TAV Havalimanları Holding A.Ş.
and its Subsidiaries

Interim Condensed Consolidated Financial Statements
As at and for the Six-Month Period Ended 30 June 2019

23 July 2019
This report contains the "Interim Condensed Consolidated Financial Statements and their explanatory notes" comprising 50 pages.

Building a better working world

Güney Bağımsız Denetim ve SMMM A.Ş.
Maslak Mah. Eski Büyükdere Cad.
Orjin Maslak İş Merkezi No: 27
Kat: 2-3-4 Daire: 54-57-59
34485 Sarıyer
İstanbul - Türkiye

Tel: +90 212 315 3000
Fax: +90 212 230 8291
ey.com
Ticaret Sicil No: 479920
Mersis No: 0-4350-3032-6000017

Report on Review of Interim Condensed Consolidated Financial Statements

To the Board of Directors of TAV Havalimanları Holding A.Ş.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of TAV Havalimanları Holding A.Ş. (the Company) and its subsidiaries ("the Group") as of June 30, 2019 and the interim condensed consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement cash flows for the six-month period then ended, and explanatory notes. Group management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, Interim Financial Reporting (IAS 34). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 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 of interim financial information is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be 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 condensed consolidated] financial statements are not prepared, in all material respects, in accordance with IAS 34.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Onur Ünal, SMMM
Partner

23 July 2019
İstanbul, Türkiye

TAV Havalimanları Holding A.Ş.
and its Subsidiaries

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TAV Havalimanları Holding A.Ş. and its Subsidiaries

Interim Condensed Consolidated Statement of Financial Position
As at 30 June 2019

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

	Notes	Reviewed 30 June 2019	31 December 2018
ASSETS			
Property and equipment		191,355	231,336
Intangible assets		10,358	10,989
Airport operation right	8	1,535,742	1,566,551
Right of use assets		53,436	-
Equity-accounted investees	22	428,804	492,633
Goodwill		138,509	135,980
Prepaid concession and rent expenses	9	-	3,113
Derivative financial instruments	18	32	32
Trade receivables	11	58,089	65,553
Non-current due from related parties	21	1,867	1,849
Other non-current assets		81,950	7,890
Deferred tax assets		28,395	29,167
Total non-current assets		**2,528,537**	**2,545,093**
Inventories		8,887	9,176
Prepaid concession and rent expenses	9	-	42,254
Trade receivables	11	150,738	150,265
Due from related parties	21	33,156	29,711
Other receivables and current assets	10	143,083	51,752
Cash and cash equivalents	12	465,775	552,536
Restricted bank balances	13	50,140	70,524
Total current assets		**851,779**	**906,218**
TOTAL ASSETS		**3,380,316**	**3,451,311**

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Interim Condensed Consolidated Statement of Financial Position (continued)
As at 30 June 2019

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

	Notes	Reviewed 30 June 2019	31 December 2018
EQUITY			
Share capital	14	162,384	162,384
Share premium		220,286	220,286
Legal reserves		121,975	119,598
Other reserves		(85,743)	(83,649)
Purchase of shares of entities under common control		40,064	40,064
Cash flow hedge reserve		(67,768)	(52,154)
Translation reserves		(68,361)	(62,366)
Retained earnings		625,086	693,762
Total equity attributable to equity holders of the Company		**947,923**	**1,037,925**
Non-controlling interests	22	(9,655)	(6,113)
Total Equity		**938,268**	**1,031,812**
LIABILITIES			
Loans and borrowings	16	654,296	642,605
Reserve for employee severance indemnity		13,386	21,862
Due to related parties	21	301,356	305,893
Derivative financial instruments	18	41,197	29,391
Deferred income		17,963	17,831
Other payables	17	570,039	558,980
Deferred tax liabilities		21,382	12,544
Total non-current liabilities		**1,619,619**	**1,589,106**
Bank overdraft	12	1,738	379
Loans and borrowings	16	508,682	483,026
Trade payables		50,817	46,169
Due to related parties	21	4,154	25,398
Current tax liabilities	7	10,764	11,405
Other payables	17	233,157	249,774
Provisions		5,676	5,866
Deferred income		7,441	8,376
Total current liabilities		**822,429**	**830,393**
Total Liabilities		**2,442,048**	**2,419,499**
TOTAL EQUITY AND LIABILITIES		**3,380,316**	**3,451,311**

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

Interim Condensed Consolidated Statement of Profit or Loss and Comprehensive Income For the Six-Month Period Ended 30 June 2019

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

	Notes	Reviewed 1 January-30 June 2019	1 April-30 June 2019	Reviewed 1 January-30 June 2018	1 April-30 June 2018
Operating revenue	6	339,502	188,573	312,908	180,762
Other operating income		-	-	251	251
Cost of catering inventory sold		(17,053)	(8,102)	(19,041)	(10,270)
Cost of services rendered		(37,739)	(21,710)	(29,665)	(16,133)
Personnel expenses		(103,695)	(48,443)	(95,024)	(48,261)
Concession and rent expenses		(2,621)	(1,740)	(2,567)	(1,703)
Depreciation and amortisation expenses		(44,817)	(26,987)	(37,792)	(16,965)
Other operating expenses		(61,777)	(29,148)	(63,210)	(36,318)
Share of profit of equity-accounted investees, net of tax	22	4,718	15,344	21,585	19,101
Operating profit		**76,518**	**67,787**	**87,445**	**70,464**
Finance income		9,886	6,893	4,277	2,193
Finance costs		(55,845)	(31,363)	(67,943)	(34,066)
Net finance costs		**(45,959)**	**(24,470)**	**(63,666)**	**(31,873)**
Profit before tax from continuing operations		**30,559**	**43,317**	**23,779**	**38,591**
Tax expense	7	(14,330)	(5,583)	(13,083)	(6,647)
Profit from continuing operations		**16,229**	**37,734**	**10,696**	**31,944**
Profit from discontinued operations		46,513	2,156	84,761	57,864
Profit for the period after discontinued operations		**62,742**	**39,890**	**95,457**	**89,808**
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Defined benefit obligation actuarial differences		(7,100)	(7,004)	11	845
Defined benefit obligation actuarial differences from equity accounted investees		(517)	413	(278)	(432)
Tax on defined benefit obligation actuarial differences		1,420	1,401	39	(114)
Tax on defined benefit obligation actuarial differences from equity accounted investees		103	(83)	21	38
Total items that will not be reclassified to profit or loss		**(6,094)**	**(5,273)**	**(207)**	**337**
Items that are or may be reclassified subsequently to profit or loss:					
Effective portion of changes in fair value of cash flow hedges		(13,182)	(7,975)	2,899	645
Effective portion of changes in fair value of cash flow hedges from equity accounted investees		(8,131)	(4,958)	858	1,183
Portion of cash flow hedges charged to profit or loss		3,806	3,806	4,152	4,345
Foreign currency translation differences for foreign operations		(5,080)	(9,706)	8,751	7,486
Foreign currency translation differences for foreign operations from equity accounted investees		(3,255)	(2,393)	(3,329)	(1,571)
Tax on cash flow hedge reserves		2,222	1,035	(1,531)	(1,304)
Tax on cash flow hedge reserves from equity accounted investees		212	5	(43)	(66)
Total items that are or may be reclassified subsequently to profit or loss		**(23,408)**	**(20,186)**	**11,757**	**10,718**
Other comprehensive income for the period, net of tax		**(29,502)**	**(25,459)**	**11,550**	**11,055**
Total comprehensive income for the period		**33,240**	**14,431**	**107,007**	**100,863**

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

Interim Condensed Consolidated Statement of Profit or Loss and Comprehensive Income For the Six-Month Period Ended 30 June 2019 (continued)

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

	Notes	Reviewed 1 January-30 June 2019	1 April-30 June 2019	Reviewed 1 January-30 June 2018	1 April-30 June 2018
Profit attributable to:					
Owners of the Company		61,264	37,362	93,146	85,973
Non-controlling interest	22	1,478	2,528	2,311	3,835
Profit for the period after discontinued operations		**62,742**	**39,890**	**95,457**	**89,808**
Total comprehensive income attributable to:					
Owners of the Company		33,561	9,782	101,745	95,380
Non-controlling interest		(321)	4,649	5,262	5,483
Total comprehensive income for the period		**33,240**	**14,431**	**107,007**	**100,863**
Weighted average number of shares outstanding		**363,281,250**	**363,281,250**	**363,281,250**	**363,281,250**
Basic and diluted earnings per share for continued operations	15	**0.04**	**0.10**	**0.02**	**0.08**
Basic and diluted earnings per share for discontinued operations	15	**0.13**	**0.01**	**0.23**	**0.16**

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Interim Condensed Consolidated Statement of Changes in Equity
For the Six-Month Period Ended 30 June 2019

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

	Attributable to owners of the Company										
	Share Capital	**Share Premium**	**Legal Reserves**	**Other Reserves**	**Purchase of Shares of Entities Under Common Control**	**Cash Flow Hedge Reserve**	**Translation Reserves**	**Retained Earnings**	**Total**	**Non-Controlling Interests**	**Total Equity**
Balance at 1 January 2018	**162,384**	**220,286**	**109,935**	**(79,298)**	**40,064**	**(52,637)**	**(48,488)**	**541,233**	**893,479**	**(4,193)**	**889,286**
Effect of change in accounting policy (*)	-	-	-	-	-	-	-	(3,220)	(3,220)	-	(3,220)
Balance at 1 January 2018, restated	**162,384**	**220,286**	**109,935**	**(79,298)**	**40,064**	**(52,637)**	**(48,488)**	**538,013**	**890,259**	**(4,193)**	**886,066**
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	93,146	93,146	2,311	95,457
Other comprehensive income											
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	5,520	-	-	5,520	815	6,335
Defined benefit obligation actuarial differences, net of tax	-	-	-	-	-	-	-	(207)	(207)	-	(207)
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	3,286	-	3,286	2,136	5,422
Total other comprehensive income	-	-	-	-	-	5,520	3,286	(207)	8,599	2,951	11,550
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**5,520**	**3,286**	**92,939**	**101,745**	**5,262**	**107,007**
Transactions with owners of the Company, recognised directly in equity											
Contributions by and distributions to owners of the Company											
Dividend distributions (Note 21)	-	-	-	-	-	-	-	(82,829)	(82,829)	(5,631)	(88,460)
Change in non-controlling interest	-	-	-	(1,997)	-	-	-	-	(1,997)	1,618	(379)
Total transactions with owners of the Company	**-**	**-**	**-**	**(1,997)**	**-**	**-**	**-**	**(82,829)**	**(84,826)**	**(4,013)**	**(88,839)**
Transfers	-	-	8,919	-	-	-	-	(8,919)	-	-	-
Balance at 30 June 2018	**162,384**	**220,286**	**118,854**	**(81,295)**	**40,064**	**(47,117)**	**(45,202)**	**539,204**	**907,178**	**(2,944)**	**904,234**
Balance at 1 January 2019	**162,384**	**220,286**	**119,598**	**(83,649)**	**40,064**	**(52,154)**	**(62,366)**	**693,762**	**1,037,925**	**(6,113)**	**1,031,812**
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	61,264	61,264	1,478	62,742
Other comprehensive income											
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	(15,614)	-	-	(15,614)	541	(15,073)
Defined benefit obligation actuarial differences, net of tax	-	-	-	-	-	-	-	(6,094)	(6,094)	-	(6,094)
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	(5,995)	-	(5,995)	(2,340)	(8,335)
Total other comprehensive income	-	-	-	-	-	(15,614)	(5,995)	(6,094)	(27,703)	(1,799)	(29,502)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**(15,614)**	**(5,995)**	**55,170**	**33,561**	**(321)**	**33,240**
Transactions with owners of the Company, recognised directly in equity											
Contributions by and distributions to owners of the Company											
Dividend distributions (Note 21)	-	-	-	-	-	-	-	(121,469)	(121,469)	(4,902)	(126,371)
Change in non-controlling interest	-	-	-	(2,094)	-	-	-	-	(2,094)	1,681	(413)
Total transactions with owners of the Company	**-**	**-**	**-**	**(2,094)**	**-**	**-**	**-**	**(121,469)**	**(123,563)**	**(3,221)**	**(126,784)**
Transfers	-	-	2,377	-	-	-	-	(2,377)	-	-	-
Balance at 30 June 2019	**162,384**	**220,286**	**121,975**	**(85,743)**	**40,064**	**(67,768)**	**(68,361)**	**625,086**	**947,923**	**(9,655)**	**938,268**

(*) Impact of retrospective application of IFRS 15. It is related to investment recognized in equity accounted investees. This application change affects equity accounted investees and retained earnings.

Interim Condensed Consolidated Statement of Cash Flows
For the Six-Month Period Ended 30 June 2019

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

	Notes	Reviewed 1 January-30 June 2019	Reviewed 1 January-30 June 2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit from continuing operations		**16,229**	**10,696**
Profit from discontinued operations		**46,513**	**84,761**
Adjustments for:			
Amortisation of airport operation right	8	27,299	26,713
Depreciation of property and equipment		72,902	26,447
Amortisation of intangible assets		1,324	1,323
Concession and rent expenses		47,988	80,881
Other income accruals		(55,011)	-
Provision for employee severance indemnity		1,799	2,588
Provision for doubtful receivables		476	350
Discount on receivables and payables, net		(74)	(30)
Provision set for unused vacation		278	1,051
Interest income		(7,077)	(7,052)
Interest expense on financial liabilities		35,057	34,495
Tax expense	7	14,330	43,354
Unwinding of discount on concession receivable and payable		11,292	11,160
Share of profit of equity-accounted investees, net of tax	22	(4,718)	(21,585)
Unrealised foreign exchange differences on statement of financial position items		(28,987)	(9,831)
Cash flows from operating activities		**179,620**	**285,321**
Change in current trade receivables		118	(13,273)
Change in non-current trade receivables		12,167	11,600
Change in inventories		252	88
Change in due from related parties		5,523	(3,337)
Change in other receivables and assets		(103,302)	13,824
Change in trade payables		4,648	391
Change in due to related parties		347	329
Change in other payables and provisions		(25,392)	(71,341)
Cash provided from operations		**73,981**	**223,602**
Income taxes paid	7	(9,954)	(36,171)
Retirement benefits paid		(16,385)	(2,142)
Additions to prepaid concession and rent expenses	9	-	(116,042)
Net cash provided from operating activities		**47,642**	**69,247**

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

Interim Condensed Consolidated Statement of Cash Flows
For the Six-Month Period Ended 30 June 2019

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

	Notes	Reviewed 1 January-30 June 2019	Reviewed 1 January-30 June 2018
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, equipment and intangible assets		2,651	802
Acquisition of property and equipment		(31,833)	(52,316)
Acquisition of intangible assets		(891)	(1,069)
Acquisition of joint venture net of cash acquired		-	(360,000)
Change in due from related parties		(8,986)	(3,301)
Change in due to related parties		(21,591)	(25)
Dividends from equity-accounted investees		86,627	22,809
Acquisition of subsidiary, net-off cash acquired		(2,060)	-
Net cash provided from / (used in) investing activities		**23,917**	**(393,100)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		8,270	170,145
Repayment of borrowings		(31,547)	(115,832)
Dividends paid		(126,371)	(88,460)
Interest received		5,364	9,354
Interest paid		(19,298)	(22,630)
Change in due to related parties		(9,050)	301,356
Change in restricted bank balances		15,020	(25,705)
Change in finance lease liabilities		(2,067)	(467)
Net cash (used in) / provided from financing activities		**(159,679)**	**227,761**
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(88,120)**	**(96,092)**
CASH AND CASH EQUIVALENTS AT 1 JANUARY	12	**552,157**	**344,214**
CASH AND CASH EQUIVALENTS AT 30 JUNE	12	**464,037**	**248,122**

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

Notes to the interim condensed consolidated financial statements

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

1. REPORTING ENTITY

TAV Havalimanları Holding A.Ş. ("TAV", "TAV Holding" or "the Company") was established in 1997 under the name of Tepe Akfen Vie Yatırım Yapım ve İşletme A.Ş. in Turkey for the purpose of reconstructing the İstanbul Atatürk Airport (International Lines Building) and operating it for a limited period of 66 months. On 7 August 2006, the Company's name has been changed to TAV Havalimanları Holding A.Ş.. The address of the Company's registered office is Vadi İstanbul Bulvar, Ayazağa Mah. Cendere Cad.Sarıyer, İstanbul, Turkey.

The Company is listed in Borsa İstanbul since 23 February 2007 and the Company's shares are traded as "TAVHL".

The interim condensed consolidated financial statements of the Company as at and for the six-month period ended 30 June 2019 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interests in joint ventures.

Changes in ownership interest percentages of the Company's joint venture since 31 December 2018 are as follows:

			30 June 2019		31 December 2018	
Name of Subsidiary	**Principal Activity**	**Place of operation**	**Ownership interest %**	**Voting power held %**	**Ownership interest %**	**Voting power held %**
BTA Denizyolları ve Limanları Yiyecek ve İçecek Hizmetleri Tic. A.Ş. ("BTA Denizyolları")	Food and Beverage Services	Turkey	100.00	100.00	50.00	50.00
UTB Lokum Şeker Gıda San. ve Tic. A.Ş. ("BTU Lokum")	Food and Beverage Services	Turkey	-	-	85.00	85.00
UTB Gıda Satış ve Paz. A.Ş. ("BTU Gıda")	Food and Beverage Services	Turkey	-	-	70.00	70.00
Tibah Airports Development Company CJSC ("Tibah Development")	Airport Operator	Saudi Arabia	50.00	50.00	33.33	33.33

In 17 January 2019, BTU Lokum and BTU Gıda are merged under BTA Unlu Mamülleri Pasta Üretim Turizm Gıda Yiyecek İçecek Hizmetleri San. ve Tic. A.Ş. ("Cakes & Bakes").

Company's subsidiaries since 31 December 2018 are as follows:

			30 June 2019		31 December 2018	
Name of Subsidiary	**Principal Activity**	**Place of operation**	**Ownership interest %**	**Voting power held %**	**Ownership interest %**	**Voting power held %**
Gestio I Servies Trade Center S.A. ("GIS Spain")	Lounge Services	Spain	70.00	70.00	-	-
GIS Premium France SAS ("GIS France")	Lounge Services	France	70.00	70.00	-	-
GIS Premium Deutschland Gmbh ("GIS Germany")	Lounge Services	Germany	70.00	70.00	-	-
GIS Premium Italy SRL ("GIS Italy")	Lounge Services	Italy	70.00	70.00	-	-
GIS Premium Mexico SadCV ("GIS Mexico")	Lounge Services	Mexico	70.00	70.00	-	-
GIS Premium Argentina SRL ("GIS Argentina")	Lounge Services	Argentina	70.00	70.00	-	-
GIS Premium Brasil Servicos Aeroportuarios LTDA ("GIS Brazil")	Lounge Services	Brazil	70.00	70.00	-	-
GIS Premium Colombia S.A.A. ("GIS Colombia")	Lounge Services	Colombia	70.00	70.00	-	-
Havas Adriatic d.o.o. ("HAVAŞ Adriatic")	Ground Handling Services	Croatia	100.00	100.00	-	-

On 17 January 2019, TAV İşletme Hizmetleri A.Ş. acquired 70% shares of Gestio I Serveis Trade Center, S.A. ("GIS Spain") with an amount of EUR 3,290. TAV İşletme Hizmetleri A.Ş will make an additional EUR 210 payment subject to signing of lounge management contract with Latam Airlines. GIS Spain has full ownership on its investments in GIS France, GIS Germany, GIS Italy, GIS Mexico, GIS Argentina, GIS Brazil and GIS Colombia shares. These companies are fully consolidated with the non-controlling interest's ownership recognized as a non-controlling interest. An additional Goodwill related to GIS acquisation in 2019 amounting to EUR 1,891 has been recognized in the consolidated statement of financial position.

Havas Adriatic is established in June 2019.

1. REPORTING ENTITY (continued)

Description of Operations

The Group and its joint ventures' core businesses are related to the construction of terminal buildings, management and operation of terminals or airports. TAV Esenboğa entered into Build-Operate-Transfer ("BOT") agreements with Devlet Hava Meydanları İşletmesi Genel Müdürlüğü (General Directorate of State Airports Authority) ("DHMİ"), TAV Tbilisi with JSC Tbilisi International Airport ("JSC"), TAV Batumi with Georgian Ministry of Economic Development ("GMED"), TAV Tunisia with Tunisian Airport Authority (Office De L'Aviation Civil Et Des Aeroports) ("OACA"), Ministry of Transportation ("MOT"), TAV Macedonia with Macedonian Ministry of Transportation and Communication ("MOTC"). Tibah Development entered into Build-Transfer-Operate ("BTO") agreement with General Authority of Civil Aviation ("GACA"). TAV Ege, TAV Milas Bodrum, TAV Gazipaşa and TAV Antalya entered into concession agreement with DHMİ and Medunarodna Zracna Luka Zagreb D.D. ("MZLZ") with Ministry of Maritime Affairs, Transport and Infrastructure of The Republic of Croatia ("MMTI"). Under these agreements, the Group agrees to build or renovate or manage an airport or terminal within a specified period of time and in exchange receives the right to operate the airport and terminal for a pre-established period of time. At the end of the contracts, the Group will transfer the ownership of the terminal buildings or airports back to the related public authority, DHMİ, JSC, GMED, OACA, MOT, MOTC, GACA and MMTI accordingly. Group also signs separate contracts related with the airport operations. On 3 June 2005, TAV İstanbul signed a rent agreement to operate Atatürk International Airport Terminal ("AIAT") and Atatürk Domestic Airport Terminal ("ADAT") for 15.5 years until year 2021. According to the concession agreement dated 16 December 2011, TAV Ege started renting and operating the international terminal of İzmir Adnan Menderes Airport at 10 January 2015.

A tender was held on 3 May 2013 for construction of a new airport in İstanbul. It has been announced that the winning bid for the tender as per the tender specifications of İstanbul's New Airport Project to be undertaken by BOT model within the framework of the procedures and principles defined by DHMİ as per the law no. 3996 and cabinet decree no. 2011/1807 was offered by a venture other than the Group. The opening of 3rd airport led to closure of Atatürk Airport at a date earlier than the concession contract end date, which in turn led to change in expected amortization period of prepaid rent and leasehold assets. However, TAV Holding and TAV İstanbul received a formal letter issued by DHMİ dated 22 January 2013, stating that DHMİ will fully reimburse the Group for potential loss of profit over the remaining period of its existing rent period that may be incurred in case that another airport is opened for operation on the European side of İstanbul before the end of the rent period of TAV İstanbul; i.e. 3 January 2021. In addition, it is stated that independent expert companies will be consulted for the computation of the total reimbursement amount. As of the approval date of the financial statements, the Group, DHMI and their consultants are working together for determination of the compensation. As the reimbursed amount has not been finalized yet, the Group write off the carrying value of leasehold improvements and prepaid rent amounting to EUR 46,273 and EUR 8,738, respectively, and accrued a compensation income amounting to EUR 55,011 which is equivalent to total written off leasehold improvements and prepaid rent in its consolidated financial statements.

Seasonality of Operations

Due to seasonal nature of operations, higher revenues and operating profits are usually expected in the second half of the year rather than in the first six months. Higher sales during the period June to August are mainly attributed to the increased number of passengers during the peak season.

The Group employs 16,477 in subsidiaries (average: 16,953) and 10,017 in joint ventures (average: 9,479) people as at 30 June 2019 (31 December 2018: 16,820 in subsidiaries (average: 18,097) and 9,219 in joint ventures (average: 8,179).

2. BASIS OF PREPARATION

a) Statement of compliance

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2018.

The interim condensed consolidated financial statements were authorized for issue by the Board of Directors on 23 July 2019. The power to change the interim condensed consolidated financial statements after the issuing of the interim condensed consolidated financial statements is held by the General Assembly.

b) Basis of measurement

The interim condensed consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments which are measured at fair value.

The methods used to measure fair values are discussed further in Note 4.

c) Functional and presentation currency

TAV Holding and its subsidiaries operating in Turkey maintain their books of account and prepare their statutory financial statements in Turkish Lira ("TRL") in accordance with the accounting principles as promulgated by the Turkish Commercial Code and tax legislation.

Functional currency of most of the Group companies operating in Turkey and other countries are determined to be Euro, different from their country's currency according to IAS 21. Accordingly functional currency of TAV Holding as a parent company has been determined as Euro. The accompanying consolidated financial statements are presented in EUR, which is the functional currency of TAV Group.

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

The functional currencies of the Group entities and joint ventures are consistent with the Group's interim consolidated financial statements for the period ended 30 June 2019.

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

3. CHANGES IN ACCOUNTING POLICIES

<u>The new standards, amendments and interpretations</u>

The accounting policies adopted in preparation of the interim consolidated financial statements as at 30 June 2019 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and IFRIC interpretations effective as of 1 January 2019. The effects of these standards and interpretations on the the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as at 1 January 2019 are as follows:

IFRS 16 Leases

In April 2018, IASB has published a new standard, IFRS 16 'Leases'. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 supersedes IAS 17 'Leases' and related interpretations and is effective for periods beginning on or after 1 January 2019, with earlier adoption permitted.

Lessees have recognition exemptions to applying this standard in case of short-term leases (i.e., leases with a lease term of 12 months or less) and leases of 'low-value' assets (e.g., personal computers, office equipment, etc.). At the commencement date of a lease, a lessee measures the lease liability at the present value of the lease payments that are not paid at that date (i.e., the lease liability), at the same date recognises an asset representing the right to use the underlying asset (i.e., the right-of-use asset) and depreciates it during the lease term. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate. Lessees are required to recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset separately.

Lessees are required to remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). Under these circumstances, the lessee recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Transition to IFRS 16:

The Group adopted IFRS 16 using the modified retrospective approach. The Group elected to apply the standard to contracts that were previously identified as leases applying IAS 17 and IFRIC 4. The Group therefore did not apply the standard to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC 4.

The Group elected to use the exemptions applicable to the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application and lease contracts for which the underlying asset is of low value. The Group has leases of certain office equipment (i.e., personal computers, printing and photocopying machines and other office equipments) that are considered of low value.

Impact on the consolidated statement of financial position as at 30 June 2019:

	Right-of-use assets				
	Layout and Development of Land	**Building**	**Vehicles**	**Total**	**Lease Liabilities**
1 January 2019	6,765	5,685	1,130	13,580	13,580
Additions	34,653	6,955	569	42,177	39,688
Depreciation expense	(1,052)	(645)	(433)	(2,130)	-
Interest expense	-	-	-	-	1,687
Payments	-	-	-	-	(1,365)
Effect of movements in exchange rates	-	(188)	(3)	(191)	-
30 June 2019	**40,366**	**11,807**	**1,263**	**53,436**	**53,590**

The standard is applied for annual periods beginning on or after 1 January 2019.

3. CHANGES IN ACCOUNTING POLICIES (continued)

The new standards, amendments and interpretations (continued)

i) The new standards, amendments and interpretations which are effective as at 1 January 2018 are as follows (continued):

IFRS 16 Leases (continued)

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Amendments to IAS 28 "Investments in Associates and Joint Ventures" (Amendments)

In December 2017, IASB issued amendments to IAS 28 Investments in Associates and Joint Ventures. The amendments clarify that a company applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture.

IFRS 9 Financial Instruments excludes interests in associates and joint ventures accounted for in accordance with IAS 28 Investments in Associates and Joint Ventures. In this amendment, IASB clarified that the exclusion in IFRS 9 applies only to interests a company accounts for using the equity method. A company applies IFRS 9 to other interests in associates and joint ventures, including long-term interests to which the equity method is not applied and that, in substance, form part of the net investment in those associates and joint ventures.

These amendments are applied for annual periods beginning on or after 1 January 2019. The amendments did not have a significant impact on the financial position or performance of the Group.

3. CHANGES IN ACCOUNTING POLICIES (continued)

The new standards, amendments and interpretations (continued)

IFRIC 23 Uncertainty over Income Tax Treatments

The interpretation clarifies how to apply the recognition and measurement requirements in "IAS 12 Income Taxes" when there is uncertainty over income tax treatments.

When there is uncertainty over income tax treatments, the interpretation addresses:
(a) whether an entity considers uncertain tax treatments separately;
(b) the assumptions an entity makes about the examination of tax treatments by taxation authorities;
(c) how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and
(d) how an entity considers changes in facts and circumstances.

The interpretation is effective for annual reporting periods beginning on or after 1 January 2019. The interpretation did not have a significant impact on the financial position or performance of the Group.

Annual Improvements – 2015–2017 Cycle

In January 2019, the IASB issued Annual Improvements to IFRS Standards 2015–2017 Cycle, amending the following standards:

- IFRS 3 Business Combinations and IFRS 11 Joint Arrangements — The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
- IAS 12 Income Taxes — The amendments clarify that all income tax consequences of dividends (i.e. distribution of profits) should be recognised in profit or loss, regardless of how the tax arises.
- IAS 23 Borrowing Costs — The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

The amendments are effective from annual periods beginning on or after 1 January 2019. The amendments did not have a significant impact on the financial position or performance of the Group.

Plan Amendment, Curtailment or Settlement" (Amendments to IAS 19)

On January 2019, the IASB published Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement" The amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement occurs. These amendments are applied for annual periods beginning on or after 1 January 2019. The amendments did not have a significant impact on the financial position or performance of the Group.

Prepayment Features with Negative Compensation (Amendments to IFRS 9)

The IASB issued minor amendments to IFRS 9 Financial Instruments to enable companies to measure some prepayable financial assets at amortised cost.

Applying IFRS 9, a company would measure a financial asset with so-called negative compensation at fair value through profit or loss. Applying the amendments, if a specific condition is met, entities will be able to measure at amortised cost some prepayable financial assets with so-called negative compensation.

These amendments are applied for annual periods beginning on or after 1 January 2019. The amendments did not have a significant impact on the financial position or performance of the Group.

3. CHANGES IN ACCOUNTING POLICIES (continued)

The new standards, amendments and interpretations (continued)

ii) Standards issued but not yet effective and not early adopted:

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the interim consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)

In December 2017, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted. The Group will wait until the final amendment to assess the impacts of the changes.

IFRS 17 - The new Standard for insurance contracts

The IASB issued IFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. Certain changes in the estimates of future cash flows and the risk adjustment are also recognised over the period that services are provided. Entities will have an option to present the effect of changes in discount rates either in profit and loss or in OCI. The standard includes specific guidance on measurement and presentation for insurance contracts with participation features. IFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2021; early application is permitted. The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

Definition of a Business (Amendments to IFRS 3)

In May 2019, the IASB issued amendments to the definition of a business in IFRS 3 Business Combinations. The amendments are intended to assist entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

The amendments:
- clarify the minimum requirements for a business;
- remove the assessment of whether market participants are capable of replacing any missing elements;
- add guidance to help entities assess whether an acquired process is substantive;
- narrow the definitions of a business and of outputs; and
- introduce an optional fair value concentration test.

The amendments to IFRS 3 are effective for annual reporting periods beginning on or after 1 January 2020 and apply prospectively. Earlier application is permitted.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

Definition of Material (Amendments to IAS 1 and IAS 8)

In June 2019, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of ‘material’ across the standards and to clarify certain aspects of the definition. The new definition states that, ’Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

The amendments to IAS 1 and IAS 8 are required to be applied for annual periods beginning on or after 1 January 2020. The amendments must be applied prospectively and earlier application is permitted.

Overall, the Group expects no significant impact on its balance sheet and equity.

4. DETERMINATION OF FAIR VALUES

Fair value determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

i) Property and equipment:

The fair value of property and equipment recognised as a result of a business combination is the estimated amount for which a property could be exchanged on the date of acquisition between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly. The fair value of items of equipment, fixtures and fittings is based on the market approach and cost approaches using quoted market prices for similar items when available and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

ii) Intangible assets:

The fair value of intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

The fair values of customer relationship and DHMİ licence acquired in a business combination are determined according to the excess earnings method and depreciated replacement cost approach, respectively.

The airport operation right as an intangible asset is initially recognised at cost, being the fair value of consideration transferred to acquire the asset, which is the fair value of the consideration received or receivable for the construction services delivered less any financial asset recognised. The fair value of the consideration received or receivable for the construction services delivered includes a mark-up on the actual costs incurred to reflect a margin consistent with other similar construction work. Mark-up rates for TAV Esenboğa, TAV Gazipaşa, TAV Macedonia and TAV Ege are 0%, TAV Tbilisi and TAV Tunisia are 15% and %5 respectively.

iii) Trade and other receivables:

The fair value of trade and other receivables is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. This fair value is determined for disclosure purposes or when acquired in a business combination.

iv) Derivatives:

The fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds) or option pricing models.

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

v) Other non-derivative financial liabilities:

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

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

4. DETERMINATION OF FAIR VALUES (continued)

Fair value hierarchy:

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

• Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
• Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
• Level 3: unobservable inputs for the asset or liability.

30 June 2019	**Level 1**	**Level 2**	**Level 3**
Trade receivables	-	208,827	-
Loans and borrowings	-	(1,164,716)	-
Other payables (*)	-	(794,668)	-
Interest rate swap	-	(41,165)	-

31 December 2018	**Level 1**	**Level 2**	**Level 3**
Trade receivables	-	215,818	-
Loans and borrowings	-	(1,126,010)	-
Other payables (*)	-	(799,495)	-
Interest rate swap	-	(29,359)	-

(*) Other payables do not include advances received amounting to EUR 8,528 (31 December 2018: EUR 9,259).

5. OPERATING SEGMENT

For management purposes, the Group and its joint ventures are currently organised into four reportable segments regarding to their activities; such as Terminal Operations, Catering Operations, Duty Free Operations, Ground Handling and Bus Operations. These reportable segments are the basis on which the Group reports its primary segment information, the principal activities of each are as follows:

- ***Terminal operations:*** Operating terminal buildings, the car park and the general aviation terminal, the Group companies included in this segment are TAV İstanbul, TAV Esenboğa, TAV Ege, TAV Milas Bodrum, TAV Tunisia, TAV Tbilisi, TAV Batumi, Batumi Airport LLC, TAV Macedonia, TAV Gazipaşa, TAV Uluslararası Yatırım, Tibah Development, Tibah Operation, MZLZ, MZLZ Operation and AMS. TAV Tbilisi, TAV Batumi, TAV Tunisia, TAV Macedonia, TAV Gazipaşa, TAV Antalya and MZLZ also include the ground handling operations, and parking-apron-taxi ways as they are not outsourced and are run by the airport.

- ***Catering operations:*** Managing all food and beverage operations of the terminal, both for the passengers and the terminal personnel, which is run by BTA, BTA Georgia, BTA Tunisia, BTA Macedonia, BTA France, Cakes & Bakes, BTA Tedarik, BTA Danışmanlık, BTA Latvia, BTA Denizyolları, BTU Lokum, BTU Gıda, BTA Medinah, BS Kahve, BTA Uluslararası Yiyecek, BTA Erus and BTA MZLZ.

- ***Duty free operations:*** Sales of duty free goods for the international arriving and departing passengers. The Group operates its duty free services through ATU, ATU Georgia, ATU Tunisia, ATU Macedonia, ATU Latvia, ATU Tunisia Duty Free, ATU Medinah, ATU Mağazacılık, ATU Uluslararası Mağazacılık and ATU Americas.

- ***Ground handling and bus operations:*** Providing traffic, ramp, flight operation, cargo and all other ground handling services for domestic and international flights under the Civil Aviation Legislation License. The Group operates the ground handling services through HAVAŞ, HAVAŞ Europe, HAVAŞ Europe Helsinki, HAVAŞ Germany, TAV Gözen, TGS and HAVAŞ Adriatic, Saudi HAVAŞ. HAVAŞ, HYT İzmir, HYT Muğla and HYT Samsun provides bus operations.

- ***Other:*** Providing lounge services, IT, security and education services, airline taxi services, the Group companies included in this segment are TAV Holding, TAV Latvia, TAV İşletme, TAV İşletme Georgia, TAV İşletme Tunisia, TAV İşletme Tunisia Plus, TAV İşletme Macedonia, TAV İşletme Germany, TAV İşletme Latvia, TAV İşletme Kenya, TAV İşletme America, TAV İşletme Washington, TAV İşletme Saudi, TAV İşletme Chile, TAV Havacılık, GIS Spain, GIS France, GIS Germany, GIS Italy, GIS Mexico, GIS Argentina, GIS Brazil, GIS Colombia, TAV Bilişim, TAV IT Saudi, TAV Güvenlik, TAV Akademi, TAV Aviation Minds, Aviator Netherlands, ZAIC-A, ATU Holdings and Medinah Hotel.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment operating profit, as included in the internal management reports that are reviewed by the Group's Management. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on arm's length basis.

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

5. OPERATING SEGMENT (continued)

	Six-month period ended 30 June											
	Terminal Operations		**Catering Operations**		**Duty Free Operations**		**Ground Handling and Bus Operations**		**Other Operations**		**Total**	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Total external revenues	227,229	146,678	64,749	71,550	102,139	165,015	143,714	131,927	81,568	49,906	619,399	565,076
Inter-segment revenue	49,011	68,663	7,542	10,829	225	37	166	-	19,747	24,018	76,691	103,547
Construction revenue	788	-	-	-	-	-	-	-	-	-	788	-
Construction expenditure	(788)	-	-	-	-	-	-	-	-	-	(788)	-
Interest income	1,886	1,998	443	235	626	260	1,746	477	3,528	5,295	8,229	8,265
Interest expense	(34,805)	(40,091)	(996)	(759)	(38)	(107)	(3,788)	(509)	(5,615)	(2,490)	(45,242)	(43,956)
Depreciation and amortisation	(73,449)	(41,490)	(4,227)	(3,031)	(2,762)	(2,420)	(12,474)	(5,270)	(4,514)	(2,995)	(97,426)	(55,206)
Reportable segment operating profit / (loss)	70,980	74,579	(899)	1,860	8,366	14,600	14,010	15,923	9,532	2,463	101,989	109,425
Capital expenditure	7,628	3,918	14,480	6,347	8,714	319	42,564	7,163	11,364	37,152	84,750	54,899

	As at 30 June 2019 and 31 December 2018											
	Terminal Operations		**Catering Operations**		**Duty Free Operations**		**Ground Handling and Bus Operations**		**Other Operations**		**Total**	
	30 June 2019	**31 December 2018**	**30 June 2019**	**31 December 2018**	**30 June 2019**	**31 December 2018**	**30 June 2019**	**31 December 2018**	**30 June 2019**	**31 December 2018**	**30 June 2019**	**31 December 2018**
Reportable segment assets	3,549,795	3,212,665	61,361	66,369	156,739	85,393	241,813	303,637	613,183	557,743	4,622,891	4,225,807
Reportable segment liabilities	2,566,482	2,495,394	78,018	55,632	95,501	65,999	222,467	176,086	322,105	416,756	3,284,573	3,209,867

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

5. OPERATING SEGMENT (continued)

	Three-month period ended 30 June											
	Terminal Operations		Catering Operations		Duty Free Operations		Ground Handling and Bus Operations		Other Operations		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Total external revenues	167,866	103,683	28,888	38,227	37,915	88,696	85,545	74,939	40,855	27,886	361,069	333,431
Inter-segment revenue	23,153	37,882	2,617	5,589	84	8	130	-	8,687	11,657	34,671	55,136
Construction revenue	-	-	-	-	-	-	-	-	-	-	-	-
Construction expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Interest income	1,091	1,290	277	111	142	-	1,219	291	1,658	2,474	4,387	4,166
Interest expense	(20,269)	(25,307)	(746)	(340)	-	(85)	(2,496)	(312)	(2,525)	(1,997)	(26,036)	(28,041)
Depreciation and amortisation	(49,340)	(22,826)	(2,688)	(1,469)	(1,380)	(1,203)	(7,944)	(2,597)	(2,861)	(1,654)	(64,213)	(29,749)
Reportable segment operating profit / (loss)	57,303	66,524	(2,104)	1,625	2,359	8,943	16,601	10,943	4,154	(1,231)	78,313	86,804
Capital expenditure	4,433	1,620	10,875	1,558	7,465	-	32,052	3,681	5,099	26,034	59,924	32,893

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

5. OPERATING SEGMENT (continued)

Reconciliations of reportable segment revenues, profit before tax, assets and liabilities and other material items

Revenues	1 January-30 June 2019	1 April-30 June 2019	1 January-30 June 2018	1 April-30 June 2018
Total revenue for reportable segments	595,563	346,199	594,699	349,024
Other revenue	101,315	49,542	73,924	39,543
Elimination of inter-segment revenue	(76,691)	(34,671)	(103,547)	(55,136)
	620,187	**361,070**	**565,076**	**333,431**
Effect of using the equity method for joint ventures	(280,685)	(172,497)	(252,168)	(152,669)
Consolidated revenue	**339,502**	**188,573**	**312,908**	**180,762**

Operating profit	1 January-30 June 2019	1 April-30 June 2019	1 January-30 June 2018	1 April-30 June 2018
Segment operating profit	92,457	74,159	106,962	88,035
Other operating profit / (loss)	9,532	4,154	2,463	(1,231)
Elimination of inter-segment operating loss	(193)	8	(2,224)	(547)
	101,796	**78,321**	**107,201**	**86,257**
Effect of using the equity method for joint ventures	(25,278)	(10,534)	(19,756)	(15,793)
Consolidated operating profit	**76,518**	**67,787**	**87,445**	**70,464**
Finance income	9,886	6,893	4,277	2,193
Finance expense	(55,845)	(31,363)	(67,943)	(34,066)
Consolidated profit before tax from continuing operations	**30,559**	**43,317**	**23,779**	**38,591**

Assets	30 June 2019	31 December 2018
Total assets for reportable segments	4,009,708	3,668,064
Other assets	613,183	557,743
	4,622,891	**4,225,807**
Effect of using the equity method for joint ventures	(1,242,575)	(774,496)
Consolidated total assets	**3,380,316**	**3,451,311**

Liabilities	30 June 2019	31 December 2018
Total liabilities for reportable segments	2,962,468	2,793,111
Other liabilities	322,105	416,756
	3,284,573	**3,209,867**
Effect of using the equity method for joint ventures	(842,525)	(790,368)
Consolidated total liabilities	**2,442,048**	**2,419,499**

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

5. OPERATING SEGMENT (continued)

Interest income	**1 January-30 June 2019**	**1 April-30 June 2019**	**1 January-30 June 2018**	**1 April-30 June 2018**
Total interest income for reportable segments	4,701	2,587	2,970	1,607
Other interest income	3,528	1,658	5,295	2,474
Elimination of inter-segment interest income	(9,609)	(5,451)	(3,572)	(1,784)
	(1,380)	**(1,206)**	**4,693**	**2,297**
Effect of using the equity method for joint ventures	8,457	5,290	(416)	(104)
Consolidated interest income	**7,077**	**4,084**	**4,277**	**2,193**

Interest expense	**1 January-30 June 2019**	**1 April-30 June 2019**	**1 January-30 June 2018**	**1 April-30 June 2018**
Total interest expense for reportable segments	(39,627)	(23,369)	(41,466)	(25,959)
Other interest expense	(5,615)	(2,525)	(2,490)	(1,997)
Elimination of inter-segment interest expense	9,450	5,341	3,284	1,714
	(35,792)	**(20,553)**	**(40,672)**	**(26,242)**
Effect of using the equity method for joint ventures	735	763	7,148	3,709
Consolidated interest expense	**(35,057)**	**(19,790)**	**(33,524)**	**(22,533)**

Geographical information

The main geographical segments of the Group and its joint ventures are comprised of Turkey, Georgia, Macedonia, Tunisia, Oman and Spain.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of revenue. Segment assets are based on the geographical location of the assets.

Revenue	**1 January-30 June 2019**	**1 April-30 June 2019**	**1 January-30 June 2018**	**1 April-30 June 2018**
Turkey	193,267	103,705	239,894	137,207
Georgia	48,840	27,243	37,663	19,492
Macedonia	16,529	9,142	13,178	7,071
Tunisia	16,520	12,713	9,844	7,907
Oman	14,186	6,888	7,073	5,542
Spain	9,564	5,033	-	-
Other	40,596	23,849	5,256	3,543
Consolidated revenue	**339,502**	**188,573**	**312,908**	**180,762**

Non-current assets	**30 June 2019**	**31 December 2018**
Turkey	2,179,954	1,996,255
Tunisia	269,663	399,142
Georgia	34,228	68,461
Oman	15,196	12,494
Macedonia	13,678	55,833
Spain	743	-
Other	15,075	12,908
Consolidated non-current assets	**2,528,537**	**2,545,093**

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

6. OPERATING REVENUE

An analysis of the Group's operating revenue for the period ended 30 June are as follows:

	1 January-30 June 2019	1 April-30 June 2019	1 January-30 June 2018	1 April-30 June 2018
Ground handling income	79,412	50,679	70,419	42,152
Aviation income	79,362	48,775	69,838	43,324
Catering services income	51,442	25,412	50,974	27,468
Income from lounge services and prime class	31,555	14,863	19,388	11,115
Commission from sales of duty free goods	16,390	11,392	15,657	10,370
Software sales income	14,733	8,872	13,210	7,247
Area allocation income	13,071	6,512	14,685	7,554
Income from car parking operations and valet service income	9,071	4,577	7,898	4,502
Rent income from sublease	6,053	1,314	9,252	4,869
Bus services income	5,878	2,871	7,381	3,667
Operating financial revenue	4,703	2,166	5,296	3,936
Security services income	4,382	2,144	4,051	2,001
Loyalty card income	3,595	1,569	4,769	2,306
Advertising income	2,713	1,217	3,377	1,672
Hotel and reservation income	1,930	213	3,723	1,904
Utility and general participation income	1,567	790	1,306	686
Retail income	16	11	1,662	1,127
Other operating revenue	13,629	5,196	10,022	4,862
Total operating revenue	**339,502**	**188,573**	**312,908**	**180,762**

7. TAX EXPENSE

An analysis of the Group's tax expense for the periods ended 30 June 2019 and 2018 are as follows:

Tax recognised in profit or loss

	2019	2018
Current tax expense		
Current year tax expense	9,313	9,036
Adjustments for prior periods	-	-
	9,313	9,036
Deferred tax expense		
Origination and reversal of temporary differences	2,572	3,171
Change in previously recognised investment incentives	2,445	706
Change in previously recognised tax losses	-	170
	5,017	4,047
Total tax expense	**14,330**	**13,083**

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

7. TAX EXPENSE (continued)

The reported tax expenses for the periods ended 30 June 2019 and 2018 are different than the amounts computed by applying the statutory tax rate to profit before tax of the Group, as shown in the following reconciliation:

	%	2019	%	2018
Profit from continuing operations		16,229		10,696
Total tax expense		14,330		13,083
Profit before tax from continuing operations		**30,559**		**23,779**
Tax using the Company's domestic tax rate	22	6,723	22	5,231
Tax effects of:				
- nondeductible expenses	3	876	2	558
- translation of non-monetary items according to IAS 21	3	1,038	44	10,473
- change in previously recognised investment incentives	8	2,445	3	706
- tax exempt income	(5)	(1,461)	(13)	(3,108)
- current year losses for which no deferred tax asset is recognised	25	7,704	26	6,180
- effect of different tax rates for foreign jurisdictions	(9)	(2,779)	(2)	(391)
- change in unrecognized temporary differences	-	-	(1)	(461)
- adjustment for equity accounted investees	(3)	(1,038)	(20)	(4,749)
- effect of different tax rates	-	148	-	-
- other consolidation adjustments	3	674	(6)	(1,356)
Tax expense	**47**	**14,330**	**55**	**13,083**

Corporate tax:

	30 June 2019	31 December 2018
Corporate tax provision	9,313	82,968
Adjustments for prior years	-	-
Add: taxes payable from previous year	11,405	19,767
Less: corporation taxes paid during the year	(9,954)	(91,330)
Current tax liabilities	**10,764**	**11,405**

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

8. AIRPORT OPERATION RIGHT

	İzmir Adnan Menderes International Airport	Tbilisi International Airport	Enfidha International Airport	Alanya Gazipaşa Airport	Skopje International Airport	Milas-Bodrum Airport	Total
Cost							
Balance at 1 January 2018	**773,654**	**107,611**	**519,192**	**45,700**	**86,736**	**490,463**	**2,023,356**
Effect of movements in exchange rates	-	10,246	-	-	-	-	10,246
Balance at 30 June 2018	**773,654**	**117,857**	**519,192**	**45,700**	**86,736**	**490,463**	**2,033,602**
Balance at 1 January 2019	**773,654**	**109,517**	**516,555**	**45,700**	**86,736**	**490,463**	**2,022,625**
Effect of movements in exchange rates	-	(6,316)	-	-	-	-	(6,316)
Balance at 30 June 2019	**773,654**	**103,201**	**516,555**	**45,700**	**86,736**	**490,463**	**2,016,309**

There is no capitalised borrowing cost on airport operation right during 2019 (30 June 2018: None).

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8. AIRPORT OPERATION RIGHT (continued)

	İzmir Adnan Menderes International Airport	Tbilisi International Airport	Enfidha International Airport	Alanya Gazipaşa Airport	Skopje International Airport	Milas-Bodrum Airport	Total
Accumulated amortisation							
Balance at 1 January 2018	**166,266**	**39,919**	**108,597**	**9,351**	**29,301**	**52,288**	**405,722**
Effect of movements in exchange rates	-	3,801	-	-	-	-	3,801
Amortisation for the period	11,789	2,948	6,934	510	1,689	2,843	26,713
Balance at 30 June 2018	**178,055**	**46,668**	**115,531**	**9,861**	**30,990**	**55,131**	**436,236**
Balance at 1 January 2019	**192,035**	**46,091**	**122,465**	**10,370**	**33,084**	**52,029**	**456,074**
Effect of movements in exchange rates	-	(2,806)	-	-	-	-	(2,806)
Amortisation for the period	11,153	3,109	6,936	435	1,836	3,830	27,299
Balance at 30 June 2019	**203,188**	**46,394**	**129,401**	**10,805**	**34,920**	**55,859**	**480,567**
Carrying amounts							
At 30 June 2018	**595,599**	**71,189**	**403,661**	**35,839**	**55,746**	**435,332**	**1,597,366**
At 31 December 2018	**581,619**	**63,426**	**394,090**	**35,330**	**53,652**	**438,434**	**1,566,551**
At 30 June 2019	**570,466**	**56,807**	**387,154**	**34,895**	**51,816**	**434,604**	**1,535,742**

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

9. PREPAID CONCESSION AND RENT EXPENSES

An analysis of the Group's prepaid rent expenses as at 30 June 2019, 31 December 2018 and 30 June 2018 are as follows:

30 June 2019	Concession and rent	Prepaid development expenditures	Total
Balance at 31 December 2018	**39,176**	**6,191**	**45,367**
Effect of discontinued operations	(39,176)	(6,191)	(45,367)
Balance at 30 June 2019	**-**	**-**	**-**
Represented as current prepaid concession and rent expense	**-**	**-**	**-**
Represented as non-current prepaid concession and rent expense	**-**	**-**	**-**

31 December 2018	Concession and rent	Prepaid development expenditures	Total
Balance at 31 December 2017	**68,576**	**9,269**	**77,845**
Concession and rent payments	116,042	-	116,042
Effect of discontinued operations	(145,442)	(3,078)	(148,520)
Balance at 31 December 2018	**39,176**	**6,191**	**45,367**
Represented as current prepaid concession and rent expense	**39,176**	**3,078**	**42,254**
Represented as non-current prepaid concession and rent expense	**-**	**3,113**	**3,113**

30 June 2018	Concession and rent	Prepaid development expenditures	Total
Balance at 31 December 2017	**68,576**	**9,269**	**77,845**
Concession and rent payments	116,042	-	116,042
Effect of discontinued operations	(76,787)	(1,527)	(78,314)
Balance at 30 June 2018	**107,831**	**7,742**	**115,573**
Represented as current prepaid concession and rent expense	**107,831**	**3,078**	**110,909**
Represented as non-current prepaid concession and rent expense	**-**	**4,664**	**4,664**

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

10. OTHER RECEIVABLES, CURRENT AND NON-CURRENT ASSETS

At 30 June 2019 and 31 December 2018, other receivables and current assets comprised the following:

Other receivables and current assets	**30 June 2019**	**31 December 2018**
Income accruals	59,026	5,487
VAT deductible	24,678	21,341
Prepaid taxes and funds	21,641	5,551
Advances to suppliers	14,977	7,099
Other prepaid expense	4,830	3,833
Prepaid insurance	4,318	1,948
Deposits and guarantees given	1,353	1,292
Advances given to personnel	872	711
Other receivables	11,388	4,490
	143,083	**51,752**

11. TRADE RECEIVABLES

At 30 June 2019 and 31 December 2018, trade receivables comprised the following:

Trade receivables:	**30 June 2019**	**31 December 2018**
Trade receivables	121,080	121,742
Guaranteed passenger fee receivable from DHMİ (*)	23,524	21,306
Doubtful receivables	14,260	15,113
Allowance for doubtful receivables (-)	(14,260)	(15,113)
Notes receivable	6,134	7,217
	150,738	**150,265**
Non-current trade receivables:		
Guaranteed passenger fee receivable from DHMİ (*)	58,089	65,553
	58,089	**65,553**

(*) Guaranteed passenger fee receivable represents the remaining discounted guaranteed passenger fee to be received from DHMİ according to the agreement made for the operations of Ankara Esenboğa Airport as a result of IFRIC 12 application.

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

12. CASH AND CASH EQUIVALENTS

At 30 June 2019 and 31 December 2018, cash and cash equivalents comprised the following:

	30 June 2019	**31 December 2018**
Cash on hand	1,708	820
Cash at banks		
- Demand deposits	65,042	56,999
- Time deposits	398,559	493,495
Other liquid assets	466	1,222
Cash and cash equivalents	**465,775**	**552,536**
Bank overdraft	(1,738)	(379)
Cash and cash equivalents in the statement of cash flows	**464,037**	**552,157**

The details of the Group's time deposits, maturities and interest rates as at 30 June 2019 and 31 December 2018 are as follows:

30 June 2019

Original Currency	**Maturity**	**Interest rate %**	**Balance**
EUR	August 2019	0.01 - 1.40	359,260
USD	July 2019	0.60 - 3.40	34,753
TRL	July 2019	12.75 - 23.75	4,235
Other			311
			398,559

31 December 2018

Original Currency	**Maturity**	**Interest rate %**	**Balance**
EUR	January 2019	0.05 - 3.00	426,237
USD	January 2019	0.60 - 4.75	53,449
TRL	January 2019	12.75 - 23.00	13,809
			493,495

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 19.

There is no blockage or restriction on the use of cash and cash equivalents as at 30 June 2019 and 31 December 2018.

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

13. RESTRICTED BANK BALANCES

At 30 June 2019 and 31 December 2018, restricted bank balances comprised the following:

	30 June 2019	**31 December 2018**
Project reserve and funding accounts (*)	50,140	70,524
	50,140	**70,524**

(*) Certain subsidiaries, namely TAV Esenboğa, TAV Tunisia, TAV Macedonia, TAV Milas Bodrum, TAV Ege and TAV Holding ("the Borrowers") opened Project Accounts designated mainly in order to reserve required amount of debt services, lease payment to DHMİ and other state authorities based on agreements with their lenders (31 December 2018: TAV İstanbul, TAV Esenboğa, TAV Tunisia, TAV Macedonia, TAV Milas Bodrum, TAV Ege and TAV Holding). As a result of pledges regarding the project bank loans as explained in Note 16, all cash except for cash on hand are classified in these accounts for TAV Esenboğa, TAV Tunisia, TAV Ege, TAV Macedonia and TAV Milas Bodrum. Based on these agreements, the Group can access and use such restricted cash as per the conditions and cascade defined in respective loan agreements. The project accounts should be used for predetermined purposes, such as, operational expenses, loan repayments or rent payments to airport administrations, tax payments, debt service, etc.

30 June 2019

Original Currency	**Interest rate %**	**Balance**
EUR	0.60 - 1.75	46,351
TRL	23.00 - 23.40	2,718
USD	2.75 - 3.00	793
Other		278
		50,140

31 December 2018

Original Currency	**Interest rate %**	**Balance**
EUR	1.25 - 1.75	61,378
TRL	22.00 - 23.00	3,979
USD	3.25 - 3.75	2,735
Other		2,432
		70,524

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

14. CAPITAL AND RESERVES

At 30 June 2019 and 31 December 2018, the shareholding structure of the Company was as follows:

Shareholders	(%)	30 June 2019
Tank ÖWA Alpha GmbH	46.12	167,542
Tepe İnşaat Sanayi A.Ş. ("Tepe İnşaat")	5.06	18,375
Sera Yapı Endüstrisi ve Ticaret A.Ş. ("Sera Yapı")	1.18	4,279
Other non-floated	3.20	11,625
Other free float	44.44	161,460
Paid in capital in TRL (nominal)	**100.00**	**363,281**
Paid in capital in EUR (nominal) as at 30 June 2019		55,457
Effect of non-cash increases and exchange rates		106,927
Paid in capital EUR		**162,384**

Shareholders	(%)	31 December 2018
Tank ÖWA Alpha GmbH	46.12	167,542
Tepe İnşaat	5.06	18,375
Sera Yapı	1.29	4,682
Other non-floated	3.20	11,625
Other free float	44.33	161,057
Paid in capital in TRL (nominal)	**100.00**	**363,281**
Paid in capital in EUR (nominal) as at 31 December 2018		60,266
Effect of non-cash increases and exchange rates		102,118
Paid in capital EUR		**162,384**

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

15. EARNINGS PER SHARE

The calculation of basic and diluted EPS at 30 June 2019 was based on the profit from continued operations attributable to ordinary shareholders of EUR 14,751 (30 June 2018: EUR 8,385), based on the profit from discontinued operations attributable to ordinary shareholders of EUR 46,513 (30 June 2018: EUR 84,761) and a weighted average number of ordinary shares outstanding of 363,281,250 (30 June 2018: 363,281,250) as follows:

	1 January-30 June 2019	**1 April-30 June 2019**	**1 January-30 June 2018**	**1 April-30 June 2018**
Numerator:				
Profit for the period attributable to owners of the Company from continued operations	**14,751**	**35,206**	**8,385**	**28,109**
Profit for the period attributable to owners of the Company from discontinued operations	**46,513**	**2,156**	**84,761**	**57,864**
Denominator:				
Weighted average number of shares	363,281,250	363,281,250	363,281,250	363,281,250
Basic and diluted profit per share for continued operations (full EUR)	**0.04**	**0.10**	**0.02**	**0.08**
Basic and diluted profit per share for discontinued operations (full EUR)	**0.13**	**0.01**	**0.23**	**0.16**

	1 January-30 June 2019	**1 April-30 June 2019**	**1 January-30 June 2018**	**1 April-30 June 2018**
Issued ordinary shares at 1 January	363,281,250	363,281,250	363,281,250	363,281,250
Weighted average number of ordinary shares	**363,281,250**	**363,281,250**	**363,281,250**	**363,281,250**

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

16. LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to foreign currency risk arising from these loans and borrowings, see Note 19.

	30 June 2019	31 December 2018
Non-current liabilities		
Secured bank loans (*)	580,511	610,856
Financial lease under IFRS 16	50,117	-
Unsecured bank loans	14,744	22,156
Finance lease liabilities	8,924	9,593
	654,296	**642,605**
Current liabilities		
Short term secured bank loans (*)	373,571	368,975
Current portion of long term secured bank loans (*)	116,549	95,926
Short term unsecured bank loans	10,064	10,222
Current portion of long term unsecured bank loans	3,521	6,366
Financial lease under IFRS16	3,473	-
Current portion of finance lease liabilities	1,504	1,537
	508,682	**483,026**

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

The Group's total bank loans and finance lease liabilities as at 30 June 2019 and 31 December 2018 are as follows:

	30 June 2019	31 December 2018
Bank loans	1,098,960	1,114,501
Finance lease liabilities	64,018	11,130
	1,162,978	**1,125,631**

The Group's bank loans as at 30 June 2019 are as follows:

	Presented as		
	Current liabilities	Non-current liabilities	Total
TAV Tunisia (*)	373,087	-	373,087
TAV Ege	15,774	212,235	228,009
TAV Milas Bodrum	11,814	127,591	139,405
HAVAŞ	26,834	94,974	121,808
TAV Esenboğa	23,759	71,386	95,145
TAV Macedonia	8,115	41,507	49,622
TAV Gazipaşa	20,073	9,903	29,976
Other	24,249	37,659	61,908
	503,705	**595,255**	**1,098,960**

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

16. LOANS AND BORROWINGS (continued)

(*) TAV Tunisia had started negotiations with the Tunisian Authorities and the Lenders regarding a potential restructuring to restore the economic balance of the concession in line with the Concession Agreement terms. In the meantime, Tunisia has suffered from major terrorist attacks on 18 March 2015 and 26 June 2015, which had a substantial negative impact on tourism and passenger traffic, which in turn negatively affected the revenues of TAV Tunisia. Passenger traffic has dropped by 58% from 3.3 million in 2014 to 1.4 million in 2015, increased to 1.6 million in 2016, increased to 1.7 million in 2017 and increased to 2.5 million in 2018. Under these adverse circumstances, TAV Tunisia continued to be engaged in negotiations with the Tunisian Authorities and its Lenders for the restructuring of its concession and financing arrangements, with the aim to reach an agreement. The negotiations are progressing in 2019.

In the meantime, since TAV Tunisia has been in breach of its financing agreements due to its current difficulties, non-current loan liabilities of TAV Tunisia were reclassified to current loan liabilities on 30 June 2015 and the amount outstanding as of 30 June 2019 is EUR 373,087 (31 December 2018: EUR 368,530). Consequently minority deficit amounting to EUR 23,616 (31 December 2018: EUR 21,936) has been classified to other accruals and liabilities which is presented at a fair value of EUR 32,481 (31 December 2018: EUR 32,068). TAV Tunisia received an Acceleration Notice from the Lenders accompanied by a Letter of Intent stating that the Lenders' current intention is to protect their security rights while continuing the three-party negotiations towards a restructuring and they do not intend to make the loans due and payable. Tunisian Authorities also granted an extension of their standstill period until 31 August 2019, to be further extended in line with the calendar for the signing of a restructuring agreement. Furthermore, TAV Tunisia received Early Termination Letters from the Hedging Banks, which resulted in termination amounts of EUR 64,746 becoming due and payable (31 December 2018: EUR 64,428).

The Company has been advised by its legal counsels that under the Finance Documents the Hedging Banks cannot act alone in demanding these payments and hence a coordinated solution among all Lenders in line with the Standstill Agreement is currently being negotiated.

While the management believes that the signing of the restructuring agreement in the near future is very likely, in the event that it is not signed and a joint solution cannot be reached in due course, TAV Tunisia is exposed to the material legal and financial consequences including but not limited to using its legal rights including filing for arbitration for the rebalancing of the Concession Agreement and, in failure to be able to do so, the termination of the Concession Agreement.

The Group's bank loans as at 31 December 2018 are as follows:

	Presented as		
	Current liabilities	**Non-current liabilities**	**Total**
TAV Tunisia	368,530	-	368,530
TAV Ege	14,746	214,555	229,301
TAV Milas Bodrum	11,952	129,728	141,680
HAVAŞ	22,730	107,493	130,223
TAV Esenboğa	19,701	81,803	101,504
TAV Macedonia	7,921	40,539	48,460
TAV Gazipaşa	16,652	22,637	39,289
Other	19,257	36,257	55,514
	481,489	**633,012**	**1,114,501**

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

16. LOANS AND BORROWINGS (continued)

Redemption schedules of the Group's bank loans according to original maturities as at 30 June 2019 and 31 December 2018 are as follows:

	30 June 2019	31 December 2018
On demand or within one year	503,705	481,489
In the second year	122,260	131,093
In the third year	111,976	115,872
In the fourth year	96,029	102,425
In the fifth year	56,464	61,372
After five years	208,526	222,250
	1,098,960	**1,114,501**

The majority of the borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk. Spreads for EUR denominated loans as at 30 June 2019 are between 1.54% - 5.50%, USD denominated loan as at 30 June 2019 is 0.95% - 3.00% (31 December 2018: Spreads for EUR denominated loans as at 31 December 2018 are between 1.25% - 5.50%, USD denominated loan as at 31 December 2018 is 3.00%).

Interest payments of 99%, 100%, 100% and 90% of floating bank loans for TAV Ege, TAV Macedonia, TAV İşletme and TAV Milas Bodrum respectively are fixed with interest rate swaps.

TAV Esenboğa terminated the hedge relationship in year 2018 due to refinancing.

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

17. OTHER PAYABLES

At 30 June 2019 and 31 December 2018, other payables comprised the following:

Other short term payables	30 June 2019	31 December 2018
Concession payable (*)	93,916	89,670
Expense accruals	13,330	19,695
Advances received	8,528	9,259
Taxes and duties payable	5,532	4,762
Social security premiums payable	5,076	3,490
Due to personnel	4,857	25,185
Other accruals and liabilities (**)	101,918	97,713
	233,157	**249,774**

Other long term payables	30 June 2019	31 December 2018
Concession payable (*)	515,426	528,597
Other accruals and liabilities	54,613	30,383
	570,039	**558,980**

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

17. OTHER PAYABLES (continued)

The Group's exposure to currency and liquidity risk is related to other payables is disclosed in Note 19.

(*) TAV Tunisia has a concession period of 40 years and annual concession fee is paid based on the annual revenue of Monastir and Enfidha Airports. The concession fee is computed at an increasing rate between 11% and 26% of the annual revenues.

The concession fee of TAV Macedonia is 15% of the gross annual turnover until the number of passengers using the two airports reaches to 1 million, and when the number of passengers exceeds 1 million, this percentage shall change between 4% and 2% depending on the number of passengers.

A concession agreement was executed between TAV Milas Bodrum and DHMİ on 11 July 2015 for the leasing of the operating rights of the Milas Bodrum Airport's existing international terminal, CIP, general aviation terminal, domestic terminal and its auxiliaries. The agreement covers the operation right of the international terminal starting from 22 October 2015 to 31 December 2035 (approximately 20 years and 2 months) and operation right of the domestic terminal starting from July 2014 to December 2035. The concession payable of TAV Milas Bodrum domestic terminal is presented in financials EUR 304,963 as of 30 June 2019 (31 December 2018: EUR 296,555).

The concession payable of the international and domestic terminal of İzmir Adnan Menderes Airport is presented in financials EUR 266,762 as of 30 June 2019 (The concession payable of the domestic terminal of İzmir Adnan Menderes Airport is presented in financials EUR 288,378 as of 31 December 2018).

(**) See Note 16.

18. DERIVATIVE FINANCIAL INSTRUMENTS

At 30 June 2019 and 31 December 2018, derivative financial instruments comprised the following:

	30 June 2019		
	Assets	**Liabilities**	**Net Amount**
Interest rate swap	32	(41,197)	(41,165)
	32	**(41,197)**	**(41,165)**

	31 December 2018		
	Assets	**Liabilities**	**Net Amount**
Interest rate swap	32	(29,391)	(29,359)
	32	**(29,391)**	**(29,359)**

Interest rate swap:

TAV Ege uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 30 June 2019, 99% of project finance loan is hedged through IRS contract during the life of the loan with an amortising schedule depending on repayment of the loan (31 December 2018: 100%).

TAV Milas Bodrum uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 30 June 2019, 90% of total loan is hedged through IRS contract (31 December 2018: 90%).

TAV Tunisia received Early Termination Letters from the Hedging Banks, which resulted in termination amounts of EUR 64,746 becoming due and payable.

TAV Macedonia uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 30 June 2019, 100% of total loan is hedged through IRS contract (31 December 2018: 100%).

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

18. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Interest rate swap (continued):

TAV İşletme uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 30 June 2019, 100% of total loan is hedged through IRS contract (31 December 2018: 100%).

TAV İşletme Washington uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 30 June 2019, 100% of total loan is hedged through IRS contract.

The fair value of derivatives at 30 June 2019 is estimated at loss of EUR 41,165. This amount is based on market values of equivalent instruments at the reporting date. Since the Group applied hedge accounting as at 30 June 2019, changes in the fair value of these interest rate swaps and cross currency swaps are reflected to other comprehensive income resulting to an expense of EUR 7,154 net of tax.

TAV Esenboğa terminated the hedge relationship in year 2018 due to refinancing.

Fair value disclosures:

The Group has determined the estimated fair values of the financial instruments by using current market information and appropriate valuation methods.

19. FINANCIAL INSTRUMENTS

Currency risk

Exposure to currency risk:

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

30 June 2019

Foreign currency denominated financial assets	**USD**	**EUR (*)**	**TRL**	**Other**	**Total**
Other non-current assets	2	-	658	359	1,019
Trade receivables	10,514	5,629	13,570	8,479	38,192
Due from related parties	82,515	2,247	8,268	2,072	95,102
Other receivables and current assets	3,755	976	7,613	1,504	13,848
Restricted bank balances	597	-	2,191	-	2,788
Cash and cash equivalents	42,295	3,221	2,754	10,372	58,642
	139,678	**12,073**	**35,054**	**22,786**	**209,591**
Foreign currency denominated financial liabilities					
Loans and borrowings	(19,919)	(12,341)	(8,898)	(1,703)	(42,861)
Trade payables	(9,778)	(891)	(5,077)	(4,725)	(20,471)
Due to related parties	(3,541)	-	(604)	(242)	(4,387)
Other payables	(11,427)	(1,797)	(1,861)	(1,151)	(16,236)
	(44,665)	**(15,029)**	**(16,440)**	**(7,821)**	**(83,955)**
Net exposure	**95,013**	**(2,956)**	**18,614**	**14,965**	**125,636**

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

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

19. FINANCIAL INSTRUMENTS (continued)

Currency risk (continued)

Exposure to currency risk (continued):

31 December 2018

Foreign currency denominated financial assets	**USD**	**EUR (*)**	**TRL**	**Other**	**Total**
Other non-current assets	4,410	-	8	443	4,861
Trade receivables	33,513	5,346	16,009	19,932	74,800
Due from related parties	10,306	641	3,763	4,047	18,757
Other receivables and current assets	2,593	917	22,104	1,632	27,246
Restricted bank balances	2,630	-	3,954	2,431	9,015
Cash and cash equivalents	61,218	11,612	13,696	10,569	97,095
	114,670	**18,516**	**59,534**	**39,054**	**231,774**
Foreign currency denominated financial liabilities					
Loans and borrowings	(29,877)	(19,804)	-	(2)	(49,683)
Bank overdraft	(98)	-	(281)	-	(379)
Trade payables	(4,990)	(4,964)	(6,781)	(9,522)	(26,257)
Due to related parties	(99)	(2,367)	(19,730)	(1)	(22,197)
Other payables	(7,711)	(733)	(31,189)	(5,699)	(45,332)
	(42,775)	**(27,868)**	**(57,981)**	**(15,224)**	**(143,848)**
Net exposure	**71,895**	**(9,352)**	**1,553**	**23,830**	**87,926**

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

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

19. FINANCIAL INSTRUMENTS (continued)

Sensitivity analysis:

The Group's principal currency risk relates to changes in the value of the Euro relative to TRL and USD. The Group manages its exposure to foreign currency risk by entering into derivative contracts and, where possible, seeks to incur expenses with respect to each contract in the currency in which the contract is denominated and attempt to maintain its cash and cash equivalents in currencies consistent with its obligations.

The basis for the sensitivity analysis to measure foreign exchange risk is an aggregate corporate-level currency exposure. The aggregate foreign exchange exposure is composed of all assets and liabilities denominated in foreign currencies, both short-term and long-term purchase contracts.

A 10 percent strengthening / (weakening) of EUR against the following currencies at 30 June 2019 and 31 December 2018 would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Equity		**Profit or loss**	
	Strengthening of EUR	Weakening of EUR	Strengthening of EUR	Weakening of EUR
30 June 2019				
USD	-	-	(9,501)	9,501
TRL	-	-	(1,861)	1,861
Other	-	-	(1,497)	1,497
Total	-	-	**(12,859)**	**12,859**
31 December 2018				
USD	-	-	(7,189)	7,189
TRL	-	-	(155)	155
Other	-	-	(2,383)	2,383
Total	-	-	**(9,727)**	**9,727**

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

19. FINANCIAL INSTRUMENTS (continued)

Fair values

Fair values versus carrying amounts:

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

		30 June 2019		31 December 2018	
	Note	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial assets					
Trade receivables - non current	11	58,089	66,084	65,553	75,574
Trade receivables - current	11	150,738	151,780	150,265	151,249
Due from related parties	21	35,023	35,023	31,560	31,560
Other receivables and current assets (*)		-	-	10	10
Restricted bank balances	13	50,140	50,140	70,524	70,524
Cash and cash equivalents	12	465,775	465,775	552,536	552,536
Derivative financial instruments	18	32	32	32	32
Financial liabilities					
Bank overdraft	12	(1,738)	(1,738)	(379)	(379)
Loans and borrowings	16	(1,162,978)	(1,163,928)	(1,125,631)	(1,125,684)
Trade payables (**)		(50,817)	(50,817)	(43,535)	(43,535)
Due to related parties	21	(305,510)	(305,510)	(331,291)	(331,291)
Derivative financial instruments	18	(41,197)	(41,197)	(29,391)	(29,391)
Other payables (**)		(794,668)	(817,671)	(799,495)	(823,668)
		(1,597,111)	**(1,612,027)**	**(1,459,242)**	**(1,472,463)**

(*) Non-financial instruments such as prepaid expenses, prepaid taxes and dues and advances given are excluded from other non-current assets and other receivables and current assets.

(**) Non-financial instruments such as advances received are excluded from trade payables and other payables.

The methods used in determining the fair values of financial instruments are discussed in Note 4.

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

20. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS

Commitments and contingencies

	30 June 2019	31 December 2018
Letters of guarantee given to third parties	234,632	220,961
Letters of guarantee given to DHMİ	219,984	220,090
Letters of guarantee given to Tunisian Government	19,198	19,051
Letters of guarantee given to Saudi Arabian Government	11,323	11,248
Letters of guarantee given to Macedonian Government	250	250
	485,387	**471,600**

The Group is obliged to give 6% of the total rent amount of USD 152,580 of TAV İstanbul as a letter of guarantee according to the rent agreement made with DHMİ. The total obligation has been provided by the Group.

The Group is obliged to give a letter of guarantee at an amount equivalent of USD 12,888 (EUR 11,323) (31 December 2018: USD 12,888 (EUR 11,248)) to GACA according to the BTO agreement signed with GACA in Saudi Arabia. Furthermore, the Group is obliged to provide a letter of guarantee at an amount equivalent of USD 161,914 (EUR 142,249) (31 December 2018: USD 194,330 (EUR 162,343)) to National Commercial Bank which is included in letters of guarantee given to third parties. This letter of guarantee is provided to back an Equity Bridge Loan which was rolled in 2018 within a maturity of 2021. The total obligation has been provided by the Group.

The Group is obliged to give a letter of guarantee at an amount equivalent of EUR 12,142 (31 December 2018: EUR 11,892) to the Ministry of State Property and Land Affairs and EUR 7,056 (31 December 2018: 7,508) to OACA according to the BOT agreements and its amendments signed with OACA in Tunisia. The total obligation has been provided by the Group.

TAV Ege is obliged to pay an aggregate amount of EUR 610,000 plus VAT during the rent period according to the concession agreement. 5% of this amount is already paid in two installments. The remaining amount will be paid in equal installments at the first business days of each year. Furthermore, The Group is obliged to give a letter of guarantee at an amount equivalent of EUR 36,600 to DHMİ. The total obligation has been provided by the Group.

TAV Milas Bodrum is obliged to pay an aggregate amount of EUR 717,000 plus VAT during the rent period according to the concession agreement. 20% of this amount is already paid. The remaining amount will be paid in equal installments at the last day of October for each year. Furthermore, The Group is obliged to give a letter of guarantee at an amount equivalent of EUR 43,020 to DHMİ. The total obligation has been provided by the Group.

Majority of letters of guarantee given to third parties includes the guarantees given to customs, lenders and some customers.

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

21. RELATED PARTIES

The major immediate parents and ultimate controlling party of the Group is Group Aéroport de Paris.

Key management personnel compensation:

The remuneration of directors and other members of key management during the year comprised the following:

	1 January-30 June 2019	1 April-30 June 2019	1 January-30 June 2018	1 April-30 June 2018
Short-term benefits (salaries, bonuses etc.)	13,928	3,792	11,125	2,224
	13,928	**3,792**	**11,125**	**2,224**

As at 30 June 2019 and 31 December 2018, none of the Group's directors and executive officers has outstanding personnel loans from the Group.

The details of the transactions between the Group and any other related parties are disclosed below:

Other related party transactions:

	30 June 2019	31 December 2018
Due from related parties	16,332	21,873
Current loan to related parties	16,824	7,838
	33,156	**29,711**

	30 June 2019	31 December 2018
Non-current loan to related parties	1,867	1,849
	1,867	**1,849**

Due from related parties	30 June 2019	31 December 2018
TAV Tepe Akfen Yat. İnş ve İşl. A.Ş. ("TAV İnşaat") (1)	6,709	9,376
ATU Turizm İşletmeciliği A.Ş. ("ATU") (2) (*)	5,960	7,078
Saudi BTA Airports Food And Beverages Serv.Ltd. ("BTA Medinah") (2)	1,916	1,894
Tibah Airports Operation Limited ("Tibah Operation") (2)	1,619	1,662
BTA Denizyolları ve Limanları Yiyecek ve İçecek Hizmetleri Tic. A.Ş. ("BTA Denizyolları") (2)	-	522
Other related parties	128	1,341
	16,332	**21,873**

(*) Receivables from ATU comprise of concession fee duty-free receivables.

(1) Subsidiary of shareholders
(2) Joint venture

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

21. RELATED PARTIES (continued)

Current loan to related parties	**30 June 2019**	**31 December 2018**
Tibah Airports Development Company CJSC ("Tibah Development") (1)	4,816	4,043
ATU (1)	4,782	-
Saudi HAVAŞ Ground Handling Services Limited ("Saudi HAVAŞ") (1)	2,192	4
BTA Medinah (1)	2,082	-
TAV İşletme Saudi (1)	1,231	1,201
Saudi ATU Trading Limited Co. ("ATU Medinah") (1)	1,010	-
TAV İşletme Chile (1)	711	879
TAV İnşaat (2)	-	1,695
Other related parties	-	16
	16,824	**7,838**

Non-current loan to related parties	**30 June 2019**	**31 December 2018**
Saudi HAVAŞ (1)	1,867	1,849
	1,867	**1,849**

	30 June 2019	**31 December 2018**
Due to related parties	611	264
Current loan from related parties	3,543	25,134
	4,154	**25,398**
Non-current loan from related parties	301,356	305,893
	305,510	**331,291**

Due to related parties	**30 June 2019**	**31 December 2018**
Other related parties	611	264
	611	**264**

Current loan from related parties	**30 June 2019**	**31 December 2018**
Tibah Development (1)	3,514	-
TAV Antalya (1)	-	19,632
ATU (1)	-	5,078
Other related parties	29	424
	3,543	**25,134**

(1) Joint venture
(2) Subsidiary of shareholders

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

21. RELATED PARTIES (continued)

Non-current loan from related parties	**30 June 2019**	**31 December 2018**
Tank ÖWA Alpha GmbH (1)	301,356	305,893
	301,356	**305,893**

Short term deferred income from related parties	**30 June 2019**	**31 December 2018**
ATU (2) (*)	2,994	2,160
	2,994	**2,160**

Long term deferred income from related parties	**30 June 2019**	**31 December 2018**
ATU (2) (*)	23,106	17,271
	23,106	**17,271**

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

Services rendered to related parties	**1 January-30 June 2019**	**1 April-30 June 2019**	**1 January-30 June 2018**	**1 April-30 June 2018**
ATU (2) (*)	22,293	14,732	122,538	67,334
TGS (2)	1,096	210	1,900	1,005
BTA Denizyolları (3)	-	-	732	396
Other related parties	2,866	1,644	4,688	2,394
	26,255	**16,586**	**129,858**	**71,129**

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

(1) Shareholder
(2) Joint venture
(3) Subsidiary

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

21. RELATED PARTIES (continued)

Services rendered by related parties	**1 January-30 June 2019**	**1 April-30 June 2019**	**1 January-30 June 2018**	**1 April-30 June 2018**
Other related parties	1,056	639	649	517
	1,056	**639**	**649**	**517**

Interest (expense) / income from related parties (net)	**1 January-30 June 2019**	**1 April-30 June 2019**	**1 January-30 June 2018**	**1 April-30 June 2018**
Tank ÖWA alpha GmbH (1)	(4,463)	(2,244)	(1,356)	(1,356)
Saudi Havaş (2)	-	-	96	46
Other related parties	55	55	59	25
	(4,408)	**(2,189)**	**(1,201)**	**(1,285)**

The average interest rate used within the Group is 4.40% per annum (31 December 2018: 4.31%). The Group converts related party TRL loan receivable and payable balances to USD at month end using the Central Bank's announced exchange rates and then charges interest on the USD balances.

Construction work rendered by related parties	**1 January-30 June 2019**	**1 April-30 June 2019**	**1 January-30 June 2018**	**1 April-30 June 2018**
TAV İnşaat (3)	10,353	10,353	3,805	3,805
	10,353	**10,353**	**3,805**	**3,805**

Dividend distribution

In 2019 the Company distributed dividends to the shareholders amounting to EUR 121,469 (TRL 757.587) from the Company's distributable profits computed for 2018 (2018: EUR 82,829 (TRL 406,372)). Dividend per share is full EUR 0.33 (full TRL 2.09) (2018: EUR 0.23 (full TRL 1.12)).

(1) Shareholder
(2) Joint venture
(3) Subsidiary of shareholders

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

22. INTERESTS IN OTHER ENTITIES

Non-controlling interests in subsidiaries

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

	30 June 2019			
	TAV Tunisia	**TAV Tbilisi**	**Other immaterial subsidiaries**	**Total**
NCI Percentage	**33.00%**	**20.00%**		
Non-current assets	391,910	60,912		
Current assets	42,369	25,000		
Non-current liabilities	5,022	1,829		
Current liabilities	586,700	5,270		
Net assets	**(157,443)**	**78,813**		
Carrying amount of NCI	(51,956)	15,763	2,922	(33,271)
Change in non-controlling interest	23,616	-	-	23,616
	(28,340)	**15,763**	**2,922**	**(9,655)**

	1 January – 30 June 2019			
	TAV Tunisia	**TAV Tbilisi**	**Other immaterial subsidiaries**	**Total**
Revenue	14,832	42,513		
(Loss) / profit	(14,126)	27,298		
Total comprehensive income	**(11,207)**	**23,419**		
(Loss) / profit allocated to NCI	(4,662)	5,460	680	1,478

	1 April – 30 June 2019			
	TAV Tunisia	**TAV Tbilisi**	**Other immaterial subsidiaries**	**Total**
Revenue	11,666	22,927		
(Loss) / profit	(3,786)	15,758		
Total comprehensive income	**(2,284)**	**11,167**		
(Loss) / profit allocated to NCI	(1,250)	3,152	626	2,528

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

22. INTERESTS IN OTHER ENTITIES (continued)

Non-controlling interests in subsidiaries (continued)

	31 December 2018			
	TAV Tunisia	**TAV Tbilisi**	**Other immaterial subsidiaries**	**Total**
NCI Percentage	**33.00%**	**20.00%**		
Non-current assets	399,142	66,865		
Current assets	30,613	19,849		
Non-current liabilities	5,001	1,552		
Current liabilities	570,994	4,340		
Net assets	**(146,240)**	**80,822**		
Carrying amount of NCI	(48,259)	16,164	4,046	(28,049)
Change in non-controlling interest	21,936	-	-	21,936
	(26,323)	**16,164**	**4,046**	**(6,113)**

	1 January – 30 June 2018			
	TAV Tunisia	**TAV Tbilisi**	**Other immaterial subsidiaries**	**Total**
Revenue	10,925	37,369		
(Loss) / profit	(13,255)	23,732		
Total comprehensive income	**(10,783)**	**31,661**		
(Loss) / profit allocated to NCI	(4,374)	4,746	1,939	2,311

	1 April – 30 June 2018			
	TAV Tunisia	**TAV Tbilisi**	**Other immaterial subsidiaries**	**Total**
Revenue	8,757	20,974		
(Loss) / profit	(2,008)	13,159		
Total comprehensive income	**(768)**	**17,794**		
(Loss) / profit allocated to NCI	(662)	2,631	1,866	3,835

	30 June 2019	**31 December 2018**
Joint ventures	423,834	486,910
Associates	4,970	5,723
	428,804	**492,633**

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

22. INTERESTS IN OTHER ENTITIES (continued)

	1 January-30 June 2019	1 April-30 June 2019	1 January-30 June 2018	1 April-30 June 2018
Joint ventures	5,456	15,319	22,192	19,079
Associates	(738)	25	(607)	22
	4,718	**15,344**	**21,585**	**19,101**

Joint Ventures

Carrying amounts of the Group’s joint ventures in the statement of financial position as at 30 June 2019 and 31 December 2018 are as follows:

	30 June 2019	31 December 2018
TAV Antalya	309,020	381,231
TGS	57,223	59,784
ATU	55,471	43,001
Tibah Operation	1,862	2,425
Other	258	469
	423,834	**486,910**

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

	1 January-30 June 2019	1 April-30 June 2019	1 January-30 June 2018	1 April-30 June 2018
ATU	6,026	2,689	12,563	7,514
TAV Antalya	3,605	14,025	8,541	8,541
TGS	2,464	3,949	5,557	5,243
Tibah Operation	415	215	409	220
TAV Antalya Invest	-	-	(11)	(11)
BTA Denizyolları	-	-	(246)	(87)
Tibah Development	(6,435)	(5,019)	(3,823)	(2,042)
Other	(619)	(540)	(798)	(299)
	5,456	**15,319**	**22,192**	**19,079**

Associates

Carrying amount of the Group’s associate in the statement of financial position as at 30 June 2019 and 31 December 2018 are as follows:

	30 June 2019	31 December 2018
ZAIC-A	4,633	5,486
Other	337	237
	4,970	**5,723**

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

22. INTERESTS IN OTHER ENTITIES (continued)

Associates (continued)

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

	1 January-30 June 2019	1 April-30 June 2019	1 January-30 June 2018	1 April-30 June 2018
ZAIC-A	(853)	(34)	(701)	(18)
Other	115	59	94	40
	(738)	**25**	**(607)**	**22**

23. DISCONTINUED OPERATIONS

As of 06 April 2019 02:00, all commercial flights have been transferred to the new Istanbul Airport and operations of TAV Istanbul have ended. Due to this reason, the Group has decided to classify TAV Istanbul operations as discontinued operations. Operations of Group’s other subsidiaries which were also operating in Istanbul Atatürk Airport, are not classified as discontinued, since these subsidiaries are still operating in the other airports and new Istanbul Airport as well.

With the closure of İstanbul Atatürk Airport, the Group had impaired remaining carrying value of leasehold improvements and prepaid rent amounting to EUR 46,273 and EUR 8,738, respectively, assuming to receive no economical benefit. As explained in Note 1, TAV Holding and TAV İstanbul received a formal letter issued by DHMİ dated 22 January 2013, stating that DHMİ will fully reimburse the Group for potential loss of profit over the remaining period of its existing rent period that may be incurred in case that another airport is opened for operation on the European side of İstanbul before the end of the rent period of TAV İstanbul; i.e. 3 January 2021. As of the approval date of the financial statements, the Group, DHMI and their consultants are working together for determination of the compensation. Even though the losses related to closure of İstanbul Atatürk Airport has not been totally identified yet, Group expects the compensation income to be higher than the impairment amount. In accordance with IAS 37, by assuming that the income amount related to compensation cannot be higher than the impairment recognized in the consolidated financial statements, Group accrued a compensation income amounting to EUR 55,011 which is equivalent to total impaired leasehold improvements and prepaid rent in its consolidated financial statements.

	1 January-30 June 2019	1 April-30 June 2019	1 January-30 June 2018	1 April-30 June 2018
Operating profit	63,021	4,041	107,363	62,103
Net finance costs	(622)	(60)	7,669	13,089
Profit before tax	62,399	3,981	115,032	75,192
Profit for the period	**46,513**	**2,156**	**84,761**	**57,864**

	1 January-30 June 2019	1 January-30 June 2018
Net cash provided from operating activities	132,580	203,441
Net cash provided from investing activities	1,987	2,365
Net cash used in financing activities	(216,359)	(192,808)

24. SUBSEQUENT EVENTS

None.