amount by 205,663 Euros (242,083 Euros at December 31, 2012) within caption "Deposits at long term" which corresponds to the amount booked as unavailable reserve, in reference to the syndicated loan signed by the Company (see Note 11.4), for an amount not below the debt service of the three following months. The Company has constituted pledge of credit

rights derived from the reserve account of the debt service by virtue of the syndicated loan contract signed on May 23, 2008 in favour of the lenders.

9.3. Investments in group companies and associates at long term

Variations during 2013 and 2012 in the accounts included under caption "Investments en group companies and associates at long term" have been the following:

	Euros			
	Balance at 31-12-2011	Balance at 31-12-2012	Additions or allocations	Balance at 31-12-2013
Shareholding in Group companies	7,600,069	7,600,069	-	7,600,069
	7,600,069	**7,600,069**	-	**7,600,069**

On December 21, 2011, the Company signed a Joint Venture agreement with Sats Airport Services Pte. Ltd., participating by 40% on its share capital. The corporate purpose of the company incorporated under the name of Sats-Creuers Cruise Services Pte. Ltd. is the exploitation of tourist cruises. Its address is located in Singapore, under the conditions of the agreement signed between the constituted company and the Tourist Board of Singapore, on December 22, 2011, after being granted with its exploitation in tender. At year end, the Company had made a payment corresponding to its shareholding percentage, for an amount of 2,400,000 Singapore Dollars. The shareholding has been valued on the enclosed balance sheet at December 31, 2013 and 2012 for the value in Euros obtained from applying the exchange rate at payment date.

The most significant information related to group companies and associates at 2013 and 2012 closings is the following:

	Euros					
Company, Corporate Address and Activity	Share Capital	Outstanding disbursements	Reserves	Results for the year	Shareholding percentage	Shareholding value
At December 31, 2013- CRUCEROS MÁLAGA, S.A. (*) Levante Sea Station Port of Malaga Cruise port service	7,700,000		5,225,428	(738,939)	80%	6,160,000
SATS-CREUERS CRUISE SERVICES PTE. LTD. (**) 20 Airport Boulevard SATS Inflight Catering Center Singapore Cruise port service	3,724,164	-	(1,876,260)	(189,835)	40%	1,440,069
At December 31, 2012- CRUCEROS MÁLAGA, S.A. (*) Levante Sea Station Port of Malaga Cruise port service	7,700,000		4,420,958	804,471	80%	6,160,000
SATS-CREUERS CRUISE SERVICES PTE. LTD. (**) 20 Airport Boulevard SATS Inflight Catering Center Singapore Cruise port service	3,724,164	-	s/d	(1,347,784)	40%	1,440,069

(*) Data obtained from the Company's statutory accounts (audit in progress).

(**) Non-audited data. The Company Sats-Creuers Cruise Services Pte. Ltd. closes its financial year at March 31 of each year. Therefore, results for the year shown in the previous table correspond to the 9 months of the FY 2013/2014, in progress. In order to convert the Company's information into Euros, the exchange rate at December 31, 2013 (1.3783) and 2012 (1.6111) has been used. The 9-month data from year 2012/2013 only include results since May 26, 2012, date when the company started to operate.

These companies are not quoted and have not distributed dividends during 2013 and 2012.

At year end, the Administrators carry out the value corrections they deem necessary on the shares owned in their investees, based on the analysis of the recovery amount after considering the tacit capital gains at year end, resulting from their activity and business.

9.4. Financial assets at short term

The classification of the different financial assets at short term at December 31, 2013 and 2012 is the following:

	Euros	
	Credits and items receivable	
	31.12.13	31.12.12
Cash and other cash equivalents-	**8,009,296**	**1,104,991**
Cash at hand and in bank	8,009,296	1,104,991
Financial investments at short term-	**500,000**	**9,564,975**
Deposits constituted in financial entities	500,000	9,564,975
Credits from trading operations-	**1,953,015**	**3,844,754**
Accounts receivable from sales and service rendering	1,870,756	3,833,530
Accounts receivable, group companies and associates	82,259	11,224
Credits for non-trading operations-	**7,120**	**6,943**
Personnel	7,120	6,943
	10,469,431	**14,521,663**

At December 31, 2013, the Company has classified, under caption "Financial investments at short term", investments held to maturity, deposits valued at amortized cost and which have accrued a market interest rate.

9.5. Information on the nature and risk level of financial instruments

The Company's financial risk management is focused on the Financial Management, which has established the necessary mechanisms to control the exposure to variations on interest and exchange rates, as well as to credit and liquidity risks. The main financial risks which affect the Company are listed below:

1. Credit risk

In general, the Company holds its cash and equivalent liquid assets on financial entities with high credit level.

It should be noted that the knowledge of its clients and the monitoring by the Company of its accounts receivable reduce the credit risk. Additionally, the Company's transactions are agreed with its clients through contracts formalized by both parties.

2. Liquidity risk

In order to ensure the liquidity and to face all payment commitments derived from its activity, the Company has the cash included on its balance sheet, as well as the credit and financing lines detailed on Note 11.

3. Market risk (including interest rate, exchange rates and other price risks)

Both the Company's cash and the financial debt are exposed to the risk of interest rate, which could adversely affect the financial results and cash flows.

As the Company does not perform relevant transactions on foreign currency, there is no risk derived from the exchange rate.

10. Net equity and equity

At 2013 and 2012 closings, the Company's share capital amounts to 3,005,061 Euros, represented by 3,005,061 shares of 1 Euro of nominal value each, all of the same kind, fully subscribed and paid in.

On June 18, 2013, the Company's General Shareholders' Meeting approved the distribution of dividends charged to 2012 results, for an amount of 2,914,909 Euros, at 0.96 Euros per share. All of these dividends have been satisfied.

Also, they approved the distribution of an extraordinary dividend charged to voluntary reserves for an amount of 3,515,921 Euros, from which an amount of 1,511,846 Euros remains payable, recorded under the caption "Other financial liabilities" of current liabilities in the enclosed balance sheet at December 31, 2013 (Note 11.2). At the date of formulation of the present statutory accounts, this dividend has been fully satisfied to its shareholders.

At 2013 closing, shareholders with a share over 10% on the share capital are the following:

Shareholders	Shareholding percentage
Barcelona Port Investment, S.L.	43%
Vapores Suardiaz Mediterráneo, S.A.	34%
World Duty Free Group, S.A.	23%
	100%

At 2012 closing, shareholders with a share over 10% on the share capital are the following:

Shareholders	Shareholding percentage
Autoritat Portuaria de Barcelona	20%
Compañía Trasmediterránea, S.A.	23%
Vapores Suardiaz Mediterráneo, S.A.	34%
World Duty Free Group, S.A.	23%
	100%

During 2013, there has been a change in shareholding as a consequence of the acquisition of shares held in the Company by the Autoritat Portuaria de Barcelona and Compañia Trasmediterránea, S.A., by the company Barcelona Port Investment, S.L.

The Company's shares are not listed.

10.1. Reserves

According to the Consolidated Text of the Capital Corporation Act, an amount equal to 10% of profits for the year must be allocated to the legal reserve until it reaches, at least, 20% of the share capital. The legal reserve can be used to increase capital on the portion of its balance exceeding 10% of the increased capital. Except for such purposes, and as long as 20% of the share capital is not exceeded, this reserve can only be used to compensate losses and as long as there are no other sufficient available reserves for such purposes. At 2013 and 2012 closings, this reserve was fully constituted.

The Statement of changes in net equity on these statutory accounts details aggregated balances and variations in 2013 and 2012 on this sub-caption of the enclosed balance sheet. The composition and variation of the different items are the following:

	Euros					
	Balance at 31.12.11	Additions	Balance at 31.12.12	Additions	Withdrawals	Balance at 31.12.13
Legal and statutory-	**601,012**	-	**601,012**	-	-	**601,012**
Legal reserve	601,012	-	601,012	-	-	601,012
Other reserves-	**21,909,978**	**4,433,950**	**26,343,928**	**4,097,430**	**(3,515,921)**	**26,925,437**
Voluntary reserves	21,909,978	4,433,950	26,343,928	4,097,430	(3,515,921)	26,925,437
	22,510,990	**4,433,950**	**26,944,940**	**4,097,430**	**(3,515,921)**	**27,526,449**

10.2. Limitations to the distribution of dividends

The Company's syndicated loan contract establishes the following limitations to distribute dividends:

- The debt hedging service must be equal or over 1.2.
- There must not have been any event of early termination and the distribution of dividends shall not incur on such assumptions.
- Existence of positive equity and distributable profits.

During 2013 and 2012, the Company has met the three abovementioned limitations.

10.3. Interim dividend

On December 16, 2013, the Company's Board of Administrators approved the distribution of an interim dividend for the 2013 results, for an amount of 1,855,000 Euros, at 0.62 Euros per share, presenting the liquidity statement at November 30, 2013 detailed below:

	Euros
Cash at hand and in bank	4,557,771
Liquidity at 30.11.2013	**4,557,771**
Results before tax	11,126,472
Corporate Income Tax	(3,337,942)
Results after tax at 30.11.2013	**7,788,530**

At December 31, 2013, the caption "Other financial liabilities" on current liabilities of the balance sheet includes the amount payable to shareholders, for an amount of 795,000 Euros (Note 11.2).

11. Financial liabilities

11.1. Financial liabilities at long term

The balance on the caption "Long-term debts" at 2013 and 2012 closings is the following:

	Euros					
	Financial liabilities at long term					
	Debts with Credit Entities		Other		Total	
	31.12.13	31.12.12	31.12.13	31.12.12	31.12.13	31.12.12
Debts and items payable	-	2,292,575	-	-	-	2,292,575
Guarantees at long term	-	-	1,382	1,382	1,382	1,382
Total	-	**2,292,575**	**1,382**	**1,382**	**1,382**	**2,293,957**

11.2. Financial liabilities at short term

The detail of "Financial liabilities at short term" at 2013 and 2012 closings is the following:

	Euros					
	Debts with Credit Entities		Other		Total	
	31.12.13	31.12.12	31.12.13	31.12.12	31.12.13	31.12.12
Loans and items payable-	**2,292,576**	**2,292,578**	**2,482,687**	**172,160**	**4,775,263**	**2,464,738**
Debts with Credit entities	2,292,576	2,292,578	-	-	2,292,576	2,292,578
Other financial liabilities			2,482,687	172,160	2,482,687	172,160
Trade payables and other accounts payable -	-	-	**894,989**	**1,017,898**	**894,989**	**1,017,898**
Accounts payable	-	-	662,089	685,693	662,089	685,693
Accounts payable, group companies and associates	-	-	182,878	307,046	182,878	307,046
Sundry accounts payable	-	-	29,917	8,445	29,917	8,445
Personnel (remunerations payable)	-	-	20,105	16,714	20,105	16,714
	2,292,576	**2,292,578**	**3,377,676**	**1,190,058**	**5,670,252**	**3,482,636**

The caption "Other financial liabilities" includes the interim dividend approved and to be paid to the Company's Shareholders, for an amount of 795,000 Euros (Note 3 and 10.3), together with the extraordinary dividend payable to Shareholders, for an amount of 1,511,846 Euros (Note 10).

Also, the caption "Other financial liabilities" includes the guarantee delivered by the company Barcelona Actividades Marítimas for the leasing of several premises on terminals and of the Barcelona Pier. This guarantee includes a deposited amount of 168,000 Euros and another guarantee which is annually renewed, based on the turnover of the previous year, after deducting the previous 168,000 Euros.

11.3. Information on payment deferrals to suppliers. Additional third provision. Duty of information of Law 15/2010, of 5 July

The table below details the information referred to deferrals performed to suppliers required by Law 15/2010 of 5 July at December 31, 2013:

	Payments performed and outstanding at balance sheet closing date	
	31.12.2013	
	Euros	%
Total payments in the year:	**4,103,243**	**100**
Within the maximal legal term (60 days for 2013)	3,799,790	93
Rest	303,453	7
Average payment days exceeded	**13**	-
Deferrals which exceed the maximal legal term at closing date	**75,587**	**19**

The table below details the information referred to deferrals performed to suppliers required by Law 15/2010 of 5 July at December 31, 2012:

	Payments performed and outstanding at balance sheet closing date	
	31.12.2012	
	Euros	%
Total payments in the year:	**5,726,843**	**100**
Within the maximal legal term (75 days for 2012)	5,714,975	99
Rest	11,868	1
Average payment days exceeded	**64**	-
Deferrals which exceed the maximal legal term at closing date	**3,967**	**0**

11.4. Debts with credit entities

The detail of debts held by the Company with credit entities at December 31, 2013 and 2012 is the following:

	Euros					
	Long term		Short term		Total	
	31.12.13	31.12.12	31.12.13	31.12.12	31.12.13	31.12.12
Type of operation:						
Loans	-	2,292,575	2,292,576	2,292,578	2,292,576	4,585,153
Total	-	**2,292,575**	**2,292,576**	**2,292,578**	**2,292,576**	**4,585,153**

The Company has contracted a syndicated loan for an initial amount of 15,000 thousand Euros with Caja Madrid, signed on May 23, 2008 and due on December 2014.

The loan's annual interest rate is referenced to EURIBOR. The average rate during 2013 amounted to 1.74% and during 2012 to 1.57%.

During 2013 and 2012, the Company has not contracted discount facilities or credit policies.

The loan's outstanding debt breaks down based on the year on which its due date is expected, as follows:

Debts due on:	Euros Balance at 31.12.2013	Euros Balance at 31.12.2012
2013	-	2,292,578
2014	2,292,576	2,292,575
	2,292,576	**4,585,153**

12. Provisions and contingencies

12.1 Provision for reposition and large repair actions

This caption on the balance sheet includes the provision constituted to perform repositions of infrastructure elements in order for it to be apt to appropriately develop services and activities subject to the concession. It is allocated since the infrastructure's start-up date until the moment when such actions will be performed.

The detail of provisions on the balance sheet at 2013 closing, as well as the main movements registered during the year 2013, were the following:

Provisions at long term	Euros Balance at 01-01-13	Allocations	Balance at 31-12-13
Provisions for reposition and large repair actions	4,464,562	1,345,526	5,810,088
Total at long term	**4,464,562**	**1,345,526**	**5,810,088**

The detail of provisions on the balance sheet at 2012 closing, as well as the main movements registered during the year 2012, were the following:

Provisions at long term	Euros Balance at 01-01-12	Allocations	Balance at 31-12-12
Provisions for reposition and large repair actions	3,238,824	1,225,738	4,464,562
Total at long term	**3,238,824**	**1,225,738**	**4,464,562**

Reposition investments are registered by recognizing a provision for reposition and large repair actions which is annually allocated with charge on profit and loss, considering if applicable subsequent changes on their amount, as well as its financial update.

At December 31, 2013, the Company does not have any outstanding amount to be liquidated as real estate tax. Nevertheless, the Company has filed several appeals challenging amounts satisfied on the payment of the real estate tax for 2008 to 2010, for a joint amount of 324,766 Euros, which are awaiting resolution by the Town Council of Barcelona at the formulation date of the present statutory accounts.

13. Public Administrations and tax position

13.1. Current balances with Public Administrations

The composition of balances with Public Administrations at December 31, 2013 and 2012 is the following:

	Euros	
	31.12.13	31.12.12
Accounts receivable		
VAT receivable	69,145	43,751
	69,145	**43,751**
Accounts payable		
Personal Income Tax payable	30,976	27,808
Social Security payable	12,040	9,670
	43,016	**37,478**

13.2. Reconciliation accounting results and tax assessment basis

The Corporate Income Tax is calculated on the basis of the economic or accounting results, obtained by applying generally accepted accounting principles, which do not necessarily coincide with the tax results, understood as the tax assessment basis.

The reconciliation between the accounting results and Corporate Income Tax basis is the following:

	Euros			
	Increases / decreases		Charge	
	2013	2012	2013	2012
Accounting results before tax	**11,194,522**	**10,051,326**	-	-
Short-term differences:				
Originated in the year-				
Increase prepaid tax	473,100	-	-	-
Originated on previous years -				
Reversion deferred tax	38,165	38,165	-	-
Reversion prepaid tax	(116,221)	(116,221)	-	-
Tax assessment basis	**11,589,566**	**9,973,270**	**3,476,870**	**2,991,982**
Withholdings and interim payments	-	-	(2,672,248)	(2,589,039)
Corporate Income Tax payable	-	-	**804,622**	**402,943**

<u>*Short-term differences originated in the year*</u>

The short-term difference originated in the year is caused by Law 16/2012, of 27 December, which limits by 30% the tax deductibility of amortizations during periods 2013 and 2014.

<u>*Short-term differences originated in previous years*</u>

The Company met the commitment to increase the payroll acquired in 2000, when it made use of tax incentives for small entities, for which it registered a deferred tax. The reversion of such deferred tax is estimated on the concession's length (27 years) to which assets which made use of amortization freedom are related (see Note 13.6).

Additionally, the Company recognized a prepaid tax for the excess of accounting amortization on the tax amortization of fixed assets on Terminal C, which were amortized on the initial period of the administrative authorization, three years. The reversion of such prepaid tax is estimated on the number of useful years of elements after the termination of the concession (see Note 5).

13.3. Reconciliation between the accounting results and the Corporate Income Tax expense

The reconciliation between the accounting results and the Corporate Income Tax expense of 2013 and 2012 is the following:

	Euros	
	2013	2012
Accounting result before tax	11,194,522	10,051,326
Charge at 30%	3,358,357	3,015,398
Total tax expense recognized on the income statement	**3,358,357**	**3,015,398**

The reconciliation between the liquid amount and the Corporate Income Tax expense is the following:

	Euros	
	2013	2012
Liquid charge	3,476,870	2,991,982
Variation of deferred taxes	(118,513)	23,416
Corporate Income Tax expense	**3,358,357**	**3,015,398**

13.4. Detail of Corporate Income Tax expense

The Corporate Income Tax expense for 2013 and 2012 is detailed as follows:

	Euros	
	2013	2012
Current tax:		
For continuing operations	3,358,357	3,015,398
Negative tax adjustment	-	23,588
Total tax expense	**3,358,357**	**3,038,986**

13.5. Prepaid tax assets

The detail of this account at 2013 and 2012 closings is the following:

	Euros	
	Amount	Tax effect
Closing balance at 31.12.2011	1,653,079	495,917
Recoveries	(116,221)	(34,866)
Closing balance at 31.12.2012	1,536,858	461,051
Increases	356,879	107,063
Final balance at 31.12.2013	**1,893,737**	**568,114**

Deferred tax assets indicated above have been registered on the balance sheet as the Company's Administrators consider that, according to the best estimation on its future results, including certain tax planning actions, such assets will probably be recovered.

At 2013 closing, the Company does not hold negative tax assessment bases or deductions to be applied.

13.6. Deferred tax liabilities

The detail of the balance on this account at 2013 closing is the following:

	Euros	
	Amount	Tax effect
Closing balance at 31.12.2011	610,640	183,192
Recoveries	(38,165)	(11,449)
Closing balance at 31.12.2012	572,475	171,743
Recoveries	(38,165)	(11,450)
Closing balance at 31.12.2013	**534,310**	**160,293**

13.7. Years to be verified and inspection actions

According to the legislation in force, taxes cannot be definitively considered as liquidated until declarations presented have been inspected by the Tax Authorities or after four years have elapsed. At 2013 closing, the Company has opened to inspections the year 2009 and subsequent years for the Corporate Income Tax and 2010 and following years for all remaining applicable taxes. The Company's Administrators consider that liquidations for said taxes have been appropriately practiced, and therefore, in case of discrepancies in the interpretation of the regulation in force for the tax treatment to its transactions, eventual resulting liabilities, if applicable, would not significantly affect the enclosed statutory accounts.

14. Guarantees, commitments and contingencies

Guarantees and commitments towards third parties derive from the contracting of the loan, are not included under liabilities of the balance sheet, and consist on the constitution of the pledge mortgage over concessions.

There is an unavailable reserve for the debt of the syndicated loan, in payment guarantee for the liquidation of interests for the 3 following months, as obligation of the borrower of such loan (See Note 9.1). The reserves account amount was 205,663 Euros at 2013 closing and 242,083 Euros at 2012 closing.

In addition to the abovementioned guarantees, the Company is guaranteed towards third parties by several bank entities, for a total amount of 1,044,342 Euros at December 31, 2013 and December 31, 2012.

The Company's Administrators do not consider that, as a consequence of such guarantees, there could be additional liabilities to the ones booked on the present statutory accounts.

15. Income and expenses

15.1. Net turnover

The distribution of the net turnover corresponding to 2013 and 2012, distributed by activity categories and geographic markets, is the following:

Activities	Euros	
	2013	2012
Passenger rate	6,331,028	6,035,220
Drinking water rate	536,128	407,371
Sundry services rate	209,572	214,646
Non-regulated rates:		
Luggage services	11,281,582	10,966,147
Leasing of premises	1,531,920	1,446,888
Several	562,862	529,881
Total	**20,453,092**	**19,600,153**

The Company has obtained all its income from the Spanish geographic market.

15.2. Supplies

The balance of supplies in 2013 and 2012 is detailed as follows:

	Euros	
	2013	2012
Sundry services	2,725,426	2,906,386
Occupancy and utilization royalty	823,202	762,468
Total	**3,548,628**	**3,668,854**

All services received by the Company have been performed on the Spanish geographic market.

15.3. Personnel expenses

The account "Wages and salaries" of 2013 and 2012 is detailed as follows:

	Euros	
	2013	2012
Personnel expenses-		
Wages and salaries	450,009	423,177
Social Security	124,995	145,421
Total	**575,004**	**568,598**

15.4. Other operating expenses

The balance of the account "Other operating expenses" of 2013 and 2012 breaks down as follows:

	Euros	
	2013	2012
External services-	**2,383,045**	**2,273,910**
Repairs and up-keeping	802,464	800,876
Professional services	1,293,688	1,159,757
Insurance premiums	65,605	63,794
Supplies and other services	197,306	225,044
Advertising and public relations	23,982	24,439
Taxes	**145,990**	**148,836**
Other current management expenses	**739,515**	**844,871**
Allocation provision for reposition and large repair actions	**1,228,524**	**1,170,023**
	4,497,074	**4,437,640**

The caption "Taxes" includes at December 31, 2013 and 2012 the amount paid for the liquidation of the real estate tax, for an amount of 130,091 Euros and 118,247 Euros, respectively.

15.5. Financial income and expenses

The amount of financial income and expenses in 2013 and 2012, calculated by applying the effective interest rate, has been the following:

	Euros	
	2013	2012
Financial income:		
From marketable securities and fixed asset credits	312,312	204,661
	312,312	**204,661**
Financial expenses:		
Interests for debts with credit entities	68,008	131,508
Guarantees' commissions	11,839	11,114
Update of provisions for dismantling and rehabilitation commitments	117,002	55,715
	196,849	**198,337**

16. Operations and balances with related parties

16.1. Operations with related parties

The detail of transactions among related parties during 2013 is the following:

	Euros	
	Operating expenses	Dividends
Service rendering	-	-
Reception of services	89,587	-
Distribution of dividends	-	5,370,921
	89,587	**5,370,921**

The detail of transactions among related parties during 2012 is the following:

	Euros		
	Operating income	Operating expenses	Dividends
Service rendering	11,224	-	-
Reception of services	-	989,937	-
Distribution of dividends	-	-	2,914,908
	11,224	**989,937**	**2,914,908**

The caption "Operating expenses" mainly includes expenses accrued from Ihe administration service rendering by the Group Company Grupo Logistico Suardiaz, S.L for an amount of 89 thousand Euros in 2013 and 2012. This is the parent company of the group to which the shareholder Vapores Suardiaz Mediterràneo, S.A. belongs to.

During 2012, the caption "Operating expenses" also included expenses accrued for occupancy and utilization royalty with Autoridad Portuaria de Barcelona, S.A. for an amount of 762 thousand Euros.

All of these transactions have been performed at arm's length.

16.2. Balances with related parties

The amount of balances with related parties on the balance sheet at December 31, 2013 and 2012 is the following:

	Euros			
	Accounts receivable		Accounts payable	
	31.12.13	31.12.12	31.12.13	31.12.12
Compañía Trasmediterrànea, S.A.	-	-	-	23
Aldeasa, S.A.	-	-	1,379	2,758
Grupo Logístico Suardíaz, S.L.	-	-	18,363	18,431
Barcelona Port Investment, S.L.	-	-	2,306,846	-
Autoridad Portuaria de Barcelona, S.A.	-	11,224	-	285,834
Sats – Creuers Cruise Service PTE. LTD	82,259	-	37,542	-
	82,259	**11,224**	**2,364,130**	**307,046**

16.3. Retributions to the Board of Directors and Top Management

Retributions accrued as remuneration during 2013 by the members of the Board of Administrators and Top Management of Creuers del Port de Barcelona, S.A., who are not part of the Company's payroll, have amounted to 264,752 and 70,962 Euros, respectively.

Retributions accrued as remuneration during 2012 by the members of the Board of Administrators and Top Management of Creuers del Port de Barcelona, S.A., who are not part of the Company's payroll, have amounted to 228,110 and 42,000 Euros, respectively.

The Company's Administrators and Top Management have not used loans or early payments, and the Company does not hold commitments or guarantees of any kind towards current or former Administrators or Top Management.

16.4. Detail of shareholdings in companies with similar activities and performance by themselves or on others' behalf of similar activities by Administrators

In order to comply with the provisions set forth in Article 229 of the Capital Companies Act in force, the present notes include the information related to the capital shareholding and the tasks carried out by the members of the Company's Board of Administrators and people related to them, in companies of analogous or complementary kind of activity to the one that constitutes the Company's business purpose.

At 2013 closing, the individuals, members of the Board of Administrators and the representative of the legal members of the Board of administrators of Creuers del Port de Barcelona, S.A. have not maintained shares on the capital of entities with the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose.

Additionally, according to the above, the activities, by themselves or on others' behalf, by the different members of the Board of Administrators on entities with the same, analogous or complementary kind of activity to the one that constitutes the business purpose of Creuers del Port de Barcelona, S.A. are the following:

Name	Activity performed	System type	Company through which the activity is rendered	Functions
Eduardo Cortada	Service rendering to cruises	On others' behalf	Cruceros Málaga, S.A	Board Member
			Sats-Creuers Cruise Services, Pte. Ltd.	Board Member
Juan Riva	Service rendering to cruises	On others' behalf	Cruceros Málaga, S.A	Board Member
Paula Salcedo	Service rendering to cruises	On others' behalf	Cruceros Málaga, S.A	Board Member
John Tercek	Service rendering to cruises	On others' behalf	Terminal Napoli S.p.A,	Director
	Service rendering to cruises	On others' behalf	Catania Cruise Terminal, S.r.l	Director
	Service rendering to cruises	On others' behalf	Cagliari Cruise Port S.r.l	Director
	Service rendering to cruises	On others' behalf	Roma Cruise Terminal S.r.l.	Director
	Service rendering to cruises	On others' behalf	Ravenna Terminal Passeggeri S.r.l.	Director
	Service rendering to cruises	On others' behalf	Salerno Cruises S.r.l.	Director

Name	Activity performed	System type	Company through which the activity is rendered	Functions
John Tercek	Service rendering to cruises	On others' behalf	Ege Liman Isletmeleri A.S.	Director
	Service rendering to cruises	On others' behalf	Worldwide Cruise Terminals (Hong Kong) Ltd	Director
	Service rendering to cruises	On others' behalf	Puerto de Cruceros y Marina de las Islas de la Bahia S.A. de C.V.	Director
	Service rendering to cruises	On others' behalf	Fort Street Tourism Village	Director
	Service rendering to cruises	On others' behalf	Falmouth Jamaica Land Company Ltd.	Director
	Service rendering to cruises	On others' behalf	Terminal de Cruceros Punta Langosta - Cozumel	Director
Ferdag Ildir	Service rendering to cruises	On others' behalf	Ortagu Antalya Liman Isletmeleri A.S.	Chief Financial officer
	Service rendering to cruises	On others' behalf	Ege Liman Isletmeleri A.S.	Chief Financial officer
	Service rendering to cruises	On others' behalf	Bodrum Yolcu Limani Isletmeleri A.S.	Chief Financial officer
Saygin Narin	Service rendering to cruises	On others' behalf	Ortagu Antalya Liman Isletmeleri A.S.	Administrator
	Service rendering to cruises	On others' behalf	Ege Liman Isletmeleri A.S.	Administrator
	Service rendering to cruises	On others' behalf	Bodrum Yolcu Limani Isletmeleri A.S.	Administrator

Additionally, during 2013, persons related to the members of the Board of Administrators have not held direct or indirect shareholdings and have not held positions or duties on companies with the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose.

At December 31, 2013, Vapores Suardiaz Mediterráneo, S.A. and persons related to this company or to its representative, Amadeo Riva Meana, are not in a conflict situation, direct or indirect, with the Company's interest and has not held shareholdings on the share capital of companies with the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose, and have not exercised positions or duties or performed activities by themselves or on others' behalf of the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose.

At December 31, 2013, World Duty Free, S.A. and persons related to this company or to its representative, Isabel Zarza Garcia, are not in a conflict situation, direct or indirect, with the Company's interest and has not held shareholdings on the share capital of companies with the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose, and have not exercised positions or duties or performed activities by themselves or on others' behalf of the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose.

17. Environmental information

Due to its activities, the Company does not hold liabilities, expenses, assets nor provisions or contingencies of environmental nature, which could be significant in relation to its equity, financial situation and results. As a consequence of this, the present notes to the statutory accounts do not include specific disclosures.

18. Other information

18.1. Personnel

The average number of persons employed during 2013 and 2012, detailed by category and gender, is the following:

Categories	2013		2012	
	Male	Female	Male	Female
Administrative Assistant	-	1	-	1
Superior Cap.	1	-	1	-
Manager	1	1	1	1
Marketing and Commerce Manager	-	1	-	1
Chief Operator Driver	4	3	5	2
Total	**6**	**6**	**7**	**5**

Additionally, the distribution of payroll, Board Members and Top Management by gender at 2013 and 2012 closings is the following:

Categories	2013		2012	
	Male	Female	Male	Female
Board Members and Top Management	7	3	7	3
Administrative Assistant	-	1	-	1
Superior Cap.	1	-	-	1
Manager	-	2	1	1
Marketing and Commerce Manager	-	1	-	1
Chief Operator Driver	3	1	3	2
Total	**11**	**8**	**11**	**9**

18.2. Audit fees

During 2013, fees related to accounting audit services rendered by the Company's auditor, Mazars Auditores, S.L.P., amounted to 12,300 Euros. (2012: 12,300 Euros).

Additionally, the expense booked in 2013 statutory accounts, corresponding to other services rendered to the Company by MAZARS Auditores, S.L.P. amounts to 615 Euros. (2012: 615 Euros).

19. Subsequent events

Since the 2013 closing to the date of formulation by the Company's Board of Administrators of these annual accounts, there has not been and we have not been aware of any significant event to be mentioned.

Formulation of the Statutory Accounts

The formulation of the present statutory accounts of Creuers del Port de Barcelona, S.A. for the economic year 2013 has been approved by the Board of Directors, on their meeting held on March 24, 2014, with a view to their subsequent approval by the General Shareholders' Meeting; such statutory accounts are issued on 36 pages, the last of which is hereby signed by all the Board Members.

Mr. Eduardo Cortada Segarra

Mr. Juan Riva Francos

Ms. Paula Salcedo Menéndez

Mr. Saygin Narin

Ms. Isabel Zarza García, on behalf and in representation of World Duty Free, S.A.

Mr. John Tercek

Mr. Amadeo Riva Meana, on behalf and in representation of Vapores Suardiaz Mediterráneo, S.A.

Mr. Dominic James Paul

Ms. Ferdag Ildir

Barcelona, 24 March 2014

Translation of a report originally issued in Spanish, based on our work performed in accordance with generally-accepted auditing standards in Spain and of financial statements originally issued in Spanish and prepared in accordance with generally-accepted accounting principles in Spain. In the event of discrepancy, the Spanish-language version prevails.

Creuers del Port de Barcelona, S.A.

Management Report
Corresponding to the year ended at
December 31, 2013

Dear Shareholders,

In compliance with the Corporate Act in force, we are pleased to submit the present report to the Shareholders' Meeting regarding the evolution of our company during 2013 and its development to date.

Accumulated activity statistics at December 2013

Creuers del Port de Barcelona, S.A. has successfully completed its thirteenth year of activity.

The final accumulative number of passengers at December 2013 amounted to 1,888,927, which represents an increase by 5% with regards to 2012. These passengers were distributed among 1,153,567 boarding and landing passengers (4% more than in 2012) and 735,360 passengers in transit (7% more than in 2012). In September 2013, the Company reached its highest monthly amount of passengers in 2013, providing service to 246,518 passengers.

In relation to the accumulated breakdown of passengers at December 2013, 61% correspond to boarding and landing passengers and 39% to passengers in transit. These percentages are very positive for the Company.

The Company's participation on the total amount of passengers at the Port was approximately 73%, distributed by 77% on boarding or landing, and 69% in transit.

With regards to passengers per wharf, it should be borne in mind that 96% of boarding and landing passengers have received services on the terminals of Adossat Wharf, and the remaining 4% corresponded to the terminals of the World Trade Center. Additionally, 86% of passengers in transit have received services on the Adossat Wharf, whereas 14% have passed through the terminals of the World Trade Center, including the Coast Wharf.

In 2013, there is an increase of the number of stopovers, 647 vs. 592 on the previous year, which implies an increase by 9%. Nevertheless, the number of passengers per stopover has increased from 3,046 in 2012 to 2,920 in 2013.

Accumulated economic follow-up at December 2013

The Company has obtained a gross margin by 16,998 M Euros, which represents 6% more than in the previous year.

Profit before tax corresponding to the cumulative at December 2013 amounted to 11,195 thousand Euros, 11% less than in the previous year.

General and structural costs for the year amounted to 6,097 thousand Euros, 1% more than in the previous year, out of which 1,578 thousand correspond to amortization costs and 1,228 thousand Euros to provisions for replacements (including the financial update). The increase in 2013 of general and structural costs, by 89 thousand Euros, mainly corresponds to the provisions for replacements and their financial update.

Terminals operated by the Company

There have been no significant events in relation to the assets of the terminals operated by the Company.

Creuers' investees

During 2011, the investee Cruceros Málaga, S.A. obtained an administrative concession to adapt the Sea Station of Wharf number 2 of the Malaga Port and its exploitation, for a 30-year period from the date when the contract was granted. Cruceros Málaga, S.A. has reached an amount of passengers by 397,479, 39% less than in 2012, and losses after tax by 738 thousand Euros, caused by the fall of activity in the cruise terminal. In this sense, boarding or landing passengers decreased from 220,187 in 2012 to 70,931 in 2013, representing a decrease by 68%; passengers in transit decreased from 431,176 in 2012 to 326,548 in 2013, which implies a decrease by 24%. The number of stopovers decreased by 56 (19% less) and the average number of passengers per ship in 2013 amounted to 1,684, with regards to 2,231 in 2012, representing a decrease by 24%.

On December 21, 2011, the Company signed a Joint Venture agreement with Sats Airport Services Pte. Ltd, owning 40% of its share capital. The corporate purpose of the company, incorporated under the name Sats-Creuers Cruise Services Pte. Ltd, was the operation of tourist cruises in Singapore after being granted with its operation in a tender. The Company will finish the period 2013/2014 with losses (the financial year is closed on March 31, 2014). However, the Company expects to obtain profits from the following year 2014/2015 onwards, as stated in the financial projections. Consequently, the Directors of Creuers del Port S.A. do not deem it necessary to carry out a provision for impairment of the shares in the Company Sats-Creuers.

Risks and uncertainties

The Company does not face risks or uncertainties which cannot be quantified or are not registered on its accounts.

Treasury stock

The Company, Creuers del Port de Barcelona, S.A., has not acquired treasury stock in 2013.

Research and development costs

During the present year, the Company has not assigned resources to Research and Development expenses.

Subsequent events

On February 6, 2014, the Company signed the extension of the administrative authorization contract of Terminal C of the Adossat Wharf of Port of Barcelona with the Port Authorities, for an additional one-year period, until December 31, 2014.

Use of financial instruments by the Company

The Company does not use derivative financial instruments and does not incur on financial risks, relevant for the valuation of its assets, liabilities, financial situation and results other than those mentioned before.

Evolution of the Company for 2014

Forecasts for 2014 have not considered increases of rates and have taken as sole increase of passengers the one caused by the natural increase of Port of Barcelona. It is considered that the number of passengers in 2013 is very close to its maximum.

Signatures of Administrators:

Mr. Eduardo Cortada Segarra

Mr. Juan Riva Francos

Ms. Paula Salcedo Menéndez

Mr. Saygin Narin

Ms. Isabel Zarza García, on behalf and in representation of World Duty Free, S.A.

Mr. John Tercek

Mr. Amadeo Riva Meana, on behalf and in representation of Vapores Suardiaz Mediterráneo, S.A.

Mr. Dominic James Paul

Ms. Ferdag Ildir

Barcelona, 24 March 2014

CREUERS DEL PORT DE BARCELONA, S.A.

Annual Financial Statements
for the year ended at December 31, 2012
and Management Report
corresponding to 2012
together with the Audit Report

MAZARS

Translation of a report originally issued in Spanish, based on our work performed in accordance with generally-accepted auditing standards in Spain and of financial statements originally issued in Spanish and prepared in accordance with generally-accepted accounting principles in Spain. In the event of discrepancy, the Spanish-language version prevails.

Audit Report on Annual Financial Statements

To the Shareholders of
Creuers del Port de Barcelona, S.A.,

1. We have audited the annual financial statements of **Creuers del Port de Barcelona, S.A.**, which comprise the balance sheet at December 31, 2012, the profit and loss account, the statement of changes in net equity, the cash flows statement, and the notes to the financial statements corresponding to the year therein ended, which formulation is responsibility of the Company's Directors, according to the financial reporting regulation framework applicable to the entity (identified on note 2.1 on the enclosed notes to the financial statements) and, in particular, with the accounting principles and criteria therein contained. Our responsibility is to express an opinion on said annual accounts taken as a whole, based on our audit work, which was conducted in accordance with the accounting audit regulation in force in Spain, which requires the examination, on a selective-test basis, of the evidence supporting the annual financial statements, and the assessment of whether their presentation, accounting principles and criteria used and estimations applied meet the financial reporting standards applicable.

2. In our opinion, the enclosed 2012 statutory financial statements express, in all significant aspects, a true and fair view of the net equity and financial situation of **Creuers del Port de Barcelona, S.A.**, at December 31, 2012, and of the results of its operations and cash flows corresponding to the year ended on such date, in accordance with the financial reporting regulation framework applicable and, in particular, with the accounting principles and criteria therein contained.

3. The enclosed 2012 Management Report contains the explanations which the Directors deem necessary in relation to the Company's situation, its business development and other matters, and does not form an integral part of the financial statements. We have verified that the accounting information contained in such Management Report agrees with the information contained in 2012 financial statements. Our work as auditors is limited to the verification of the Management Report with the scope outlined in this paragraph and does not include a review of information other than that obtained from the Company's accounting records.

Barcelona, 20 March 2013

MAZARS AUDITORES, S.L.P.
ROAC Nº S1189

Juan Luque

CRE01IA00152

Creuers del Port de Barcelona, S.A.

Financial Statements for the year ended at December 31, 2012, together with the Management Report

CREUERS DEL PORT DE BARCELONA, S,A

BALANCE SHEET AT DECEMBER 31, 2012 AND 2011 (Euros)

ASSETS	Notes	31/12/2012	31/12/2011	NET EQUITY AND LIABILITIES	N6tes	31/12/2012	31/12/2011
NON-CURRENT ASSETS:				**NET EQUITY:**	**Note 10**		
Intangible fixed assets -	**Note 5**	**23,094,811**	**24,464,016**	**EQUITY-**			
Other intangible fixed assets		23,094,811	24,464,016	**Capital-**		**3,005,061**	**3,005,061**
Tangible assets -	**Note 6**	**1,821,693**	**1,952,368**	Subscribed capital		3,005,061	3,005,061
Technical fixtures and other fixed assets		1,818,840	1,748,252	**Reserves-**		**26,944,940**	**22,510,990**
Fixed assets in progress and advance payements		2,853	204,116	Statutory and Legal		601,012	601,012
Long-term investments group and associated entities-	**Note 9.3**	**7,600,069**	**7,600,069**	Other Reserves		26,343,928	21,909,978
Equity instruments		7,600,069	7,600,069	**Results for the period (profits)**		**7,012,340**	**7,348,858**
Long-term financial investments-	**Note 9.2**	**243,403**	**187,795**	**(Interim dividend)**		**-**	**(991,670)**
Other financial assets		243,403	187,795	**Total net equity**		**36,962,341**	**31,873,239**
Deferred tax assets	**Note 13.5**	**461,051**	**495,917**	**NON-CURRENT LIABILITIES:**			
Total non-current assets		**33,221,027**	**34,700,165**	**Long-term provisions-**	**Note12**	**4,464,562**	**3,238,824**
				Other provisions		4,464,562	3,238,824
				Long-term debts -		**2,293,957**	**4,586,534**
				Debts with credit entities	**Note 11.1 and 11.4**	2,292,575	4,585,152
				Other financial liabilities	**Note 11.1**	1,382	1,382
				Deferred tax liabilities	**Note 13.5**	**171,743**	**183,192**
				Total non-current liabilities		**6,930,262**	**8,008,550**
				CURRENT LIABILITIES:			
CURRENT ASSETS:				**Short-term debts-**		**2,464,738**	**2,465,031**
Trade receivables and other accounts receivable-		**3,895,448**	**3,002,759**	Debts with credit entities	**Note 11.2 and 11.4**	2,292,578	2,292,578
Accounts receivable from sales and service rendering	**Nete 9.4**	3,833,530	2,849,187	Other financial liabilities	**Note 11.2**	172,160	172,453
Clients, Group and Associated Companies	**Note 9.4 and 16.2**	11,224	28,012	**Trade payables and other accounts payable -**		**1,458,319**	**2,717,601**
Personnel	**Note 9.4**	6,943	8,108	Suppliers	**Note 11.2**	685,693	623,434
Other credits with public administrations	**Note 13.1**	43,751	117,452	Suppliers, Group and Associated Companies	**Note 11.2 and 16.2**	307,046	244,698
Short-term accruals		**29,219**	**22,624**	Sundry Accounts Payable	**Note 11.2**	8,445	998,146
Short-term financial investments-	**Note 9.4**	**9,564,975**	**4,002,370**	Personnel (outstanding remunerations)	**Note 11.2**	16,714	12,079
Cash and equivalents-	**Note 9.4**	**1,104,991**	**3,336,503**	Other debts with Public Administrations	**Note 13.1**	37,478	32,879
Treasury		1,104,991	3,336,503	Current tax liabilities	**Note 13.2**	402,943	806,365
Total current assets		**14,594,633**	**10,364,256**	**Total current liabilities**		**3,923,057**	**5,182,632**
TOTAL ASSETS		**47,815,660**	**45,064,421**	**TOTAL NET EQUITY AND LIABILITIES**		**47,815,660**	**45,064,421**

Notes 1 to 19 included on the Notes to the Financial Statements are an integral part of the B/S at December 31, 2012,

CREUERS DEL PORT DE BARCELONA, S,A

PROFIT AND LOSS ACCOUNT FOR THE YEAR 2012 AND 2011

(Euros)

	Notes	31/12/2012	31/12/2011
CONTINUED OPERATIONS:			
Net turnover-	**Note 15.1**	**19,600,153**	**20,641,709**
Service rendering		19,600,153	20,641,709
Supplies-	**Note 15.2**	**(3,668,854)**	**(4,489,169)**
Works performed by other companies		(3,668,854)	(4,489,169)
Other operating income-		**667,732**	**419,983**
Current management income, accessories and others		667,732	419,983
Personnel costs-	**Note 15.3**	**(568,598)**	**(471,426)**
Wages, salaries and similars		(423,177)	(356,889)
Social Security		(145,421)	(114,537)
Other operating expenses-	**Note 15.4**	**(4,437,640)**	**(3,978,079)**
External services		(2,273,910)	(2,278,855)
Taxes		(148,836)	(149,150)
Losses, impairment and variation of provisions	**Note 12**	(1,170,023)	(1,114,307)
Other current management costs		(844,871)	(435,767)
Fixed assets amortization	**Notes 5 and 6**	**(1,547,791)**	**(1,524,553)**
Operating results		**10,045,002**	**10,598,465**
Financial Income-		**204,661**	**130,120**
From marketable securities and other financial instruments			
From third parties	**Note 15.5**	204,661	130,120
Financial Expenses-		**(198,337)**	**(230,563)**
For debts with third parties	**Note 15.5**	(198,337)	(230,563)
Exchange differences		**-**	**346**
Financial results		**6,324**	**(100,097)**
Results before taxes		**10,051,326**	**10,498,368**
Corporate Income Tax	**Note 13.3**	(3,015,398)	(3,149,510)
Negative adjustments in the Tax		(23,588)	-
Results for the period from continued operations		**7,012,340**	**7,348,858**
Results for the period (profits)		**7,012,340**	**7,348,858**

Notes 1 to 19 included in the Notes to the Financial Statements are an integral part of the P/L Account corresponding to 2012

CREUERS DEL PORT DE BARCELONA, S,A

STATEMENT OF CHANGES IN NET EQUITY FOR THE YEARS 2012 AND 2011
A) STATEMENT OF RECOGNIZED INCOME AND EXPENSES

(Euros)

	Notes	FY 31/12/2012	FY 31712/2011
RESULTS FROM THE PROFIT AND LOSS ACCOUNT (I)		**7,012,340**	**7,348,858**
Total income and expenses directly allocated to net equity(II)		**-**	**-**
Total recognized income and expenses (I+II)		**7,012,340**	**7,348,858**

Notes 1 to 19 included in the enclosed Notes are an integral part of the statement of recognized income and expenses corresponding to 2012

CREUERS DEL PORT DE BARCELONA,S,A,

STATEMENT OF CHANGES IN NET EQUITY FOR THE YEARS 2012 AND 2011

B) TOTAL STATEMENT OF CHANGES IN NET EQUITY

	Capital	Legal Reserve	Other Reserves	Interim dividend	Results for the Year	Total
Adjusted balance, opening 2011	**3,005,061**	**601,012**	**17,750,830**	**(991,674)**	**6,713,450**	**27,078,679**
Application of 2010 results:	**-**	**-**	**4,159,148**	**991,674**	**(6,713,450)**	**(1,562,628)**
To reserves	-	-	4,159,148	-	(4,159,148)	-
To dividends	-	-	-	-	(1,562,628)	(1,562,628)
To interim dividend	-	-	-	991,674	(991,674)	-
Transactions with shareholders and owners	**-**	**-**	**-**	**(991,670)**	**-**	**(991,670)**
Distribution of dividends	-	-	-	(991,670)	-	(991,670)
Total recognized income and expenses	**-**	**-**	**-**	**-**	**7,348,858**	**7,348,858**
Closing balance for the period ended at December 31, 2011	**3,005,061**	**601,012**	**21,909,978**	**(991,670)**	**7,348,858**	**31,873,239**
Asjusted balance, opening 2012	**3,005,061**	**601,012**	**21,909,978**	**(991,670)**	**7,348,858**	**31,873,239**
Application of 2011 results:	**-**	**-**	**4,433,950**	**991,670**	**(7,348,858)**	**(1,923,238)**
To reserves	-	-	4,433,950	-	(4,433,950)	-
To dividends	-	-	-	-	(1,923,238)	(1,923,238)
To interim dividend	-	-	-	991,670	(991,670)	-
Total recognized income and expenses	**-**	**-**	-		**7,012,340**	**7,012,340**
Closing balance for the period ended at December 31, 2012	**3,005,061**	**601,012**	**26,343,928**	**-**	**7,012,340**	**36,962,341**

Notes 1 to 19 included in the enclosed Notes are an integral part of the total statement of changes in net equity corresponding to 2012

CREUERS DEL PORT DE BARCELONA, S,A

CASH FLOW STATEMENT FOR THE YEARS 2012 AND 2011 (Euros)

	Notes	31/12/2012	31/12/2011
OPERATING CASH FLOW:			
Results for the period before tax		10,051,326	10,498,368
Adjustments to results-			
Fixed assets amortization	**Notes 5 and 6**	1,547,791	1,524,553
Variation of provisions	**Note 15.4**	1,170,023	1,114,307
Financial Income	**Note 15.5**	(204,661)	(130,120)
Financial Expenses	**Note 15.5**	198,337	230,563
Changes in current capital-			
Debtors and other accounts receivable		(892,689)	(1,087,467)
Other current assets (short-term accruals)		(6,595)	(1,054)
Creditors and other accounts payable		(171,179)	(257,666)
Other operating cash flows-			
Interest payments		(125,520)	(213,460)
Interest collections		199,270	70,539
Corporate Income Tax		(3,112,003)	(2,818,669)
Operating cash flows(I):		**8,654,100**	**8,929,894**
INVESTMENT CASH FLOWS:			
Payments from investments-			
Intangible fixed assets	**Note 5**	-	(595,912)
Tangible fixed assets	**Note 6**	(47,911)	(1,065,260)
Group and Associated companies	**Note 8.3**	-	(1,440,069)
Other financial assets		(9,055,608)	(1,026,849)
Collections from disinvestments-			
Other financial assets		3,442,788	-
Investment cash flows (II):		**(5,660,731)**	**(4,128,090)**
FINANCING CASH FLOWS:			
Collections and payments for financial liability instruments-			
Reimbursement and amortization of debts with credit entities		(2,309,680)	(2,309,680)
Other financial liabilities		(293)	(24,232)
Payment for dividends	**Note 10**	(2,914,908)	(1,562,628)
Financing cash flows (III):		**(5,224,881)**	**(3,896,540)**
NET INCREASE/DECREASE OF CASH OR EQUIVALENT (I+II+III+IV)		**(2,231,512)**	**905,264**
Cash or equivalent at opening date		3,336,503	2,431,239
Cash or equivalent at closing date		1,104,991	3,336,503

Notes 1 to 19 included in the enclosed Notes are an integral part of the cash flow statement corresponding to 2012

Creuers del Port de Barcelona, S.A.

Notes to the Financial Statements
corresponding to the year ended
at December 31, 2012

1. Activity of the Company

The activity of Creuers del Port de Barcelona, S.A. (hereinafter, the Company) is the management and exploitation of the port service related to the traffic of tourist cruises on the Port of Barcelona, as well as the development of commercial complementary activities corresponding to a sea station.

The Company's head office is located on the North Sea Station - World Trade Centre – Wharf of Barcelona. The tax identification number of the company CREUERS DEL PORT DE BARCELONA, S.A. is A62035282. The Company has been inscribed with the Mercantile Registry of Barcelona with volume 32094, sheet 0172, page B 201707, first inscription, and was incorporated on July 29, 1999.

The Company is part of a group, together with its investee Cruceros Málaga, S.A., but is exempt from formulating consolidated financial statement due to its size. Additionally, the Company is part of the Suardiaz Group as associated company, whose parent company Grupo Logístico Suardiaz, S.L. resides in Spain, Calle Ayala 6, Madrid, and formulates and publishes consolidated financial statements.

2. Bases of presentation of statutory accounts

2.1. True and fair view

The financial statements for the year ended at December 31, 2012 have been prepared on the basis the Company's accounting records and are presented in accordance with the General Chart of Accounts approved by Royal Decree 1514/2007 of November 16, and modifications therein incorporated by Royal Decree 1159/2010, of September 17, as well as with the remaining corporate legislation in force, in a way to show the true and fair view of the Company's equity, financial situation, results from its transactions and cash flows during the corresponding year.

Additionally, the Company applies the Order EHA/3362/2010, of December 23, 2010, which approves adaptation standards to the General Chart of Accounts to public infrastructure concessionaires. Such standard entered into force on January 1, 2011 and it is compulsorily applied in the economic years starting from such date.

These financial statements, formulated by the Company's Board of Directors, will be subject to approval at the General Shareholders' Meeting, without expecting modifications. On the other hand, 2011 financial statements were approved at the General Shareholders' Meeting held on June 19, 2012.

2.2 Main non-compulsory accounting principles applied

The Company has not applied any non-compulsory accounting principle. Additionally, the Directors have formulated these financial statements taking into account all compulsory accounting principles and standards which have a significant effect on such financial statements. All compulsory accounting principles have been applied.

2.3. Critical valuation issues and estimation of uncertainty

For the preparation of the present statutory accounts, the Company has used estimations based on hypothesis made by the Company's Directors, in order to quantify certain assets, liabilities, income, expenses and commitments therein contained. The most significant estimations used in these financial statements refer to:

- Impairment losses of certain assets (Notes 5, 6 and 9).
- Useful life of tangible and intangible assets (Notes 4.1 and 4.2).
- The probability of occurrence and the amount of certain provisions and contingencies (Note 4.11).
- The reasonable value of some financial assets not listed in active stock markets (Note 9.3).
- Measurement of the financial risks faced by the Company when developing their activity (Note 9.5).

These estimations and hypothesis are based on the best information regarding the estimation of uncertainty at year closing, available at the date of formulation of the financial statements, and they are periodically reviewed. Nevertheless, it is possible that, either due to these periodical reviews or to future events, the estimations need to be change in future years. In this case, the effects of the changes of the estimations will be registered prospectively in the P/L account of this year and subsequent years in accordance with Registry and Valuation Rule 22nd "Changes in accounting criteria, errors and accounting estimations".

2.4. Grouping of items

Certain items on the balance sheet, profit and loss account, statement of changes in net equity and cash flow statement are grouped in order to facilitate their understanding. Nevertheless, when significant, disaggregated information has been included on the corresponding notes to the financial statements.

2.5. Comparison of information

The information contained on this report in relation to 2012 is presented for comparison purposes together with the information on 2011.

3. Application of results

The proposal of distribution of 2011 profits, approved at the General Shareholders' Meeting on June 19, 2012, and the proposal of distribution of 2012 profits, formulated by the Company's Directors, which will be submitted to approval at the General Shareholders' Meeting, is the following:

	Euros	
	2011	2012
Basis of distribution:		
P/L account	7,348,858	7,012,340
	7,348,858	**7,012,340**
Application:		
To voluntary reserves	4,433,950	7,012,340
To dividends	1,923,238	-
To interim dividend	991,670	-
	7,348,858	**7,012,340**

Likewise, on December 27, 2011, at the Company's General Shareholders' Meeting, it was agreed to distribute an interim dividend for 2011 results, for an amount of 991,670 Euros. At the date of formulation of 2011 financial statements, this dividend had not been distributed and its amount payable had been included under the caption "Sundry accounts payable" on liabilities of the enclosed Balance Sheet at December 31, 2011.

4. Registration and valuation standards

The registration and valuation standards applied by the Company when preparing the statutory accounts corresponding to 2011 and 2012, according to the standards established by the General Chart of Accounts, have been the following:

4.1. Intangible assets

In general, intangible assets are initially valued at acquisition price or production cost. Subsequently, they are valued at their cost, decreased by the corresponding accumulated amortization and, if applicable, by impairment losses. Such assets are amortized based on their useful life.

"Intangible assets, concession agreement"

The caption "Intangible assets, concession agreement" includes the infrastructure constructed, improved or acquired by the Company to render the public service linked to the concession agreement, once it is under exploitation conditions, as well as the one to which the access right is granted by the granting entity.

During the construction or improvement period, the infrastructure constructed, improved or acquired by the Company to render the public service included on the concession agreement is included under the caption "Prepayments for intangible assets, concession agreements".

The "Intangible assets, concession agreement" is linearly amortized within the remaining period to the concession's completion.

Industrial Property

This account includes expenses incurred as a consequence of the Company's registration of property. The amortization of industrial property follows a linear method during 10 years.

Software

The Company includes on this caption the costs incurred in acquiring and developing computer applications, including costs for developing web pages. Software maintenance costs are booked on the profit and loss account for the year on which they are incurred. Software is amortized by applying the linear method during a 3-year period.

4.2. Tangible fixed assets

Tangible fixed assets are initially valued at acquisition price or production cost and, subsequently, they are decreased by the corresponding accumulated amortization and impairment losses, if any.

Up-keeping and maintenance costs for the different elements which comprise fixed assets are allocated to the profit and loss account for the year on which they are incurred. On the contrary, amounts invested on improvements which contribute to increasing the capacity or efficiency or to extending the useful life of such goods are registered as goods' higher cost.

The Company amortizes fixed assets following the linear method, applying annual amortization percentages calculated over the basis of estimated useful years of the respective goods. The Company amortizes tangible fixed assets, using the linear method, as per the following detail:

	Years of Useful life
Buildings	50
Technical fixtures and equipment	10 to 15
Fixtures on the port	10 to 20
Tools	4 to 10
Transport elements	10
IT equipment	4

Fixed assets related to the administrative authorization, granted by the Port Authorities of Port of Barcelona in relation to Terminal C, are amortized by linear method, distributing the cost of assets among the initial three-year length of the authorization. Since the date of completion of such administrative authorization, it is annually renewed. At closing date, the Company was processing the extension of the administrative authorization, which was extended on February 1, 2013 until December 31, 2013. Incorporated assets related to this Terminal are amortized within their acquisition year, due to the annual nature of these renewals.

4.3 Value impairment of tangible and intangible assets

When there are signs of value loss, the Company estimates, through the so-called “Impairment test”, the possible existence of value loss which may reduce the recoverable value of such assets to an amount below their book value.

The recoverable amount is determined as the highest amount between fair value less selling costs, and the value in use.

If the Company estimates that the recoverable amount of an asset is lower than its book amount, the asset’s book amount is reduced to its recoverable amount. In order to do so, the Company recognizes the amount of impairment losses as expense.

When an impairment loss is subsequently reverted, the asset’s book amount is increased to the reviewed estimation of its recoverable amount, but so that the increased book amount does not exceed the book amount which would have been determined if no impairment loss had been recognized for such asset on previous years. Immediately, the Company recognizes a reversion of an impairment loss as income.

4.4. Leases

Lease contracts are classified as financial leases as long as their conditions lead to consider that risks and benefits inherent to the asset’s property, subject to the contract, are transferred to the lessee. All other leases are classified as operative leases.

Likewise, the leased good acquisition cost is presented on the balance sheet as per its nature, increased by the directly allocable amount of contract costs, which are recognized as expense on the contract’s term, applying the same criterion used for the recognition of leasing income.

Operative leases

Income and expenses derived from operative leasing agreements are charged to the profit and loss account on the year on which they are accrued.

Any collection or payment, when contracting an operative lease, will be treated as an early collection or payment and allocated to results throughout the leasing period, as benefits for the leased asset are ceded or received.

4.5. Financial instruments

A financial instrument is a contract which leads to a financial asset on an entity and, simultaneously, to a financial liability or equity instrument on another. The Company recognizes financial instruments on the balance sheet only when it is part of a contract, according to its specifications.

On the enclosed balance sheet, financial assets and liabilities are classified as current and non-current, based on whether their expiry date is similar, lower or higher than 12 months, respectively, since year end.

4.5.1. Financial assets

Classification

Financial assets held by the Company are classified into the following categories:

1. Loans and accounts receivable: financial assets originated on the sale of goods or service rendering for the company's trade, or which, not having a commercial origin, are not equity instruments or derivatives, and which collection amount is fixed or determinable and are not traded on an active market.

2. Investments on equity of Group, Associated and Multigroup Companies: Group companies are understood as those related to the Company through a control relationship; associated companies are those over which the Company exercises a significant influence; multigroup companies are those over which, by virtue of an agreement, a joint control is exercised with one or more partners.

3. Investments held to maturity: this category includes debt-representative securities, with an established due date, collections of a determined or determinable amount, which are traded on an active market and which the Company has the effective intention and ability to hold to their maturity.

Initial valuation

Financial assets are initially registered at the fair value of the consideration delivered, plus directly allocable transaction costs.

Investments held to maturity are initially valued at fair value which, except otherwise evidenced, will be the transaction's price, which would equal the fair value of the consideration delivered, plus directly allocable transaction costs.

Subsequent valuation

Loans and items receivable are valued at their amortized cost.

Investment on group, associated and multigroup companies are valued at cost, decreased, if applicable, by the accumulated amount of impairment value corrections. Such corrections are calculated as the difference between their book value and their recoverable amount, understood as the highest amount between fair value less selling costs, and the current value of future cash flows derived from the investment. Except for better evidence of the recoverable amount, the investee's net equity is taken into consideration, corrected by existing tacit capital gains at valuation date (including the goodwill, if any).

Investments held to maturity will be valued at amortized cost. Accrued interests will be registered on the profit and loss account, applying the effective interest rate method.

At least at year end, the Company performs an impairment test for financial assets which are not booked at fair value. There is objective evidence of impairment if the financial asset's recoverable amount is lower than its book value. When this is the case, the impairment is registered on the profit and loss account.

In particular, and in relation to the value corrections regarding trading receivables and other accounts receivable, the Company's criterion to calculate the corresponding value corrections consists on performing

an individual analysis of accounts receivable, determining the solvency of each one of the debtors and the debt's recoverability.

The Company writes down financial assets when they expire or the rights on cash flows for the corresponding financial asset have been ceded and the risks and benefits inherent to their ownership have been substantially transferred, such as sales of assets, cessions of trade credits on “factoring” transactions on which the company does not have any credit or interest risk, sales of financial assets with re-purchase agreement at fair value or securitizations of financial assets on which the ceding company does not withhold subordinated financings or grants any guarantee or assumes any other risk.

On the contrary, the Company does not write off financial assets, and recognizes a financial liability for an amount equal to the consideration received, on the cessions of financial assets on which risks and benefits inherent to their ownership are substantially withheld, such as the discount of bills, the recourse factoring, sales of financial assets with re-purchase agreements at a fixed price or at the selling price plus an interests, and the securitizations of financial assets on which the ceding company withholdings subordinated financings or any other type of guarantees which substantially absorb all expected losses.

4.5.2. Financial liabilities

Financial liabilities are debts and items payable held by the Company and which have been originated on the purchase of goods and services for the Company's trade, or also those which are not originated on the Company's trade but cannot be considered as derivative financial instruments.

Debts and item payable are initially valued at the fair value of the consideration received, adjusted by directly allocable transaction costs. Subsequently, such liabilities are valued at amortized cost.

Guarantees received on leasing contracts are valued at settled amount, which does not significantly differ from their fair value.

The Company writes off financial liabilities when obligations generated by them expire.

4.5.3 Equity instruments

All equity instruments issued by the Company are classified into the item “Capital” of the caption “Equity” of Net Equity on the enclosed balance sheet. The Company does not hold any other equity instrument.

Such instruments are booked under net equity by the amount received, net of direct issuance costs.

When the Company acquires or sells its own equity instruments, the amount paid or received is directly booked on net equity accounts, and no amount is recognized on the profit and loss account for such transactions.

4.5.4 Cash and equivalents

This caption on the enclosed balance sheet includes petty cash, sight deposits on credit entities and other short-term investments with high liquidity and original expiry date below or equal to three months.

4.6. Transactions on foreign currency

The Company's functional currency is Euro. Consequently, transactions in other currencies are considered as denominated on foreign currency and are booked as per the exchange rates in force at the transaction date.

At year end, monetary assets and liabilities denominated on foreign currency are exchanged by applying the exchange rate at balance sheet date. Profits or losses arisen are directly allocated to the profit and loss account for the year on which they take place.

4.7. Corporate Income Tax

Corporate Income Tax income or expense includes the portion related to the current tax expense or income and the portion corresponding to the deferred tax expense or income.

The current tax is the amount that the Company pays as a consequence of the corporate income tax return for one year. Deductions and other tax advantages on the tax amount, excluding withholdings and interim payments, as well as compensable tax losses from previous years, and effectively applied on the current year, lead to a lower current tax amount.

Deferred tax income or expense corresponds to the recognition and cancellation of deferred tax assets and liabilities. These include short-term differences, identified as those amounts which are expected to be paid or recovered, derived from differences between the book amounts of assets and liabilities and their tax value, as well as negative tax assessment bases to be offset and credits for unapplied tax deductions. Such amounts are registered by applying to the short-term difference, or to the corresponding credit, the tax rate to which they are expected to be recovered or liquidated.

Deferred tax liabilities are recognized for all taxable short-term differences, except for those derived from the initial recognition of goodwill or other assets and liabilities on a transaction which does not affect the tax or accounting results and which is not a business combination, as well as those associated to investments on dependent and associated companies and joint businesses on which the Company shall control the reversion date and it is probable for them not to be reverted on a near future.

Additionally, deferred tax assets are only recognized in so far as the Company will probably dispose of future tax gains against which to make them effective.

Deferred tax assets and liabilities, originated on transactions with direct charges or credits on equity accounts, are also registered with counterpart on net equity.

At each accounting closing, deferred tax assets booked are reconsidered, performing the appropriate corrections to them in so far as there are doubts on their future recovery. Additionally, at each year end, deferred tax assets not booked on the balance sheet are analysed and submitted to recognition in so far as their recovery with future tax gains is probable.

4.8. Income and expenses

Income and expenses are allocated on the basis of the accrual criterion, that is to say, when the real flow of goods and services they represent takes place, regardless of the moment on which the monetary or financial flow derived from them occurs. Such income is valued at the fair value of the consideration received, deducing discounts and taxes.

Income from sales is recognized when significant risks and benefits, inherent to the ownership of the sold good, are transferred to the purchaser, when the current management or the effective control over such good are not withheld.

4.9. Derivative financial instruments and accounting hedges

The Company's policy is not to use derivative financial instruments and not to perform any hedging transaction.

4.10. Personnel costs

Personnel costs include all of the Company's corporate income and obligations, voluntary or obligatory, accrued at each date, recognizing obligations for extraordinary pays, holidays and variable retributions, as well as related costs.

Short-term retributions

This kind of retributions are valued, not updated, at the amount to be paid for services received, and are registered, in general, as personnel costs for the year under liabilities of the balance sheet by the difference between the total accrued expense and the amount paid at year end.

Severance payments

According to the legislation in force, the Company is compelled to paying a severance payment to employees who are dismissed without a justified cause. Such severance payments are paid to employees as a consequence of the Company's decision to terminate the labour contract before the normal retirement date or when the employee voluntarily accepts leaving the Company in exchange for this benefit. The Company recognizes these benefits when it has demonstrably committed to dismiss the current employees according to a detailed plan, without possibility to withhold or to provide severance payments as a consequence of an offer to promote the voluntary resignation.

At 2011 and 2012 closings, the Company does not have any personnel reduction plan which would require the creation of a provision for this concept.

Post-employment retributions and other commitments

At 2011 and 2012 closings, the Company has not contracted commitments towards its employees for post-employment benefits or other concepts.

4.11. Provisions and contingencies

On the formulation of the financial statements, the Company's Directors distinguish between:

1. Provisions: credit balances which cover current obligations derived from past events, which cancellation will probably originate an exit of resources, but which amount and/or cancellation date cannot be determined.

2. Contingent liabilities: possible obligations arisen as a consequence of past events, whose future materialization is conditioned to the occurrence, or not, of one or more future events, regardless of the Company's will.

The financial statements include all provisions with regards to which they estimate that the probability to face the obligation is higher than otherwise. Contingent liabilities are not recognized on the financial statements, but they are included on the notes to the financial statement report, in so far as they are not considered as remote.

Provisions are valued at the current value of the best estimation possible of the amount necessary to cancel or transfer the obligation, taking into account the information available on the event and its consequences, and adjustments arisen from the update of such provisions as financial expense, as it is accrued.

The caption "Provision for reposition and great repair actions" includes the provision booked to perform replacements of infrastructure elements in order for it to be apt and to appropriately develop services and activities subject to the concession. It is allocated from the infrastructure' start-up to the moment until such actions can be performed. It is periodically reviewed to adapt it to possible subsequent changes and it also includes adjustments for value updates.

4.12. Equity instruments of environmental nature

Environmental assets are long-lasting goods used for the Company's activity, which main aim is to minimize the environmental impact and the environment protection and improvement, including the reduction or elimination of future pollution.

The nature of the Company's activity does not have a significant environmental impact.

4.13. Transactions with related companies

The Company performs all transactions with related companies at market value. Additionally, transfer pricing are appropriately justified and the Company's Directors consider that there are no significant risks that could derive in considerable liabilities in the future.

4.14. Cash flow statements

The following expressions are used in the cash flow statements in the sense below:

Cash or equivalents: Cash includes both petty cash and bank sight deposits. Cash equivalents are financial instruments which are part of the Company's normal cash management, are exchangeable in cash, their initial expiry dates do not exceed three months, and are subject to a not very significant risk of value change.

Cash flows: entries and exits of cash or equivalent, understood as investments with a term lower than three months, of high liquidity and low risk of value alterations.

Operating activities: they refer to activities which constitute the main source of the Company's ordinary income, as well as other activities which cannot be qualified as investment or financing.

Investment activities: they are acquisition or disposal activities of long-term assets and other investments not included on cash and equivalents.

Financing activities: they refer to activities which produce changes on the size and composition of net equity and financial liabilities.

5. Intangible fixed assets

The variation of this caption on the 2011 Balance Sheet was the following:

	Euros			
	Balance at 01.01.11	Additions or allocations	Transfers	Balance at 31.12.11
Cost:				
Industrial property	2,257	-	-	2,257
Software	70,922	-	-	70,922
Other Intangible fixed assets	-	-	-	-
Intangible assets, concession agreement	38,532,021	-	595,912	39,127,933
Advance payments for fixed assets, concession agreement	-	595,912	(595,912)	-
	38,605,200	**595,912**	**-**	**39,201,112**
Accumulated amortization:				
Industrial Property	(2,257)	-	-	(2,257)
Software	(70,922)	-	-	(70,922)
Other intangible fixed assets	-	-	-	-
Intangible assets, concession agreement	(13,303,701)	(1,360,216)	-	(14,663,917)
	(13,376,880)	(1,360,216)	-	(14,737,096)
Total	**25,228,320**	**(764,304)**	**-**	**24,464,016**

Balances at January 1, 2011 on the captions "Intangible asset, concession agreement" and "Advance payments for intangible fixed assets, concession agreement", together with their corresponding accumulated amortization, are adapted to the provisions set forth in Rule EHA/3362/2010. This rule approves the regulations for the adaptation of the General Chart of Accounts to public infrastructure concessionary companies, in force from January 1, 2011. These regulations are to be obligatorily applied for the financial years started from that date.

At 2011 closing, the Company had intangible fully-amortized fixed assets for an amount of 73,179 Euros.

The movement of this caption in 2012 balance sheet is as follows:

	Euros		
	Balance at 31.12.11	Additions or Allocations	Balance at 31.12.12
Cost:			
Industrial Property	2,257	-	2.257
Software	70,922	-	70,922
Other intangible fixed assets	-	-	-
Intangible assets, concession agreement	39,127,933	-	39,127,933
Advance payments for intangible fixed assets, concession agreements	-	-	-
	39,201,112	-	**39,201,112**
Accumulated amortization			
Industrial Property	(2,257)	-	(2,257)
Software	(70,922)	-	(70,922)
Other intangible fixed assets	-	-	-
Intangible assets, concession agreement	(14,663,917)	(1,369,205)	(16,033,122)
	(14,737,096)	(1,369,205)	(16,106,301)
Total	**24,464,016**	**(1,369,205)**	**23,094,811**

The caption “Intangible assets, concession agreement” includes fixed asset elements built or acquired from third parties to adapt the Sea Stations of the Port of Barcelona, by virtue of administrative concession contracts signed between the Port Authorities of Malaga and the Company, described below:

- Contract to adapt the Sea Station and render the tourist cruise port service of North and South terminals of the World Trade Center, signed for a 27-year period from its granting date, in October 1999.

- Contract to adapt the Sea Station A of the Adossat Wharf of Port of Barcelona and render the tourist cruise port service signed for a 27-year period from its granting date, in May 2003.

- Contract to adapt the Sea Station B of the Adossat Wharf of Port of Barcelona and render the tourist cruise port service signed for a 27-year period from its granting date, in May 2003.

The Company’s main actions in relation to the adaptation of the Sea Station refer to the construction of a building, fixed fixtures and equipment of terminals for their exploitation under the terms contemplated on concession agreements. The Company signed several contracts with suppliers to execute the works or to acquire fixed asset elements. Below, we detail the Company’s main actions:

- Acquisition of the building and fixtures of the Sea Station and North and South terminals of the World Trade Center, for a joint amount of 13,756 thousand Euros, which net book value at December 31, 2011 and 2012 amounted to 4,540 thousand Euros and 4,235 thousand Euros, respectively.

- Construction of the building of terminal A of Adossat Wharf of Port of Barcelona, for an amount of 9,036 thousand Euros, which net book value at December 31, 2011 and 2012 amounted to 7,801 thousand Euros and 7,390 thousand Euros, respectively.

- Construction of the building of terminal B of Adossat Wharf of Port of Barcelona, for an amount of 4,267 thousand Euros, which net book value at December 31, 2011 and 2012 amounted to 3,132 thousand Euros and 2,968 thousand Euros, respectively.

- Construction of tracks to transport luggage in terminals A and B of Adossat Wharf, for a joint amount of 1,549 thousand Euros, which net book value at December 31, 2011 and 2012 amounted to 1,025 thousand Euros and 969 thousand Euros, respectively.

- Construction of escalators on terminals A and B of Adossat Wharf, for a joint amount of 408 thousand Euros, which net book value at December 31, 2011 and 2012, amounted to 269 thousand Euros and 254 thousand Euros, respectively.

- Construction of several fixed fixtures on terminals A and B of Adossat Wharf, for a joint amount of 4,615 thousand Euros, which net book value at December 31, 2011 and 2012 amounted to 3,330 thousand Euros and 3,150 thousand Euros, respectively.

- Construction of fixed gangway on terminal A of Adossat Wharf, for an amount of 1,573 thousand Euros, which net book value at December 31, 2011 and 2012 amounted to 1,232 thousand Euros and 1,166 thousand Euros, respectively.

- Construction of mobile gangways on terminals A and B of Adossat Wharf, for a joint amount of 3,327 thousand Euros, which net book value at December 31, 2011 and 2012 amounted to 2,563 thousand Euros and 2,423 thousand Euros, respectively.

- Acquisition of security equipment in terminal WTC, A and B of the Adossat Wharf, for a joint amount of 596 thousand Euros, which net book value at December 31, 2011 and 2012 amounted to 571 thousand Euros and 538 Thousand Euros respectively.

During 2011, the Definitive Reception Record for the works on the building of Terminal A was signed, liquidating amounts of guarantees performed during the works, for an amount of 408 thousand Euros.

At December 31, 2011 and 2012, there are no amounts payables for works executed or to be executed with regards to assets related to terminals.

The Company has constituted a mortgage commitment on concessions, by virtue of the syndicated loan contract signed on May 23, 2008 in favour of the lenders.

The Company's policy is to formalize insurance policies to cover possible risks to which certain elements related to administrative concessions are subject. At 2011 and 2012 closing, there was no coverage deficiency related to such risks. There is a pledge commitment of credit rights derived from insurance policies by virtue of the syndicate loan contract signed on May 23, 2008 in favour of the lenders.

Note 7 details the most relevant information on concession agreements granted to the Company.

6. Tangible fixed assets

The variation of this caption on the balance sheet of 2011, as well as the most significant information related to it, is the following:

	Euros			
	Balance at 01.01.11	Additions or allocations	Transfers	Balance at 31.12.11
Cost:				
Lands and buildings	1,550,174	900	-	1,551,074
Technical fixtures	309,512	56,644	1,063,834	1,429,990
Fixtures in ports	1,519,488	55,697	-	1,575,185
Tools	60,203	-	-	60,203
Furniture	539,607	63,334	-	602,941
IT equipment	30,407	8,776	-	39,183
Transport elements	22,724	-	-	22,724
Fixed assets in progress	385,189	879,908	(1,063,834)	201,263
Advance payments for fixed assets	2,853	-		2,853
	4,420,157	1,065,259	-	5,485,416
Accumulated amortization:				
Lands and buildings	(1,550,174)	(900)	-	(1,551,074)
Technical fixtures	(133,887)	(56,589)	-	(190,476)
Fixtures in ports	(1,293,775)	(56,078)	-	(1,349,853)
Tools	(57,330)	(512)	-	(57,842)
Furniture	(290,714)	(46,503)	-	(337,217)
IT equipment	(27,774)	(1,665)	-	(29,439)
Transport elements	(15,057)	(2,090)	-	(17,147)
	(3,368,710)	(164,337)	-	(3,533,048)
Net tangible fixed assets	**1,051,447**	**900,922**	**-**	**1,952,368**

The main investments made by the Company during 2011 in relation to tangible fixed assets are:

- In the caption "Constructions in progress", the Company registered additions to fixed assets, mainly corresponding to the building certificates carried out during 2011 for the building of a new generation finger in Terminal C of the Adossat Wharf, for an amount of 920 thousand Euros. Its construction was finished in 2011. The total amount of the received certificates has been transferred to the caption Fixed assets technical fixtures, for an amount of 920 thousand Euros.

- In the caption “Constructions in progress”, the Company registered fixed assets additions corresponding to the acquisition of security elements for terminal C of the Adossat Wharf, for an amount of 145 thousand Euros.

The movement in this section of 2012 balance sheet, together with the more significant information affecting this caption was the following:

	Euros			
	Balance 31.12.11	Additions or allocations	Transfers	Balance at 31.12.12
Cost:				
Lands and buildings	1,551,074	-	-	1,551,074
Technical Fixtures	1,429,990	17,678	-	1,447,668
Technical fixtures in ports	1,575,185	8,537	201,263	1,784,985
Tools	60,203	-	-	60,203
Furniture	602,941	8,257	-	611,198
IT equipment	39,183	1,072	-	40,255
Transport elements	22,724	12,367	-	35,091
Fixed assets in progress	201,263	-	(201,263)	-
Fixed assets advance payments	2,853	-	-	2,853
	5,485,416	47,911	-	5,533,327
Accumulated amortization:				
Lands and buildings	(1,551,074)	-	-	(1,551,074)
Technical Fixtures	(190,476)	(100,804)	-	(291,280)
Permanent fixtures in ports	(1,349,853)	(27,781)	-	(1,377,634)
Tools	(57,842)	(350)	-	(58,192)
Furniture	(337,217)	(46,474)	-	(383,691)
IT equipment	(29,439)	(1,684)	-	(31,123)
Transport elements	(17,147)	(1,493)	-	(18,640
	(3,533,048)	(178,586)	-	(3,711,634)
Net tangible fixed assets	**1,952,368**	**(130,675)**	**-**	**1,821,693**

The account “Buildings” includes the extension and reform costs for the building of Terminal C of the Adossat Pier of Port of Barcelona, under administrative authorization by the Port Authorities of Barcelona, for an amount of 1,550 thousand Euros, fully amortized at closing date. As detailed in Note 4.2, the fixed assets related to the administrative authorization granted by the Port Authorities of Port of Barcelona in relation with Terminal C, are amortized following the linear method, distributing the cost of assets between the initial three-year term of the authorization (January 1, 2005 to December 31, 2007). Since the termination of such administrative authorization, it is annually renewed and, at the date of formulation of the present annual accounts it has been extended until December 31, 2013. Assets related to this Terminal are amortized on the basis of the renewal due date and elements not affected to the reversion are amortized on the basis of their estimated useful life.

The amount included under captions “Technical fixtures” and “Fixed fixtures” mainly corresponds to the constructions of elements, as per the following detail:

- Building of a new-generation finger on terminal C of Adossat Wharf, for an amount of 920 thousand Euros, which net book value at December 31, 2011 and 2012 amounted to 889 thousand Euros and 827 thousand Euros, respectively.

- Acquisition of security elements for the terminal C of Adossat Wharf, for an amount of 145 thousand Euros, which net book value at 31 December 2011 and 2012 amounted to 145 thousand Euros and 135 thousand Euros, respectively.

- Construction of several fixtures on terminal C of the Adossat Wharf, for a joint amount of 987 thousand Euros, which net book value at December 31, 2011 and 2012 amounted to 8 thousand Euros and 183 thousand Euros, respectively.

- Other technical fixtures, several fixtures and furniture which correspond to several elements not contemplated on the administrative concession agreements, mainly corresponding to labels, exhibitors and several furniture elements.

During 2012, the amount related to works carried out and finished for the rising of a terminal C gangway, for a joint amount of 175 thousand Euros, together with several gardening works and fixtures supply, for an amount of 26 thousand Euros, were transferred to the caption "Permanent fixtures on ports".

The detail of fully-amortized elements at December 31, 2011 and 2012 is the following:

	Euros	
	Accounting value (gross) Value	
Description	2011	2012
Buildings	1,551,074	1,551,074
Technical fixtures	60,482	65,081
Permanent fixtures on ports	1,284,124	1,285,879
Remaining goods	212,909	244,499
Total	**3,109,589**	**3,146,533**

At December 31, 2011 and 2012, fully-amortized elements on Terminal C amounted to 2,403,251 Euros, in both cases. Incorporated assets related to the administrative authorization to exploit this Terminal are amortized on their acquisition year, due to the annual nature of renewals, except for elements not affected to the reversion, which are amortized on the basis of their estimated useful life.

At 2011 and 2012 closings, the Company did not hold purchase commitments related to works performed to adapt the Terminal C of the Port of Barcelona. At year end, there were no contractual obligations for repairs, maintenance or improvements.

The Company's policy is to formalize insurance policies to cover possible risks to which its tangible fixed assets are subject. At 2011 closing, there was no deficit of coverage related to such risks. There is a pledge commitment for credit rights derived from insurance policies by virtue of the syndicated loan contract signed on May 23, 2008 in favour of lenders.

7. Concession agreements

The caption "Intangible assets, concession agreements" includes fixed asset elements built or acquired from third parties to adapt Sea Stations North and South of the World Trade Center and A and B of the Adossat Wharf of Port of Barcelona, by virtue of administrative concession contracts described on Note 5 to adapt and exploit such terminals in order to render the basic passengers' boarding and disembarkation port services and luggage and vehicle loading and unloading under passage system on cruise terminals.

Additionally, during 2011, security elements were incorporated to concession agreements.

The fixed assets model should be applied to such agreements, since the consideration received consists on the right to collect the corresponding rates on the basis of the usage degree of the public service.

Rates applied by the Company are annually reviewed and approved by the Port Authorities of Barcelona.

The Company pays an occupancy and utilization royalty to the Port Authorities of Barcelona on the basis of surfaces occupied and the value of fixtures made available. Additionally, an activity rate is accrued on the basis of the turnover generated by the activity (Note 15.1).

The amount of actions performed on the infrastructure to date is detailed on Note 5 of the notes to the financial statements.

On the basis of obligations assumed on the concession agreement, the corresponding provision for reposition and great repair actions is allocated (Note 12.1).

8. Leases

At 2011 and 2012 closings, the Company has contracted with lessees the following minimum leasing amounts, as per the current contracts in force, without taking into account the attribution of common expenses, future CPI increases, or future increases of leasing amounts agreed by contract:

Operative Leases	Euros	
	Nominal value	
Minimum instalments	2011	2012
Less than one year	196,863	142,304
Total	**196,863**	**142,304**

Contingent amounts recognized as income in 2011 and 2012 are detailed as follows:

	Euros	
	2011	2012
Contingent amounts recognized during the year	1,394,230	1,304,585
Total	**1,394,230**	**1,304,585**

As lessor, the most significant operative lease contracts held by the Company at 2011 and 2012 closings are the following:

1. Leasing of commercial premises of 1,000 square metres, located on the Barcelona Pier. The lease contract was signed during 2011. The termination date of this contract was December 31, 2011 and it could be annually renewed at the parties' will. Likewise, the rent payments received amounted to 120 thousand Euros in 2011 and 67 thousand Euros in 2012.

2. Leasing of several commercial premises on Terminals A, B, C and World Trade Centre, located on the Barcelona Pier. The leasing contract started on October 1, 2005 and lasts for 10 years and 2 months. Additionally, the amounts collected are 1,394 thousand Euros in 2011 and 1,304 thousand Euros in 2012. The monthly rent to pay by the lessee will depend on the volume of passengers boarding and disembarking on these terminals and those in transit.

9. Financial assets

9.1 Long-term financial assets

The classification of the different financial assets at long term at December 31, 2011 and 2012 is the following:

	Euros					
	Equity instruments		Credits, Derivatives and Others		Total	
	31.12.11	31.12.12	31.12.11	31.12.12	31.12.11	31.12.12
Long-term investments						
Loans and accounts receivable-	**-**	**-**	**187,795**	**243,403**	**187,795**	**243,403**
Other financial assets	-	-	187,795	243,403	187,795	243,403
Long-term investments on group and related companies-	**7,600,069**	**7,600,069**	**-**	**-**	**7,600,069**	**7,600,069**
Equity instruments	7,600,069	7,600,069	-	-	7,600,069	7,600,069
Total	**7,600,069**	**7,600,069**	**187,795**	**243,403**	**7,787,864**	**7,843,472**

9.2 Long-term financial investments

The balance of the accounts on the caption "Long-term investments" at 2011 and 2012 closings is the following:

	Euros	
	Credits, Derivatives and Others	
	31.12.11	31.12.12
Long-term guarantees	1,320	1,320
Long-term deposits	186,475	242,083
Total	**187,795**	**243,403**

The amount of the caption "Long-term deposits" for 2011 and 2012 corresponds to the amount booked as unavailable reserve, in reference to the syndicated loan signed by the Company (see Note 11.4), for an amount not below the debt service of the three following months. The Company has constituted pledge of credit rights derived from the reserve account of the debt service by virtue of the syndicated loan contract signed on May 23, 2008 in favour of the lenders.

9.3 Long-term investments on group and associated companies

The variations in 2011 and 2012 on the accounts included on the caption "Long-term investments on group and associated companies" have been the following:

	Euros		
	Balance at 31-12-2011	Additions or allocations	Balance at 31-12-2012
Participation on Group Companies	7,600,069	-	7,600,069
	7,600,069	**-**	**7,600,069**

On December 21, 2011, the Company signed a Joint Venture agreement with Sats Airport Services Pte. Ltd., participating by 40% on its share capital. The corporate purpose of the company incorporated under the name of Sats-Creuers Cruise Services Pte. Ltd. is the exploitation of tourist cruises. Its address is located in Singapore, under the conditions of the agreement signed between the constituted company and the Tourist Board of Singapore, on December 22, 2011, after being granted with its exploitation in tender. At year end, the Company had made a payment corresponding to its shareholding percentage, for an amount of 2,400,000 Singapore Dollars. The shareholding has been valued on the enclosed balance sheet at December 31, 2011 and 2012 for the value in Euros obtained from applying the exchange rate at payment date, for an amount of 1,440,069 Euros.

The most significant information related to Group and Associated Companies at 2011 and 2012 closings is the following:

	Euros					
Company, address and activity	Share Capital	Outstanding Payments	Reserves	Results for the year	Shareholding percentage	Share value
At December 31 2011- CRUCEROS MÁLAGA, S.A. (*) Levante Sea Station Port of Malaga Cruise port service	7,700,000		3,174,461	1,246,497	80%	6,160,000
SATS-CREUERS CRUISE SERVICES PTE. LTD. (**) 20 Airport Boulevard SATS Inflight Catering Center Singapore Cruise port service	3,724,164	-	-	-	40%	1,489,665
At December 31, 2012- CRUCEROS MÁLAGA, S.A. (*) Levante Sea Station Port of Malaga Cruise port service	7,700,000		4,420,958	804,471	80%	6,160,000
SATS-CREUERS CRUISE SERVICES PTE. LTD. (**) 20 Airport Boulevard SATS Inflight Catering Center Singapore Cruise port service	3,724,164	-	s/d	$ (1,347,784)	40%	1,489,665

(*) Data obtained from the Company's financial statements (audit in progress).

(**) Non-audited data. The Company Sats-Creuers Cruise Services Pte. Ltd. closes its financial year at March 31 of each year. Therefore, results for the year shown in the previous table correspond to the 9 months of the FY 2012/2013, in progress. In order to convert the Company's information into Euros, the exchange rate at December 31, 2011 (1.6111) has been used. At the date of preparation of the present financial statements, the data corresponding to 2011/2012 closing was not available. Nevertheless, the company was set up in December 2011 and at March 31, 2012 it had not started to carry out its activity.

These companies are not quoted and have not distributed dividends during 2011 and 2012.

At year end, the Directors carry out the value corrections they deem necessary on the shares owned in their investees, based on the analysis of the recovery amount after considering the tacit capital gains at year end, resulting from their activity and business.

In relation to the investee “Sats-Creuers Cruise Services Pte. Ltd”, on May 26, 2012, the first stopover carried out by the Company took place successfully. Even though the Company will close FY2012/2013 with losses (the FY is closed at March 31, 2013), as a consequence of the launching of the Company and of the starting of the activity in May, the Company expects to register profits from the following year 2013/2014, as contemplated in their financial projections. Due to this reason, the Directors of Creuers del Port, S.A. do not consider it necessary to make a provision for impairment for the Company’s shareholding in Sats-Creuers.

9.4. Short-term financial assets

Short-term financial assets at December 31, 2011 and 2012 are classified as follows:

	Euros	
	Credits and items receivable	
	31.12.11	31.12.12
Cash and equivalents-	**3,336,503**	**1,104,991**
Cash	3,336,503	1,104,991
Short-term financial investments-	**4,002,370**	**9,564,975**
Deposits on financial entities	4,002,370	9,564,975
Trade receivables-	**2,877,199**	**3,844,754**
Accounts receivable from sales and service rendering	2,849,187	3,833,530
Accounts receivable, group and associated companies	28,012	11,224
Sundry receivables	-	
Non-trade receivables-	**8,108**	**6,943**
Personnel	8,108	6,943
	10,224,180	**14,521,663**

The breakdown of the Company’s short-term financial investments at December 31, 2011, classified for valuation purposes in the category of investments held until maturity, is the following:

- The Company acquired Bonuses from the Catalan Government, for an amount of 2,000,000 Euros, in May 2011, with a 1-year maturity. At December 31 2011, the bonuses are registered in the balance sheet, valued at their amortized cost to that date, for an amount of 2,042,131 Euros.

- During 2011, the Company acquired promissory notes from Banco Sabadell, for an amount of 1,442,778 Euros, for a 6-month period and short-term maturity. At December 31, 2011, this investment was valued at its amortized cost.

- During 2011, the Company renewed the deposits with Banesto, for a joint amount of 500 thousand Euros, for a 1-year period and maturity date on May 10, 2012. At December 31, 2011, these deposits were valued at their amortized cost.

The detail of the Company's financial investments at short term at December 31, 2012, which have been classified for the purposes of valuation under the category of investments held to maturity, is the following:

- During 2012, the Company acquired Bonuses from the Catalan Government, for an amount of 1,000,000 Euros, in May 2012, with a one-year maturity and quarterly liquidations. At December 31, 2012, the bonuses are registered in the balance sheet valued at their amortized cost to that date, for an amount of 1,000,000 Euros. Interests for an amount of 22,129 Euros were liquidated.

- The Company contracted a deposit in Banco Sabadell, for an amount of 1,000,000 Euros, in May 2012, for a one-year period and quarterly liquidations. At December 31, 2012, this deposit was valued at its amortized cost and interests for an amount of 20,164 Euros were liquidated.

- During 2012, the Company renewed the deposits with Banesto, for a joint amount of 500 thousand Euros, for a one-year period and new maturity date on May 10, 2013. At December 31, 2012, these deposits were valued at their amortized cost and interests for an amount of 14,960 Euros were liquidated.

- During 2012, the Company formalized several deposits in Banco Sabadell, for a joint amount of 7,000,000 Euros, maturity in one year and liquidations at maturity as per the following breakdown:

    - Deposit of 2,000,000 Euros, formalized in July 2012;
    - Deposit of 1,500,000 Euros, formalized in September 2012;
    - Deposit of 1,500,000 Euros, formalized in October 2012;
    - Deposit of 2,000,000 Euros, formalized in December 2012.

At December 31, 2012, these deposits were valued at their amortization cost. The amount of the accrued interests pending to be collected at 2012 closing date is 64,975 Euros.

The profitability of short-term financial investments during 2010 and 2011 has adjusted to the market's profitability.

9.5. Information on the nature and risk level of financial instruments

The Company's financial risk management is focused on the Financial Management, which has established the necessary mechanisms to control the exposure to variations on interest and exchange rates, as well as to credit and liquidity risks. The main financial risks which affect the Company are listed below:

1. Credit risk

In general, the Company holds its cash and equivalent liquid assets on financial entities with high credit level.

It should be noted that the knowledge of its clients and the monitoring by the Company of its accounts receivable reduce the credit risk. Additionally, the Company's transactions are agreed with its clients through contracts formalized by both parties.

2. Liquidity risk

In order to ensure the liquidity and to face all payment commitments derived from its activity, the Company has the cash included on its balance sheet, as well as the credit and financing lines detailed on Note 11.

3. Market risk (including interest rate, exchange rates and other price risks)

Both the Company's cash and the financial debt are exposed to the risk of interest rate, which could adversely affect the financial results and cash flows.

As the Company does not perform relevant transactions on foreign currency, there is no risk derived from the exchange rate.

10. Net equity and equity

At 2011 and 2012 closings, the Company's share capital amounts to 3,005,061 Euros, represented by 3,005,061 shares of 1 Euro of nominal value each, all of the same kind, fully subscribed and paid.

On June 21, 2011, at the Company's General Shareholders' Meeting it was approved the distribution of dividends charged to 2010 results, for an amount of 1,562,628 Euros, at 0.52 Euros per share. These dividends were paid on July and December 2011.

On June 19, 2012, at the Company's General Shareholders' Meeting it was approved the distribution of dividends charged to 2011 results, for an amount of 1,923,238 Euros, at 0.64 Euros per share. These dividends were paid on July and December 2011.

At 2011 and 2012 closings, shareholders with a share over 10% on the share capital are the following:

Shareholders	Shareholding percentage
Port Authorities of Barcelona	20%
Compañía Trasmediterránea, S.A.	23%
Vapores Suardíaz Mediterráneo, S.A.	34%
Aldeasa, S.A.	23%
	100%

The Company's shares are not quoted.

10.1. Reserves

According to the Revised Text of the Capital Corporation Act, an amount equal to 10% of profits for the year must be allocated to the legal reserve until it reaches, at least, 20% of the share capital. The legal reserve can be used to increase capital on the portion of its balance exceeding 10% of the increased capital. Except for such purposes, and as long as 20% of the share capital is not exceeded, this reserve can only be used to compensate losses and as long as there are no other sufficient available reserves for such purposes. At 2011 and 2012 closings, this reserve was fully constituted.

The Statement of changes in net equity on these statutory accounts details aggregated balances and variations in 2011 and 2012 on this sub-caption of the enclosed balance sheet. The composition and variation of the different items are the following:

	Euros				
	Balance at 31.12.10	Additions	Balance at 31.12.11	Additions	Balance at 31.12.12
Legal and statutory-	**601,012**	**-**	**601,012**	**-**	**601,012**
Legal reserve	601,012	-	601,012	-	601,012
Other reserves -	**17,750,830**	**4,159,148**	**21,909,978**	**4,433,950**	**26,343,928**
Voluntary reserves	17,750,830	4,159,148	21,909,978	4,433,950	4,433,950
	18,351,842	**4,159,148**	**22,510,990**	**4,433,950**	**26,944,940**

10.2. Limitations to the distribution of dividends

The Company's syndicated loan contract establishes the following limitations to distribute dividends:

- The debt hedging service must be equal or over 1.2.
- There must not have been any event of early termination and the distribution of dividends shall not incur on such assumptions.
- Existence of positive equity and distributable profits.

During 2011 and 2012, the Company has met the three abovementioned limitations.

10.3. Interim dividend

On December 27, 2011, the Company's Board of Directors approved the distribution of an interim dividend for the 2011 results, for an amount of 991,670 Euros, at 0.33 Euros per share, presenting the liquidity statement at November 30, 2011 detailed below:

	Euros
Cash balance	4,557,771
Liquidity at 30.11.2011	**4,557,771**
Results before tax	10,893,203
Corporate Income Tax	(3,267,961)
Results after tax at 30.11.2011	**7,625,242**

This interim dividend which has registered as pending of collection at December 31, 2011 in the caption "Sundry creditors" was paid in April 2012.

11. Financial liabilities

11.1. Long-term financial liabilities

The balance on the caption "Long-term debts" at 2011 and 2012 closings is the following:

	Euros					
	Long-term financial liabilities					
	Debts with Credit Entities		Others		Total	
	31.12.11	31.12.12	31.12.11	31.12.12	31.12.11	31.12.12
Debts and accounts payable	4,585,152	2,292,575	-	-	4,585,152	2,292,575
Long-term guarantees	-	-	1,382	1,382	1,382	1,382
Total	**4,585,152**	**2,292,575**	**1,382**	**1,382**	**4,586,534**	**2,293,957**

11.2. Short-term financial liabilities

The balance on the caption “Short-term financial liabilities” at 2011 and 2012 closings is the following:

	Euros					
	Debts with Credit Entities		Others		Total	
	31.12.11	31.12.12	31.12.11	31.12.12	31.12.11	31.12.11
Loans and items payable -	**2,292,578**	**2,292,578**	**172,453**	**172,160**	**2,465,031**	**2,464,738**
Debts with credit entities	2,292,578	2,292,578	-	-	2,292,578	2,292,578
Other financial liabilities			172,453	172,160	172,453	172,160
Trade payables and others -	**-**	**-**	**1,878,357**	**1,017,898**	**1,878,357**	**1,017,898**
Suppliers	-	-	623,434	685,716	623,434	685,693
Suppliers, group and associated companies	-	-	244,698	307,023	244,698	307,046
Sundry accounts payable	-	-	998,146	8,445	998,146	8,445
Personnel (remunerations payable)	-	-	12,079	16,714	12,079	16,714
	2,292,578	**2,292,578**	**2,050,810**	**1,190,058**	**4,343,388**	**3,482,636**

The caption “Other financial liabilities” includes the guarantee delivered by the company Barcelona Actividades Marítimas for the leasing of several premises on terminals and of the Barcelona Pier. This guarantee includes a deposited amount of 168,000 Euros and another guarantee which is annually renewed, based on the turnover of the previous year, after deducting the previous 168,000 Euros.

At December 31, 2011, the caption “Sundry creditors” includes the amount of the interim dividend approved and pending to be paid to the Company’s Shareholders, for an amount of 991,670 Euros (see note 10.3).

11.3. Information on payment deferrals to suppliers. Additional third provision. Duty of information of Law 15/2010, of 5 July

The table below details the information referred to deferrals performed to suppliers required by Law 15/2010 of 5 July at December 31, 2011:

	Payments performed and outstanding at balance closing date	
	31.12.2011	
	Euros	%
Total payments for the year:	**6,935,605**	**100**
Within the maximal legal term (85 days for 2011)	6,856,955	99
Rest	78,650	1
Average payment days exceeded	**29**	**-**
Deferrals which exceed the maximal legal term at closing date	**-**	**0**

The table below details the information referred to deferrals performed to suppliers required by Law 15/2010 of 5 July at December 31, 2012:

	Payments performed and outstanding at balance closing date	
	31.12.2012	
	Euros	%
Total payments for the year:	**5,726,843**	**100**
Within the maximal legal term (75 days for 2011)	5,714,975	99
Rest	11,868	1
Average payment days exceeded	**64**	**-**
Deferrals which exceed the maximal legal term at closing date	**3,967**	**0**

11.4. Debts with credit entities

The detail of debts held by the Company with credit entities at December 31, 2011and 2012 is the following:

	Euros					
	Long term		Short term		Total	
	31.12.11	31.12.12	31.12.11	31.12.12	31.12.11	31.12.12
Type of transaction:						
Loans	4,585,152	2,292,575	2,292,578	2,292,578	6,877,730	4,585,153
Total	**4,585,152**	**2,292,575**	**2,292,578**	**2,292,578**	**6,877,730**	**4,585,153**

The Company has contracted a syndicated loan for an initial amount of 15,000 thousand Euros with Caja Madrid, signed on May 23, 2008 and due on December 2014.

The loan's annual interest rate is referenced to EURIBOR. The average rate during 2011 amounted to 2.16% and during 2012 to 1.57%.

During 2011 and 2012, the Company has not contracted discount facilities or credit policies.

The loan's outstanding debt breaks down based on the year on which its due date is expected, as follows:

	Euros	
Debts due on:	Balance at 31.12.2011	Balance at 31.12.2012
2012	2,292,578	2,292,578
2013	2,292,578	2,292,578
2014	2,292,573	2,292,574
	6,877,730	**4,585,153**

12. Provisions and contingencies

12.1 Provision for reposition and great repair actions

This caption on the balance sheet includes the provision constituted to perform repositions of infrastructure elements in order for it to be apt to appropriately develop services and activities subject to the concession. It is allocated since the infrastructure's start-up date until the moment when such actions will be performed.

The detail of provisions on the balance sheet at 2011 closing, as well as the main movements registered during the year 2011, were the following:

Long-term provisions	Euros		
	Balance at 01-01-11	Allocations	Balance at 31-12-11
Provisions for reposition and great repair actions	2,124,517	1,114,307	3,238,824
Total at long-term	**2,124,517**	**1,114,307**	**3,238,824**

The balances at January 1, 2011 of the captions "Provision for reposition and great repair actions" are adapted to the provisions set forth in Rule EHA/3362/2010. This rule approves the regulations for the adaptation of the Accounting General Plan to public infrastructure concessionary companies, in force from January 1, 2011. These regulations are to be applied obligatorily for the financial years started from that date.

The detail of provisions on the balance sheet at 2012 closing, as well as the main movements registered during the year 2012, were the following:

Long-term provisions	Euros		
	Balance at 31-12-11	Allocations	Balance at 31-12-12
Provisions for reposition and great repair actions	3,238,824	1,225,738	4,464,562
Total at long term	**3,238,824**	**1,225,738**	**4,464,562**

Reposition investments are registered by recognizing a provision for reposition and great repair actions which is annually allocated with charge on profit and loss, considering if applicable subsequent changes on their amount, as well as its financial update.

At December 31, 2011 and 2012, the Company does not have any outstanding amount to be liquidated as real estate tax. Nevertheless, the Company has filed several appeals challenging amounts satisfied on the payment of the real estate tax for 2008 to 2010, for a joint amount of 324,766 Euros, which are awaiting resolution by the Town Council of Barcelona at the formulation date of the present statutory accounts.

13. Public Administrations and tax position

13.1. Current balances with Public Administrations

The composition of balances with Public Administrations at December 31, 2011 and 2012 is the following:

	Euros	
	31.12.11	31.12.12
Accounts receivable		
VAT receivable	117,452	43,751
	117,452	**43,751**
Accounts payable		
Personal Income Tax payable	24,686	27,808
Social Security payable	8,193	9,670
	32,879	**37,478**

13.2. Reconciliation accounting results and tax assessment basis

The Corporate Income Tax is calculated on the basis of the economic or accounting results, obtained by applying generally accepted accounting principles, which do not necessarily coincide with the tax results, understood as the tax assessment basis.

The reconciliation between the accounting results and Corporate Income Tax basis is the following:

	Euros			
	Increases/Decreases		Instalment	
	2011	2012	2011	2012
Accounting results before tax	**10,498,368**	**10,051,326**	**-**	**-**
Short-term differences:				
Originated on previous years -				
Reversion deferred tax	38,165	38,165	-	-
Reversion prepaid tax	(116,221)	(116,221)	-	-
Tax assessment basis	**10,420,312**	**9,973,270**	**3,126,094**	**2,991,982**
Withholdings and interim payments	-	-	(2,296,140)	(2,589,039)
Corporate Income Tax payable	**-**	**-**	**829,954**	**402,943**

The Company met the commitment to increase the payroll acquired in 2000, when it made use of tax incentives for small entities, for which it registered a deferred tax. The reversion of such deferred tax is estimated on the concession’s length (27 years) to which assets which made use of amortization freedom are related (see Note 13.6).

Additionally, the Company recognized a prepaid tax for the excess of accounting amortization on the tax amortization of fixed assets on Terminal C, which were amortized on the initial period of the administrative authorization, three years. The reversion of such prepaid tax is estimated on the number of useful years of elements after the termination of the concession (see Note 5).

13.3. Reconciliation between the accounting results and the Corporate Income Tax expense

The reconciliation between the accounting results and the Corporate Income Tax expense of 2011 and 2012 is the following:

	Euros	
	2011	2012
Accounting results before tax	10,498,368	10,051,326
Instalment at 30%	3,149,510	3,015,398
Total tax expense recognized on the profit and loss account	**3,149,510**	**3,015,398**

The reconciliation between the liquid amount and the Corporate Income Tax expense is the following:

	Euros	
	2011	2012
Liquid amount	3,126,094	2,991,982
Variation of deferred taxes	23,416	23,416
Corporate Income Tax expense	**3,149,510**	**3,015,398**

13.4. Detail of Corporate Income Tax expense

The Corporate Income Tax expense for 2011 and 2012 is detailed as follows:

	Euros	
	2011	2012
Current Tax:		
For continued transactions	3,149,511	3,015,398
Negative adjustment on the tax	-	23,588
Total tax expense	**3,149,511**	**3,038,986**

13.5. Prepaid tax assets

The detail of this account at 2011 and 2012 closings is the following:

	Euros	
	Amount	Tax effect
Opening balance at 01.01.2010	1,769,300	530,783
Recoveries	(116,221)	(34,866)
Closing balance at 31.12.2011	1,653,079	495,917
Recoveries	(116,221)	(34,866)
Closing balance at 31.12.2012	**1,536,858**	**461,051**

Short-term differences correspond to the excess of accounting amortization on tax amortization of assets related to the administrative authorization for Terminal C. The reversion of such prepaid tax is estimated on the number of remaining useful years of such assets after the completion of the concession period.

Deferred tax assets indicated above have been registered on the balance sheet as the Company's Directors consider that, according to the best estimation on its future results, including certain tax planning actions, such assets will probably be recovered.

At 2012 closing, the Company does not hold negative tax assessment bases or deductions to be applied.

13.6. Deferred tax liabilities

The detail of this account at 2012 closing is the following:

	Euros	
	Amount	Tax effect
Opening balance at 01.01.2010	648,805	194,641
Recoveries	(38,165)	(11,450)
Closing balance at 31.12.2011	610,640	183,192
Recoveries	(38,165)	(11,449)
Closing balance at 31.12.2012	**572,475**	**171,743**

13.7. Years to be verified and inspection actions

According to the legislation in force, taxes cannot be definitively considered as liquidated until declarations presented have been inspected by the Tax Authorities or after four years have elapsed. At 2012 closing, the Company has opened to inspections the year 2008 and subsequent years for the Corporate Income Tax and 2009 and following years for all remaining applicable taxes. The Company's Directors consider that liquidations for said taxes have been appropriately practiced, and therefore, in case of discrepancies in the interpretation of the regulation in force for the tax treatment to its transactions, eventual resulting liabilities, if applicable, would not significantly affect the enclosed statutory accounts.

14. Guarantees, commitments and contingencies

Guarantees and commitments towards third parties derive from the contracting of the loan, are not included under liabilities of the balance sheet, and consist on the constitution of the pledge mortgage over concessions.

There is an unavailable reserve for the debt of the syndicated loan, in payment guarantee for the liquidation of interests for the 3 following months, as obligation of the borrower of such loan (See Note 8). The reserves account amount was 186,475 Euros at 2011 closing and 242,083 Euros at 2012 closing.

In addition to the abovementioned guarantees, the Company is guaranteed towards third parties by several bank entities, for a total amount of 1,040,772 Euros at December 31, 2011 and 1,044,342 Euros at December 31, 2012.

The Company's Directors do not consider that, as a consequence of such guarantees, there could be additional liabilities to the ones booked on the present statutory accounts.

15. <u>Income and expenses</u>

15.1. Net turnover

The distribution of the net turnover corresponding to 2011 and 2012, distributed by activity categories and geographic markets, is the following:

Activities	Euros	
	2011	2012
Passenger rate	6,446,212	6,035,220
Drinking water rate	582,471	407,371
Sundry services rate	203,518	214,646
Non-regulated rates:		
Luggage services	11,242,905	10,966,147
Leasing of premises	1,591,093	1,446,888
Several	575,510	529,881
Total	**20,641,709**	**19,600,153**

The Company has obtained all its income from the Spanish geographic market.

15.2. Supplies

The balance of supplies in 2011 and 2012 is detailed as follows:

	Euros	
	2011	2012
Sundry services	3,733,714	2,906,386
Occupancy and utilization royalty	755,455	762,468
Total	**4,489,169**	**3,668,854**

All services received by the Company have been performed on the Spanish geographic market.

15.3. Personnel costs

The account “Wages and salaries” of 2011 and 2012 is detailed as follows:

	Euros	
	2011	2012
Personnel costs-		
Wages and salaries	356,889	401,851
Indemnities	-	21,326
Social Security	114,537	145,421
Total	**471,426**	**568,598**

15.4. Other operating expenses

The balance of the account "Other operating costs" of 2011 and 2012 breaks down as follows:

	Euros	
	2011	2012
External services-	**2,278,855**	**2,273,910**
Repairs and up-keeping	859,964	800,876
Professional services	1,159,546	1,159,757
Insurance premiums	56,410	63,794
Supplies and other services	186,711	225,044
Advertising and public relations	16,224	24,439
Taxes	**149,150**	**148,836**
Other current management expenses	**435,767**	**844,871**
Allocation provision for reposition and great repair actions	**1,114,307**	**1,170,023**
	3,978,079	**4,437,640**

The caption "Taxes" includes at December 31, 2011 and 2012 the amount paid for the liquidation of the real estate tax, for an amount of 115,699 Euros and 118,247 Euros, respectively.

15.5. Financial income and expenses

The amount of financial income and expenses in 2011 and 2012, calculated by applying the effective interest rate, has been the following:

	Euros	
	2011	2012
Financial income:		
From marketable securities and fixed asset credits	130,120	204,661
	130,120	**204,661**
Financial expenses:		
Interests for debts with credit entities	220,140	131,508
Guarantees' commissions	10,423	11,114
Update of provisions for dismantling and rehabilitation commitments	-	55,715
	230,563	**198,337**

16. Transactions and balances with related parties

16.1 Transactions with related parties

The detail of transactions among related parties during 2011 is the following:

	Euros		
	Operating income	Operating expenses	Dividends
Service rendering	11,711	-	-
Reception of services	-	938,937	-
Distribution of dividends	-	-	1,562,632
	11,711	**938,937**	**1,562,632**

The detail of transactions among related parties during 2012 is the following:

	Euros		
	Operating income	Operating expenses	Dividends
Service rendering	11,224	-	-
Reception of services	-	989,937	-
Distribution of dividends	-	-	2,914,908
	11,224	**989,937**	**2,914,908**

"Operating expenses" mainly included the expenses accrued as occupancy and utilization royalty with the Port Authorities of Barcelona, SA, for an amount of 710,343 thousand Euros in 2011 and 762,468 Euros in 2012, together with the expenses accrued for the administrative services rendered by Grupo Logístico Suardiaz, S.L. for an amount of 89 thousand Euros in 2011 and 2012. This is the parent company of the group to which the shareholder Vapores Suardiaz Mediterráneo, S.A. belongs to.

All these transactions have been performed at market value.

16.2. Balances with related parties

The amount of balances with related parties on the balance sheet at December 31, 2011 and 2012 is the following:

	Euros			
	Accounts receivable		Accounts payable	
	31.12.11	31.12.12	31.12.11	31.12.12
Compañía Trasmediterránea, S.A.	-	-	23	23
Aldeasa, S.A.	-	-	-	2,758
Grupo Logístico Suardíaz, S.L.	-	-	17,531	18,431
Flota Suardiaz, S.L.	-	-	433	-
Autoridad Portuaria de Barcelona, S.A.	27,127	11,224	226,711	285,834
Cruceros Málaga, S.A.	885	-	-	-
	28,012	**11,224**	**244,698**	**307,046**

16.3. Retributions to the Board of Directors and High Management

Retributions accrued as remuneration during 2011 by the members of the Board of Directors and High Management of Creuers del Port de Barcelona, S.A., who are not part of the Company's payroll, have amounted to 208,431 and 47,230 Euros, respectively.

Retributions accrued as remuneration during 2012 by the members of the Board of Directors and High Management of Creuers del Port de Barcelona, S.A., who are not part of the Company's payroll, have amounted to 228,110 and 42,000 Euros, respectively.

The Company's Directors and High Management have not used loans or early payments, and the Company does not hold commitments or guarantees of any kind towards current or former Directors or High Management.

16.4. Detail of shareholdings in companies with similar activities and performance by themselves or on others' behalf of similar activities by Directors

In order to comply with the provisions set forth in Article 229 of the Capital Companies Act in force, the present notes include the information related to the capital shareholding and the tasks carried out by the members of the Company's Board of Directors and people related to them, in companies of analogous or complementary kind of activity to the one that constitutes the Company's business purpose.

At 2012 closing, the individuals, members of the Board of Directors and the representative of the legal members of the Board of directors of Creuers del Port de Barcelona, S.A. have not maintained shares on the capital of entities with the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose.

Additionally, according to the above, the activities, by themselves or on others' behalf, by the different members of the Board of Directors on entities with the same, analogous or complementary kind of activity to the one that constitutes the business purpose of Creuers del Port de Barcelona, S.A. are the following:

Name	Activity	System type	Company through which the activity is rendered	Duties
Alex García Formatjé (*)	Management of the Port of Barcelona	On others' behalf	Port Authorities Barcelona	Operating Director
Eduardo Cortada	Service rendering to cruises	On others' behalf	Cruceros Málaga, S.A. Sats-Creuers Cruise Services, Pte. Ltd.	Board Member Board Member
Juan Riva	Service rendering to cruises	On others' behalf	Cruceros Málaga, S.A.	Board Member
Paula Salcedo	Service rendering to cruises	On others' behalf	Cruceros Málaga, S.A.	Board Member
Carla Salvadó Morelló (*)	Management of the Barcelona Service rendering to cruises	On others' behalf On others' behalf	Port Authorities Barcelona Cruceros Málaga, S.A.	Chief Marketing and Cruises Board Member

(*) They rendered their resignation to the Board of Directors on February 19, 2013

Additionally, during 2012, persons related to the members of the Board of Directors have not held direct or indirect shareholdings and have not held positions or duties on companies with the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose.

At December 31, 2012, Agencia Schembri S.A.U. have not held shareholdings on the share capital of companies with the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose, and have not exercised positions or duties or performed activities by themselves or on others' behalf of the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose, apart from the ones referred to below:

Board Member	Company	Shareholding	Duties
Agencia Schembri S.A.U.	Terminal de Carga Rodada Canarias, S.A.	1%	Board Member
	Terminal Ferry de Barcelona, S.R.L.U.		Board Member

Additionally, Compañía Trasmediterránea, S.A. develops on its behalf the passenger terminal service rendering.

At December 31, 2012, Compañía Trasmediterránea, S.A. is not in a conflict situation, direct or indirect, with the Company's interest and has not held shareholdings on the share capital of companies with the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose, and have not exercised positions or duties or performed activities by themselves or on others' behalf of the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose, apart from the ones referred to below:

Board Member	Company	Shareholding	Duties
Compañía Trasmediterránea, S.A.	Terminal de Carga Rodada Canarias, S.A.	100%	Board Member-Chairman
	Terminal Ferry de Barcelona, S.R.L.U.	100%	Board Member-Chairman

Additionally, Compañía Trasmediterránea, S.A. develops on its behalf the passenger terminal service rendering.

During 2012, the representative of Compañía Trasmediterránea, S.A., Francisco José Risquete, and related persons have not held shareholdings on the share capital of companies with the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose, and have not exercised positions or duties or performed activities by themselves or on others' behalf of the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose, apart from the condition of General Secretary and of the Secretary of the Board of Directors of Compañía Trasmediterránea, S.A. of the Company's representative.

During 2012, Agencia Schembri, S.A.U. representative, Antonio Gravados Esteban and related persons have not held shareholdings on the share capital of companies with the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose, and have not exercised positions or duties or performed activities by themselves or on other's behalf of the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose, apart from the condition of Director of "Compañía Trasmediterránea, S.A." in the Board of Directors of Terminal Ferry de Barcelona, S.A.U and Terminal de Carga Rodada, S.A. where he acts as President.

At December 31, 2012, Vapores Suardiaz Mediterráneo, S.A. and persons related to this company or to its representative, Amadeo Riva Meana, are not in a conflict situation, direct or indirect, with the Company's interest and has not held shareholdings on the share capital of companies with the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose, and have not exercised positions or duties or performed activities by themselves or on others' behalf of the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose.

At December 31, 2012, Aldeasa and persons related to this company or to its representative, Isabel Zarza García, are not in a conflict situation, direct or indirect, with the Company's interest and has not held shareholdings on the share capital of companies with the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose, and have not exercised positions or duties or performed activities by themselves or on others' behalf of the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose.

17. Environmental information

Due to its activities, the Company does not hold liabilities, expenses, assets nor provisions or contingencies of environmental nature, which could be significant in relation to its equity, financial situation and results. As a consequence of this, the present notes to the financial statements do not include specific disclosures.

18. Other information

18.1. Personnel

The average number of persons employed during 2011 and 2012, detailed by category and gender, is the following:

Categories	2011		2012	
	Male	Female	Male	Female
Administrative Assistant	-	1	-	1
Superior Cap.	1	-	1	-
Manager	1	1	1	1
Marketing and Commerce Manager	-	-	-	1
Chief Operator Driver	5	2	5	2
Total	**7**	**4**	**7**	**5**

Additionally, the distribution of payroll, Board Members and High Management by gender at 2011 and 2012 closings is the following:

Categories	2011		2012	
	Male	Female	Male	Female
Board Members and High Management	7	3	7	3
Administrative Assistant	-	1	-	1
Superior Cap.	1	-	-	1
Manager	-	2	1	1
Marketing and Commerce Manager	-	-	-	1
Chief Operator Driver	2	2	3	2
Total	**10**	**8**	**11**	**9**

18.2. Audit fees

During 2012, fees related to accounting audit services rendered by the Company's auditor, Mazars Auditores, S.L., amounted to 12,300 Euros. (2011: 12,300 Euros).

Additionally, the expense booked in 2012 financial statements, corresponding to other services rendered to the Company by MAZARS Auditores, S.L. amounts to 615 Euros. (2011: 4,200 Euros).

19. Subsequent events

From 2012 closing to the date of formulation by the Company's Board of Directors of these annual accounts, there has not been and we have not been aware of any significant event to be mentioned.

Formulation of Financial Statements

The formulation of the present Financial Statements of Creuers del Port de Barcelona, S.A. for the year 2012 has been approved by the Board of Directors, on their meeting held on March 19, 2013, with a view to their subsequent approval by the General Shareholders' Meeting; such Financial Statements are issued on 39 pages, the last of which is hereby signed by all the Board Members.

Mr. Eduardo Cortada Segarra

Mr Juan Riva Francos

Mrs. Paula Salcedo Menéndez

Mr. Antonio Grávalos Esteban, on behalf of Agencia Schembri

Mrs. Isabel Zarza García, on behalf of Aldeasa

Mr. Francisco José Risquete Fernández, on behalf of Compañía Trasmediterránea, S.A.

Mr. Amadeo Riva Meana, on behalf of Vapores Suardiaz Mediterráneo, S.A.

Barcelona, 19 March 2013

Translation of a report originally issued in Spanish, based on our work performed in accordance with generally-accepted auditing standards in Spain and of financial statements originally issued in Spanish and prepared in accordance with generally-accepted accounting principles in Spain. In the event of discrepancy, the Spanish-language version prevails.

Creuers del Port de Barcelona, S.A.

Management Report
corresponding to the year ended
at December 31, 2012

Dear Shareholders,

In compliance with the Corporate Act in force, we are pleased to submit the present report to the Shareholders' Meeting regarding the evolution of our company during 2012 and its development to date.

Accumulated activity statistics at December 2012

Creuers del Port de Barcelona, S.A. has successfully completed its thirteenth year of activity.

The final accumulative number of passengers at December 2012 amounted to 1,803,343, which represents a decrease by 7% in relation to 2011. These passengers were distributed among 1,113,835 boarding and landing passengers (2% less than in 2011) and 689,508 passengers in transit (14.1% less than in 2011). In September 2012, the Company reached its highest monthly amount of passengers in 2012, providing service to 255,696 passengers.

In relation to the accumulated breakdown of passengers at December 2012, 62% correspond to boarding and landing passengers and 38% to passengers in transit. These percentages are very positive for the Company.

The Company's participation on the total amount of passengers at the Port was approximately 75%, distributed by 77% on boarding or landing, and 72% in transit.

With regards to passengers per wharf, it should be borne in mind that 95% of boarding and landing passengers have received services on the terminals of Adossat Wharf, and the remaining 5% correspond to the terminals of the World Trade Center. Additionally, 87% of passengers in transit have received services on the Adossat Wharf, whereas 13% have passed through the terminals of the World Trade Center, including the Coast Wharf (with 2,579 passengers).

In 2012, there is a decrease of the number of stopovers, 592 vs. 692 on the previous year, which implies a decrease by 14%. Nevertheless, the number of passengers per stopover has increased from 2,801 in 2011 to 3,046 in 2012.

Accumulated economic follow-up at December 2012

The Company has obtained a gross margin by 16,039 M Euros, which represents 1.6% less than in the previous year.

Profit before tax corresponding to the cumulative at December 2012 amounted to 10,051 thousand Euros, 4% less than in the previous year.

General and structural costs for the year amounted to 5,897 thousand Euros, 3.6% more than in the previous year, out of which 1,548 thousand correspond to amortization costs and 1,226 thousand Euros to provisions for replacements (including the financial update). The increase in 2012 of general and structural costs, by 207 thousand Euros, mainly corresponds to the provisions for replacements and their financial update.

Financial expenses from interests for debts with credit entities for an amount of 220 M Euros have been 40% lower than the previous year. This is due to the decrease of the interest rate of reference (Euribor); the average effective interest rate applied in 20121 was 1.57% vs. 2.57% in 2011.

Terminals operated by the Company

There have been no significant events in relation to the assets of the terminals operated by the Company.

Creuers' investees

During 2011, the investee Cruceros Málaga, S.A. obtained an administrative concession to adapt the Sea Station of Wharf number 2 of the Malaga Port and its exploitation, for a 30-year period from the date when the contract was granted. On December 21, 2011, this administrative concession was temporarily suspended as a consequence of the fact that the Company, as concessionaire, had not been able to have access to certain goods subject to the concession rights. On March 2012, the suspension was cancelled and the Company started to operate this terminal.

Cruceros Málaga, S.A. reached the amount of 651,363 passengers, 2% more than in 2010, and profits after tax of 804 thousand Euros, 35% less than in the same period of the previous year.

Boarded and disembarked passengers increased from 221,272 in 2011 to 220,187 in 2012, which means that the levels were practically the same as the previous year. Passengers in transit increased from 417,549 to 431,176, which implies an increase by 3.3%. The number of stopovers decreased by 8 (2.6% less). The average number of passengers by ship in 2012 was 2,231, vs. 2,129 in 2011, which implied an increase of 4.8%. The decrease of the Company's profits after tax was due to the costs related to the concession of the Sea Station of Wharf number 2 of the Malaga Port, which operation started in March 2012.

On December 21, 2011, the Company signed a Joint Venture agreement with Sats Airport Services Pte. Ltd., owning 40% of its share capital. The corporate purpose of the company incorporated under the name Sats-Creuers Cruise Services Pte. Ltd was the operation of tourist cruises in Singapore after being granted with its operation in a tender. On May 26, 2012, the first stopover operated by the Company took place successfully. Although the Company will finish the period 2012/2013 with losses (the financial year is closed on March, 31 2013) due to the launching costs and the starting of the activity in May, the Company expects to obtain profits from the following year 2013/2014 onwards, as stated in the financial projections. Consequently, the Directors of Creuers del Port S.A. do not deem it necessary to carry out a provision for impairment of the shares in the Company Sats-Creures.

Risks and uncertainties

The Company does not face risks or uncertainties which cannot be quantified or are not registered on its accounts.

Treasury stock

The Company, Creuers del Port de Barcelona, S.A., has not acquired treasury stock in 2012.

Research and development costs

During the present year, the Company has not assigned resources to Research and Development expenses.

Subsequent events

On February 1 2013 the Company signed the extension of the administrative authorization contract of Terminal C of the Adossat Wharf of Port of Barcelona with the Port Authorities, for an additional one-year period, until December 31, 2013.

Use of financial instruments by the Company

The Company does not use derivative financial instruments and does not incur on financial risks, relevant for the valuation of its assets, liabilities, financial situation and results other than those mentioned before.

Evolution of the Company for 2013

Forecasts for 2013 have not considered increases of rates and have taken as sole increase of passengers the one caused by the natural increase of Port of Barcelona. It is considered that the number of passengers in 2012 is very close to its maximum.

Signatures of Directors:

Mr. Eduardo Cortada Segarra

Mr. Juan Riva Francos

Mrs. Paula Salcedo Menéndez

Mr. Antonio Grávalos Esteban, on behalf of Agencia Schembri, S.A.U.

Mrs. Isabel Zarza García, on behalf of Aldeasa, S.A.

Mr. Francisco José Risquete Fernández, on behalf of Compañía Trnamediterránea, S.A.

Mr. Amadeu Riva Meana, on behalf of Vapores Suardiaz Mediterráneo, S.A.

Barcelona, 19 March 2013

CREUERS DEL PORT DE BARCELONA, S.A.

Annual Financial Statements
for the year ended at December 31, 2011
and Management Report
corresponding to 2011
together with the Audit Report

MAZARS

Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain and of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain .In the event of discrepancy, the Spanish-language version prevails.

Audit Report on Annual Financial Statements

To the Shareholders of
Creuers del Port de Barcelona, S.A.,

1. We have audited the annual financial statements of **Creuers del Port de Barcelona, S.A.**, which comprise the balance sheet at December 31, 2011, the profit and loss account, the statement of changes in net equity, the cash flows statement, and the notes to the financial statements corresponding to the year therein ended, which formulation is responsibility of the Company's Directors, according to the financial reporting regulation framework applicable to the entity (identified on note 2.1 on the enclosed notes to the financial statements) and, in particular, with the accounting principles and criteria therein contained. Our responsibility is to express an opinion on said annual accounts taken as a whole, based on our audit work, which was conducted in accordance with the accounting audit regulation in force in Spain, which requires the examination, on a selective-test basis, of the evidence supporting the annual accounts, and the assessment of whether their presentation, accounting principles and criteria used and estimations applied meet the financial reporting standards applicable.

2. In our opinion, the enclosed 2011 statutory accounts express, in all significant aspects, a true and fair view of the net equity and financial situation of **Creuers del Port de Barcelona, S.A.**, at December 31, 2011, and of the results of its operations, the changes in net equity and cash flows corresponding to the year ended on such date, in accordance with the financial reporting regulation framework applicable and, in particular, with the accounting principles and criteria therein contained.

3. Without effect on our audit opinion, we draw your attention to Notes 2.5 and 2.6 on the enclosed notes to the financial statements, which indicate that the enclosed 2011 statutory accounts are the first ones formulated by the Company's Administrators in application of the Order EHA/3362/2010, of December 23, 2010, which approve adaptation rules to the Spanish GAAP to public infrastructure concessionaires. In this sense, according to section 3 a) of the Single Transitional Provision of the Order, the present statutory accounts have been considered as initial statutory accounts, and thus figures regarding the previous year have not been subject to adaptation to the new criteria, and therefore the comparison between both years must consider this circumstance.

4. The enclosed 2011 Management Report contains the explanations which the Directors deem necessary in relation to the Company's situation, its business development and other matters, and does not form an integral part of the statutory accounts. We have verified that the accounting information contained in such Management Report reflects that contained in the 2011 statutory accounts. Our work as auditors is limited to the verification of the Management Report with the scope outlined in this paragraph and does not include a review of information other than that obtained from the Company's accounting records.

Barcelona, 21 March 2012

MAZARS AUDITORES, S.L.P.
ROAC Nº S1189

Juan Luque

CRE01AD0151

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Inscrita con el número S1189 en el Registro Oficial de Auditores de Cuentas (ROAC)

Creuers del Port de Barcelona, S.A.

Statutory Accounts for the year ended at December 31, 2011, together with the Management Report

CREUERS DEL PORT DE BARCELONA, S.A

BALANCE SHEET AT DECEMBER 31, 2011 AND 2010

(Euros)

ASSETS	Note	31/12/2011	31/12/2010
NON-CURRENT ASSETS			
Intangible assets-	Note 5	24,464,016	4,346,377
Other intangible assets		24,464,016	4,346,377
Tangible fixed assets-	Note 6	1,952,368	26,279,769
Lands and buildings		-	15,834,432
Technical fixtures and other fixed assets		1,748,252	10,057,295
Fixed assets in progress and prepayments		204,116	388,042
Long-term investments in group and associated entities-	Note 9.3	7,600,069	6,160,000
Equity instruments		7,600,069	6,160,000
Long-term financial investments-	Note 9.2	187,795	152,044
Other financial assets		187,795	152,044
Deferred tax assets	Note 12.5	495,917	530,783
Total non-current assets		34,700,165	37,468,973
CURRENT ASSETS:			
Trade receivables and other accounts receivable-		3,002,759	2,213,420
Accounts receivable from sales and service rendering	Note 9.4	2,849,187	2,039,712
Accounts receivable, Group and Associated Companies	Note 9.4 and 16.2	28,012	106,244
Sundry debtors	Note 9.4	-	27,290
Personnel	Note 9.4	8,108	7,700
Other credits with public administrations	Note 13.1	117,452	32,474
Short-term accrual accounts		22,624	21,570
Short-term financial investments-	Note 9.4	4,002,370	2,951,691
Cash and equivalents-	Note 9.4	3,336,503	2,431,239
Cash at hand and in bank		3,336,503	2,431,239
Total current assets		10,364,256	7,617,920
TOTAL ASSETS		45,064,421	45,086,893

LIABILITIES	Note	31/12/2011	31/12/2010
NET EQUITY:	Note 10		
EQUITY-			
Share capital-		3,005,061	3,005,061
Subscribed capital		3,005,061	3,005,061
Reserves-		22,510,990	18,351,842
Legal and statutory		601,012	601,012
Other reserves		21,909,978	17,750,830
Results for the period (profits)		7,348,858	6,713,450
(Interim dividend)		(991,670)	(991,674)
Total net equity		31,873,239	27,078,679
NON-CURRENT LIABILITIES:			
Long-term provisions-	Note 12	3,238,824	6,470,894
Other provisions		3,238,824	6,470,894
Long-term debts-		4,586,534	6,879,111
Debts with credit entities	Note 11.1 and 11.4	4,585,152	6,877,729
Other financial liabilities	Note 11.1	1,382	1,382
Deferred tax liabilities	Note 13.5	183,192	194,641
Total non-current liabilities		8,008,550	13,544,646
CURRENT LIABILITIES:			
Short-term debts		2,465,031	2,489,267
Debts with credit entities	Note 11.2 and 11.4	2,292,578	2,292,578
Other financial liabilities	Note 11.2	172,453	196,689
Trade payables and other accounts payable		2,717,601	1,974,301
Accounts payable	Note 11.2	623,434	965,259
Accounts payable, Group and Associated Companies	Note 11.2 and 16.2	244,698	187,773
Sundry accounts payable	Note 11.2	998,146	-
Personnel (remunerations payable)	Note 11.2	12,079	2,151
Other debts with Public Administrations	Note 13.1	32,879	22,048
Current tax liabilities	Note 13.2	806,365	797,070
Total current liabilities		5,182,632	4,463,568
TOTAL NET EQUITY AND LIABILITIES		45,064,421	45,086,893

Notes 1 to 19 described on the enclosed Notes to the Financial Statements are an integral part of the balance sheet at December 31, 2011.

CREUERS DEL PORT DE BARCELONA, S.A.

PROFIT AND LOSS ACCOUNT CORRESPONDING TO 2011 AND 2010

(Euros)

	Notes	31/12/2011	31/12/2010
CONTINUED OPERATIONS:			
Net turnover-	Note 15.1	20,641,709	17,994,873
Service rendering		20,641,709	17,994,873
Supplies-	Note 15.2	(4,489,169)	(4,164,093)
Works performed by other companies		(4,489,169)	(4,164,093)
Other operating income-		419,983	91,154
Ancillary income		419,983	91,154
Personnel costs-	Note 15.3	(471,426)	(408,706)
Wages, salaries and similar		(356,889)	(314,181)
Social charges		(114,537)	(94,525)
Other operating expenses-	Note 15.4	(3,978,079)	(1,881,627)
External services		(2,278,855)	(1,692,857)
Taxes		(149,150)	(137,261)
Losses, impairment and variation of provisions	Note 12	(1,114,307)	-
Other current management costs		(435,767)	(51,509)
Fixed asset amortization	Note 5 and 6	(1,524,553)	(1,866,610)
Operating results		10,598,465	9,764,991
Financial income-		130,120	91,795
From marketable securities and fixed asset credits			
From third parties	Note 15.5	130,120	91,795
Financial expenses-		(230,563)	(523,324)
For debts with third parties	Note 15.5	(230,563)	(523,324)
Exchange differences		346	-
Financial results		(100,097)	(431,529)
Results before tax		10,498,368	9,333,462
Corporate Income Tax	Note 13.3	(3,149,510)	(2,620,012)
Results for the period from continued operations		7,348,858	6,713,450
Results for the period (profits)		7,348,858	6,713,450

Notes 1 to 19 described on the enclosed Notes to the Financial Statements are an integral part of the Profit and Loss Account corresponding to 2011.

CREUERS DEL PORT DE BARCELONA, S.A

STATEMENT OF CHANGES IN NET EQUITY FOR YEARS 2011 AND 2010
A) STATEMENT OF RECOGNIZED INCOME AND EXPENSES
(Euros)

	Notes	Year 31/12/2011	Year 31/12/2010
RESULTS FROM THE PROFIT AND LOSS ACCOUNT (I)		7,348,858	6,713,450
Total income and expenses directly allocated to net equity (II)		-	-
Total recognized income and expenses (I+II)		7,348,858	6,713,450

Notes 1 to 19 described on the enclosed Notes to the Financial Statements are an integral part of the Statement of Recognized Income and Expenses corresponding to 2011.

CREUERS DEL PORT DE BARCELONA,S.A.

STATEMENT OF CHANGES IN NET EQUITY FOR YEARS 2011 AND 2010
B) TOTAL STATEMENT OF CHANGES IN NET EQUITY

	Share Capital	Legal Reserve	Other Reserves	Interim dividend	Results for the year	Total
Adjusted balance, opening 2010	3,005,061	601,012	13,759,798	(751,269)	6,184,727	22,799,329
Application of 2009 results:	-	-	3,991,032	751,269	(6,184,727)	(1,442,426)
To reserves	-	-	3,991,032	-	(3,991,032)	-
To dividends	-	-	-	-	(1,442,426)	(1,442,426)
To interim dividend	-	-	-	751,269	(751,269)	-
Transactions with shareholders and owners	-	-	-	(991,674)	-	(991,674)
Distribution of dividends	-	-	-	(991,674)	(751,269)	(1,742,943)
Total recognized income and expenses	-	-	-	-	6,713,450	6,713,450
Closing balance for period ended at December 31, 2010	3,005,061	601,012	17,750,830	(991,674)	6,713,450	27,078,679
Adjusted balance, opening 2011	3,005,061	601,012	17,750,830	(991,674)	6,713,450	27,078,679
Application of 2010 results:	-	-	4,159,148	991,674	(6,713,450)	(1,562,628)
To reserves	-	-	4,159,148	-	(4,159,148)	-
To dividends	-	-	-	-	(1,562,628)	(1,562,628)
To interim dividend	-	-	-	991,674	(991,674)	-
Transactions with shareholders and owners	-	-	-	(991,670)	-	(991,670)
Distribution of dividends	-	-	-	(991,670)	-	(991,670)
Total recognized income and expenses	-	-	-	-	7,348,858	7,348,858
Closing balance for period ended at December 31, 2011	3,005,061	601,012	21,909,978	(991,670)	7,348,858	31,873,239

Notes 1 to 19 described on the enclosed Notes to the Financial Statements are an integral part of the total statement of changes in net equity corresponding to 2011

CREUERS DEL PORT DE BARCELONA, S.A

CASH FLOW STATEMENT FOR YEARS 2011 AND 2010

(Euros)

	Notes	31/12/2011	31/12/2010
OPERATING CASH FLOWS:			
Results for the period before tax		10,498,368	9,333,462
Adjustments to results-			
Fixed asset amortization	Note 5 and 6	1,524,553	1,866,610
Variation of provisions	Note 15.4	1,114,307	-
Financial income	Note 15.5	(130,120)	(91,795)
Financial expenses	Note 15.5	230,563	523,324
Changes in current capital-			
Debits and other accounts receivable		(1,087,467)	(348,986)
Other current assets (short-term accrual accounts)		(1,054)	1,254
Credits and other accounts payable		(257,666)	(532,075)
Other operating cash flows-			
Payments of interests		(213,460)	(198,083)
Collections of interests		70,539	18,150
Corporate Income Tax		(2,818,669)	(2,340,252)
Payments of previous years taxes	Note 10		(571,729)
Operating cash flows (I):		**8,929,894**	**7,659,880**
INVESTMENT CASH FLOWS:			
Payments from Investments-			
Intangible assets	Note 5	(595,912)	-
Tangible fixed assets	Note 6	(1,065,260)	(1,051,294)
Group and Associated Companies	Note 8.3	(1,440,069)	(3,016,000)
Other financial assets		(1,026,849)	(2,906,409)
Collections from disinvestments-			
Other financial assets		-	529
Investment cash flows (II):		**(4,128,090)**	**(6,973,174)**
FINANCING CASH FLOWS:			
Collections and payments from financial liability instruments-			
Issuance of debts with credit entities		-	1,390,000
Reimbursement and amortization of debts with credit entities		(2,309,680)	(2,309,680)
Other financial liabilities		(24,232)	46
Payment for dividends	Note 10	(1,562,628)	(2,434,100)
Financing cash flows (III):		**(3,896,540)**	**(3,353,734)**
NET INCREASE/DECREASE OF CASH OR EQUIVALENT (I+II+III+IV)		**905,264**	**(2,667,028)**
Cash or equivalent at opening date		2,431,239	5,098,267
Cash or equivalents at year end		3,336,503	2,431,239

Notes 1 to 19 described on the enclosed Notes to the Financial Statements form an integral part of the cash flow statement corresponding to 2011

Creuers del Port de Barcelona, S.A.

Notes to the Financial Statements
corresponding to the year ended
at December 31, 2011

1. Activity of the Company

The activity of Creuers del Port de Barcelona, S.A. (hereinafter, the Company) is the management and exploitation of the port service related to the traffic of tourist cruises on the Port of Barcelona, as well as the development of commercial complementary activities corresponding to a sea station.

The Company's head office is located on the North Sea Station - World Trade Centre – Wharf of Barcelona. The tax identification number of the company CREUERS DEL PORT DE BARCELONA, S.A. is A62035282. The Company has been inscribed on the Mercantile Registry of Barcelona on volume 32094, sheet 0172, page B 201707, first inscription, and was incorporated on July 29, 1999.

The Company is part of a group, together with its investee Cruceros Málaga, S.A., but is exempt from formulating consolidated annual accounts due to its size. Additionally, the Company is part of the Suardiaz Group as associated company, which parent company Grupo Logístico Suardiaz, S.L. resides in Spain, Calle Ayala 6, Madrid, and formulates and publishes consolidated annual accounts.

2. Bases of presentation of statutory accounts

2.1. True and fair view

The statutory accounts for the year ended at December 31, 2011 have been prepared from the Company's accounting records and are presented in accordance with General Chart of Accounts approved by Royal Decree 1514/2007 of November 16, and modifications therein incorporated by Royal Decree 1159/2010, of September 17, as well as with the remaining corporate legislation in force, in a way that they show the true and fair view of the Company's equity, financial situation, results from its transactions and cash flows during the corresponding year.

Additionally, the Company applies the Order EHA/3362/2010, of December 23, which approves adaptation standards to the General Chart of Accounts to public infrastructure concessionaires. Such standard became valid on January 1, 2011 and it is compulsorily applied for economic years starting on such date.

Following options on the Order EHA/3362/2010, the Company has opted for including comparative information on the annual accounts without adapting it to new criteria, and thus the annual accounts are qualified as opening accounts for the purposes derived from the application of the uniformity principle and comparability requirement.

Note 2.6 "Aspects derived from the transition to new accounting standards" explains the main differences between accounting criteria applied in the previous year and in the current year, as well as the quantification of the impact of this variation of accounting criteria.

These statutory accounts, formulated by the Company's Board of Directors, will be subject to approval by the General Shareholders' Meeting, without estimating modifications. In turn, the 2010 statutory accounts were approved by the General Shareholders' Meeting held on June 21, 2011.

2.2 Main non compulsory accounting principles applied

The Company has not applied any non compulsory accounting principle. Additionally, the Directors have formulated these statutory accounts taking into account all compulsory accounting principles and standards

which have a significant effect on such statutory accounts. All compulsory accounting principles have been applied.

2.3. *Critical valuation issues and estimation of uncertainty*

In order to prepare the present statutory accounts, the Company has used estimations performed by the Company's Directors, in order to value certain assets, liabilities, income, expenses and commitments therein contained. Basically, these estimations refer to the following:

- Useful life of tangible and intangible assets (Notes 4.1 and 4.2).

- The calculation of provisions (see Note 4.11).

2.4. *Grouping of items*

Certain items on the balance sheet, profit and loss account, statement of changes in net equity and cash flow statement are grouped in order to ease their understanding, although, when significant, disaggregated information has been included on the corresponding notes to the financial statements.

2.5. *Comparison of information*

The information contained on this report, referred to 2010 is presented for comparison purposes together with the information on 2011.

Nevertheless, Note 11.3 "Information on payment deferrals to suppliers" of the present notes to the financial statements only presents the complete information required on the Third Standard of the ICAC Resolution on information to be incorporated on the notes to the financial statements in relation with this aspect, corresponding to the year ended on December 31, 2011. In the year ended on December 31, 2010, first year of application of said ICAC Resolution, and by virtue of the Second Transitory Provision, the Company only provided information regarding the amount of the outstanding payment to suppliers which, at such year end, accumulated a deferral which exceeded the legal payment term. The Company has opted for not presenting the information for the previous year by adapting it to new presentation criteria, which must be considered, with regards to the application of the uniformity principle and comparability requirement.

Additionally, as indicated on Note 2.1, the Company is following options from the Order EHA/3362/2010, of December 23, which approves standards for the adaptation of the General Chart of Accounts for public infrastructure concessionaires, opting for including comparative information on statutory accounts without adapting it to new criteria, and thus statutory accounts are qualified as initial accounts for the purposes derived from the application of the uniformity principle and comparability requirement.

Note 2.6 "Aspects derived from the transition to new accounting standards" explains the main differences between accounting criteria applied in the previous year and in the current year, as well as the quantification of the impact of this variation of accounting criteria.

2.6 *Aspects derived from the transition to new accounting standards*

On December 23, 2010, Order EHA/3362/2010 was published approving adaptation standards of the General Chart of Accounts to entities holding public infrastructure concessions, in force since January 1, 2011, and of compulsory application for economic years opened after such date.

The purpose of the new standard is to include the treatment of specific aspects of the concession subject, in particular of the activity developed through concession agreements, from an economic perspective, taking as referent the different contract modalities regulated by Law 30/2007, of October 30, on Public Sector Contracts, and imply a regulation development of Law 16/2007, of July 4, as well as an adaptation of the General Chart of Accounts to the concession subject and aim to deepen on the harmonization of the national accounting standards with the European standards, in particular the IFRIC 12. Based on the terms of the concession agreement, there are different registration and valuation models, depending on the accounting nature of the consideration received: the model of the financial asset and the model of intangible assets, also regulating the possibility of a mix model. In the case of the Company, the model of intangible

assets would be applicable, as the consideration received consists on the right to collect the corresponding rates, based on the degree of use of the public service.

According to the abovementioned standard, the 2011 opening balance, year on which the Company has applied the adaptation standards for the first time, has been prepared under the following rules:

a) Equity elements which arise from agreements formalized to such date have been reclassified, in accordance to this rule;
b) These equity elements have been valued at their book value; and
c) Their impairment was verified at such date.

The Company has decided not to value equity elements derived from agreements for the amount which would correspond from the retroactive application of standards.

The main differences between the registration and valuation standards approved on such Order, applicable to the Company, in relation with the ones which have been used by the Company until December 31, 2010, are the following:

- Consideration of the investment on port terminals, which had been qualified until now as tangible fixed assets, as "Intangible Assets, concession agreements". This has implied the reclassification of investments performed until January 1, 2011 to such date from tangible fixed assets to intangible assets, for a net amount of 25,228,320 Euros. Likewise, the net book value of investments completed at January 1, 2011 is linearly amortized from such date on the basis of the remaining period, until the end of the concession, whereas until December 31, 2010 it was linearly amortized on the basis of the useful life of elements or of the concession period, if lower.

- Reposition investments are booked through recognition of a provision for reposition and large reposition actions which is annually allocated, charged to the profit and loss account, considering if applicable subsequent changes on its amount, as well as its financial update. Until December 31, 2010, an intangible asset was recognized as well as a provision on the caption "Provision for dismantling and rehabilitation commitments" for the net book value of elements subject to reposition which, at the last reposition date, held a useful life over the outstanding concession period: the intangible asset was amortized in the outstanding concession period and the provision was subject to financial update. The application of the new standard has implied cancelling the net book value of the intangible asset at January 1, 2011 against the provision, for an amount of 4,346,377 Euros and the remaining balance on the provision at January 1, 2011 assigned to each element subject to reposition, for an amount of 2,124,517 Euros, it has been considered as initial balance for the purposes of the constitution of the new provision for reposition and great repair actions.

The application of the new standard has not impacted the Company's net equity.

Additionally, a new Note has been created on the notes to the financial statements under the name of "Concession agreements", including information required by the new standard.

3. **Application of results**

The proposal of distribution of the 2010 profits, approved by the General Shareholders' Meeting on June 21, 2011, and the proposal of distribution of the 2011 profits, formulated by the Company's Directors, which will be submitted to the approval of the General Shareholders' Meeting, is the following:

	Euros	
	2010	2011
Basis of distribution:		
Profit and loss account	6,713,450	7,348,858
	6,713,450	**7,348,858**
Application:		
To voluntary reserves	4,159,148	6,357,188
To dividends	1,562,628	-
To interim dividend	991,674	991,670
	6,713,450	**7,348,858**

On December 21 2010, the Company's General Shareholders' Meeting agreed to distribute a dividend charged to 2010 results, for an amount of 991,674 Euros.

Likewise, on December 27, 2011, the Company's General Shareholders' Meeting agreed to distribute an interim dividend on results for 2011, for an amount of 991,670 Euros. At the date of formulation of the present annual accounts, this dividend had not been distributed and its amount payable had been included under the caption "Sundry accounts payable" on liabilities of the enclosed Balance Sheet at December 31, 2011.

4. **Registration and valuation standards**

The registration and valuation standards applied by the Company when preparing the statutory accounts corresponding to 2010 and 2011, according to the standards established by the General Chart of Accounts, have been the following:

4.1. Intangible assets

In general, intangible assets are initially valued at acquisition price or production cost. Subsequently, they are valued at their cost, decreased by the corresponding accumulated amortization and, if applicable, by impairment losses. Such assets are amortized based on their useful life.

"Intangible assets, concession agreement"

The caption "Intangible assets, concession agreement" includes the infrastructure constructed, improved or acquired by the Company to render the public service linked to the concession agreement, once under exploitation conditions, as well as the one to which the access right is granted by the granting entity.

During the construction or improvement period, the infrastructure constructed, improved or acquired by the Company to render the public service included on the concession agreement is included under the caption "Prepayments for intangible assets, concession agreements".

The "Intangible assets, concession agreement" is linearly amortized within the remaining period to the concession's completion.

Industrial Property

This account includes expenses incurred as a consequence of the Company's registration of property. The amortization of industrial property follows a linear method during 10 years.

Software

The Company includes on this caption the costs incurred in acquiring and developing computer applications, including costs for developing web pages. Software maintenance costs are booked on the profit and loss account for the year on which they are incurred. Software is amortized by applying the linear method during a 3-year period.

Other intangible assets

Until December 31, 2010, the caption "Other intangible assets" includes the current value of reinvestments expected to be performed, and which useful life exceeds the concession's due date.

Such current value is capitalized as cost and booked on this account, leading to the registration of a provision (See Note 12), which is subject to financial update on periods following its constitution.

Costs of such necessary investments, related to the fixed assets affected to concessions, are ,linearly amortized on their validity period.

4.2. Tangible fixed assets

Until December 31, 2010, this caption included investments performed on the port terminals subject to the concession granted to the Company and which, according to the new regulation, from January 1, 2011, have been classified under intangible assets on the caption "Intangible assets, concession agreement".

From January 1, 2011, such caption only includes elements not contemplated on administrative concession agreements.

Tangible fixed assets are initially valued at acquisition price or production cost and, subsequently, they are decreased by the corresponding accumulated amortization and impairment losses, if any.

Up-keeping and maintenance costs for the different elements which comprise fixed assets are allocated to profit and loss account for the year on which they are incurred. On the contrary, amounts invested on improvements which contribute to increasing the capacity or efficiency or to extending the useful life of such goods are registered as goods' higher cost.

The Company amortizes fixed assets following the linear method, applying annual amortization percentages calculated over the basis of estimated useful years of the respective goods. The Company amortizes tangible fixed assets, using the linear method, as per the following detail:

	Years of Useful life
Buildings	50
Technical fixtures and equipment	10 to 15
Fixtures on the port	10 to 20
Tools	4 to 10
Transport elements	10
IT equipment	4

Fixed assets related to the administrative authorization, granted by the Port Authorities of Port of Barcelona in relation to Terminal C, are amortized by linear method, distributing the cost of assets among the initial three-year length of the authorization. Since the date of completion of such administrative authorization, it is annually renewed. At the date of formulation of the present statutory accounts, the Company is processing the extension of the administrative authorization until December 31, 2012. Incorporated assets related to this Terminal are amortized within their acquisition year, due to the annual nature of these renewals.

4.3 Value impairment of tangible and intangible assets

As long as there are signs of value loss, the Company estimates, through the "Impairment test", the possible existence of value loss which shall reduce the recoverable value of such assets to an amount below their book value.

The recoverable amount is determined as the highest amount between fair value less selling costs, and the value in use.

If the Company estimates that the recoverable amount of an asset is lower than its book amount, the asset's book amount is reduced to its recoverable amount. In order to do so, the Company recognizes the amount of impairment losses as expense.

When an impairment loss is subsequently reverted, the asset's book amount is increased to the reviewed estimation of its recoverable amount, but so that the increased book amount does not exceed the book amount which would have been determined if no impairment loss had been recognized for such asset on previous years. Immediately, the Company recognizes a reversion of an impairment loss as income.

4.4. Leases

Lease contracts are classified into financial leases as long as their conditions lead to consider that risks and benefits inherent to the asset's property, subject to the contract, are transferred to the lessee. All other leases are classified as operative leases.

Likewise, the leased good's acquisition cost is presented on the balance sheet as per its nature, increased by the directly allocable amount of contract costs, which are recognized as expense on the contract's term, applying the same criterion used for the recognition of leasing income.

Operative leases

Income and expenses derived from operative leasing agreements are charged to the profit and loss account on the year on which they are accrued.

Any collection or payment when contracting an operative lease will be treated as an early collection or payment, which will be allocated to results throughout the leasing period, as benefits for the leased asset are ceded or received.

4.5. Financial instruments

A financial instrument is a contract which leads to a financial asset on an entity and, simultaneously, to a financial liability or equity instrument on another. The Company recognizes financial instruments on the balance sheet only when it is part of a contract, according to its specifications.

On the enclosed balance sheet, financial assets and liabilities are classified as current and non-current, based on whether their expiry is similar, lower or higher than 12 months, respectively, since year end.

4.5.1. Financial assets

Classification

Financial assets held by the Company are classified into two categories:

1. Loans and accounts receivable: financial assets originated on the sale of goods or service rendering for the company's trade, or which, not having a commercial origin, are not equity instruments or derivatives, and which collection amount is fixed or determinable and are not traded on an active market.

2. Investments on equity of Group, Associated and Multigroup Companies: Group companies are understood as those related to the Company through a control relationship; associated companies are those over which the Company exercises a significant influence; multigroup companies are those over which, by virtue of an agreement, a joint control is exercised with one or more partners.

3. Investments held to maturity: this category includes debt-representative securities, with an established due date, collections of a determined or determinable amount, which are traded on an active market and which the company has the effective intention and ability to hold to their maturity.

Initial valuation

Financial assets are initially registered at the fair value of the consideration delivered, plus directly allocable transaction costs.

Investments held to maturity are initially valued at fair value which, except otherwise evidenced, will be the transaction's price, which would equal the fair value of the consideration delivered plus directly allocable transaction costs.

Subsequent valuation

Loans and items receivable are value at their amortized cost.

Investment on group, associated and multigroup companies are valued at cost, decreased, if applicable, by the accumulated amount of impairment value corrections. Such corrections are calculated as the difference between their book value and their recoverable amount, understood as the highest amount between fair value less selling costs, and the current value of future cash flows derived from the investment. Except for better evidence of the recoverable amount, the investee's net equity is taken into consideration, corrected by existing tacit capital gains at valuation date (including the goodwill, if any).

Investments held to maturity will be valued at amortized cost. Accrued interests will be registered on the profit and loss account, applying the effective interest rate method.

At least at year end, the Company performs an impairment test for financial assets which are not booked at fair value. There is objective evidence of impairment if the financial asset's recoverable amount is less than its book value. When this is the case, the impairment is registered on the profit and loss account.

In particular, and in relation with value corrections regarding trading receivables and other accounts receivable, the Company's criterion to calculate the corresponding value corrections consists on performing an individual analysis of accounts receivable, determining the solvency of each one of the debtors and the debt's recoverability.

The Company writes down financial assets when they expire of rights on cash flows for the corresponding financial asset have been ceded and risks and benefits inherent to their ownership have been substantially transferred, as such firm sales of assets, cessions of trade credits on "factoring" transactions on which the company does not have any credit or interest risk, sales of financial assets with re-purchase agreement at fair value or securitizations of financial assets on which the ceding company does not withhold subordinated financings or grants any guarantee or assumes any other risk.

On the contrary, the Company does not write off financial assets, and recognizes a financial liability for an amount equal to the consideration received, on the cessions of financial assets on which risks and benefits inherent to their ownership are substantially withheld, such as the discount of bills, the recourse factoring, sales of financial assets with re-purchase agreements at a fixed price or at the selling price plus an interests, and the securitizations of financial assets on which the ceding company withholdings subordinated financings or any other type of guarantees which substantially absorb all expected losses.

4.5.2. Financial liabilities

Financial liabilities are debts and items payable held by the Company and which have been originated on the purchase of goods and services for the Company's trade, or also those which are not originated on the Company's trade but cannot be considered as derivative financial instruments.

Debts and item payable are initially valued at the fair value of the consideration received, adjusted by directly allocable transaction costs. Subsequently, such liabilities are valued at amortized cost.

Guarantees received on leasing contracts are valued at settled amount, which does not significantly differ from their fair value.

The Company writes off financial liabilities when obligations generated by them expire.

4.5.3 Equity instruments

All equity instruments issued by the Company are classified into the item "Share capital" of the caption "Equity" of Net Equity on the enclosed balance sheet. The Company does not hold any other equity instrument.

Such instruments are booked under net equity by the amount received, net of direct issuance costs.

When the Company acquires or sells its own equity instruments, the amount paid or received is directly booked on net equity accounts, and no amount is recognized on the profit and loss account for such transactions.

4.5.4 Cash and equivalents

This caption on the enclosed balance sheet includes petty cash, deposits to sight on credit entities and other short-term investments with high liquidity and original expiry below or equal to three months.

4.6. *Transactions on foreign currency*

The Company's functional currency is Euro. Consequently, transactions on other currencies are considered as denominated on foreign currency and are booked as exchange rates in force at transaction dates.

At year end, monetary assets and liabilities denominated on foreign currency are exchanged by applying the exchange rate at balance sheet date. Profits or losses arisen are directly allocated to the profit and loss account for the year on which they take place.

4.7. *Corporate Income Tax*

Corporate Income Tax income or expense includes the portion related to the current tax expense or income and the portion corresponding to the deferred tax expense or income.

The current tax is the amount that the Company satisfied as a consequence of the corporate income tax liquidations for one year. Deductions and other tax advantages on the tax amount, excluding withholdings and interim payments, as well as compensable tax losses from previous years, and effectively applied on the current year, lead to a lower current tax amount.

Deferred tax income or expense corresponds to the recognition and cancellation of deferred tax assets and liabilities. These include short-term differences, identified as those amounts which are expected to be paid or recovered, derived from differences between the book amounts of assets and liabilities and their tax value, as well as negative tax assessment bases to be offset and credits for unapplied tax deductions. Such amounts are registered by applying to the short-term difference, or to the corresponding credit, the tax rate to which they are expected to be recovered or liquidated.

Deferred tax liabilities are recognized for all taxable short-term differences, except for those derived from the initial recognition of goodwill or other assets and liabilities on a transaction which does not affect the tax or accounting results and which is not a business combination, as well as those associated to investments on dependent and associated companies and joint businesses on which the Company shall control the reversion date and it is probable for them not to be reverted on a near future.

Additionally, deferred tax assets are only recognized in so far as the Company will probably dispose of future tax gains against which to make them effective.

Deferred tax assets and liabilities, originated on transactions with direct charges or credits on equity accounts, are also registered with counterpart on net equity.

At each accounting closing, deferred tax assets booked are reconsidered, performing the appropriate corrections to them in so far as there are doubts on their future recovery. Additionally, at each year end, deferred tax assets not booked on the balance sheet are analyzed and submitted to recognition in so far as their recovery with future tax gains is probable.

4.8. *Income and expenses*

Income and expenses are allocated on the basis of the accrual criterion, that is to say, when the real flow of goods and services they represent takes place, regardless of the moment on which the monetary or financial flow derived from them takes place. Such income is valued at the fair value of the consideration received, deducing discounts and taxes.

Income from sales is recognized when significant risks and benefits, inherent to the ownership of the sold good, are transferred to the purchaser, when the current management or the effective control over such good are not withheld.

4.9. *Derivative financial instruments and accounting hedges*

The Company's policy is not to use derivative financial instruments and not to perform any hedging transaction.

4.10. *Personnel costs*

Personnel costs include all of the Company's corporate income and obligations, voluntary or obligatory, accrued at each date, recognizing obligations for extraordinary pays, holidays and variable retributions, as well as related costs.

Short-term retributions

This kind of retributions are valued, not updated, by the amount to be paid for services received, and are registered, in general, as personnel costs for the year under liabilities of the balance sheet by the difference between the total accrued expense and the amount satisfied at year end.

Severance payments

According to the legislation in force, the Company is compelled to paying a severance payment to employees who are dismissed without a justified cause. Such severance payments are paid to employees as a consequence of the Company's decision to terminate the labour contract before the normal retirement date or when the employee voluntarily accepts leaving the Company in exchange for this benefit. The Company recognizes these benefits when it has demonstrably committed to dismiss the current employees according to a detailed plan, without possibility to withhold or to provide severance payments as a consequence of an offer to promote the voluntary resignation.

At 2010 and 2011 closings, the Company does not count with any personnel reduction plan which would require the creation of a provision for this concept.

Post-employment retributions and other commitments

At 2010 and 2011 closings, the Company has not contracted commitments towards its employees for post-employment benefits or other concepts.

4.11. *Provisions and contingencies*

On the formulation of the statutory accounts, the Company's Directors distinguish between:

1. Provisions: credit balances which cover current obligations derived from past events, which cancellation will probably originate an exit of resources, but which amount and/or cancellation date cannot be determined.

2. Contingent liabilities: possible obligations arisen as a consequence of past events, which future materialization is conditioned to the occurrence, or not, of one or more future events, regardless of the Company's will.

The statutory accounts include all provisions with regards to which they estimate that the probability to face the obligation is higher than otherwise. Contingent liabilities are not recognized on the statutory accounts, but notes to the financial statement report on them, in so far as they are not considered as remote.

Provisions are valued at the current value of the best estimation possible of the amount necessary to cancel or transfer the obligation, taking into account the information available on the event and its consequence, and adjustments arisen from the update of such provisions as financial expense, as it is accrued.

The caption of "Provision for reposition and great repair actions" includes the provision booked to perform repositions of infrastructure elements in order for it to be apt and to appropriately develop services and activities subject to the concession. It is allocated from the infrastructure' start-up to the moment until such actions can be performed. It is periodically reviewed to adapt it to possible subsequent changes and it also includes adjustments for value updates.

4.12. Equity instruments of environmental nature

Environmental assets are long-lasting goods used for the Company's activity, which main aim is to minimize the environmental impact and the environment protection and improvement, including the reduction or elimination of future pollution.

The nature of the Company's activity does not have a significant environmental impact.

4.13. Related transactions

The Company performs all related transactions at market value. Additionally, transfer pricing are appropriately justified and the Company's Directors consider that there are no significant risks would could derive considerable liabilities in the future,

4.14. Cash flow statements

Cash flow statements use the following expressions in the sense below:

Cash or equivalents: Cash includes both petty cash and bank deposits on sight. Cash equivalents are financial instruments which are part of the Company's normal cash management, are exchangeable in cash, their initial expiry dates do not exceed three months, and are subject to a scarcely significant risk of value change.

Cash flows: entries and exits of cash or other equivalent means, understood as term investments below three months, of high liquidity and low risk of value alterations.

Operating activities: they refer to activities which constitute the main source of the Company's ordinary income, as well as other activities which cannot be qualified as investment or financing.

Investment activities: they are acquisition or disposal activities of long-term assets and other investments not included on cash and equivalents.

Financing activities: they refer to activities which produce changes on the size and composition of net equity and financial liabilities.

5. Intangible assets

The variation of this caption on the 2010 Balance Sheet was the following:

	Euros		
	Balance at 31.12.09	Additions or allocations	Balance at 31.12.10
Cost:			
Industrial property	2,257	-	2,257
Software	70,922	-	70,922
Other intangible assets	5,428,812	289,510	5,718,322
	5,501,991	289,510	5,791,501
Accumulated amortization:			
Industrial property	(2,257)	-	(2,257)
Software	(70,922)	-	(70,922)
Other intangible assets	(1,135,850)	(236,095)	(1,371,945)
	(1,209,029)	(236,095)	(1,445,124)
Intangible assets net	**4,292,962**	**53,415**	**4,346,377**

At 2010 closing, the Company had fully-amortized intangible assets for an amount of 73,179 Euros.

Additions during 2010 to "Other intangible assets" correspond to the estimated current value of reposition costs for technical fixtures completed during the year. Such estimation amounted to 289,510 Euros, generating as counterpart the corresponding provision for the same amount (see Note 12). The valuation of these costs followed the Company's best estimation on the net accounting value estimated for substituted goods at concession's termination date. The amortization method applied to such asset was linear until the concession's termination date.

As a consequence of the application of Order EHA/3362/2010 of December 23, 2010 which approved adaptation standards to the General Chart of Accounts for public infrastructure concessionaires, annual accounts corresponding to the first year from January 1, 2011 have been presented by including comparative information not adapted to new criteria.

Below we detail the reclassification of equity elements affected to the Company's concession agreements between 2010 closing and 2011 opening.

	Euros						
	Balance at 31.12.10	Transfers	Deletions	Balance at 01.01.11	Additions or allocations	Transfers	Balance at 31.12.11
Cost:							
Industrial property	2,257	-	-	2,257	-	-	2,257
Software	70,922	-	-	70,922	-	-	70,922
Other intangible assets	5,718,322	-	(5,718,322)	-	-	-	-
Intangible assets, concession agreement	-	38,532,021	-	38,532,021	-	595,912	39,127,933
Prepayments for intangible assets, concession agreements	-	-	-	-	595,912	(595,912)	-
	5,791,501	**38,532,021**	**(5,718,322)**	**38,605,200**	**595,912**	**-**	**39,201,112**
Accumulated amortization:							
Industrial property	(2,257)	-	-	(2,257)		-	(2,257)
Software	(70,922)	-	-	(70,922)		-	(70,922)
Other intangible assets	(1,371,945)	-	1,371,945	-		-	-
Intangible assets, concession agreement	-	(13,303,701)	-	(13,303,701)	(1,360,216)	-	(14,663,917)
	(1,445,124)	(13,303,701)	1,371,945	(13,376,880)	(1,360,216)	-	(14,737,096)
Total	**4,346,377**	**25,228,320**	**(4,346,377)**	**25,228,320**	**(764,304)**	**-**	**24,464,016**

Transfers at January 1, 2011 correspond to the reclassification of investments affected to concession agreements performed to such date from tangible fixed assets to intangible assets, for a net amount of 25,228,320 Euros (Note 6).

Until December 31, 2010, an intangible asset and a provision were registered under the caption "Provision for dismantling and rehabilitation commitments" for the net book value of elements subject to reposition which at last reposition date had a useful life over the outstanding concession period: The intangible asset was amortized on the concession's remaining period and the provision was subject to financial update. The application of the new standard has implied cancelling the net book value of the intangible asset at January 1, 2011 against the provision constituted for an amount of 4,346,377 Euros and the remaining provision balance at January 1, 2011 assigned to each elements subject to reposition, for an amount of 2,124,517 Euros, has been considered as initial balance for the purposes of the constitution of the new provision for reposition and great repair actions (Note 12.1).

The caption "Intangible asset, concession agreement" includes fixed asset elements built or acquired from third parties to adapt the Sea Stations of the Port of Barcelona, by virtue of administrative concession contracts signed between the Port Authorities of Malaga and the Company, described below:

- Contract to adapt the Sea Station and render the tourist cruise port service of terminals North and South of the World Trade Center, signed for a period of 27 years from its granting date on October 1999.

- Contract to adapt the Sea Station A of the Adossat Wharf of Port of Barcelona and render the tourist cruise port service signed for a period of 27 years from its granting date on May 2003.

- Contract to adapt the Sea Station B of the Adossat Wharf of Port of Barcelona and render the tourist cruise port service signed for a period of 27 years from its granting date on May 2003.

The Company's main actions in relation to the adaptation of the Sea Station refer to the construction of a building, fixed fixtures and equipment of terminals for their exploitation under the terms contemplated on concession agreements. The Company signed several contracts with suppliers to execute the works or acquire fixed asset elements. Below, we detail the Company's main actions:

- Acquisition of the building and fixtures of the Sea Station and terminals North and South of the World Trade Center for a joint amount of 13,756 thousand Euros, which net book value at December 31, 2010 and 2011 amounted to 4,846 thousand Euros and 4,540 Euros, respectively.

- Construction of the building of terminal A of Adossat Wharf of Port of Barcelona for an amount of 9,036 thousand Euros, which net book value at December 31, 2010 and 2011 amounted to 8,212 thousand Euros and 7,801, respectively.

- Construction of the building of terminal B of Adossat Wharf of Port of Barcelona for an amount of 4,267 thousand Euros, which net book value at December 31, 2010 and 2011 amounted to 3,297 thousand Euros and 3,132 Euros, respectively.

- Construction of tracks to transport luggage in terminals A and B of Adossat Wharf for a joint amount of 1,549 thousand Euros, which net book value at December 31, 2010 and 2011 amounted to 1,081 thousand Euros and 1,025 thousand Euros, respectively.

- Construction of escalators on terminals A and B of Adossat Wharf for a joint amount of 408 thousand Euros, which net book value at December 31, 2010 and 2011, amounted to 284 thousand Euros and 269 thousand Euros, respectively.

- Construction of fixed fixtures on terminals A and B of Adossat Wharf for a joint amount of 4,615 thousand Euros, which net book value at December 31, 2010 and 2011 amounted to 3,511 thousand Euros and 3,330 thousand Euros, respectively.

- Construction of fixed gangway on terminal A of Adossat Wharf for an amount of 1,573 thousand Euros, which net book value at December 31, 2010 and2011 amounted to 1,296 thousand Euros and 1,232 thousand Euros, respectively.

- Construction of mobile gangways on terminals A and B of Adossat Wharf for a joint amount of 3,327 thousand Euros, which net book value at December 31, 2010 and 2011 amounted to 2,702 thousand Euros and 2,563 thousand Euros, respectively.

Additionally, during 2011, security elements have been incorporated as per purchase contract signed with the Port Authorities incorporating such elements to the concession right and transferring them to the Company, as concessionaire, to perform the necessary actions for security activities within the terminal. During 2011, the Company acquired security elements for an amount of 595,912 Euros. The net book value of security equipment at December 31, 2011 amounts to 572 thousand Euros.

At December 31, 2010, commitments acquired with fixed assets' suppliers by virtue of the contracts above for invoices and work certifications payable amounted to 408 thousand Euros, corresponding to withholdings payable to execute the works related to the building of terminal A of Adossat Wharf.

During 2011, the Definitive Reception Record for the works on the building of Terminal A was signed, liquidating amounts of guarantees performed during the works, for an amount of 408 thousand Euros.

At December 31, 2011 there are no amounts payables for works executed or to be executed in relation with affects related to terminals.

The Company has constituted a mortgage commitment on concessions by virtue of the syndicate loan contract signed on May 23, 2008 in favour of lenders.

The Company's policy is to formalize insurance policies to cover possible risks to which certain elements related to administrative concessions are subject. At 2011 closing, there was no coverage deficiency related to such risks. There is a pledge commitment of credit rights derived from insurance policies by virtue of the syndicate loan contract signed on May 23, 2008 in favour of lenders.

Note 7 details the most relevant information on concession agreements granted to the Company.

6. Tangible fixed assets

The variation of this caption on the balance sheets of 2010, as well as the most significant information related to it, is the following:

	Euros				
	Balance at 31.12.09	Additions or allocations	Reclassifications	Transfers	Balance at 31.12.10
Cost:					
Lands and buildings	22,324,567	-	(75,736)	-	22,248,831
Technical fixtures	11,182,104	81,409	-	998,814	12,262,327
Fixtures in ports	7,297,547	102,490	-	-	7,400,037
Tools	60,203	-	-	-	60,203
Furniture	493,483	46,124	-	-	539,607
IT equipment	29,950	457	-	-	30,407
Transport elements	22,724	-	-	-	22,724
Tangible assets in progress	563,189	820,814	-	(998,814)	385,189
Prepayments for fixed assets	2,853	-	-	-	2,853
	41,976,620	1,051,294	(75,736)	-	42,952,178
Accumulated amortization:					
Buildings	(5,568,749)	(845,790)	140	-	(6,414,399)
Technical fixtures	(6,826,899)	(412,813)	(145)	-	(7,239,857)
Fixtures in ports	(2,307,290)	(320,081)	91	-	(2,627,280)
Tools	(55,228)	(2,073)	(29)	-	(57,330)
Furniture	(244,745)	(45,878)	(91)	-	(290,714)
IT equipment	(26,076)	(1,698)	-	-	(27,774)
Transport elements	(12,875)	(2,182)	-	-	(15,057)
	(15,041,862)	(1,630,515)	(34)	-	(16,672,411)
Net tangible fixed assets	**26,934,758**	**(579,221)**	**(75,770)**	**-**	**26,279,767**

At December 31, 2010, 'Fixed assets in progress' include the amount of works performed for the executive project to build the gangway and elevation module on Terminal C, for an amount of 360 thousand Euros, which are to be completed at December 31, 2010.

As a consequence of the application of the new standards to adapt the General Chart of Accounts to public infrastructure concessionaires, on January 1, 2011 the cost and accumulated amortization at 2010 closing of tangible fixed assets and in progress related to administrative concessions have been transferred to the caption of intangible assets (Note 5) as per the following detail:

	Euros					
	Balance at 31.12.10	Transfers	Balance at 01.01.11	Additions o allocations	Transfers	Balance at 31.12.11
Cost:						
Lands and buildings	22,248,831	(20,698,657)	1,550,174	900	-	1,551,074
Technical fixtures	12,262,327	(11,952,815)	309,512	56,644	1,063,834	1,429,990
Fixtures in ports	7,400,037	(5,880,549)	1,519,488	55,697	-	1,575,185
Tools	60,203	-	60,203	-	-	60,203
Furniture	539,607	-	539,607	63,334	-	602,941
IT equipment	30,407	-	30,407	8,776	-	39,183
Transport elements	22,724	-	22,724	-	-	22,724
Tangible assets in progress	385,189	-	385,189	879,908	(1,063,834)	201,263
Prepayments for fixed assets	2,853	-	2,853	-		2,853
	42,952,178	(38,532,021)	4,420,157	1,065,259	-	5,485,416
Accumulated amortization:						
Buildings	(6,414,399)	4,864,225	(1,550,174)	(900)	-	(1,551,074)
Technical fixtures	(7,239,857)	7,105,970	(133,887)	(56,589)	-	(190,476)
Fixtures in ports	(2,627,280)	1,333,505	(1,293,775)	(56,078)	-	(1,349,853)
Tools	(57,330)	-	(57,330)	(512)	-	(57,842)
Furniture	(290,714)	-	(290,714)	(46,503)	-	(337,217)
IT equipment	(27,774)	-	(27,774)	(1,665)	-	(29,439)
Transport elements	(15,057)	-	(15,057)	(2,090)	-	(17,147)
	(16,672,411)	13,303,701	(3,368,710)	(164,337)	-	(3,533,048)
Net tangible fixed assets	**26,279,767**	**(25,228,320**	**1,051,447**	**900,922**	-	**1,952,368**

The account "Buildings" includes the extension and reform costs for the building of Terminal C of the Adossat Pier of Port of Barcelona, under administrative authorization by the Port Authorities of Barcelona, for an amount of 1,550 thousand Euros, fully amortized at closing date. As detailed on Note 4.2, the fixed assets related to the administrative authorization granted by the Port Authorities of Port of Barcelona in relation with Terminal C, are amortized following the linear method, distributing the cost of assets between the initial three-year term of the authorization (January 1, 2005 to December 31, 2007). Since the termination of such administrative authorization, it is annually renewed, and at the date of formulation of the present annual accounts its extension until December 31, 2012 is being processed. Assets related to this Terminal are amortized on the basis of the renewal due date and elements not affected to the reversion are amortized on the basis of their estimated useful life.

The amount included under captions "Technical fixtures" and "Fixed fixtures" mainly correspond to the constructions of elements as per the following detail:

- In the caption "Constructions in progress", the Company has recorded additions to fixed assets mainly corresponding to work certifications executed during 2011 to build a new-generation finger on terminal C of Adossat Wharf, for an amount of 920 thousand Euros, which construction was completed during the year. The total amount of certifications received has been transferred to the caption Technical fixtures of tangible fixed assets for an amount of 920 thousand Euros. At December 31, 2011, the net book value amounts to 889 thousand Euros.

- In the caption "Constructions in progress" the Company has registered additions to fixed assets corresponding to the acquisition of security elements for the terminal C of Adossat Wharf for an amount of 145 thousand Euros, with the same net book value as at year end.

- Construction of several fixtures on terminal C of the Adossat Wharf for a joint amount of 812 thousand Euros, with a net book value at December 31, 2010 and 2011 of 9 thousand Euros and 8 thousand Euros, respectively.

- Other technical fixtures, several fixtures and furniture which correspond to several elements not contemplated on the administrative concession agreements, mainly corresponding to labels, exhibitors and several furniture elements.

The detail of fully-amortized elements at December 31, 2010 and 2011 is the following:

Description	Euros	
	Accounting value (gross) Value	
	2010	2011
Buildings	1,550,174	1,551,074
Technical fixtures	28,231	60,482
Fixed fixtures on ports	860,312	1,284,124
Remaining goods	196,148	212,909
Total	**2,634,866**	**3,109,589**

At December 31, 2011 and 2010, fully amortized elements on Terminal C amounted to 2,403,251 and 2,402,351 Euros, respectively. Incorporated assets related to the administrative authorization to exploit this Terminal are amortized on their acquisition year, due to the annual nature of renewals, except for elements not affected to the reversion, which are amortized on the basis of their estimated useful life.

At 2011 closing, the Company did not hold purchase commitments related to works performed to adapt the Terminal C of Port of Barcelona. At year end, there were no contractual obligations for repairs, maintenance or improvements.

The Company's policy is to formalize insurance policies to cover possible risks to which its tangible fixed assets are subject. At 2010 closing, there was no deficit of coverage related to such risks. There is a pledge commitment for credit rights derived from insurance policies by virtue of the syndicated loan contract signed on May 23, 2008 in favour of lenders.

7. Concession agreements

The caption "Intangible asset, concession agreement" includes fixed asset elements built or acquired from third parties to adapt Sea Stations North and South of the World Trade Center and A and B of the Adossat Wharf of Port of Barcelona, by virtue of administrative concession contracts described on Note 5 to adapt and exploit such terminals to render the basic passengers' boarding and disembarkation port services and luggage and vehicle loading and unloading under passage system on cruise terminals.

Additionally, during 2011 security elements have been incorporated to concession agreements.

The fixed assets model should be applied to such agreements, since the consideration received consists on the right to collect the corresponding rates on the basis of the usage degree of the public service.

Rates applied by the Company are annually reviewed and approved by the Port Authorities of Barcelona.

The Company pays an occupancy and utilization royalty to the Port Authorities of Barcelona on the basis of surfaces occupied and the value of fixtures made available. Additionally, an activity rate is accrued on the basis of the turnover generated by the activity (Note 15.1).

The amount of actions performed on the infrastructure to date is detailed on Note 5 of the notes to the financial statements.

On the basis of obligations assumed on the concession agreement, the corresponding provision for reposition and great repair actions is allocated (Note 12.1).

8. Leases

At 2010 and 2011 closings, the Company has contracted with lessees the following minimum leasing amounts, as per the current contracts in force, without taking into account the attribution of common expenses, future CPI increases, or future increases of leasing amounts agreed by contract:

Operative Leases Minimum instalments	Euros Nominal value	
	2010	2011
Less than one year	231,580	196,863
Total	**231,580**	**196,863**

Contingent amounts recognized as income in 2010 and 2011 are detailed as follows:

	Euros	
	2010	2011
Contingent amounts recognized during the year	1,210,096	1,394,230
Total	**1,210,096**	**1,394,230**

As lessor, the most significant operative lease contracts held by the Company at 2010 and 2011 closings are the following:

1. Leasing of commercial premises of 1,000 square metres, located on the Barcelona Pier. The leasing contract started on January 15, 2007 and lasted for one year, annually extendable as agreed by the parties. This contract was terminated during 2011, formalizing a new one with another lessee, held to closing date. Additionally, amounts from rents collected have been of 153 thousand Euros on 2010 and 120 thousand Euros on 2011.

2. Leasing of several commercial premises on Terminals A, B, C and World Trade Centre, located on the Barcelona Pier. The leasing contract was started on October 1, 2005 and lasts for 10 years and 2 months. Additionally, amounts collected are 1,210 thousand Euros in 2010 and 1,394 thousand Euros in 2011. The monthly rent to pay by the lessee will depend on the volume of passengers who board and disembark on these terminals and those in transit.

9. Financial assets

9.1 Long-term financial assets

The classification of the different financial assets at long term at December 31, 2010 and 2011 is the following:

	Euros					
	Equity instruments		Credits, Derivatives and Others		Total	
	31.12.10	31.12.11	31.12.10	31.12.11	31.12.10	31.12.11
Long-term investments						
Loans and accounts receivable-	-	-	**152,044**	**187,795**	**152,044**	**187,795**
Other financial assets	-	-	152,044	187,795	152,044	187,795
Long-term investments on group and related companies-	**6,160,000**	**7,600,069**	-	-	**6,160,000**	**7,600,069**
Equity instruments	6,160,000	7,600,069	-	-	6,160,000	7,600,069
Total	**6,160,000**	**7,600,069**	**152,044**	**187,795**	**6,312,044**	**7,787,864**

9.2 Long-term financial investments

The balance of the accounts on the caption "Long-term investments" at 2010 and 2011 closings is the following:

	Euros	
	Credits, Derivatives and Others	
	31.12.10	31.12.11
Long-term guarantees	1,320	1,320
Long-term deposits	150,724	186,475
Total	**152,044**	**187,795**

The amount of the caption "Long-term deposits" for 2010 and 2011 corresponds to the amount booked as unavailable reserve, in reference to the syndicated loan signed by the Company (see Note 11.4), for an amount not below the debt service of the three following months. The Company has constituted pledge of credit rights derived from the reserve account of the debt service by virtue of the syndicated loan contract signed on May 23, 2008 in favour of the lenders.

9.3 Long-term investments on group and associated companies

The variations in 2010 and 2011 on the accounts included on the caption "Long-term investments on group and associated companies" have been the following:

	Euros				
	Balance at 31.12.2009	Withdrawals or Transfers	Balance at 31.12.2010	Additions or allocations	Balance at 31.12.2011
Participation on Group Companies Outstanding payments on shares	6,160,000 (3,016,000)	- 3,016,000	6,160,000 -	1,440,069 -	7,600,069 -
	3,144,000	**3,016,000**	**6,160,000**	**1,440,069**	**7,600,069**

On March 3, 2010, the Company paid liability dividends on Cruceros Málaga, S.A., for an amount of 3,016 thousand Euros, and there are no amounts payable at 2010 and 2011 closings.

On December 21, 2011, the Company signed a Joint Venture agreement with Sats Airport Services Pte. Ltd., participating by 40% on its share capital. The purpose of the constituted company, under the name of Sats-Creuers Cruise Services Pte. Ltd., is the exploitation of tourist cruises and it is addressed in Singapore under the conditions of the agreement signed between the constituted company and the Tourist Board of Singapore on December 22, 2011 after being granted with its exploitation in tender. At year end, the Company had made a payment corresponding to its shareholding percentage, for an amount of 2,400,000 Singapore Dollars. The shareholding has been valued on the enclosed balance sheet at December 31, 2011 for the value in Euros obtained from applying the exchange rate at payment date, for an amount of 1,440,069 Euros.

The most significant information related to Group and Associated Companies at 2010 and 2011 closings is the following:

	Euros					
Company, address and activity	Share Capital	Outstanding Payments	Reserves	Results for the year	Shareholding percentage	Share value
At December 31, 2010- CRUCEROS MÁLAGA, S.A. (*) Levante Sea Station Port of Malaga Cruise port service	7,700,000	-	1,246,901	1,927,560	80%	6,160,000
At December 31, 2011- CRUCEROS MÁLAGA, S.A. (*) Levante Sea Station Port of Malaga Cruise port service	7,700,000		3,174,461	1,246,497	80%	6,160,000
SATS-CREUERS CRUISE SERVICES PTE. LTD. (**) Cruise port service	$6,000,000	-	-	-	40%	$2,400,000

(*) Data obtained from the Company's financial statements (audit in progress).

(**) Data expressed on local currency. The exchange rate applied on the balance has been of 1.666587.

These companies are not quoted and have not distributed dividends during 2010 and 2011.

As the company Cruceros Málaga, S.A. presents positive results, the Company's Directors understand that there are no signs of impairment, and therefore the best fair value estimation is the theoretical accounting value of such share.

9.4. Short-term financial assets

Short-term financial assets at December 31, 2010 and 2011 are classified as follows:

	Euros	
	Credits and items receivable	
	31.12.10	31.12.11
Cash and equivalents-	**2,431,239**	**3,336,503**
Cash	2,431,239	3,336,503
Short-term financial investments-	**2,951,691**	**4,002,370**
Deposits on financial entities	2,951,691	4,002,370
Trade receivables-	**2,173,246**	**2,877,199**
Accounts receivable from sales and service rendering	2,039,712	2,849,187
Accounts receivable, group and associated companies	106,244	28,012
Sundry receivables	27,290	-
Non-trade receivables-	**7,700**	**8,108**
Personnel	7,700	8,108
	7,563,876	**10,224,180**

The detail of the Company's financial investments at short term at December 31, 2010 is the following:

- The Company signed a deposit contract with La Caixa for an amount of 1,000,000 Euros and due within one year, on March 29, 2011.

- During 2010, the Company formalized a deposit with Banco Sabadell, for an amount of 1,500 thousand Euros, for a one-year period and due date on October 3, 2011.

- During 2010, the Company formalized several deposits on Banesto, for a joint amount of 500 thousand Euros, for a one-year period and due date on April 28, 2011.

The detail of the Company's financial investments at short term at December 31, 2011, which have been classified for the purposes of valuation under the category of investments held to maturity, is the following:

- The Company acquired Bonds from the Government of Catalonia for an amount of 2,000,000 Euros on May 2011, due within one year. At December 31, 2011, bonds have been recorded on the balance sheet, valued at amortized cost at such date, for an amount of 2,042,131 Euros.

- During 2011, the Company acquired promissory notes from Banco Sabadell for an amount of 1,442,778 Euros, for a 6-month period and due at short term. At December 31, 2011, this investment has been valued on the balance sheet at amortized cost.

- During 2011, the Company renewed deposits with Banesto for a joint amount of 500 thousand Euros, for one year, and new due date on May 10, 2012. At December 31, 2011, these deposits are valued at amortized cost.

The profitability of short-term financial investments during 2010 and 2011 has adjusted to the market's profitability.

9.5. Information on the nature and risk level of financial instruments

The Company's financial risk management is focused on the Financial Management, which has established the necessary mechanisms to control the exposure to variations on interest and exchange rates, as well as to credit and liquidity risks. The main financial risks which affect the Company are listed below:

1. Credit risk

In general, the Company holds its cash and equivalent liquid assets on financial entities with high credit level.

It should be noted that the knowledge of its clients and the monitoring by the Company of its accounts receivable reduce the credit risk. Additionally, the Company's transactions are agreed with its clients through contracts formalized by both parties.

2. Liquidity risk

In order to ensure the liquidity and to face all payment commitments derived from its activity, the Company counts with the cash included on its balance sheet, as well as the credit and financing lines detailed on Note 11.

3. Market risk (including interest rate, exchange rates and other price risks)

Both the Company's cash and financial debt are exposed to the risk of interest rate, which could adversely affect the financial results and cash flows.

As the Company does not perform relevant transactions on foreign currency, there is no risk derived from the exchange rate.

10. Net equity and equity

At 2010 and 2011 closings, the Company's share capital amounts to 3,005,061 Euros, represented by 3,005,061 shares of 1 Euro of nominal value each, all of the same kind, fully subscribed and paid in.

On June 22, 2010, the Company's General Shareholders' Meeting approved the distribution of dividends charged to 2009 results, for an amount of 1,442,426 Euros, as 0.48 Euros per share. These dividends were satisfied on July and December 2010.

On June 21, 2011, the Company's General Shareholders' Meeting approved the distribution of dividends charged to 2010 results, for an amount of 1,562,628 Euros, as 0.52 Euros per share. These dividends were satisfied on July and December 2010.

At 2010 and 2011 closings, shareholders with a share over 10% on the share capital are the following:

Shareholders	Shareholding percentage
Autoritat Portuaria de Barcelona	20%
Compañía Trasmediterránea, S.A.	23%
Vapores Suardíaz Mediterráneo, S.A.	34%
Aldeasa, S.A.	23%
	100%

The Company's shares are not quoted.

10.1. Reserves

According to the Revised Text of the Capital Corporation Act, an amount equal to 10% of profits for the year must be allocated to the legal reserve until it reaches, at least, 20% of the share capital. The legal reserve shall be used to increase capital on the portion of its balance exceeding 10% of the increased capital. Except for such purposes, and as long as 20% of the share capital is not exceeded, this reserve shall only be used to compensate losses and as long as there are no other sufficient available reserves for such purposes. At 2010 and 2011 closings, this reserve was fully constituted.

The Statement of changes in net equity on these statutory accounts details aggregated balances and variations in 2010 and 2011 on this sub-caption of the enclosed balance sheet. The composition and variation of the different items are the following:

	Euros				
	Balance at 31.12.09	Additions	Balance at 31.12.10	Additions	Balance at 31.12.11
Legal and statutory-	**601,012**	-	**601,012**	-	**601,012**
Legal reserve	601,012	-	601,012	-	601,012
Other reserves -	**13,759,798**	**3,991,032**	**17,750,830**	**4,159,148**	**21,909,978**
Voluntary reserves	13,759,798	3,991,032	17,750,830	4,159,148	21,909,978
	14,360,810	**3,991,032**	**18,351,842**	**4,159,148**	**22,510,990**

10.2. Limitations to the distribution of dividends

The Company's syndicated loan contract establishes the following limitations to distribute dividends:

- The debt hedging service must be equal or over 1.2.

- There must not have been any event of early termination and the distribution of dividends shall not incur on such assumptions.

- Existence of positive equity and distributable profits.

During 2010 and 2011, the Company has met the three abovementioned limitations.

10.3. Interim dividend

On December 21, 2010, the Company's Universal Shareholders' Meeting approved the distribution of an interim dividend for the 2010 results, for an amount of 991,674 Euros, as per 0.33 Euros per share, presenting the liquidity statement at November 30, 2010 detailed below:

	Euros
Cash balance	3,681,502
Liquidity at 30.11.2010	**3,681,502**
Results before tax	9,086,404
Corporate Income Tax	(2,725,921)
Results after tax at 30.11.2010	**6,360,483**

On December 27, 2011, the Company's Shareholders' Meeting approved the distribution of an interim dividend for the 2011 results, for an amount of 991,670 Euros, as per 0.33 Euros per share, presenting the liquidity statement at November 30, 2011 detailed below:

	Euros
Cash balance	4,557,771
Liquidity at 30.11.2011	**4,557,771**
Results before tax	10,893,203
Corporate Income Tax	(3,267,961)
Results after tax at 30.11.2011	**7,625,242**

11. Financial liabilities

11.1. Long-term financial liabilities

The balance on the caption "Long-term debts" at 2010 and 2011 closings is the following:

	Euros					
	Long-term financial liabilities					
	Debts with Credit Entities		Others		Total	
	31.12.10	31.12.11	31.12.10	31.12.11	31.12.10	31.12.11
Debts and accounts payable	6,877,729	4,585,152	-	-	6,877,729	4,585,152
Long-term guarantees	-	-	1,382	1,382	1,382	1,382
Total	**6,877,729**	**4,585,152**	**1,382**	**1,382**	**6,879,111**	**4,586,534**

11.2. Short-term financial liabilities

The balance on the caption "Short-term financial liabilities" at 2010 and 2011 closings is the following:

	Euros					
	Debts with Credit Entities		Others		Total	
	31.12.10	31.12.11	31.12.10	31.12.11	31.12.10	31.12.11
Loans and items payable -	**2,292,578**	**2,292,578**	**196,689**	**172,453**	**2,489,267**	**2,465,031**
Debts with credit entities	2,292,578	2,292,578	-	-	2,292,578	2,292,578
Other financial liabilities	-		196,689	172,453	196,689	172,453
Trade payables and others -	-	-	**1,155,183**	**886,687**	**1,155,183**	**886,687**
Prepayments from clients	-	-	21,663	-	21,663	-
Suppliers	-	-	943,596	623,434	943,596	623,434
Suppliers, group and associated companies	-	-	187,773	244,698	187,773	244,698
Sundry accounts payable	-	-	-	6,476	-	6,476
Personnel (remunerations payable)	-	-	2,151	12,079	2,151	12,079
	2,292,578	**2,292,578**	**1,351,872**	**1,059,140**	**3,644,450**	**3,351,718**

The caption "Other financial liabilities" includes the guarantee delivered by the company Barcelona Actividades Marítimas for the leasing of several premises on terminals and of the Barcelona Pier. This guarantee includes a deposited amount of 168,000 Euros and another guarantee which is annually renewed, based on the turnover of the previous year, after deducting the previous 168,000 Euros.

11.3. Information on payment deferrals to suppliers. Additional third provision. Duty of information of Law 15/2010, of 5 July

The table below details the information referred to deferrals performed to suppliers required by Law 15/2010 of 5 July at December 31, 2011:

	Payments performed and outstanding at balance closing date	
	31.12.2011	
	Euros	%
Total payments for the year:	**6,935,605**	**100**
Within the maximal legal term (85 days for 2011)	6,856,955	99
Rest	78,650	1
Average payment days exceeded	**29**	**-**
Deferrals which exceed the maximal legal term at closing date	**-**	**0**

At December 31, 2010, the Company does not count with amounts payable to suppliers for trading transactions held after July 7, 2010, date on which Law 15/2010 became in force, which present a payment deferral over the legally established term (85 days).

11.4. Debts with credit entities

The detail of debts held by the Company with credit entities at December 31, 2010 and 2011 is the following:

	Euros					
	Long term		Short term		Total	
	31.12.10	31.12.10	31.12.10	31.12.11	31.12.10	31.12.11
Type of transaction: Loans	6,877,729	4,585,152	2,292,578	2,292,578	9,170,307	6,877,730
Total	**6,877,729**	**4,585,152**	**2,292,578**	**2,292,578**	**9,170,307**	**6,877,730**

The Company has contracted a syndicated loan for an amount of 15,000 thousand Euros with Caja Madrid, signed on May 23, 2008 and due on December 2014.

At December 31, 2009, the Company had a capital of 1,390 thousand Euros to be disposed of. On March 15, 2010, the Company disposed of the last outstanding amount.

The loan's annual interest rate is referenced to EURIBOR. The average rate during 2010 amounted to 1.46% and during 2011 to 2.16%.

During 2010 and 2011, the Company has not contracted discount facilities or credit policies.

The loan's outstanding debt breaks down based on the year on which its due date is expected, as follows:

	Euros	
Debts due on:	Balance at 31.12.2010	Balance at 31.12.2011
2011	2,292,578	-
2012	2,292,578	2,292,578
2013	2,292,578	2,292,578
2014	2,292,573	2,292,574
	9,170,307	**6,877,730**

12. Provisions and contingencies

12.1 Provision for reposition and great repair actions

This caption on the balance sheet includes the provision constituted to perform repositions of infrastructure elements in order for it to be apt to appropriately develop services and activities subject to the concession. It is allocated since the infrastructure's start-up date until the moment when such actions will be performed.

The detail of provisions on the balance sheet at 2010 closing, as well as the main variations during the year, were the following:

	Euros				
Provisions at Long Term	Balance at 31.12.09	Additions	Allocations	Applications	Balance at 31.12.10
Provision for liabilities	600,089	-	-	(600,089)	-
Provision for dismantling and rehabilitation commitments	5,873,246	289,510	308,138	-	6,470,894
Total at long term	**6,473,335**	**289,510**	**308,138**	**(600,089)**	**6,470,894**

During 2010, the Company settled the real estate tax corresponding to years from 2002 to 2005, and for

2008, for an amount of 571,729 Euros, writing off provisions included under caption "Provisions for liabilities" for an amount of 600,089 Euros. The difference between the amounts finally satisfied and the amount of the provision, by 28,360 Euros, has been regularized, registering an income on the 2010 profit and loss account under the caption "Financial income".

The detail of provisions on the balance sheet at 2011 closing, as well as the main variations during the year, were the following:

	Euros					
Provisions at Long Term	Balance at 31.12.10	Deletions	Transfers	Balance at 01.01.11	Allocations	Balance at 31.12.11
Provision for dismantling and rehabilitation commitments	6,470,894	(4,346,377)	(2,124,517)	-	-	-
Provisions for reposition and great repair actions	-	-	2,124,517	2,124,517	1,114,307	3,238,824
Total at long term	**6,470,894**	**(4,346,377)**	-	**2,124,517**	**1,114,307**	**3,238,824**

Reposition investments are registered by recognizing a provision for reposition and great repair actions which is annually allocated with charge on profit and loss, considering if applicable subsequent changes on their amount, as well as its financial update. Until December 31, 2010, an intangible asset and a provision were recognized on the caption "Provision for dismantling and rehabilitation commitments" for the net book value of elements subject to reposition which, at last reposition date, had a useful life over the outstanding concession period: the intangible asset was amortized on the remaining concession period and the provision was subject to financial update. The application of the new standard has implied cancelling the intangible asset's net book value at January 1, 2011 against the provision booked, for an amount of 4,346,377 Euros and the remaining provision balance at January 1, 2011 assigned to each elements subject to reposition, for an amount of 2,124,517 Euros, has been considered as initial balance for the purposes of the constitution of the new provision for reposition and great repair actions.

At December 31, 2010 and 2011, the Company does not have any outstanding amount to be liquidated as real estate tax. Nevertheless, the Company has filed several appeals challenging amounts satisfied on the payment of the real estate tax for 2008 to 2010, for a joint amount of 324,766 Euros, which are awaiting resolution by the Town Council of Barcelona at the formulation date of the present statutory accounts.

13. Public Administrations and tax position

13.1. Current balances with Public Administrations

The composition of balances with Public Administrations at December 31, 2010 and 2011 is the following:

	Euros	
	31.12.10	31.12.11
Accounts receivable		
VAT receivable	32,474	117,452
	32,474	**117,452**
Accounts payable		
Personal Income Tax payable	8,250	8,193
Social Security payable	13,798	24,686
	22,048	**32,879**

13.2. Reconciliation accounting results and tax assessment basis

The Corporate Income Tax is calculated on the basis of the economic or accounting results, obtained by applying generally accepted accounting principles, which do not necessarily coincide with the tax results, understood as the tax assessment basis.

The reconciliation between the accounting results and Corporate Income Tax basis is the following:

	Euros			
	Increases/Decreases		Instalment	
	2010	2011	2010	2011'
Accounting results before tax	**9,333,462**	**10,498,368**	-	-
Permanent differences:				
Provision for taxes	(600,089)	-	-	-
Short-term differences:				
Originated on previous years -				
Reversion deferred tax	38,165	38,165	-	-
Reversion prepaid tax	(116,221)	(116,221)	-	-
Tax assessment basis	**8,655,317**	**10,420,312**	**2,596,595**	**3,126,094**
Withholdings and interim payments			(1,799,525)	(2,296,140)
Corporate Income Tax payable			**797,070**	**829,954**

Permanent differences correspond to the amount of the Provision for liabilities applied during 2010 (see Note 12).

The Company met the commitment to increase the payroll acquired in 2000, when it made use of tax incentives for small entities, for which it registered a deferred tax. The reversion of such deferred tax is estimated on the concession's length (27 years) to which assets which made use of amortization freedom are related (see Note 13.6).

Additionally, the Company recognized a prepaid tax for the excess of accounting amortization on the tax amortization of fixed assets on Terminal C, which were amortized on the initial period of the administrative authorization, three years. The reversion of such prepaid tax is estimated on the number of useful years of elements after the termination of the concession (see Note 5).

13.3. Reconciliation between the accounting results and the Corporate Income Tax expense

The reconciliation between the accounting results and the Corporate Income Tax expense of 2010 and 2011 is the following:

	Euros	
	2010	2011
Accounting results before tax	9,333,462	10,498,368
Permanent differences	(600,089)	-
Instalment at 30%	2,620,012	3,149,510
Total tax expense recognized on the profit and loss account	**2,620,012**	**3,149,510**

The reconciliation between the liquid amount and the Corporate Income Tax expense is the following:

	Euros	
	2010	2011
Liquid amount	2,596,595	3,126,094
Variation of deferred taxes	23,417	23,416
Corporate Income Tax expense	**2,620,012**	**3,149,510**

13.4. Detail of Corporate Income Tax expense

The Corporate Income Tax expense for 2010 and 2011 is detailed as follows:

	Euros	
	2010	2011
Current tax:		
For continued transactions	2,620,012	3,149,511
Total tax expense	**2,620,012**	**3,149,511**

13.5. Prepaid tax assets

The detail of this account at 2010 and 2011 closings is the following:

	Euros	
	Amount	Tax effect
Opening balance at 01.01.2010	1,885,521	565,649
Recoveries	(116,221)	(34,866)
Closing balance at 31.12.2010	1,769,300	530,783
Recoveries	(116,221)	(34,866)
Closing balance at 31.12.2011	**1,653,079**	**495,917**

Short-term differences correspond to the excess of accounting amortization on tax amortization of assets related to the administrative authorization for Terminal C. The reversion of such prepaid tax is estimated on the number of remaining useful years of such assets after the completion of the concession period.

Deferred tax assets indicated above have been registered on the balance sheet as the Company's Directors consider that, according to the best estimation on its future results, including certain tax planning actions, such assets will probably be recovered.

At 2011 closing, the Company does not hold negative tax assessment bases or deductions to be applied.

13.6. Deferred tax liabilities

The detail of this account at 2011 closing is the following:

	Euros	
	Amount	Tax effect
Opening balance at 01.01.2010	686,970	206,091
Recoveries	(38,165)	(11,450)
Closing balance at 31.12.2010	648,805	194,641
Recoveries	(38,165)	(11,449)
Closing balance at 31.12.2011	**610,640**	**183,192**

13.7. Years to be verified and inspection actions

According to the legislation in force, taxes cannot be definitively considered as liquidated until declarations presented have been inspected by the Tax Authorities or after four years have elapsed. At 2011 closing, the Company has opened to inspections the year 2006 and subsequent years for the Corporate Income Tax and 2007 and following years for all remaining applicable taxes. The Company's Directors consider that liquidations for said taxes have been appropriately practiced, and therefore, in case of discrepancies in the interpretation of the regulation in force for the tax treatment to its transactions, eventual resulting liabilities, if applicable, would not significantly affect the enclosed statutory accounts.

14. Guarantees, commitments and contingencies

Guarantees and commitments towards third parties derive from the contracting of the loan, are not included under liabilities of the balance sheet, and consist on the constitution of the pledge mortgage over concessions.

There is an unavailable reserve for the debt of the syndicated loan by 15,000 thousand Euros, which in payment guarantee for the liquidation of interests for the 3 following months, as obligation of the borrower of such loan (See Note 8), for an amount of 150,723 Euros at 2010 closing and 186,475 Euros at 2011 closing.

In addition to the abovementioned guarantees, the Company is guaranteed towards third parties by several bank entities, for a total amount of 1,037,201 Euros at December 31, 2010 and 1,040,772 Euros at December 31, 2011.

The Company's Directors do not consider that, as a consequence of such guarantees, there could be additional liabilities to the ones booked on the present statutory accounts.

15. Income and expenses

15.1. Net turnover

The distribution of the net turnover corresponding to 2010 and 2011, distributed by activity categories and geographic markets, is the following:

Activities	Euros	
	2010	2011
Passenger rate	5,020,371	6,446,212
Drinking water rate	555,742	582,471
Sundry services rate	198,645	203,518
Non regulated rates:		
Luggage services	10,259,621	11,242,905
Leasing of premises	1,441,677	1,591,093
Several	518,817	575,510
Total	**17,994,873**	**20,641,709**

The Company has obtained all its income from the Spanish geographic market.

15.2. Supplies

The balance of supplies in 2010 and 2011 is detailed as follows:

	Euros	
	2010	2011
Sundry services	3,352,591	3,733,714
Occupancy and utilization royalty	811,502	755,455
Total	**4,164,093**	**4,489,169**

All services received by the Company have been performed on the Spanish geographic market.

15.3. Personnel costs

The account "Wages and salaries" of 2010 and 2011 is detailed as follows:

	Euros	
	2010	2011
Personnel costs-		
Wages and salaries	314,181	356,889
Social Security	94,525	114,537
Total	**408,706**	**471,426**

15.4. Other operating expenses

The balance of the account "Other operating costs" of 2010 and 2011 breaks down as follows:

	Euros	
	2010	2011
External services-	**1,692,857**	**2,278,855**
Repairs and up-keeping	958,783	859,964
Professional services	521,471	1,159,546
Insurance premiums	52,977	56,410
Supplies and other services	137,390	186,711
Advertising and public relations	22,236	16224
Taxes	**137,261**	**149,150**
Other current management expenses	**51,509**	**435,767**
Allocation provision for reposition and great repair actions		**1,114,307**
	1,881,627	**3,978,079**

The caption "Taxes" includes at December 31, 2010 and 2011 the amount satisfied for the liquidation of the real estate tax, for an amount of 110,314 Euros and 115,699 Euros, respectively.

15.5. Financial income and expenses

The amount of financial income and expenses in 2010 and 2011, calculated by applying the effective interest rate, has been the following:

	Euros	
	2010	2011
Financial Income:		
From marketable securities and fixed asset credits	63,435	130,120
Application of provisions for liabilities	28,360	-
	91,795	**130,120**
Financial expenses:		
Interests for debts with credit entities	199,987	220,140
Guarantees' commissions	15,199	10,423
Update of provisions for dismantling and rehabilitation commitments	308,138	-
	523,324	**230,563**

16. Transactions and balances with related parties

16.1 Transactions with related parties

The detail of transactions among related parties during 2010 is the following:

	Euros		
	Operating income	Operating expenses	Dividends
Service rendering	5,327	-	-
Reception of services	-	838,826	-
Distribution of dividends	-	-	2,434,100
	5,327	**838,826**	**2,434,100**

The caption "Operating expenses" mainly includes expenses accrued as occupancy and exploitation royalty with the company Port Authorities of Barcelona, S.A. for an amount of 710,343 thousand Euros and expenses accrued for administration service rendering by the company Grupo Logístico Suardíaz, S.L. for an amount of 89 thousand Euros, Group's parent company to which the shareholder Vapores Suardíaz Mediterráneo, S.A. belongs.

All these transactions were performed at market values.

The detail of transactions among related parties during 2011 is the following:

	Euros		
	Operating income	Operating expenses	Dividends
Service rendering	11,711	-	-
Reception of services	-	938,937	-
Distribution of dividends	-	-	1,562,632
	11,711	**938,937**	**1,562,632**

16.2. Balances with related parties

The amount of balances with related parties on the balance sheet at December 31, 2010 and 2011 is the following:

	Euros			
	Accounts receivable		Accounts payable	
	31.12.09	31.12.11	31.12.10	31.12.11
Compañía Trasmediterránea, S.A.	-	-	-	23
Aldeasa, S.A.	-	-	1,295	-
Grupo Logístico Suardíaz, S.L.	-	-	17,531	17,531
Flota Suardíaz, S.L.	-	-	-	433
Port Authorities de Barcelona, S.A.	-	27,127	168,947	226,711
Cruceros Málaga, S.A.	106,244	885	-	-
	106,244	**28,012**	**187,774**	**244,698**

16.3. Retributions to the Board of Directors and High Management

Retributions accrued as remuneration during 2010 by the members of the Board of Directors and High Management of Creuers del Port de Barcelona, S.A., who are not part of the Company's payroll, have amounted to 228,847 and 48,035 Euros, respectively.

Retributions accrued as remuneration during 2011 by the members of the Board of Directors and High Management of Creuers del Port de Barcelona, S.A., who are not part of the Company's payroll, have amounted to 208,431 and 47,230 Euros, respectively.

The Company's Directors and High Management have not disposed of loans or early payments, and the Company does not hold commitments or guarantees of any kind towards current or former Directors or High Management.

16.4. Detail of shareholdings in companies with similar activities and performance by themselves or on others' behalf of similar activities by Directors

At 2011 closing, the members of the Board of Directors de Creuers del Port de Barcelona, S.A. have not maintained shares on the capital of entities with the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose.

Additionally, according to the above, the activities, by themselves or on others' behalf, by the different members of the Board of Directors on entities with the same, analogous or complementary kind of activity to the one that constitutes the business purpose of Creuers del Port de Barcelona, S.A. are the following:

Name	Activity	System type	Company through which the activity is rendered	Duties
Alex García Formatjé	Management of the Port of Barcelona	On others' behalf	Port Authorities Barcelona	Operating Director
Eduardo Cortada	Service rendering to cruises	On others' behalf	Cruceros Málaga, S.A.	Board Member
Juan Riva	Service rendering to cruises	On others' behalf	Cruceros Málaga, S.A.	Board Member
Paula Salcedo	Service rendering to cruises	On others' behalf	Cruceros Málaga, S.A.	Board Member
Antonio Grávalos	Service rendering to cruises	On others' behalf	Cruceros Málaga, S.A. Compañía Transmediterránea, S.A.	Board Member Chief Executive Officer
Carla Salvadó Morelló	Management of the Barcelona Service rendering to cruises	On others' behalf On others' behalf	Port Authorities Barcelona Cruceros Málaga, S.A.	Chief Marketing and Cruises Board Member

Additionally, during 2011, persons related to the members of the Board of Directors have not held direct or indirect shareholdings and have not held positions or duties on companies with the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose.

At December 31, 2011, Agencia Schembri S.A.U. and related persons have not held shareholdings on the share capital of companies with the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose, and have not exercised positions or duties or performed activities by themselves or on others' behalf of the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose, apart from the ones referred to below:

Board Member	Company	Shareholding	Duties
Agencia Schembri S.A.U.	Terminal de Carga Rodada Canarias, S.A.	1%	Board Member
	Terminal Ferry de Barcelona, S.R.L.U.		Board Member

Additionally, Compañía Trasmediterránea, S.A. develops on its behalf the passenger terminal service rendering.

At December 31, 2011, Compañía Trasmediterránea, S.A. is not a conflict situation, direct or indirect, with the Company's interest and has not held shareholdings on the share capital of companies with the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose, and have not exercised positions or duties or performed activities by themselves or on others' behalf of the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose, apart from the ones referred to below:

Board Member	Company	Shareholding	Duties
Compañía Trasmediterránea, S.A.	Terminal de Carga Rodada Canarias, S.A.	100%	Board Member-Chairman
	Terminal Ferry de Barcelona, S.R.L.U.	100%	Board Member-Chairman

Additionally, Compañía Trasmediterránea, S.A. develops on its behalf the passenger terminal service rendering.

During 2011, the representative of Compañía Trasmediterránea, S.A., Francisco José Risquete, and persons related to him have not held shareholdings on the share capital of companies with the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose, and have not exercised positions or duties or performed activities by themselves or on others' behalf of the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose, apart from the condition of General Secretary and of the Secretary of the Board of Directors of Compañía Trasmediterránea, S.A. of the Company's representative.

At December 31, 2011, Vapores Suardiaz Mediterráneo, S.A. and persons related to this company or to its representative, Amadeo Riva Meana, are not a conflict situation, direct or indirect, with the Company's interest and has not held shareholdings on the share capital of companies with the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose, and have not exercised positions or duties or performed activities by themselves or on others' behalf of the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose.

At December 31, 2011, Aldeasa and persons related to this company or to its representative, Isabel Zarza García, are not a conflict situation, direct or indirect, with the Company's interest and has not held shareholdings on the share capital of companies with the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose, and have not exercised positions or duties or performed activities by themselves or on others' behalf of the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose.

17. Environmental information

Due to the Company's activities, it does not hold liabilities, expenses, assets nor provisions or contingencies of environmental nature, which could be significant in relation with its equity, financial situation and results. As a consequence, the present notes to the financial statements do not include specific disclosures.

18. Other information

18.1. Personnel

The average number of persons employed during 2010 and 2011, detailed by category and gender, is the following:

Categories	2010		2011	
	Male	Female	Male	Female
Administrative Assistant	-	1	-	1
Superior Cap.	1	-	1	-
Manager	1	1	1	1
Chief Operator Driver	3	2	5	2
Total	5	4	7	4

Additionally, the distribution of payroll, Board Members and High Management by gender at 2010 and 2011 closings is the following:

Categories	2010		2011	
	Male	Female	Male	Female
Board Members and High Management	7	3	7	3
Administrative Assistant	-	1	-	1
Superior Cap.	1	-	1	-
Manager	1	1	-	2
Chief Operator Driver	2	2	2	2
Total	12	7	10	8

1.

18.2. Audit fees

During 2010, fees related to accounting audit services rendered by the Company's auditor, Mazars Auditores, S.L., amounted to 11,930 Euros.

Additionally, the expense booked on the 2010 statutory accounts, corresponding to other services rendered to the Company by MAZARS Auditores, S.L. amounts to 600 Euros.

During 2011, fees related to accounting audit services rendered by the Company's auditor, Mazars Auditores, S.L., amounted to 12,300 Euros.

Additionally, the expense booked on the 2011 statutory accounts, corresponding to other services rendered to the Company by MAZARS Auditores, S.L. amounts to 4,200 Euros.

19. Subsequent events

From 2011 closing to the date of formulation by the Company's Board of Directors of these annual accounts, there have not been and we have not been aware of any significant event to be mentioned.

Formulation of Financial Statements

The formulation of the present Financial Statements of Creuers del Port de Barcelona, S.A. for the year 2011, has been approved by the Board of Directors on meeting held on March 20, 2012, with view to its subsequent approval by the General Shareholders' Meeting; such Financial Statements are issued on 42 pages, the last of which is hereby signed by all Board Members.

Mr. Eduardo Cortada Segarra

Mr. Alex García Formatjé

Mr. Antonio Grávalos Esteban, on behalf of Agencia Schembri

Mr. Amadeo Riva Meana, on behalf of Vapores Suardíaz Mediterráneo, S.A.

Ms. Carla Salvadó Morelló

Ms. Paula Salcedo Menéndez

Mr. Francisco José Risquete Fernández, on behalf of Compañía Trasmediterránea, S.A.

Ms. Isabel Zarza García, on behalf of Aldeasa

Mr. Juan Riva Francos

Barcelona, 20 March 2012

Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain and of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain .In the event of discrepancy, the Spanish-language version prevails.

Creuers del Port de Barcelona, S.A.

Management Report corresponding to the year ended at December 31, 2011

Dear Shareholders,

In compliance with the Corporate Act in force, we are pleased to submit the present report to the Shareholders' Meeting regarding the evolution of our company during 2011 and its development to date.

Activity statistics accumulated at December 2011

Creuers del Port de Barcelona, S.A. has completed its twelfth year of activity with success, far exceeding the Company's budget and the previous year's operating gross margin.

The final accumulative at December 2011 of the total number of passengers amounted to 1,938,204, which represents an increase by 10.61%, distributed on 1,135,768 boarding and landing passengers (9.16% more than in 2010) and 802,436 passengers in transit (12.74% more than in 2010). On July 2011, the Company reached its highest monthly amount of passengers since its creation, giving service to 284,877 passengers.

In relation with the breakdown of passengers accumulated at December 2011, 58.6% corresponds to boarding and landing passengers and 41.4% to passengers in transit, which percentages are very positive for the Company.

The Company's participation on the total amount of passengers on the Port has approximately amounted to 73%, distributed on 76% on boarding or landing, and 69% in transit.

With regards to passengers per wharf, it should be borne in mind that 96% of boarding and landing passengers have received services on the terminals of Adossat Wharf, and the remaining 4% correspond to the terminals of the World Trade Center. Additionally, 79% of passengers in transit have received services on the Adossat Wharf, whereas 21% have passed through the terminals of the World Trade Center, including the Coast Wharf (with 17,862 passengers).

In 2011, there is an increase of the number of stopovers, 692 with regards to 635 on the previous year, which implies an increase by 9%.

The number of passengers per stopover has also increased from 2,759 in 2010 to 2,801 in 2011.

Accumulated economic follow-up at December 2011

The Company has obtained a gross margin by 16,304 M Euros, which represents 12.13% more than in the previous year, highlighting, both by volume and increase, the exploitation of the passengers' boarding and landing service and luggage and sundry services.

Profit before tax corresponding to the cumulative at December 2011 has amounted to 10,498 thousand Euros, 12.48% more than in the previous year.

General and structural costs for the year have amounted to 5,690 thousand Euros, 11% more than in the previous year, out of which 1,525 thousand correspond to amortization costs and 1,114 thousand Euros to provisions for replacement actions. The increase in 2011 of general and structural costs, by 567 thousand Euros, mainly correspond to the change of criterion in the registration and valuation of assets related to administrative concessions and replacement assets, which have had a joint impact on the profit and loss account of 400 thousand Euros of higher expense with regards to the expense which would have been registered under the former regulation.

On December 23, 2010, Order EHA/3362/2010 was published, was published approving adaptation standards of the General Chart of Accounts to entities holding public infrastructure concessions, in force since January 1, 2011, and of compulsory application for economic years opened after such date.

According to the abovementioned standard, the 2011 opening balance, year on which the Company has applied the adaptation standards for the first time, has been prepared under the following rules:

a) Equity elements which arise from agreements formalized to such date have been reclassified, in accordance to this rule;
b) These equity elements have been valued at their book value; and
c) Their impairment was verified at such date.

The Company has decided not to value equity elements derived from agreements for the amount which would correspond from the retroactive application of standards.

Financial expenses from interests for debts with credit entities, for an amount of 220 M Euros, has been 10% higher than the previous year, with the increase of the interest rate of reference (Euribor); the average effective interest rate applied in 2011 has amounted to 2.16% vs. 1.46% in 2010.

Terminals operated by the Company

During 2011, there was the final reception of the civil works of Terminal A of Adossat Wharf of Port of Barcelona, and there are no outstanding works to be executed or remaining amounts payable for this concept.

During 2011, the last special finger was delivered to assist new-generation ships.

Creuers' investees

During 2011, actions to adapt the terminal of the Levante Wharf of the Malaga Port, performed by the investee Cruceros Málaga, S.A., were completed.

Likewise, Cruceros Málaga, S.A. obtained during 2011 an administrative concession to adapt the Sea Station of Wharf number 2 of the Malaga Port and its exploitation, for a period of 30 years from the date when the contract was granted. On December 21, 2011, this administrative concession was temporarily suspended as the Company, as concessionaire, has not been able to dispose of certain of the goods subject to the concession right, regardless of whether it is effective during 2012.

Cruceros Málaga, S.A. has reached the amount of 638,821 passengers, 3.1% less than in 2010, and profits after tax by 1,246 thousand Euros, 35% less than in the same period of the previous year.

Boarded and disembarked passengers increased from 239,866 in 2010 to 221,272 in 2011, which represents a decrease by 7.75%. Passengers in transit increased from 419,256 to 417,549, which implies a decrease by 0.41%. The number of stopovers decreased by 21. The average number of passengers by ship in 2011 was 2,129, with regards to 2,053 in 2010, which implied an increase by 3.7%.

On December 21, 2011, the Company signed a Joint Venture agreement with Sats Airport Services Pte. Ltd., participating by 40% on its share capital. The purpose of the constituted company, under the name of Sats-Creuers Cruise Services Pte. Ltd, is the exploitation of tourist cruises in Singapore after being granted with its exploitation in a tender.

Risks and uncertainties

The Company does not face risks or uncertainties which cannot be quantified or are not registered on its accounts.

Treasury stock

The Company, Creuers del Port de Barcelona, S.A., has not acquired treasury stock in 2011.

Research and development costs

During the present year, the Company has not assigned resources to Research and Development expenses.

Subsequent events

The Company is negotiating the extension of the administrative authorization contract of Terminal C of the Adossat Wharf of Port of Barcelona with the Port Authorities, for an additional one-year period, until December 31, 2012.

Use of financial instruments by the Company

The Company does not use derivative financial instruments and does not incur on financial risks, relevant for the valuation of its assets, liabilities, financial situation and results.

Evolution of the Company for 2012

Forecasts for 2012 have not considered increases of rates and have taken as sole increase of passengers the one caused by the natural increase of Port of Barcelona. It is considered that the number of passengers in 2011 is very close to its maximum.

Signatures of Directors:

Mr. Eduardo Cortada Segarra

Mr. Alex Garcla Formatjé

Mr. Antonio Grávalos Esteban, in representation of Agencia Schembri, S.A.U.

Mr. Amadeo Riva Meana, in representation of Vapores Suardlaz Mediterráneo, S.A.

Ms. Carla Salvadó Morelló

Ms. Paula Salcedo Menéndez

Mr. Francisco José Risquete Fernández, in representation of Compañía Trasmediterránea, S.A.

Ms. Isabel Zarza García, in representation of Aldeasa, S.A.

Mr. Juan Riva Francos

Barcelona, 20 March 2012

Creueurs del Port de Barcelona, S.A.

Interim Financial Statements
corresponding to six months ended at
June 30, 2014
together with Report on Review

MAZARS

Report on Review on Interim Financial Statements

To the Shareholders of Creuers del Port de Barcelona, S.A., as requested by Mrs Ferdag Ildir (Member of the Board of Directors)

We have reviewed the Interim Financial Statements of Creuers del Port de Barcelona, SA, which comprise the balance sheet at June 30, 2014, the profit and loss account, the statement of changes in net equity, the cash flows statement, and the notes to the financial statements corresponding to the six month period therein ended. Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with the financial reporting regulation framework applicable to the entity in Spain which is identified on note 2.1 on the enclosed notes to the interim financial statements. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial statements 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 accounting audit regulation in force in Spain 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 interim financial statements does not present fairly, in all material respects, the financial position of Creuers del Port de Barcelona, SA as at 30 June 2014, and of its financial performance and its cash flows for the six month period then ended in accordance with the financial reporting regulation framework applicable and, in particular, with the accounting principles and criteria therein contained.

COL·LEGI
DE CENSORS JURATS
DE COMPTES
DE CATALUNYA

Membre exercent:
MAZARS AUDITORES, S.L.P.

Any 2014 Núm. 20/14/11142
IMPORT COL·LEGIAL: 96,00 EUR

Barcelona, 22nd October 2014

MAZARS AUDITORES, S.L.P.
ROAC Nº S1189

Juan Luque

CRE01RL00154

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Registro Mercantil de Barcelona, Tomo 30.734, Folio 212, Hoja B-180111, Inscripción 1ª, N.I.F. B-61622262

Praxity MEMBER GLOBAL ALLIANCE OF INDEPENDENT FIRMS

Creuers del Port de Barcelona, S.A.

Interim Financial Statements corresponding to six months ended at June 30, 2014

CREUERS DEL PORT DE BARCELONA, S.A

BALANCE SHEET AT JUNE 30, 2014

(Euros)

ASSETS	Notes	30.06.2014	31.12.2013
NON-CURRENT ASSET:			
Intangible assets-	Note 5	21,046,487	21,731,892
Other intangible assets		21,046,487	21,731,892
Tangible fixed assets-	Note 6	1,810,776	1,786,924
Technical fixtures and other tangible fixed assets		1,807,923	1,784,071
Fixed assets under construction and advances		2,853	2,853
Investments in group companies and associates at long term-	Note 9.3	7,940,984	7,600,069
Equity instruments		7,681,569	7,600,069
Group companies and associates		259,415	-
Financial investments at long term-	Note 9.2	6,706,977	6,748,271
Other financial assets		6,706,977	6,748,271
Deferred tax assets	Note 13.5	604,650	568,114
Total non-current assets		38,109,874	38,435,270
CURRENT ASSETS:			
Trade and other receivables-		4,819,714	2,029,280
Accounts receivable from sales and service rendering	Note 9.4	4,631,371	1,870,756
Accounts receivable, group companies and associates	Note 9.4 and 16.2	94,180	82,259
Personnel	Note 9.4	-	7,120
Other credits with public administrations	Note 13.1	94,163	69,145
Short-term accrual accounts		278,471	28,482
Financial investments at short term-	Note 9.4	610,688	500,000
Cash and cash equivalents-	Note 9.4	6,340,186	8,009,296
Cash at hand and in bank		6,340,186	8,009,296
Total current assets		12,049,059	10,567,058
TOTAL ASSETS		50,158,933	49,002,328

LIABILITIES	Notes	30.06.2014	31.12.2013
NET EQUITY:	Note 10		
EQUITY-			
Share capital-		3,005,061	3,005,061
Registered capital		3,005,061	3,005,061
Reserves-	Note10.1	33,507,614	27,526,449
Legal and statutory reserves		601,012	601,012
Other reserves		32,906,602	26,925,437
Profit/(loss) for the period		1,063,029	7,836,165
(Interim dividend)		-	(1,855,000)
Total net equity		37,575,704	36,512,675
NON-CURRENT LIABILITIES:			
Provisions at long term-	Note 12	6,741,135	5,810,088
Other provisions		6,741,135	5,810,088
Debts at long term-		1,382	1,382
Debts with credit entities		-	-
Other financial liabilities	Note 11.1	1,382	1,382
Deferred tax liabilities	Nota 13.6	148,844	160,293
Total non-current liabilities		6,891,361	5,971,763
CURRENT LIABILITIES:			
Debts at short term-		2,478,948	4,775,263
Debts with credit entities	Note 11.2 and 11.3	2,292,576	2,292,576
Other financial liabilities	Note 11.2	186,372	2,482,687
Trade payables and other accounts payable		3,212,920	1,742,627
Accounts payable	Note 11.2	1,950,062	787,683
Accounts payable, group companies and associates	Note 11.2 and 16.2	16,417	57,284
Sundry accounts payable	Note 11.2	10,598	29,917
Personnel (remunerations payable)	Note 11.2	1,989	20,105
Other debts with Public Administrations	Note 13.1	33,095	43,016
Current tax liabilities	Note 13.2	1,200,759	804,622
Total current liabilities		5,691,868	6,517,890
TOTAL NET EQUITY AND LIABILITIES		50,158,933	49,002,328

Notes 1 to 19 described in the enclosed Notes to the Financial Statements are an integral part of the balance sheet at June 30, 2014.

CREUERS DEL PORT DE BARCELONA, S.A.

INCOME STATEMENT JUNE 30, 2014

(Euros)

	Notes	30.06.2014	30/06/2013 (+)
CONTINUING OPERATIONS:			
Net turnover-	**Note 15.1**	**6,306,258**	**8,145,985**
Services rendered		6,306,258	8,145,985
Supplies-	**Note 15.2**	**(1,165,088)**	**(1,486,576)**
Subcontracted work		(1,165,088)	(1,486,576)
Other operating income-		**152,641**	**295,723**
Non-trading and other operating income		152,641	295,723
Personnel expenses-	**Note 15.3**	**(249,624)**	**(271,347)**
Wages, salaries and similar		(185,805)	(197,035)
Employees benefits expense		(63,819)	(74,312)
Other operating expenses-	**Note 15.4**	**(2,686,883)**	**(2,189,719)**
External services		(1,841,311)	(1,108,000)
Taxes		(75,203)	(67,097)
Losses, impairment and changes in trade provisions	**Notes 12 y 15.4**	(646,475)	(614,262)
Other operating expenses		(123,894)	(400,360)
Amortization and depreciation	**Note 5 y 6**	**(793,361)**	**(787,386)**
Results from operating activities		**1,563,943**	**3,706,680**
Finance income-		**75,951**	**150,000**
Marketable securities and other financial instruments			
Third parties	**Note 15.5**	75,951	150,000
Finance expenses-		**(121,282)**	**(97,758)**
Debts with third parties	**Note 15.5**	(121,282)	(97,758)
Exchange gains/(losses)		**-**	**-**
Finance income/(expense)		**(45,331)**	**52,242**
Profit/(loss) before income tax		**1,518,612**	**3,758,922**
Corporate Income Tax	**Note 13.3**	(455,583)	(1,127,677)
Profit/(loss) for the period		**1,063,029**	**2,631,245**

(*) This information has not been either audited or reviewed. It has been included for comparison purposes.

Notes 1 to 19 described in the enclosed Notes to the Financial Statements are an integral part of the income statement at June 30, 2014.

CREUERS DEL PORT DE BARCELONA, S.A

STATEMENT OF CHANGES IN EQUITY FOR JUNE 30, 2014
A) STATEMENT OF RECOGNIZED INCOME AND EXPENSE

(Euros)

	Notes	Period 30.06.2014	Period 30/06/2013 (*)
RESULTS FROM THE INCOME STATEMENT (I)		1,063,029	2,631,245
Total income and expenses directly recognized in equity (II)		-	-
Total recognized income and expenses (I+II)		1,063,029	2,631,245

(*) This information has not been either audited or reviewed. It has been included for comparison purposes.

Notes 1 to 19 described in the enclosed Notes to the Financial Statements are an integral part of the statement of changes in equity at June 30, 2014.

CREUERS DEL PORT DE BARCELONA,S.A.

STATEMENT OF CHANGES IN EQUITY FOR JUNE 30, 2014
B) STATEMENT OF TOTAL CHANGES IN EQUITY

	Capital	Legal Reserve	Other Reserves	Interim dividend	Profit/(loss) for the period	Total
Adjusted opening balance at 2013	**3,005,061**	**601,012**	**26,343,928**	**-**	**7,012,340**	**36,962,341**
Application profit/(loss) from 2012:	**-**	**-**	**4,097,430**		**(7,012,340)**	**(2,914,910)**
To reserves	-	-	4,097,430	-	(4,097,430)	-
To dividends	-	-	-	-	(2,914,910)	(2,914,910)
To interim dividend	-	-	-	-	-	-
Operations with equity holders or owners	**-**	**-**	**(3,515,921)**	**-**	**-**	**(3,515,921)**
Distribution of dividends	-	-	(3,515,921)	-	-	(3,515,921)
Total recognized income and expenses (*)	**-**	**-**	-	**-**	**2,631,245**	**2,631,245**
Closing balance for the period ended at June 30, 2013	**3,005,061**	**601,012**	**26,925,437**	**-**	**2,631,245**	**33,162,755**
Adjusted opening balance at 2014	**3,005,061**	**601,012**	**26,925,437**	**(1,855,000)**	**7,836,165**	**36,512,675**
Application profit/(loss) from 2013:	**-**	**-**	**5,981,165**	**1,855,000**	**(7,836,165)**	**-**
To reserves	-	-	5,981,165	-	(5,981,165)	-
To dividends	-	-	-	-	-	-
To interim dividend	-	-	-	1,855,000	(1,855,000)	-
Operations with equity holders or owners	**-**	**-**	**-**	**-**	**-**	**-**
Distribution of dividends	-	-	-	-	-	-
Total recognized income and expenses	**-**	**-**	**-**		**1,063,029**	**1,063,029**
Closing balance for the period ended at June 30, 2014	**3,005,061**	**601,012**	**32,906,602**	**-**	**1,063,029**	**37,575,704**

(*) This information has not been either audited or reviewed. It has been included for comparison purposes.

Notes 1 to 19 described in the enclosed Notes to the Financial Statements are an integral part of the statement of total changes in equity at June 30, 2014.

CREUERS DEL PORT DE BARCELONA, S.A

STATEMENT OF CASH FLOWS JUNE 30, 2014

(Euros)

	Notes	30.06.2014	30/06/2013 (*)
CASH FLOS FROM OPERATING ACTIVITIES:			
Profit/(loss) for the period before tax		1,518,612	3,758,922
Adjustments for-			
Amortization and depreciation	**Note 5 and 6**	793,361	787,386
Variation of provisions	**Note 15.4**	838,906	614,262
Finance income	**Note 15.5**	(75,951)	(150,000)
Finance expenses	**Note 15.5**	121,282	97,758
Changes in operating assets and liabilities-			
Trade and other accounts receivable		(2,779,908)	(1,741,501)
Other current assets (short-term accrual accounts)		(249,989)	(387,601)
Trade and other accounts payable		1,074,156	1,090,263
Other cash flows from operating activities-			
Interests paid		(29,137)	(39,256)
Interests received		6,557	250,872
Corporate Income Tax		(107,432)	(134,038)
Cash flows from operating activities (I):		**1,110,457**	**4,147,068**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for investments-			
Intangible assets	**Note 5**	-	-
Tangible fixed assets	**Note 6**	(131,808)	(91,979)
Group and associated companies		(340,915)	-
Other financial assets		(500,000)	(1,500,000)
Proceeds from sale of investments-			
Other financial assets		500,000	2,340,343
Cash flows from investing activities (II):		**(472,723)**	**748,364**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from and payments for equity instruments-			
Issue of debts with credit entities		-	-
Redemption and repayment of debts with credit entities		-	-
Other financial liabilities		-	-
Dividends paid	**Note 11.2**	(2,306,845)	-
Cash flows rom financing activities (III):		**(2,306,845)**	
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III)		**(1,669,111)**	**4,895,431**
Cash and cash equivalents at beginning of period		8,009,297	1,104,991
Cash and cash equivalents at end of period		6,340,186	6,000,422

(*) This information has not been either audited or reviewed. It has been included for comparison purposes.

Notes 1 to 19 described in the enclosed Notes to the Financial Statements are an integral part of the statement of cash flows at June 30, 2014.

Creeuers del Port de Barcelona, S.A.

Notes to Interim Financial Statements corresponding to six months ended at June 30, 2014

Creeuers del Port de Barcelona, S.A.

Notes to the Interim Financial Statements corresponding to six months ended at June 30, 2014

1. Activity of the Company

The activity of Creuers del Port de Barcelona, S.A. (hereinafter, the Company) is the management and exploitation of the port service related to the traffic of tourist cruises on the Port of Barcelona, as well as the development of commercial complementary activities corresponding to a sea station.

The Company's head office is located on the North Sea Station - World Trade Centre – Wharf of Barcelona. The tax identification number of the company CREUERS DEL PORT DE BARCELONA, S.A. is A62035282. The Company has been inscribed with the Mercantile Registry of Barcelona with volume 32094, sheet 0172, page B 201707, first inscription, and was incorporated on July 29, 1999.

The Company is part of a group, together with its investee Cruceros Málaga, S.A., but is exempt from formulating consolidated financial statement due to its size.

2. Bases of presentation of interim financial statemnets

2.1. Financial Reporting Framework applicable to the Company

These interim financial statement have been formulated by the Company's Administrators in accordance with the financial reporting framework applicable to the Company, which is established in:

a) The Code of Commerce and remaining corporate legislation;
b) The adaptation of the General Accounting Plan to public infrastructure concessionaire companies, approved by Order of the Ministry of Economy and Finance EHA/3362/2010 of 23 December;
c) The General Accounting Plan approved by R.D. 1514/2007;
d) The mandatory standards approved by the Accounting and Accounting Audit Institute in development of the General Accounting Plan and complementary standards;
e) The remaining applicable Spanish accounting regulation.

The accounting policies and methods of calculation used for the preparation of the interim financial statements are the same as the ones used to prepare the last financial statements for the year ended at 31st December 2013.

2.2. True and fair view

The enclosed interim financial statements have been obtained from the Company's accounting records and are presented in accordance with the applicable financial reporting framework and, in particular, with the accounting principles and criteria therein contained, in a way to show the true and fair view of the Company's equity, financial situation, results from its transactions and cash flows during the corresponding period.

2.3. Main non-compulsory accounting principles applied

The Company has not applied any non-compulsory accounting principle. Additionally, the Directors have formulated these interim financial statements taking into account all compulsory accounting principles and standards which have a significant effect on such interim financial statements. All compulsory accounting principles have been applied.

2.4. Critical valuation issues and estimation of uncertainty

For the preparation of certain information included in the present interim financial statements, the Company has used estimations based on hypotheses made by the Company's Administrators, in order

to quantify certain assets, liabilities, income, expenses and commitments therein contained. The most significant estimations used in these interim financial statements refer to the following:

- Impairment losses of certain assets (Notes 5, 6 and 9).
- Useful life of tangible and intangible assets (Notes 4.1 and 4.2).
- The probability of occurrence and the amount of certain provisions and contingencies (Note 4.10).
- The fair value of some financial assets not listed in active stock markets (Note 9.3).
- Measurement of the financial risks faced by the Company when developing their activity (Note 9.5).

These estimations and hypotheses are based on the best information regarding the estimation of uncertainty at period end, available at the date of formulation of the interim financial statements, and are periodically reviewed. Nevertheless, it is possible that, either due to these periodical reviews or to future events, the estimations need to be modified in future periods. In this case, the effects of the changes of the estimations would be prospectively registered in the income statement of this period and subsequent periods, in accordance with Registry and Valuation Rule 22nd "Changes in accounting criteria, errors and accounting estimations".

2.5. Grouping of items

Certain items on the balance sheet, income statement, statement of changes in net equity and statement of cash flows are grouped in order to facilitate their understanding. Nevertheless, when significant, disaggregated information has been included on the corresponding notes to the interim financial statements.

2.6. Comparison of information

The information contained on this interim financial statements in relation to 2014 is presented for comparison purposes together with the information on 2013. The information concerning the first half of the year 2013, has not been either audited or reviewed, it has been included for comparison purposes.

2.7. Seasonality of the company's transactions

Given the nature of the Company's activities, its transactions are cyclic or seasonal. The months where the Company's activity is bigger are from May to October. This period is when due to weather conditions there is a higher holiday demand in the Mediterranean area and therefore there are more ship calls.

3. Distribution of results

On June 16, 2014, the Company´s General Sharehoder´s Meeting approved the distribution of profits from 2013 charged to voluntary reserves and interim dividend for an amount 5,981,165 Euros and 1,855,000 Euros, respectively.

4. Registration and valuation standards

The registration and valuation standards applied by the Company when preparing the Interim financial statements corresponding to June 30, 2014, according to the standards established by the General Accounting Plan, have been the following:

4.1. Intangible assets

In general, intangible assets are initially valued at acquisition price or production cost. Subsequently, they are valued at their cost, decreased by the corresponding accumulated amortization and, if applicable, by impairment losses. Such assets are amortized based on their useful life.

“Intangible assets, concession agreement”

The caption “Intangible assets, concession agreement” includes the infrastructure constructed, improved or acquired by the Company to render the public service linked to the concession agreement, once it is under exploitation conditions, as well as the one to which the access right is granted by the granting entity.

During the construction or improvement period, the infrastructure constructed, improved or acquired by the Company to render the public service included on the concession agreement is included under the caption “Prepayments for intangible assets, concession agreements”.

The “Intangible assets, concession agreement” is linearly amortized within the remaining period to the concession’s completion.

Industrial Property

This account includes expenses incurred as a consequence of the Company’s registration of property. The amortization of industrial property follows a linear method during 10 years.

Software

The Company includes on this caption the costs incurred in acquiring and developing computer applications, including costs for developing web pages. Software maintenance costs are booked on the income statement for the period on which they are incurred. Software is amortized by applying the linear method during a 3-year period.

4.2. Tangible fixed assets

Tangible fixed assets are initially valued at acquisition price or production cost and, subsequently, they are decreased by the corresponding accumulated amortization and impairment losses, if any.

Up-keeping and maintenance costs for the different elements which comprise fixed assets are allocated to the income statement for the period on which they are incurred. On the contrary, amounts invested on improvements which contribute to increasing the capacity or efficiency or to extending the useful life of such goods are registered as goods’ higher cost.

The Company amortizes fixed assets following the linear method, applying annual amortization percentages calculated over the basis of estimated useful years of the respective goods. The Company amortizes tangible fixed assets, using the linear method, as per the following detail:

	Years of useful life
Constructions	50
Technical fixtures and equipment	10 to 15
Fixtures on the port	10 to 20
Tools	4 to 10
Transport elements	10
IT equipment	4

Fixed assets related to the administrative authorization, granted by the Port Authorities of Port of Barcelona in relation to Terminal C, are amortized by linear method, distributing the cost of assets among the initial three-year length of the authorization. Since the date of completion of such administrative authorization, it is annually renewed. During the first half 2014, the Company is

processing the extension of the administrative authorization, which was extended on February 6, 2014 until December 31, 2014. Incorporated assets related to this Terminal are amortized within their acquisition year, due to the annual nature of these renewals.

4.3 Value impairment of tangible and intangible assets

When there are signs of value loss, the Company estimates, through the so-called “Impairment test”, the possible existence of value loss which may reduce the recoverable value of such assets to an amount below their book value.

The recoverable amount is determined as the highest amount between fair value less selling costs, and the value in use.

If the Company estimates that the recoverable amount of an asset is lower than its book amount, the asset’s book amount is reduced to its recoverable amount. In order to do so, the Company recognizes the amount of impairment losses as expense.

When an impairment loss is subsequently reverted, the asset’s book amount is increased to the reviewed estimation of its recoverable amount, but so that the increased book amount does not exceed the book amount which would have been determined if no impairment loss had been recognized for such asset on previous periods. Immediately, the Company recognizes a reversion of an impairment loss as income.

4.4. Leases

Lease contracts are classified as financial leases as long as their conditions lead to consider that risks and benefits inherent to the asset’s property, subject to the contract, are transferred to the lessee. All other leases are classified as operative leases.

Likewise, the leased good acquisition cost is presented on the balance sheet as per its nature, increased by the directly allocable amount of contract costs, which are recognized as expense on the contract’s term, applying the same criterion used for the recognition of leasing income.

Operative leases

Income and expenses derived from operative leasing agreements are charged to the income statement on the period on which they are accrued.

Any collection or payment, when contracting an operative lease, will be treated as an early collection or payment and allocated to results throughout the leasing period, as benefits for the leased asset are ceded or received.

4.5. Financial instruments

A financial instrument is a contract which leads to a financial asset on an entity and, simultaneously, to a financial liability or equity instrument on another. The Company recognizes financial instruments on the balance sheet only when it is part of a contract, according to its specifications.

On the enclosed balance sheet, financial assets and liabilities are classified as current and non-current, based on whether their expiry date is similar, lower or higher than 12 months, respectively, since period end.

4.5.1. Financial assets

Classification

Financial assets held by the Company are classified into the following categories:

1. Loans and accounts receivable: financial assets originated on the sale of goods or service rendering for the company’s trade, or which, not having a commercial origin, are not equity

instruments or derivatives, and which collection amount is fixed or determinable and are not traded on an active market.

2. Investments on equity of Group and Multigroup Companies and Associates: Group companies are understood as those related to the Company through a control relationship; associates are those over which the Company exercises a significant influence; multigroup companies are those over which, by virtue of an agreement, a joint control is exercised with one or more partners.

3. Investments held to maturity: this category includes debt-representative securities, with an established due date, collections of a determined or determinable amount, which are traded on an active market and which the Company has the effective intention and ability to hold to their maturity.

Initial valuation

Financial assets are initially registered at the fair value of the consideration delivered, plus directly allocable transaction costs.

Investments held to maturity are initially valued at fair value which, except otherwise evidenced, will be the transaction's price, which would equal the fair value of the consideration delivered, plus directly allocable transaction costs.

Subsequent valuation

Loans and items receivable are valued at their amortized cost.

Investment on group, associated and multigroup companies are valued at cost, decreased, if applicable, by the accumulated amount of impairment value corrections. Such corrections are calculated as the difference between their book value and their recoverable amount, understood as the highest amount between fair value less selling costs, and the current value of future cash flows derived from the investment. Except for better evidence of the recoverable amount, the investee's net equity is taken into consideration, corrected by existing tacit capital gains at valuation date (including the goodwill, if any).

Investments held to maturity will be valued at amortized cost. Accrued interests will be registered on the income statement, applying the effective interest rate method.

At least at period end, the Company performs an impairment test for financial assets which are not booked at fair value. There is objective evidence of impairment if the financial asset's recoverable amount is lower than its book value. When this is the case, the impairment is registered on the income statement.

In particular, and in relation to the value corrections regarding trading receivables and other accounts receivable, the Company's criterion to calculate the corresponding value corrections consists on performing an individual analysis of accounts receivable, determining the solvency of each one of the debtors and the debt's recoverability.

The Company writes down financial assets when they expire or the rights on cash flows for the corresponding financial asset have been ceded and the risks and benefits inherent to their ownership have been substantially transferred, such as sales of assets, cessions of trade credits on "factoring" transactions on which the company does not have any credit or interest risk, sales of financial assets with re-purchase agreement at fair value or securitizations of financial assets on which the ceding company does not withhold subordinated financings or grants any guarantee or assumes any other risk.

On the contrary, the Company does not write off financial assets, and recognizes a financial liability for an amount equal to the consideration received, on the cessions of financial assets on which risks and benefits inherent to their ownership are substantially withheld, such as the discount of bills, the recourse factoring, sales of financial assets with re-purchase agreements at a fixed price or at the selling price plus an interests, and the securitizations of financial assets on which the ceding company withholdings subordinated financings or any other type of guarantees which substantially absorb all expected losses.

4.5.2. Financial liabilities

Financial liabilities are debts and items payable held by the Company and which have been originated on the purchase of goods and services for the Company's trade, or also those which are not originated on the Company's trade but cannot be considered as derivative financial instruments.

Debts and item payable are initially valued at the fair value of the consideration received, adjusted by directly allocable transaction costs. Subsequently, such liabilities are valued at amortized cost.

Guarantees received on leasing contracts are valued at settled amount, which does not significantly differ from their fair value.

The Company writes off financial liabilities when obligations generated by them expire.

4.5.3 Equity instruments

All equity instruments issued by the Company are classified into the item "Capital" of the caption "Equity" of Net Equity on the enclosed balance sheet. The Company does not hold any other equity instrument.

Such instruments are booked under net equity by the amount received, net of direct issuance costs.

When the Company acquires or sells its own equity instruments, the amount paid or received is directly booked on net equity accounts, and no amount is recognized on the income statement for such transactions.

4.5.4 Cash and other cash equivalents

This caption on the enclosed balance sheet includes petty cash, sight deposits on credit entities and other short-term investments with high liquidity and original expiry date below or equal to three months.

4.6. Transactions in foreign currency

The Company's functional currency is Euro. Consequently, transactions in other currencies are considered as denominated on foreign currency and are booked as per the exchange rates in force at the transaction date.

At period end, monetary assets and liabilities denominated on foreign currency are exchanged by applying the exchange rate at balance sheet date. Profits or losses arisen are directly allocated to the income statement for the period on which they take place.

4.7. Corporate Income Tax

Corporate Income Tax income or expense includes the portion related to the current tax expense or income and the portion corresponding to the deferred tax expense or income.

The current tax is the amount that the Company pays as a consequence of the corporate income tax return for one year. Deductions and other tax advantages on the tax amount, excluding withholdings and interim payments, as well as compensable tax losses from previous years, and effectively applied on the current year, lead to a lower current tax amount.

Deferred tax income or expense corresponds to the recognition and cancellation of deferred tax assets and liabilities. These include short-term differences, identified as those amounts which are expected to be paid or recovered, derived from differences between the book amounts of assets and liabilities and their tax value, as well as negative tax assessment bases to be offset and credits for unapplied tax deductions. Such amounts are registered by applying to the short-term difference, or to the corresponding credit, the tax rate to which they are expected to be recovered or liquidated.

Deferred tax liabilities are recognized for all taxable short-term differences, except for those derived from the initial recognition of goodwill or other assets and liabilities on a transaction which does not affect the tax or accounting results and which is not a business combination.

Additionally, deferred tax assets are only recognized in so far as the Company will probably dispose of future tax gains against which to make them effective.

Deferred tax assets and liabilities, originated on transactions with direct charges or credits on equity accounts, are also registered with counterpart on net equity.

At each accounting closing, deferred tax assets booked are reconsidered, performing the appropriate corrections to them in so far as there are doubts on their future recovery. Additionally, at each period end, deferred tax assets not booked on the balance sheet are analysed and submitted to recognition in so far as their recovery with future tax gains is probable.

4.8. Income and expenses

Income and expenses are allocated on the basis of the accrual criterion, that is to say, when the real flow of goods and services they represent takes place, regardless of the moment on which the monetary or financial flow derived from them occurs. Such income is valued at the fair value of the consideration received, deducing discounts and taxes.

Income from sales is recognized when significant risks and benefits, inherent to the ownership of the sold good, are transferred to the purchaser, when the current management or the effective control over such good are not withheld.

4.9. Personnel expenses

Personnel expenses include all of the Company's corporate income and obligations, voluntary or obligatory, accrued at each date, recognizing obligations for extraordinary pays, holidays and variable retributions, as well as related costs.

Short-term retributions

This kind of retributions are valued, not updated, at the amount to be paid for services received, and are registered, in general, as personnel expenses for the period under liabilities of the balance sheet by the difference between the total accrued expense and the amount paid at period end.

Severance payments

According to the legislation in force, the Company is compelled to paying a severance payment to employees who are dismissed without a justified cause. Such severance payments are paid to employees as a consequence of the Company's decision to terminate the labour contract before the normal retirement date or when the employee voluntarily accepts leaving the Company in exchange for this benefit. The Company recognizes these benefits when it has demonstrably committed to dismiss the current employees according to a detailed plan, without possibility to withhold or to provide severance payments as a consequence of an offer to promote the voluntary resignation.

At 2013 and June 30, 2014 closings, the Company does not have any personnel reduction plan which would require the creation of a provision for this concept.

Post-employment retributions and other commitments

At 2013 and June 30, 2014 closing, the Company has not contracted commitments towards its employees for post-employment benefits or other concepts.

4.10. Provisions and contingencies

In the formulation of the interim financial statements, the Company's Administrators distinguish between:

1. Provisions: credit balances which cover current obligations derived from past events, which cancellation will probably originate an exit of resources, but which amount and/or cancellation date cannot be determined.

2. Contingent liabilities: possible obligations arisen as a consequence of past events, whose future materialization is conditioned to the occurrence, or not, of one or more future events, regardless of the Company's will.

The interim financial statements include all provisions with regards to which they estimate that the probability to face the obligation is higher than otherwise. Contingent liabilities are not recognized on the interim financial statements, but they are included on the notes to the financial statement, in so far as they are not considered as remote.

Provisions are valued at the current value of the best estimation possible of the amount necessary to cancel or transfer the obligation, taking into account the information available on the event and its consequences, and adjustments arisen from the update of such provisions as financial expense, as it is accrued.

The caption "Provision for reposition and large repair actions" includes the provision booked to perform replacements of infrastructure elements in order for it to be apt and to appropriately develop services and activities subject to the concession. It is allocated from the infrastructure' start-up to the moment until such actions can be performed. It is periodically reviewed to adapt it to possible subsequent changes and it also includes adjustments for value updates.

4.11. Equity instruments of environmental nature

Environmental assets are long-lasting goods used for the Company's activity, which main aim is to minimize the environmental impact and the environment protection and improvement, including the reduction or elimination of future pollution.

The nature of the Company's activity does not have a significant environmental impact.

4.12. Transactions with related companies

The Company performs all transactions with related companies at market value. Additionally, transfer pricing are appropriately justified and the Company's Administrators consider that there are no significant risks that could derive in considerable liabilities in the future.

4.13. Statements of cash flows

The following expressions are used in the statements of cash flows in the sense below:

Cash or equivalents: Cash includes both petty cash and bank sight deposits. Cash equivalents are financial instruments which are part of the Company's normal cash management, are exchangeable in cash, their initial expiry dates do not exceed three months, and are subject to a not very significant risk of value change.

Cash flows: entries and exits of cash or equivalent, understood as investments with a term lower than three months, of high liquidity and low risk of value alterations.

Operating activities: they refer to activities which constitute the main source of the Company's ordinary income, as well as other activities which cannot be qualified as investment or financing.

Investment activities: they are acquisition or disposal activities of long-term assets and other investments not included on cash and equivalents.

Financing activities: they refer to activities which produce changes on the size and composition of net equity and financial liabilities.

5. Intangible assets

The variation of this caption on the six month ended in June 30, 2014 Balance Sheet was the following:

	Euros		
	Balance at 31.12.13	Additions or Allocations	Balance at 30.06.14
Cost:			
Industrial property	8,677	-	8,677
Software	70,922	-	70,922
Other intangible assets	-	-	-
Intangible assets, concession agreement	39,127,933	-	39,127,933
Prepayment for intangible assets, concession agreements	-	-	-
	39,207,532	**-**	**39,207,532**
Accumulated amortization:			
Industrial property	(2,391)	-	(2,391)
Software	(70,922)	-	(70,922)
Other intangible assets	-	-	-
Intangible assets, concession agreement	(17,402,327)	(685,405)	(18,087,732)
	(17,475,640)	**(685,405)**	**(18,161,045)**
Total	**21,731,892**	**(685,405)**	**21,046,487**

The variation of this caption on the six month ended in June 30, 2013 Balance Sheet was the following:

	Euros		
	Balance at 31.12.12	Additions or allocations	Balance at 30.06.13
Cost:			
Industrial property	2,257	-	2,257
Software	70,922	-	70,922
Other intangible assets	-	-	-
Intangible assets, concession agreement	39,127,933	-	39,127,933
Prepayment for intangible assets, concession agreements	-	-	-
	39,201,112	-	**39,201,112**
Accumulated amortization:			
Industrial property	(2,257)	-	(2,257)
Software	(70,922)	-	(70,922)
Other intangible assets	-	-	-
Intangible assets, concession agreement	(16,033,122)	(684,603)	(16,717,725)
	(16,106,301)	**(684,603)**	**(16,790,904)**
Total	**23,094,811**	**(684,603)**	**22,410,208**

The caption "Intangible assets, concession agreement" includes fixed asset elements built or acquired from third parties to adapt the Sea Stations of the Port of Barcelona, by virtue of administrative concession contracts signed between the Port Authorities of Barcelona and the Company, described below:

- Contract to adapt the Sea Station and render the tourist cruise port service of North and South terminals of the World Trade Center, signed for a 27-year period from its granting date, in October 1999.

- Contract to adapt the Sea Station A of the Adossat Wharf of Port of Barcelona and render the tourist cruise port service signed for a 27-year period from its granting date, in May 2003.

- Contract to adapt the Sea Station B of the Adossat Wharf of Port of Barcelona and render the tourist cruise port service signed for a 27-year period from its granting date, in May 2003.

The Company's main actions in relation to the adaptation of the Sea Station refer to the construction of a building, fixed fixtures and equipment of terminals for their exploitation under the terms contemplated on concession agreements.

At June 30, 2014 and 2013, there are no amounts payables for works executed or to be executed with regards to assets related to terminals.

The Company has constituted a mortgage commitment on concessions, by virtue of the syndicated loan contract signed on May 23, 2008 in favour of the lenders.

The Company's policy is to formalize insurance policies to cover possible risks to which certain elements related to administrative concessions are subject. At June 30, 2014 and 2013, there was no coverage deficiency related to such risks. There is a pledge commitment of credit rights derived from insurance policies by virtue of the syndicate loan contract signed on May 23, 2008 in favour of the lenders.

Note 7 details the most relevant information on concession agreements granted to the Company.

6. Tangible fixed assets

The variation of this caption on the balance sheet in six month ended in June 30, 2014 as well as the most significant information related to it is the following:

	Euros			
	Balance at 31.12.13	Additions or allocations	Transfers	Balance at 30.06.14
Cost:				
Lands and buildings	1,551,074	-	-	1,551,074
Technical fixtures	1,563,866	27,163	-	1,591,029
Fixtures in ports	1,829,411	90,851	-	1,920,262
Tools	60,203	-	-	60,203
Furniture	622,877	12,189	-	635,065
IT equipment	41,054	1,605	-	42,659
Transport elements	35,091	-	-	35,091
Fixed assets in progress	-	-	-	-
Prepayments for fixed assets	2,853	-	-	2,853
	5,706,429	**131,808**	**-**	**5,838,237**
Accumulated amortization:				
Lands and buildings	(1,551,074)	-	-	(1,551,074)
Technical fixtures	(398,417)	(65,865)	-	(464,282)
Fixtures in ports	(1,426,212)	(17,523)	-	(1,443,735)
Tools	(58,542)	(175)	-	(58,717)
Furniture	(431,090)	(22,795)	-	(453,885)
IT equipment	(33,005)	(563)	-	(33,568)
Transport elements	(21,165)	(1,035)	-	(22,200)
	(3,919,505)	**(107,956)**	**-**	**(4,027,461)**
Tangible fixed assets net	**1,786,924**	**23,852**	**-**	**1,810,776**

Variations in this caption of the balance sheet in the six month ended in June 30, 2013, as well as the most significant information affecting this caption have been the following:

	Euros			
	Balance at 31.12.12	Additions or allocations	Transfers	Balance at 30.06.13
Cost:				
Lands and buildings	1,551,074	-	-	1,551,074
Technical fixtures	1,447,668	18,655	-	1,466,323
Fixtures in ports	1,784,985	60,845	-	1,845,830
Tools	60,203	-	-	60,203
Furniture	611,198	11,679	-	622,877
IT equipment	40,255	799	-	41,054
Transport elements	35,091	-	-	35,091
Fixed assets in progress	-	-	-	-
Prepayments for fixed assets	2,853	-	-	2,853
	5,533,327	**91,978**	**-**	**5,625,305**
Accumulated amortization:				
Lands and buildings	(1,551,074)	-	-	(1,551,074)
Technical fixtures	(291,280)	(62,088)	-	(353,368)
Fixtures in ports	(1,377,634)	(14,394)	-	(1,392,028)
Tools	(58,192)	(175)	-	(58,367)
Furniture	(383,691)	(23,779)	-	(407,470)
IT equipment	(31,123)	(992)	-	(32.115)
Transport elements	(18,640)	(1,355)	-	(19,995)
	(3,711,634)	**(102,783)**	**-**	**(3,814,417)**
Tangible fixed assets net	**1,821,693**	**(10,805)**	**-**	**1,810,888**

The caption “Lands and buildings” includes the extension and reform costs for the building of Terminal C of the Adossat Pier of Port of Barcelona, under administrative authorization by the Port Authorities of Barcelona, for an amount of 1,550 thousand Euros, fully amortized at closing date. As detailed in Note 4.2, the fixed assets related to the administrative authorization granted by the Port Authorities of Port of Barcelona in relation with Terminal C, are amortized following the linear method, distributing the cost of assets between the initial three-year term of the authorization (January 1, 2005 to December 31, 2007). Since the termination of such administrative authorization, it is annually renewed. It was extended on February, 6 2014 until December 31, 2014. Assets related to this Terminal are amortized on the basis of the renewal due date and elements not affected to the reversion are amortized on the basis of their estimated useful life.

The amount included under captions “Technical fixtures” and “Fixed fixtures” mainly corresponds to the constructions of a new-generation finger, security equipment for terminal C.

Additions at June 30, 2014, in captions “Technical fixtures and “Fixtures in ports”, correspond to remodelling works in footbridges and to the fixture of methacrylate covers for footbridges.

During six months ended at June 30, 2013, the amount related to works carried out for the rising of a terminal C footbridge, together with several gardening works and fixtures supply.

The detail of fully-amortized elements at June 30, 2014 and 2013 is the following:

Description	Euros Accounting value (Gross) Value	
	30.06.2014	30.06.2013
Constructions	1,551,074	1,551,074
Technical fixtures	71,196	65,081
Fixtures in ports	1,321,423	1,289,292
Remaining goods	244,499	245,083
Total	**3,188,192**	**3,150,531**

At June 30, 2014 and 2013, fully-amortized elements on Terminal C amounted to 2,403,251 Euros, in both cases. Incorporated assets related to the administrative authorization to exploit this Terminal are amortized on their acquisition year, due to the annual nature of renewals, except for elements not affected to the reversion, which are amortized on the basis of their estimated useful life.

At June 30, 2014 and 2013, the Company did not hold purchase commitments related to works performed to adapt the Terminal C of the Port of Barcelona. At period end, there were no contractual obligations for repairs, maintenance or improvements.

The Company's policy is to formalize insurance policies to cover possible risks to which its tangible fixed assets are subject. At At June 30, 2014 and 2013, there was no deficit of coverage related to such risks. There is a pledge commitment for credit rights derived from insurance policies by virtue of the syndicated loan contract signed on May 23, 2008 in favour of lenders.

7. Concession agreements

The caption "Intangible assets, concession agreements" includes fixed asset elements built or acquired from third parties to adapt Sea Stations North and South of the World Trade Center and A and B of the Adossat Wharf of Port of Barcelona, by virtue of administrative concession contracts described on Note 5 to adapt and exploit such terminals in order to render the basic passengers' boarding and disembarkation port services and luggage and vehicle loading and unloading under passage system on cruise terminals.

The fixed assets model should be applied to such agreements, since the consideration received consists on the right to collect the corresponding rates on the basis of the usage degree of the public service.

Rates applied by the Company are annually reviewed and approved by the Port Authorities of Barcelona.

The Company pays an occupancy and utilization royalty to the Port Authorities of Barcelona on the basis of surfaces occupied and the value of fixtures made available. Additionally, an activity rate is accrued on the basis of the turnover generated by the activity (Note 15.1).

The amount of actions performed on the infrastructure to date is detailed on Note 5 of the notes to the interim financial statements.

On the basis of obligations assumed on the concession agreement, the corresponding provision for reposition and large repair actions is allocated (Note 12.1).

8. Leases

At June 30, 2014 and 2013 closings, the Company has contracted with lessees the following minimum leasing amounts, as per the current contracts in force, without taking into account the attribution of common expenses, future CPI increases, or future increases of leasing amounts agreed by contract:

Operative Leases Minimum instalments	Euros Nominal Value	
	30.06.14	30.06.13
Below one year	149,727	149,727
Total	**149,727**	**149,727**

Contingent amounts recognized as income in June 30, 2014 and 2013 are detailed as follows:

	Euros	
	30.06.14	30.06.13
Contingent instalments recognized in the period	357,105	481,683
Total	**357,105**	**481,683**

As lessor, the most significant operative lease contracts held by the Company at June 30, 2014 and December 31, 2013 are the following:

1. Leasing of commercial premises of 1,000 square metres, located on the Barcelona Pier. The lease contract was signed during 2013. The lease contract was formalized during 2011 with termination at December 31, 2011, and it could be annually renewed at the parties' will. Likewise, the rent payments received amounted to 34 and 69 thousand Euros at June 30, 2014 and June 30, 2013, respectively.

2. Leasing of several commercial premises on Terminals A, B, C and World Trade Centre, located on the Barcelona Pier. The leasing contract started on October 1, 2005 and lasts for 10 years and 2 months. Additionally, the amounts collected are 357 and 482 thousand Euros at June 30, 2014 and June 30, 2013, respectively. The monthly rent to pay by the lessee will depend on the volume of passengers boarding and disembarking on these terminals and those in transit.

9. Financial assets

9.1. Financial assets at long term

The classification of the different financial assets at long term at June 30, 2014 and December 31, 2013 is the following:

	Euros					
	Equity instruments		Credits, Derivatives and Other		Total	
	30.06.14	31.12.13	30.06.14	31.12.13	30.06.14	31.12.13
Financial investments at long term	**-**	**-**	**6,500,000**	**6,539,968**	**6,500,000**	**6,539,968**
Loans and items receivable-	**-**	**-**	**206,977**	**208,303**	**206,977**	**208,303**
Other financial assets	-	-	206,977	208,303	206,977	208,303
Investments in group companies and associates at long term-	**7,940,984**	**7,600,069**	**-**	**-**	**7,940,984**	**7,600,069**
Equity instruments	7,681,568	7,600,069	-	-	7,681,568	7,600,069
Group Companies and associates	259,416	-	-	-	259,416	-
Total	**7,940,984**	**7,600,069**	**6,706,977**	**6,748,271**	**14,647,961**	**14,348,340**

9.2. Financial investments at long term

The balance in accounts of caption "Financial investments at long term" at June 30, 2014 and December 31, 2013 is the following:

	Euros	
	Credits, Derivatives and Other	
	30.06.14	31.12.13
Guarantees at long term	1,320	1,320
Deposits at long term	6,705,657	6,746,951
Total	**6,706,977**	**6,748,271**

The Company has recorded under caption "Deposits at long term" several deposits formalized in Banco Sabadell, for a joint amount of 6,500,000 Euros, due at long term and liquidations at maturity, as per the following detail:

- Deposit by 1,000,000 Euros, due on October 2015;
- Deposit by 2,000,000 Euros, due on January 2016;
- Deposit by 1,500,000 Euros, due on March 2016;
- Deposit by 2,000,000 Euros, due on June 2016.

At June 30, 2014 and December 31, 2013, these deposits have been valued at amortized cost. Interests accrued and to be collected at 2014 and 2013 closing amounts to 110,688 and 41,288 Euros, respectively. These deposits have accrued a market interest rate.

Also, at June 30, 2014 there is an amount by 205,657 Euros (205,663 Euros at December 31, 2013) within caption "Deposits at long term" which corresponds to the amount booked as unavailable reserve, in reference to the syndicated loan signed by the Company (see Note 11.4), for an amount not below the debt service of the three following months. The Company has constituted pledge of credit rights derived from the reserve account of the debt service by virtue of the syndicated loan contract signed on May 23, 2008 in favour of the lenders.

9.3. Investments in group companies and associates at long term

Variations during the first half of 2014 in the accounts included under caption "Investments en group companies and associates at long term" have been the following:

	Euros			
	Balance at 31-12-2013	Balance at 01-01-2014	Additions or allocations	Balance at 30-06-2014
Shareholding in Group companies and associates	7,600,069	7,600,069	81,500	7,681,569
	7,600,069	**7,600,069**	**81,500**	**7,681,569**

During the first half of 2014, the company invests in Lisbon Cruise Terminals, LDA (***) for the exploitation of tourist cruises in Lisbon, participating by 10% on its share capital. The Company´s Administrators have included this investment under associated company because Global Ports Holding and Royal Caribbean Cruisse, Ltd participate by 40% and 20%, respectively, in Lisbon Cruise Terminals, LDA. Global Ports Holding and Royal Carribean Cruisse are shareholders with 100% on the share capital the Barcelona Port Investment, S.L. This latter owns 43% of the shares of Creuers del Port de Barcelona, S.A. at June 30, 2014.

The most significant information related to group companies and associates at June 30, 2014 and December 31, 2013 is the following:

Company, Corporate Address and Activity	Euros					
	Share Capital	Outstanding disbursements	Reserves	Results for the period	Shareholding percentage	Shareholding value
At June 30, 2014- CRUCEROS MÁLAGA, S.A. (*) Levante Sea Station Port of Malaga Cruise port service	7,700,000		4,486,489	(623,895)	80%	6,160,000
SATS-CREUERS CRUISE SERVICES PTE. LTD. (**) 20 Airport Boulevard SATS Inflight Catering Center Singapore Cruise port service	3,519,681	-	(1,266,971)	(704,902)	40%	1,440,069
At December 31, 2013- CRUCEROS MÁLAGA, S.A. (*) Levante Sea Station Port of Malaga Cruise port service	7,700,000	-	4,420,958	(804,471)	80%	6,160,000
SATS-CREUERS CRUISE SERVICES PTE. LTD. (**) 20 Airport Boulevard SATS Inflight Catering Center Singapore Cruise port service	3,445,503	-	(1,485,040)	(150,253)	40%	1,440,069

(*) Non-audited data.

(**) Non-audited data. The Company Sats-Creuers Cruise Services Pte. Ltd. closes its financial year at March 31 of each year. Therefore, results for the period of six month ended June 30, 2014 shown in the previous table correspond to the 3 months of the FY 2013/2014, in progress. On the other hand, results for the year ended December 31, 2013 shown in the previous table correspond to the 9 months. In order to convert the Company's information into Euros, the exchange rate at June 30, 2014 (1.7047) and 2013 (1.7414) has been used.

(***) Non data. The Company doesn´t start to operate.

These companies are not quoted and have not distributed dividends during 2014 and 2013.

At period end, the Administrators carry out the value corrections they deem necessary on the shares owned in their investees, based on the analysis of the recovery amount after considering the tacit capital gains at period end, resulting from their activity and business.

9.4. Financial assets at short term

The classification of the different financial assets at short term at June 30, 2014 and December 31, 2013 is the following:

	Euros	
	Credits and items receivable	
	30.06.14	31.12.13
Cash and other cash equivalents-	**6,340,186**	**8,009,296**
Cash at hand and in bank	6,340,186	8,009,296
Financial investments at short term-	**610,688**	**500,000**
Deposits constituted in financial entities	610,688	500,000
Credits from trading operations-	**4,725,551**	**1,953,015**
Accounts receivable from sales and service rendering	4,631,371	1,870,756
Accounts receivable, group companies and associates	94,180	82,259
Credits for non-trading operations-	**-**	**7,120**
Personnel	-	7,120
	11,676,425	**10,469,431**

At June 30, 2014 and December 31, 2013, the Company has classified, under caption "Financial investments at short term", investments held to maturity, deposits valued at amortized cost and which have accrued a market interest rate.

9.5. Information on the nature and risk level of financial instruments

The Company's financial risk management is focused on the Financial Management, which has established the necessary mechanisms to control the exposure to variations on interest and exchange rates, as well as to credit and liquidity risks. The main financial risks which affect the Company are listed below:

1. Credit risk

In general, the Company holds its cash and equivalent liquid assets on financial entities with high credit level.

It should be noted that the knowledge of its clients and the monitoring by the Company of its accounts receivable reduce the credit risk. Additionally, the Company's transactions are agreed with its clients through contracts formalized by both parties.

2. Liquidity risk

In order to ensure the liquidity and to face all payment commitments derived from its activity, the Company has the cash included on its balance sheet, as well as the credit and financing lines detailed on Note 11.

3. Market risk (including interest rate, exchange rates and other price risks)

Both the Company's cash and the financial debt are exposed to the risk of interest rate, which could adversely affect the financial results and cash flows.

As the Company does not perform relevant transactions on foreign currency, there is no risk derived from the exchange rate.

10. Net equity and equity

At June 30, 2014 and December 31, 2013, the Company's share capital amounts to 3,005,061 Euros, represented by 3,005,061 shares of 1 Euro of nominal value each, all of the same kind, fully subscribed and paid in.

At June 30, 2014, shareholders with a share over 10% on the share capital are the following:

Shareholders	Shareholding percentage
Barcelona Port Investment, S.L.	43%
Vapores Suardíaz Mediterráneo, S.A.	34%
World Duty Free Group, S.A.	23%
	100%

At December 31, 2013 closing, shareholders with a share over 10% on the share capital are the following:

Shareholders	Shareholding percentage
Barcelona Port Investment, S.L.	43%
Vapores Suardíaz Mediterráneo, S.A.	34%
World Duty Free Group, S.A.	23%
	100%

On June 18, 2013, the Company's General Shareholders' Meeting approved the distribution of dividends charged to 2012 results, for an amount of 2,914,909 Euros, at 0.96 Euros per share. All of these dividends have been satisfied.

Also, they approved the distribution of an extraordinary dividend charged to voluntary reserves for an amount of 3,515,921 Euros. At the date of formulation of the interim financial statements this dividend has been fully satisfied to its shareholders.

On June 16, 2014, the Company´s General Sharehoder´s Meeting approved the distribution of profits from 2013 charged to voluntary reserves and interim dividend for an amount 5,981,165 Euros and 1,855,000 Euros, respectively.

During 2013, there has been a change in shareholding as a consequence of the acquisition of shares held in the Company by the Autoritat Portuaria de Barcelona and Compañía Trasmediterránea, S.A., by the company Barcelona Port Investment, S.L.

The Company's shares are not listed.

10.1. Reserves

According to the Consolidated Text of the Capital Corporation Act, an amount equal to 10% of profits for the year must be allocated to the legal reserve until it reaches, at least, 20% of the share capital. The legal reserve can be used to increase capital on the portion of its balance exceeding 10% of the increased capital. Except for such purposes, and as long as 20% of the share capital is not exceeded, this reserve can only be used to compensate losses and as long as there are no other sufficient

available reserves for such purposes. At June 30, 2014 and December 31, 2013, this reserve was fully constituted.

10.2. Limitations to the distribution of dividends

The Company's syndicated loan contract establishes the following limitations to distribute dividends:

- The debt hedging service must be equal or over 1.2.

- There must not have been any event of early termination and the distribution of dividends shall not incur on such assumptions.

- Existence of positive equity and distributable profits.

During 2014 and 2013, the Company has met the three abovementioned limitations.

11. Financial liabilities

11.1. Financial liabilities at long term

The balance on the caption "Long-term debts" at June 30, 2014 and December 31, 2103 closings is the following:

	Euros					
	Financial liabilities at long term					
	Debts with Credit Entities		Other		Total	
	30.06.14	30.06.13	30.06.14	31.12.13	30.06.14	31.12.13
Debts and items payable	**-**	**-**	-	-	-	-
Guarantees at long term	**-**	**-**	1,382	1,382	1,382	1,382
Total	**-**	**-**	**1,382**	**1,382**	**1,383**	**1,382**

11.2. Financial liabilities at short term

The detail of "Financial liabilities at short term" at June 30, 2014 and December 31, 2013 closings is the following:

	Euros					
	Debts with Credit Entities		Other		Total	
	30.06.14	31.12.13	30.06.14	31.12.13	30.06.14	31.12.13
Loans and items payable-	**2,292,576**	**2,292,576**	**186,372**	**2,482,687**	**2,478,948**	**4,775,263**
Debts with Credit entities	2,292,576	2,292,576	-	-	2,292,576	2,292,578
Other financial liabilities			186,372	2,482,687	186,372	2.482,687
Trade payables and other accounts payable -	**-**	**-**	**1,979,066**	**894,989**	**1,979,066**	**894,989**
Accounts payable	-	-	1,950,062	787,683	1,950,062	787,683
Accounts payable, group companies and associates	-	-	16,417	57,284	16,417	57,284
Sundry accounts payable	-	-	10,598	29,917	10,598	29,917
Personnel (remunerations payable)	-	-	1,989	20,105	1,989	20,105
	2,292,576	**2,292,576**	**2,165,438**	**3,377,676**	**4,458,014**	**5,670,252**

At December 31, 2013, the caption “Other financial liabilities” includes the interim dividend approved and to be paid to the Company’s Shareholders, for an amount of 795,000 Euros, together with the extraordinary dividend payable to Shareholders, for an amount of 1,511,846 Euros (Note 10). At the date of formulation of the interim financial statements this dividend has been fully satisfied to its shareholders.

Also, the caption “Other financial liabilities” includes the guarantee delivered by the company Barcelona Actividades Marítimas for the leasing of several premises on terminals and of the Barcelona Pier. This guarantee includes a deposited amount of 168,000 Euros and another guarantee which is annually renewed, based on the turnover of the previous year, after deducting the previous 168,000 Euros.

11.3. Debts with credit entities

The detail of debts held by the Company with credit entities at June 30, 2013 and December 31, 2013 is the following:

	Euros					
	Long term		Short term		Total	
	30.06.14	31.12.13	30.06.14	31.12.13	30.06.14	31.12.13
Type of operation:						
Loans	-	-	2,292,576	2,292,576	2,292,576	2,292,576
Total	**-**	**-**	**2,292,576**	**2,292,576**	**2,292,576**	**2,292,576**

The Company has contracted a syndicated loan for an initial amount of 15,000 thousand Euros with Caja Madrid, signed on May 23, 2008 and due on December 2014.

The loan’s annual interest rate is referenced to EURIBOR. The average rate during the first half year of 2014 and 2013 amounted to 1,11% and 1,07%, respectively.

During the first half year of 2014 and 2013, the Company has not contracted discount facilities or credit policies.

The loan’s outstanding debt breaks down based on the period on which its due date is expected, as follows:

	Euros	
Debts due on:	Balance at 30.06.2014	Balance at 31.12.2013
2013	-	-
2014	2,292,576	2,292,576
	2,292,576	**2,292,576**

12. Provisions and contingencies

12.1 Provision for reposition and large repair actions

This caption on the balance sheet includes the provision constituted to perform repositions of infrastructure elements in order for it to be apt to appropriately develop services and activities subject to the concession. It is allocated since the infrastructure’s start-up date until the moment when such actions will be performed.

The detail of provisions on the balance sheet at June 30, 2014, as well as the main movements registered during the first half year of 2014, were the following:

Provisions at long term	Euros		
	Balance at 01-01-14	Allocations	Balance at 30-06-14
Provisions for reposition and large repair actions	5,810,088	738,616	6,548,704
Other provisions	-	192,431	192,431
Total at long term	**5,810,088**	**931,047**	**6,741,135**

The detail of provisions on the balance sheet at June 30, 2013, as well as the main movements registered during the first half year of 2013, were the following:

Provisions at long term	Euros		
	Balance at 01-01-13	Allocations	Balance at 30-06-13
Provisions for reposition and large repair actions	4,464,562	672,763	5,137,325
Total at long term	**4,464,562**	**672,763**	**5,137,325**

Reposition investments are registered by recognizing a provision for reposition and large repair actions which is regularly allocated with charge on profit and loss, considering if applicable subsequent changes on their amount, as well as its financial update.

During the first half of 2014, the Administrators have recorded provisions in relation to commitments towards your management team for amount of 350,035 Euros. The amount has been recorded in this caption for amount of 192,431 Euros and caption “Accounts Payable” for an amount 157,604 Euros (Note 11.2).

At June 30, 2014, the Company does not have any outstanding amount to be liquidated as real estate tax. Nevertheless, the Company has filed several appeals challenging amounts satisfied on the payment of the real estate tax for 2008 to 2010, for a joint amount of 324,766 Euros, which are awaiting resolution by the Town Council of Barcelona at the formulation date of the present interim financial statements.

13. Public Administrations and tax position

13.1. Current balances with Public Administrations

The composition of balances with Public Administrations at June 30, 2014 and December 31, 2013 is the following:

	Euros	
	30.06.14	31.12.13
Accounts receivable		
VAT receivable	94,163	69,145
	94,163	**69,145**
Accounts payable		
Personal Income Tax payable	21,581	30,976
Social Security payable	11,514	12,040
	33,095	**43,016**

13.2. Reconciliation accounting results and tax assessment basis

The Corporate Income Tax is calculated on the basis of the economic or accounting results, obtained by applying generally accepted accounting principles, which do not necessarily coincide with the tax results, understood as the tax assessment basis.

The reconciliation between the accounting results and Corporate Income Tax basis is the following:

	Euros			
	Increases / decreases		Charge	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
Accounting results before tax	**1,518,612**	**3,758,922**	**-**	**-**
Short-term differences:				
Originated in the period-				
Increase prepaid tax	238,008	236,216	**-**	**-**
Originated on previous periods -				
Reversion deferred tax	38,165	38,165	-	-
Reversion prepaid tax	(116,221)	(116,221)	-	-
Tax assessment basis	**1,678,564**	**3,917,082**	**503,569**	**1,175,125**
Withholdings and interim payments	-	-	(107,432)	(134,038)
Corporate Income Tax payable	**-**	**-**	**396,137**	**1,041,087**

Short-term differences originated in the period

The short-term difference originated in the period is caused by Law 16/2012, of 27 December, which limits by 30% the tax deductibility of amortizations during periods 2013 and 2014.

Short-term differences originated in previous periods

The Company met the commitment to increase the payroll acquired in 2000, when it made use of tax incentives for small entities, for which it registered a deferred tax. The reversion of such deferred tax is

estimated on the concession's length (27 years) to which assets which made use of amortization freedom are related (see Note 13.6).

Additionally, the Company recognized a prepaid tax for the excess of accounting amortization on the tax amortization of fixed assets on Terminal C, which were amortized on the initial period of the administrative authorization, three years. The reversion of such prepaid tax is estimated on the number of useful years of elements after the termination of the concession (see Note 5).

13.3. Reconciliation between the accounting results and the Corporate Income Tax expense

The reconciliation between the accounting results and the Corporate Income Tax expense of June 30, 2014 and June 30, 2013 is the following:

	Euros	
	30.06.2014	30.06.2013
Accounting result before tax	1,518,612	3.758.922
Charge at 30%	455,583	1,127,677
Total tax expense recognized on the income statement	**455,583**	**1,127,677**

The reconciliation between the liquid amount and the Corporate Income Tax expense is the following:

	Euros	
	30.06.2014	30.06.2013
Liquid charge	503,568	1,175,125
Variation of deferred taxes	(47,985)	(47,488)
Corporate Income Tax expense	**455,583**	**1,127,677**

13.4. Detail of Corporate Income Tax expense

The Corporate Income Tax expense for June 30, 2014 and June 30, 2013 is detailed as follows:

	Euros	
	30.06.2014	30.06.2013
Current tax:		
For continuing operations	455,583	1,127,677
Negative tax adjustment	-	-
Total tax expense	**455,583**	**1,127,677**

13.5. Prepaid tax assets

The detail of this account at June 30, 2014 closing is the following:

	Euros	
	Amount	Tax effect
Closing balance at 31.12.2013	1,893,713	568,114
Increases	121,787	36,536
Final balance at 30.06.2014	**2,015,500**	**604,650**

The detail of this account at June 30, 2013 closing is the following:

	Euros	
	Amount	Tax effect
Closing balance at 31.12.2012	1,536,837	461,051
Increases	118,453	35,536
Final balance at 30.06.2013	**1,655,290**	**496,587**

Deferred tax assets indicated above have been registered on the balance sheet as the Company's Administrators consider that, according to the best estimation on its future results, including certain tax planning actions, such assets will probably be recovered.

At June 30, 2014 and 2013 closing, the Company does not hold negative tax assessment bases or deductions to be applied.

13.6. Deferred tax liabilities

The detail of this account at June 30, 2014 closing is the following:

	Euros	
	Amount	Tax effect
Closing balance at 31.12.2013	534,310	160,293
Recoveries	(38,163)	(11,449)
Closing balance at 30.06.2014	**496,147**	**148,844**

The detail of this account at June 30, 2013 closing is the following:

	Euros	
	Amount	Tax effect
Closing balance at 31.12.2012	572,475	171,743
Recoveries	(38,165)	(11,450)
Closing balance at 30.06.2013	**534,310**	**160,293**

13.7. Years to be verified and inspection actions

According to the legislation in force, taxes cannot be definitively considered as liquidated until declarations presented have been inspected by the Tax Authorities or after four years have elapsed. At 2013 closing, the Company has opened to inspections the year 2009 and subsequent years for the Corporate Income Tax and 2010 and following years for all remaining applicable taxes. The Company's Administrators consider that liquidations for said taxes have been appropriately practiced, and therefore, in case of discrepancies in the interpretation of the regulation in force for the tax treatment to its transactions, eventual resulting liabilities, if applicable, would not significantly affect the enclosed interim financial statements.

14. Guarantees, commitments and contingencies

Guarantees and commitments towards third parties derive from the contracting of the loan, are not included under liabilities of the balance sheet, and consist on the constitution of the pledge mortgage over concessions.

There is an unavailable reserve for the debt of the syndicated loan, in payment guarantee for the liquidation of interests for the three following months, as obligation of the borrower of such loan (See Note 9.1). The reserves account amount was 205,657 Euros at June 30, 2014 closing and 205,663 Euros at 2013 closing.

In addition to the abovementioned guarantees, the Company is guaranteed towards third parties by several bank entities, for a total amount of 1,044,342 Euros at June 30, 2014 and December 31, 2013.

The Company's Administrators do not consider that, as a consequence of such guarantees, there could be additional liabilities to the ones booked on the present interim financial statements.

15. Income and expenses

15.1. Net turnover

The distribution of the net turnover corresponding to June 30, 2014 and 2013, distributed by activity categories and geographic markets, is the following:

Activities	Euros	
	30.06.2014	30.06.2013
Passenger rate	1,975,697	2,552,328
Drinking water rate	181,559	235,219
Sundry services rate	72,589	83,992
Non-regulated rates:		
Luggage services	3,357,141	4,403,907
Leasing of premises	506,832	631,409
Several	212,440	239,130
Total	**6,306,258**	**8,145,985**

The Company has obtained all its income from the Spanish geographic market.

15.2. Supplies

The balance of supplies in June 30, 2014 and 2013 is detailed as follows:

	Euros	
	30.06.2014	30.06.2013
Sundry services	807,152	1,091,422
Occupancy and utilization royalty	357,936	395,154
Total	**1,165,088**	**1,486,576**

All services received by the Company have been performed on the Spanish geographic market.

15.3. Personnel expenses

The account “Wages and salaries” of June 30, 2014 and 2013 is detailed as follows:

	Euros	
	30.06.2014	30.06.2013
Personnel expenses-		
Wages and salaries	185,805	197,035
Social Security	63,819	74,312
Total	**249,624**	**271,347**

15.4. Other operating expenses

The balance of the account "Other operating expenses" of June 30, 2014 and 2013 breaks down as follows:

	Euros	
	30.06.2014	30.06.2013
External services-	**1,841,311**	**1,108,000**
Repairs and up-keeping	370,745	360,868
Professional services	1,320,045	600,976
Insurance premiums	36,236	31,514
Supplies and other services	97,747	106,312
Advertising and public relations	16,538	8,330
Taxes	**75,203**	**67,097**
Other current management expenses	**123,894**	**400,360**
Allocation provision for reposition and large repair actions	**646,475**	**614,262**
	2,686,883	**2,189,719**

15.5. Financial income and expenses

The amount of financial income and expenses in June 30, 2014 and 2013, calculated by applying the effective interest rate, has been the following:

	Euros	
	30.06.2014	30.06.2013
Financial income:		
From marketable securities and fixed asset credits	75,951	150,000
	75,951	**150,000**
Financial expenses:		
Interests for debts with credit entities	19,580	29,041
Guarantees' commissions	9,561	10,215
Update of provisions for dismantling and rehabilitation commitments	92,141	58,502
	121,282	**97,758**

16. Operations and balances with related parties

16.1. Operations with related parties

The detail of transactions among related parties during the first half of 2014 is the following:

	Euros	
	Operating expenses	Dividends
Service rendering	-	-
Reception of services	44,571	-
Distribution of dividends	-	-
	44,571	**-**

The detail of transactions among related parties during first half of 2013 is the following:

	Euros		
	Operating income	Operating expenses	Dividends
Service rendering	5,612	-	-
Reception of services	-	540,066	-
Distribution of dividends	-	-	2,914,909
	5,612	**540,066**	**2,914,909**

The caption "Operating expenses" mainly includes expenses accrued from the administration service rendering by the Group Company Grupo Logístico Suardiaz, S.L for an amount of 45 thousand Euros in period 2014 and 2013.

During June 30, 2014, the caption "Operating expenses" also included expenses accrued for occupancy and utilization royalty with Autoridad Portuaria de Barcelona, S.A. for an amount of 399 thousand Euros..

All of these transactions have been performed at arm's length.

16.2. Balances with related parties

The amount of balances with related parties on the balance sheet at June 30, 2014 and 2013 is the following:

	Euros			
	Accounts receivable		Accounts payable	
	30.06.14	31.12.13	30.06.14	31.12.13
Compañía Trasmediterránea, S.A.	-	-	-	-
World Dutty Free Group, S.A.	-	-	-	1,379
Grupo Logístico Suardíaz, S.L.	-	-	16,417	18,363
Barcelona Port Investment, S.L.	259,415	-	-	2,306,846
Autoridad Portuaria de Barcelona, S.A.	-	-	-	-
Sats – Creuers Cruise Service PTE. LTD	94,180	82,259	-	37,542
	353,595	**82,259**	**16,417**	**2,364,130**

16.3. Retributions to the Board of Directors and Top Management

Retributions accrued as remuneration during the first half of 2014 by the members of the Board of Administrators and Top Management of Creuers del Port de Barcelona, S.A., who are not part of the Company's payroll, have amounted to 234,980 and 104,775 Euros, respectively. These amounts include 86,642 and 70,962 Euros respectively, to be paid as settlement payment when leaving the company. These amounts have been paid at the date of preparation of these interim financial statements.

Retributions accrued as remuneration during the first half of 2013 by the members of the Board of Administrators and Top Management of Creuers del Port de Barcelona, S.A., who are not part of the Company's payroll, have amounted to 114,055 and 21,000 Euros, respectively.

The Company's Administrators and Top Management have not used loans or early payments, and the Company does not hold commitments or guarantees of any kind towards current or former Administrators or Top Management.

16.4. Detail of shareholdings in companies with similar activities and performance by themselves or on others' behalf of similar activities by Administrators

In order to comply with the provisions set forth in Article 229 of the Capital Companies Act in force, the present notes include the information related to the capital shareholding and the tasks carried out by the members of the Company's Board of Administrators and people related to them, in companies of analogous or complementary kind of activity to the one that constitutes the Company's business purpose.

At June 30, 2014 closing, the individuals, members of the Board of Administrators and the representative of the legal members of the Board of administrators of Creuers del Port de Barcelona, S.A. have not maintained shares on the capital of entities with the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose.

Additionally, according to the above, the activities, by themselves or on others' behalf, by the different members of the Board of Administrators on entities with the same, analogous or complementary kind of activity to the one that constitutes the business purpose of Creuers del Port de Barcelona, S.A. are the following:

Name	Activity performed	System type	Company through which the activity is rendered	Functions
Eduardo Cortada (*)	Service rendering to cruises	On others' behalf	Cruceros Málaga, S.A	Board Member
	Service rendering to cruises	On others' behalf	Sats-Creuers Cruise Services, Pte. Ltd.	Board Member
Juan Riva (*)	Service rendering to cruises	On others' behalf	Cruceros Málaga, S.A	Board Member
Paula Salcedo (*)	Service rendering to cruises	On others' behalf	Cruceros Málaga, S.A	Board Member
Arpak Demircan	Service rendering to cruises	On others' behalf	Ortadogu Antalya Liman Isletmeleri A.S.	Board Member
	Service rendering to cruises	On others' behalf	Ege Liman Isletmeleri A.S.	Board Member
	Service rendering to cruises	On others' behalf	Bodrum Yolcu Limani Isletmeleri A.S.	Board Member
	Service rendering to cruises	On others' behalf	Cruceros Málaga, S.A	President of Board
Karina Santini	Service rendering to cruises	On others' behalf	Terminal Napoli S.p.A,	Director
	Service rendering to cruises	On others' behalf	Catania Cruise Terminal, S.r.l	Director

Name	Activity performed	System type	Company through which the activity is rendered	Functions
John Tercek	Service rendering to cruises	On others' behalf	Singapore Marian Bay	Director
	Service rendering to cruises	On others' behalf	Cagliari Cruise Port S.r.l	Director
	Service rendering to cruises	On others' behalf	Roma Cruise Terminal S.r.l.	Director
	Service rendering to cruises	On others' behalf	Ravenna Terminal Passeggeri S.r.l.	Director
	Service rendering to cruises	On others' behalf	Salerno Cruises S.r.l.	Director
	Service rendering to cruises	On others' behalf	Ege Liman Isletmeleri A.S.	Director
	Service rendering to cruises	On others' behalf	Worldwide Cruise Terminals (Hong Kong) Ltd	Director
	Service rendering to cruises	On others' behalf	Puerto de Cruceros y Marina de las Islas de la Bahia S.A. de C.V.	Director
	Service rendering to cruises	On others' behalf	Fort Street Tourism Village - Bellize	Director
	Service rendering to cruises	On others' behalf	Falmouth Jamaica Land Company Ltd.	Director
	Service rendering to cruises	On others' behalf	Terminal de Cruceros Punta Langosta - Cozumel	Director
Ferdağ Ildır	Service rendering to cruises	On others' behalf	Ortadogu Antalya Liman Isletmeleri A.S.	Chief Financial Officer
	Service rendering to cruises	On others' behalf	Ege Liman Isletmeleri A.S.	Chief Financial Officer
	Service rendering to cruises	On others' behalf	Bodrum Yolcu Limani Isletmeleri A.S.	Chief Financial Officer
Saygin Narin	Service rendering to cruises	On others' behalf	Ortadogu Antalya Liman Isletmeleri A.S.	Board Member
	Service rendering to cruises	On others' behalf	Ege Liman Isletmeleri A.S.	Board Member
	Service rendering to cruises	On others' behalf	Bodrum Yolcu Limani Isletmeleri A.S.	Board Member

(*) The information related to the members of the Board of Directors who resigned as directors at the date of preparation of these interim financial statements correspond to the information reported therein at the end of the FY2013. This information was included in the annual financial statements for the year ended at December 31, 2013.

At December 31, 2013, Vapores Suardiaz Mediterráneo, S.A. and persons related to this company or to its representative, Amadeo Riva Meana, World Duty Free, S.A. and persons related to this company or to its representative, Isabel Zarza García are not in a conflict situation, direct or indirect, with the Company's interest and has not held shareholdings on the share capital of companies with the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose, and have not exercised positions or duties or performed activities by themselves or on others' behalf of the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose.

Additionally, during the period six months ended June 30, 2014, persons related to the members of the Board of Administrators have not held direct or indirect shareholdings and have not held positions or duties on companies with the same, analogous or complementary kind of activity to the one that constitutes the Company's business purpose.

17. Environmental information

Due to its activities, the Company does not hold liabilities, expenses, assets nor provisions or contingencies of environmental nature, which could be significant in relation to its equity, financial situation and results. As a consequence of this, the present notes to the interim financial statements do not include specific disclosures.

18. Other information

18.1. Personnel

The average number of persons employed during the first half of 2014 and 2013, detailed by category and gender, is the following:

Categories	30.06.2014		30.06.2013	
	Male	Female	Male	Female
Administrative Assistant	-	1	-	1
Superior Cap.	1	-	1	-
Manager	2	-	-	2
Marketing and Commerce Manager	-	1	-	1
Chief Operator Driver	3	1	4	2
Total	**6**	**3**	**5**	**6**

Additionally, the distribution of payroll, Board Members and Top Management by gender at June 30, 2014 and June 30, 2013 closings is the following:

Categories	30.06.2014		30.06.2013	
	Male	Female	Male	Female
Board Members and Top Management	7	3	7	3
Administrative Assistant	-	2	-	2
Superior Cap.	1	-	1	-
Manager	-	2	-	2
Marketing and Commerce Manager	-	-	-	1
Chief Operator Driver	5	2	5	2
Total	**13**	**9**	**13**	**10**

18.2. Audit fees

The fees for the services rendered by the Company's auditor, Mazars Auditores, S.L.P., related to the review of the interim financial statements corresponding to six months ended at June 30,2014 amounted to 6,000 Euros. (2013: 0 Euros).

Additionally, the expense booked in the first half of 2014 Interim Financial Statements, corresponding to other services rendered to the Company by MAZARS Auditores, S.L.P. amounts to 615 Euros. (2013: 615 Euros).

On the other hand, during FY2014 and 2013, no amount has been invoiced for the services rendered to the Company by other companies of the MAZARS organization.

19. Subsequent events

Since June 30, 2014 closing, there has been a change in shareholding as a consequence of the acquisition of shares held in the Company by the World Duty Free Group, S.A. and Vapores Suardiaz Mediterráneo, S.A., by the company Barcelona Port Investment, S.L on September 30, 2014. Thus the latter becomes sole shareholder of the company.

In the same date the company returned the amount of the syndicated loan (2.3 million euros) pending to be paid at June 30, 2014 and due at December 2014. The company also obtained new financing from the shareholder for the same amount (2.3 million euros) due at long term.

On the 8th October 2014, the sole shareholder of the Company decided to approve an extraordinary dividend distribution charged to voluntary reserves by an amount of 10.75 million euros. The extraordinary dividend was paid to the sole shareholder on the 10th of October.

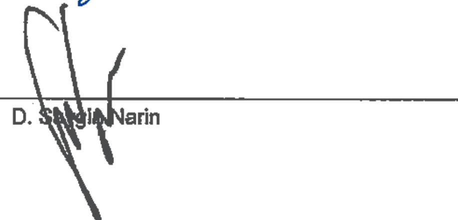
Formulation of the Interim Financial Statements

The formulation of the present Intarim Financial Statemants of Creuers dal Port da Barcelona, S.A. for the first half of 2014 has been approved by the Board of Directors, on their meeting held on October 21, 2014; such Interim Financiel Statemants are issued on 36 pages, the last of which is hereby signed by all the Boerd Members.

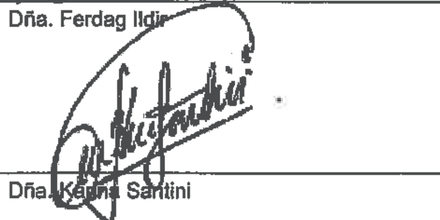
D. Arpak Demircan

D. John Tercek

Dña. Ferdag Ildir



D. Sergio Narin



Dña. Karina Santini

Barcelona, October 21, 2014

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