TAV Havalimanları Holding A.Ş.
and its Subsidiaries

Interim Condensed Consolidated Financial Statements
As at and for the Nine-Month Period Ended 30 September 2014

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 September 2014

(Amounts expressed in thousands of Euro unless otherwise stated.)

	Notes	(Unaudited) 30 September 2014	Restated (*) 31 December 2013
ASSETS			
Property and equipment		172,399	156,867
Intangible assets		18,119	19,748
Airport operation right	6	877,052	866,751
Equity-accounted investees	16	100,396	91,995
Other investments		16	24
Goodwill		136,149	136,149
Prepaid concession and rent expenses	7	221,812	55,644
Derivative financial instruments	12	-	65
Trade receivables		109,026	113,388
Non-current due from related parties	15	2,885	-
Other non-current assets		2,036	1,654
Deferred tax assets		87,076	72,207
Total non-current assets		**1,726,966**	**1,514,492**
Inventories		9,031	7,551
Prepaid concession and rent expenses	7	142,352	137,916
Derivative financial instruments	12	7,124	1,313
Trade receivables		111,360	81,667
Due from related parties	15	23,592	14,750
Other receivables and current assets		29,929	24,112
Cash and cash equivalents	8	67,929	97,822
Restricted bank balances	9	296,063	381,939
Total current assets		**687,380**	**747,070**
TOTAL ASSETS		**2,414,346**	**2,261,562**

(*) See Note 3(a).

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Interim Condensed Consolidated Statement of Financial Position
As at 30 September 2014

(Amounts expressed in thousands of Euro unless otherwise stated.)

	Notes	(Unaudited) 30 September 2014	Restated (*) 31 December 2013
EQUITY			
Share capital		162,384	162,384
Share premium		220,286	220,286
Legal reserves		86,820	78,416
Other reserves		(17,605)	(17,605)
Revaluation surplus		701	957
Purchase of shares of entities under common control		40,064	40,064
Cash flow hedge reserve		(86,740)	(68,660)
Translation reserves		(11,396)	(15,742)
Retained earnings		289,540	193,735
Total equity attributable to equity holders of the Company		**684,054**	**593,835**
Non-controlling interests	16	30,773	32,431
Total Equity		**714,827**	**626,266**
LIABILITIES			
Loans and borrowings	11	1,207,022	1,068,344
Reserve for employee severance indemnity		16,898	11,676
Due to related parties	15	7,602	10,289
Derivative financial instruments	12	146,909	121,506
Deferred income		24,463	23,923
Other payables		8,407	11,209
Deferred tax liabilities		3,587	3,886
Total non-current liabilities		**1,414,888**	**1,250,833**
Bank overdraft	8	3,016	1,610
Loans and borrowings	11	167,566	283,405
Trade payables		36,092	41,192
Due to related parties	15	5,170	9,046
Derivative financial instruments	12	-	1,018
Current tax liabilities		19,931	10,391
Other payables		35,178	20,719
Provisions		6,936	6,232
Deferred income		10,742	10,850
Total current liabilities		**284,631**	**384,463**
Total Liabilities		**1,699,519**	**1,635,296**
TOTAL EQUITY AND LIABILITIES		**2,414,346**	**2,261,562**

(*) See Note 3(a).

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Interim Condensed Consolidated Statement of Comprehensive Income
For the Nine-Month Period Ended 30 September 2014

(Amounts expressed in thousands of Euro unless otherwise stated.)

	Notes	(Unaudited) 1 January-30 September 2014	(Unaudited) 1 July-30 September 2014	(Unaudited) 1 January-30 September 2013	(Unaudited) 1 July-30 September 2013
Construction revenue		39,623	-	168,478	50,594
Operating revenue		650,933	259,993	623,410	241,664
Other operating income		42,051	13,425	37,672	13,989
Construction expenditure		(39,623)	-	(168,478)	(50,594)
Cost of catering inventory sold		(28,262)	(11,324)	(20,199)	(7,173)
Cost of services rendered		(36,991)	(9,986)	(39,361)	(14,639)
Personnel expenses		(168,073)	(59,396)	(169,947)	(53,836)
Concession and rent expenses		(109,771)	(38,913)	(107,500)	(37,220)
Depreciation and amortisation expenses		(54,778)	(19,418)	(51,573)	(17,073)
Other operating expenses		(80,890)	(30,939)	(81,544)	(27,499)
Share of profit of equity-accounted investees, net of tax	16	30,688	9,570	25,798	11,010
Operating profit		**244,907**	**113,012**	**216,756**	**109,223**
Finance income		35,814	17,620	25,349	11,068
Finance costs		(70,077)	(19,470)	(85,031)	(34,294)
Net finance costs		**(34,263)**	**(1,850)**	**(59,682)**	**(23,226)**
Profit before tax		**210,644**	**111,162**	**157,074**	**85,997**
Tax expense		(35,388)	(17,679)	(39,530)	(19,619)
Profit for the period		**175,256**	**93,483**	**117,544**	**66,378**
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Revaluation of intangible assets		51	17	51	17
Defined benefit obligation actuarial differences		(4,194)	(2,399)	(342)	(677)
Other comprehensive income from equity accounted investees		(343)	(228)	(535)	(548)
Tax on defined benefit obligation actuarial differences		907	525	175	245
Total items that will not be reclassified to profit or loss		**(3,579)**	**(2,085)**	**(651)**	**(963)**
Items that are or may be reclassified subsequently to profit or loss:					
Effective portion of changes in fair value of cash flow hedges		(25,248)	(1,810)	36,305	(1,777)
Foreign currency translation differences for foreign operations		5,506	6,062	(3,294)	(2,668)
Other comprehensive income from equity accounted investees		(778)	758	(4,987)	(4,302)
Tax on cash flow hedge reserves		4,993	(77)	(8,199)	465
Total items that are or may be reclassified subsequently to profit or loss		**(15,527)**	**4,933**	**19,825**	**(8,282)**
Other comprehensive income for the period, net of tax		**(19,106)**	**2,848**	**19,174**	**(9,245)**
Total comprehensive income for the period		**156,150**	**96,331**	**136,718**	**57,133**

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Interim Condensed Consolidated Statement of Comprehensive Income
For the Nine-Month Period Ended 30 September 2014

(Amounts expressed in thousands of Euro unless otherwise stated.)

	Notes	(Unaudited) 1 January- 30 September 2014	(Unaudited) 1 July- 30 September 2014	(Unaudited) 1 January- 30 September 2013	(Unaudited) 1 July- 30 September 2013
Profit attributable to:					
Owners of the Company		173,717	88,543	113,916	60,730
Non-controlling interest		1,539	4,940	3,628	5,648
Profit for the period		**175,256**	**93,483**	**117,544**	**66,378**
Total comprehensive income attributable to:					
Owners of the Company		156,372	90,798	130,504	52,951
Non-controlling interest		(222)	5,533	6,214	4,182
Total comprehensive income for the period		**156,150**	**96,331**	**136,718**	**57,133**
Weighted average number of shares outstanding		**363,281,250**	**363,281,250**	**363,281,250**	**363,281,250**
Basic and diluted earnings per share	10	**0.48**	**0.24**	**0.31**	**0.17**

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

TAV Havalimanları Holding A.Ş. and its Subsidiaries

Interim Condensed Consolidated Statement of Changes in Equity
For the Nine-Month Period Ended 30 September 2014

(Amounts expressed in thousands of Euro unless otherwise stated.)

	Attributable to owners of the Company											
	Share Capital	**Share Premium**	**Legal Reserves**	**Other Reserves**	**Revaluation Surplus**	**Purchase of Shares of Entities Under Common Control**	**Cash Flow Hedge Reserve**	**Translation Reserves**	**Retained Earnings**	**Total**	**Non-Controlling Interests**	**Total Equity**
Balance at 1 January 2013 as previously reported	**162,384**	**220,286**	**54,744**	**(17,605)**	**1,299**	**40,064**	**(95,703)**	**(3,191)**	**142,056**	**504,334**	**32,434**	**536,768**
Changes in accounting policies	-	-	-	-	-	-	-	(26)	1,316	1,290	-	1,290
Balance at 1 January 2013 as restated	**162,384**	**220,286**	**54,744**	**(17,605)**	**1,299**	**40,064**	**(95,703)**	**(3,217)**	**143,372**	**505,624**	**32,434**	**538,058**
Total comprehensive income for the period												
Profit for the period	-	-	-	-	-	-	-	-	113,916	113,916	3,628	117,544
Other comprehensive income												
Revaluation of intangible assets	-	-	-	-	(256)	-	-	-	307	51	-	51
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	-	25,199	-	-	25,199	3,248	28,447
Defined benefit obligation actuarial differences, net of tax	-	-	-	-	-	-	-	-	(605)	(605)	(97)	(702)
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	-	(8,057)	-	(8,057)	(565)	(8,622)
Total other comprehensive income	-	-	-	-	(256)	-	25,199	(8,057)	(298)	16,588	2,586	19,174
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(256)**	**-**	**25,199**	**(8,057)**	**113,618**	**130,504**	**6,214**	**136,718**
Transactions with owners of the Company, recognised directly in equity												
Contributions by and distributions to owners of the Company												
Increase in capital of subsidiary	-	-	-	-	-	-	-	-	-	-	149	149
Dividend distributions	-	-	-	-	-	-	-	-	(58,617)	(58,617)	(1,884)	(60,501)
Total transactions with owners of the Company	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(58,617)**	**(58,617)**	**(1,735)**	**(60,352)**
Transfers	-	-	23,514	-	-	-	-	-	(23,859)	(345)	345	-
Balance at 30 September 2013	**162,384**	**220,286**	**78,258**	**(17,605)**	**1,043**	**40,064**	**(70,504)**	**(11,274)**	**174,514**	**577,166**	**37,258**	**614,424**
Balance at 1 January 2014	**162,384**	**220,286**	**78,416**	**(17,605)**	**957**	**40,064**	**(68,660)**	**(15,742)**	**193,735**	**593,835**	**32,431**	**626,266**
Total comprehensive income for the period												
Profit for the period	-	-	-	-	-	-	-	-	173,717	173,717	1,539	175,256
Other comprehensive income												
Revaluation of intangible assets	-	-	-	-	(256)	-	-	-	307	51	-	51
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	-	(18,080)	-	-	(18,080)	(3,500)	(21,580)
Defined benefit obligation actuarial differences, net of tax	-	-	-	-	-	-	-	-	(3,662)	(3,662)	32	(3,630)
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	-	4,346	-	4,346	1,707	6,053
Total other comprehensive income	-	-	-	-	(256)	-	(18,080)	4,346	(3,355)	(17,345)	(1,761)	(19,106)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(256)**	**-**	**(18,080)**	**4,346**	**170,362**	**156,372**	**(222)**	**156,150**
Transactions with owners of the Company, recognised directly in equity												
Contributions by and distributions to owners of the Company												
Dividend distributions	-	-	-	-	-	-	-	-	(65,209)	(65,209)	(2,380)	(67,589)
Total transactions with owners of the Company	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(65,209)**	**(65,209)**	**(2,380)**	**(67,589)**
Transfers	-	-	8,404	-	-	-	-	-	(9,348)	(944)	944	-
Balance at 30 September 2014	**162,384**	**220,286**	**86,820**	**(17,605)**	**701**	**40,064**	**(86,740)**	**(11,396)**	**289,540**	**684,054**	**30,773**	**714,827**

Interim Condensed Consolidated Statement of Cash Flows
For the Nine-Month Period Ended 30 September 2014

(Amounts expressed in thousands of Euro unless otherwise stated.)

	Notes	(Unaudited) 1 January- 30 September 2014	(Unaudited) 1 January- 30 September 2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		**175,256**	**117,544**
Adjustments for:			
Amortisation of airport operation right	6	32,924	30,063
Depreciation of property and equipment		18,678	18,276
Amortisation of intangible assets		3,172	3,234
Concession and rent expenses		109,771	107,500
Provision for employee severance indemnity		4,280	3,608
Provision for doubtful receivables		101	566
Discount on receivables and payables, net		(17)	(1)
Gain on sale of property and equipment		(807)	(733)
Provision set for unused vacation		632	250
Interest income		(8,448)	(9,778)
Interest expense on financial liabilities		64,120	60,506
Tax expense		35,388	39,530
Unwinding of discount on concession receivable		(17,746)	(15,471)
Share of profit of equity-accounted investees, net of tax		(30,688)	(25,798)
Unrealised foreign exchange differences on statement of financial position items		(1,430)	(6,961)
Cash flows from operating activities		**385,186**	**322,335**
Change in current trade receivables		(30,255)	(12,827)
Change in non-current trade receivables		22,102	28,534
Change in inventories		(1,493)	207
Change in due from related parties		(8,842)	9,677
Change in restricted bank balances		232,808	219,397
Change in other receivables and current assets		2,632	3,195
Change in trade payables		(5,060)	141
Change in due to related parties		(9,449)	50,828
Change in other payables and provisions		6,887	(5,624)
Change in other long term assets		(382)	(532)
Additions to prepaid concession and rent expenses	7	(275,172)	(136,433)
Cash provided from operations		**318,962**	**478,898**
Income taxes paid		(35,259)	(26,250)
Interest paid		(64,834)	(57,227)
Retirement benefits paid		(3,095)	(3,262)
Dividends from equity-accounted investees		20,810	16,760
Net cash provided from operating activities		**236,584**	**408,919**

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

Interim Condensed Consolidated Statement of Cash Flows
For the Nine-Month Period Ended 30 September 2014

(Amounts expressed in thousands of Euro unless otherwise stated.)

	Notes	(Unaudited) 1 January- 30 September 2014	(Unaudited) 1 January- 30 September 2013
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		7,666	7,618
Proceeds from sale of property, equipment and intangible assets		3,317	2,179
Acquisition of property and equipment		(35,660)	(20,092)
Additions to airport operation right	6	(35,362)	(163,342)
Acquisition of intangible assets		(1,378)	(731)
Net cash used in investing activities		**(61,417)**	**(174,368)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		228,118	197,160
Repayment of borrowings		(211,332)	(112,433)
Change in restricted bank balances		(154,597)	(236,032)
Dividends paid		(67,589)	(60,501)
Change in finance lease liabilities		(1,066)	231
Net cash used in financing activities		**(206,466)**	**(211,575)**
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		**(31,299)**	**22,976**
CASH AND CASH EQUIVALENTS AT 1 JANUARY	8	**96,212**	**38,066**
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	8	**64,913**	**61,042**

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. On 7 August 2006, the Company's name has been changed to TAV Havalimanları Holding A.Ş.. The address of the Company's registered office is İstanbul Atatürk Havalimanı Dış Hatlar Terminali 34149 Yeşilköy, İstanbul, Turkey.

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

The interim condensed consolidated financial statements of the Company as at and for the period ended 30 September 2014 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interests in joint ventures. Changes in ownership interest percentages of the Company's subsidiaries since 31 December 2013 are as follows:

			30 September 2014		31 December 2013	
Name of Subsidiary	**Principal Activity**	**Place of operation**	**Ownership interest %**	**Voting power held %**	**Ownership interest %**	**Voting power held %**
TAV Milas Bodrum Terminal İşletmeciliği A.Ş. ("TAV Bodrum")	Bodrum Airport Terminal Services	Turkey	100.00	100.00	-	-
TAV Bilişim Hizmetleri A.Ş. ("TAV Bilişim")	Software and System Services	Turkey	100.00	100.00	98.53	98.53
BTA Tedarik Dağıtım ve Ticaret A.Ş. ("BTA Tedarik")	Food and Beverage Services	Turkey	66.66	66.66	-	-
BTA Yiyecek İçecek İşletme Danışmanlık Ticaret A.Ş. ("BTA Danışmanlık")	Food and Beverage Services	Turkey	66.66	66.66	-	-

Changes in ownership interest percentages of the Company's joint ventures since 31 December 2013 are as follows:

			30 September 2014		31 December 2013	
Name of Joint Ventures	**Principal Activity**	**Place of operation**	**Ownership interest %**	**Voting power held %**	**Ownership interest %**	**Voting power held %**
Saudi BTA Airports Food And Beverages Serv.Ltd. ("BTA Medinah")	Food and Beverage Services	Saudi Arabia	66.66	66.66	-	-

Changes in ownership interest percentages of the Company's associates since 31 December 2013 are as follows:

			30 September 2014		31 December 2013	
Name of Associates	**Principal Activity**	**Place of operation**	**Ownership interest %**	**Voting power held %**	**Ownership interest %**	**Voting power held %**
Medunarodna Zračna Luka Zagreb d.d. ("MZLZ")	Airport Operator	Croatia	15.00	15.00	-	-
Upraviteli Zračne Luke Zagreb d.o.o ("MZLZ Operation")	Airport Operator	Croatia	15.00	15.00	-	-
AMS Airport Management Services d.o.o ("AMS")	Airport Operator	Croatia	40.00	40.00	-	-

1. REPORTING ENTITY (Comtinued)

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, TAV İzmir and TAV Gazipaşa enter into Build Operate Transfer agreements ("BOT") with Devlet Hava Meydanları İşletmesi Genel Müdürlüğü (General Directorate of State Airports Authority) ("DHMİ"), TAV Tbilisi with JSC Tbilisi International Airport ("JSC"), TAV Batumi with Georgian Ministry of Economic Development ("GMED"), TAV Tunisia with Tunisian Airport Authority (Office De L'Aviation Civil Et Des Aeroports) ("OACA"), Ministry of Transport ("MOT") and TAV Macedonia with Macedonian Ministry of Transportation and Communication ("MOTC"). Tibah Development enter into Build – Transfer – Operate ("BTO") Agreements with General Authority of Civil Aviation ("GACA"). TAV Ege enter into concession agreement with DHMİ. Under these agreements, the Group agrees to build or renovate or manage an airport or terminal within a specified period of time and in exchange receives the right to operate the airport and terminal for a preestablished period of time. At the end of the contracts, the Group will transfer the ownership of the terminal buildings or airports back to the related public authority, DHMİ, JSC, GMED, OACA, MOT, MOTC and GACA accordingly. Group also signs separate contracts related with the airport operations. On 3 June 2005, TAV İstanbul signed a rent agreement to operate Atatürk International Airport Terminal ("AIAT") and Atatürk Domestic Airport Terminal ("ADAT") for 15.5 years until year 2021.

A Concession Agreement was executed between ZAIC-A limited and Republic of Croatia on 11 April 2012 for the financing, design and construction and operation of a new passenger terminal and related infrastructure at Zagreb Airport.

On 21 March 2014, the Company has been awarded the tender held by DHMI for the operation rights of the Milas-Bodrum Airport whose scope includes operation of existing Domestic and International Terminals with ancillary facilities, until 31 December 2035. While Domestic Terminal is handed over within 10 days from signing of the Concession Agreement, operation of International Terminal will commence on 22 October 2015 following the expiry of the existing contract. The total concession amount is EUR 717,000 plus VAT.

The new domestic terminal of Adnan Menderes Airport is inaugurated in March 2014.

Seasonality of Operations

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

The Group employs 14,846 (average: 14,295) people as at 30 September 2014 (31 December 2013: 13,370 (average: 13,598) people).

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 2013.

The interim condensed consolidated financial statements were authorized for issue by the Board of Directors on 7 November 2014. 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. The foreign subsidiaries and joint ventures maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. The accompanying interim condensed consolidated financial statements are presented in EUR, which is the functional currency of TAV Group.

Although the currency of the country in which the majority of the Group entities are domiciled is TRL, most of the Group entities' functional currencies are EUR.

The functional currencies of the Group entities and joint ventures are consistent with the Group's annual consolidated financial statements for the year ended 31 December 2013. The functional currencies of the Group entities formed after 31 December 2013 are as follows:

Company	Functional Currency
BTA Tedarik	TRL
MZLZ	Croatian Kuna (HRK)
MZLZ Operation	HRK
TAV Bodrum	EUR
BTA Medinah	SAR
AMS	HRK

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

2. BASIS OF PREPARATION (continued)

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

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

	1 Euro Equivalent	
	30 September 2014	31 December 2013
TRL	2.8914	2.9365
GEL	2.2234	2.3891
TND	2.2761	2.2663
MKD	61.6534	61.5113
SEK	9.1815	8.9430
USD	1.2688	1.3759
SAR	4.7573	5.1623
HRK	7.6329	7.6336

3. CHANGES IN ACCOUNTING POLICIES

a) The restatement of prior year financial statements

The Group has reassessed the accounting treatment regarding the concession agreement which was executed between TAV Esenboğa and DHMİ on 18 August 2004 for regulating the reconstruction, investment and operations of the Ankara Esenboğa International Airport (international and domestic terminals) for the period until May 2023. Accordingly, trade receivables balance as relating to the guaranteed passenger fee as of 31 December 2013 has been increased by EUR 63,088 whereas the airport operations right balance relating to the same contract has been decreased by EUR 63,088.

b) The new standards, amendments and interpretations

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements as at 30 September 2014 are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2013, except for the adoption of new and amended IFRS and IFRIC interpretations effective as of 1 January 2014. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

a) <u>The new standards, amendments and interpretations which are effective as at 1 January 2014</u>

IAS 32 *Financial Instruments: Presentation - Offsetting Financial Assets and Financial liabilities (Amended)*

The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments did not have an impact on the interim condensed consolidated financial statements of the Group.

IFRIC 21 *Levies*

The interpretation clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognized before the specified minimum threshold is reached. The interpretation is not applicable for Group and did not have any impact on the financial position or performance the Group.

3. CHANGES IN ACCOUNTING POLICIES (continued)

a) The new standards, amendments and interpretations which are effective as at 1 January 2014 (continued)

IAS 36 ***Impairment of Assets (Amended) - Recoverable Amount Disclosures for Non-Financial assets***

As a consequential amendment to IFRS 13 Fair Value Measurement, some of the disclosure requirements in IAS 36 Impairment of Assets regarding measurement of the recoverable amount of impaired assets has been modified. The amendments required additional disclosures about the measurement of impaired assets (or a group of assets) with a recoverable amount based on fair value less costs of disposal. These amendments did not have an impact on the interim condensed consolidated financial statements of the Group.

IAS 39 ***Financial Instruments: Recognition and Measurement (Amended) - Novation of Derivatives and Continuation of Hedge Accounting***

Amendments provides a narrow exception to the requirement for the discontinuation of hedge accounting in circumstances when a hedging instrument is required to be novated to a central counterparty as a result of laws or regulations. These amendments did not have an impact on the interim condensed consolidated financial statements of the Group.

IFRS 10 ***Consolidated Financial Statements (Amendment)***

IFRS 10 is amended to provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss in accordance with IFRS. This amendment does not have any impact on the financial position or performance of the Group.

b) Standards issued but not yet effective and not early adopted

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

IFRS 9 ***Financial Instruments – Classification and measurement***

As amended in December 2012, the new standard is effective for annual periods beginning on or after 1 January 2015. Phase 1 of this new IFRS introduces new requirements for classifying and measuring financial instruments. The amendments made to IFRS 9 will mainly affect the classification and measurement of financial assets and measurement of fair value option (“FVO”) liabilities and requires that the change in fair value of a FVO financial liability attributable to credit risk is presented under other comprehensive income.

IAS 19 ***Defined Benefit Plans: Employee Contributions (Amendment)***

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. The amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. These amendments are to be retrospectively applied for annual periods beginning on or after 1 July 2014. The amendments will not have an impact on the financial position or performance of the Group.

Improvements to IFRSs

In December 2013, the IASB issued two cycles of Annual Improvements to IFRSs – 2010–2012 Cycle and IFRSs – 2011–2013 Cycle. Other than the amendments that only affect the standards’ Basis for Conclusions, the changes are effective for annual reporting periods beginning on or after 1 July 2014.

3. CHANGES IN ACCOUNTING POLICIES (continued)

b) Standards issued but not yet effective and not early adopted (continued)

Annual Improvements to IFRSs – 2010–2012 Cycle

IFRS 2 Share-based Payment:

Definitions relating to vesting conditions have changed and performance condition and service condition are defined in order to clarify various issues. The amendment is effective prospectively.

IFRS 3 Business Combinations

Contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of IFRS 9 Financial Instruments. The amendment is effective for business combinations prospectively.

IFRS 8 Operating Segments

The changes are as follows: i) Operating segments may be combined/aggregated if they are consistent with the core principle of the standard. ii) The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments are effective retrospectively.

IFRS 13 Fair Value Measurement

As clarified in the Basis for Conclusions short-term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial. The amendment is effective immediately.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment to IAS 16.35(a) and IAS 38.80(a) clarifies that revaluation can be performed, as follows:
i) Adjust the gross carrying amount of the asset to market value or ii) determine the market value of the carrying amount and adjust the gross carrying amount proportionately so that the resulting carrying amount equals the market value. The amendment is effective retrospectively.

IAS 24 Related Party Disclosures

The amendment clarifies that a management entity – an entity that provides key management personnel services – is a related party subject to the related party disclosures. The amendment is effective retrospectively.

Annual Improvements – 2011–2013 Cycle

IFRS 1 First-time Adoption of International Financial Reporting Standards

An entity may choose to apply either a current standard or a new standard that is not yet mandatory, but that permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. The amendment is effective immediately.

IFRS 3 Business Combinations

The amendment clarifies that: i) Joint arrangements are outside the scope of IFRS 3, not just joint ventures ii) The scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is effective prospectively.

3. CHANGES IN ACCOUNTING POLICIES (continued)

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

Annual Improvements – 2011–2013 Cycle (continued)

Amendment to the Basis for Conclusions on IFRS 13 Fair Value Measurement

The portfolio exception in IFRS 13 can be applied to financial assets, financial liabilities and other contracts. The amendment is effective prospectively.

IAS 40 Investment Property

The amendment clarifies the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property. The amendment is effective prospectively.

IFRS 11 - *Acquisition of an Interest in a Joint Operation (Amendment)*

In May 2014 the IASB amended IFRS 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. This amendment requires the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3 Business Combinations, to apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs except for those principles that conflict with the guidance in this IFRS. In addition, the acquirer shall disclose the information required by IFRS 3 and other IFRSs for business combinations. These amendments are to be applied prospectively for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

IAS 16 and IAS 38 - *Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)*

In May 2014, the IASB issued amendments to IAS 16 and IAS 38, prohibiting the use of revenue-based depreciation for property, plant and equipment and significantly limiting the use of revenue-based amortisation for intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

IFRS 14 - Regulatory Deferral Accounts

In January 2014, the IASB issued this standard. IFRS 14 permits first-time adopter rate regulated entities to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. Existing IFRS preparers are prohibited from adopting this Standard. The Standard will be applied on a full retrospective basis and is effective for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

IFRS 15 – *Revenue from Contracts with Customers*

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers. The new five-step model in the standard provides the recognition and measurement requirements of revenue. The standard applies to revenue from contracts with customers and provides a model for the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., the sale of property, plant and equipment or intangibles). IFRS 15 is effective for reporting periods beginning on or after 1 January 2017, with early adoption permitted. Entities will transition to the new standard following either a full retrospective approach or a modified retrospective approach. The modified retrospective approach would allow the standard to be applied beginning with the current period, with no restatement of the comparative periods, but additional disclosures are required.

3. CHANGES IN ACCOUNTING POLICIES (continued)

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

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

In September 2014, the IASB issued amendments that bearer plants, such as grape vines, rubber trees and oil palms should be accounted for in the same way as property, plant and equipment in IAS 16. Once a bearer plant is mature, apart from bearing produce, its biological transformation is no longer significant in generating future economic benefits. The only significant future economic benefits it generates come from the agricultural produce that it creates. Because their operation is similar to that of manufacturing, either the cost model or revaluation model should be applied. The produce growing on bearer plants will remain within the scope of IAS 41, measured at fair value less costs to sell. Entities are required to apply the amendments for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

IAS 27 - Equity Method in Separate Financial Statements -Amendments to IAS 27

In August 2014, IASB issued an amendment to IAS 27 to restore the option to use the equity method to account for investments in subsidiaries and associates in an entity's separate financial statements. Therefore, an entity must account for these investments either: at cost, in accordance with IFRS 9 (or IAS 39), or using the equity method

The entity must apply the same accounting for each category of investments. A consequential amendment was also made to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 allows a first-time adopter accounting for investments in the separate financial statements using the equity method, to apply the IFRS 1 exemption for past business combinations to the acquisition of the investment. The amendment is effective for annual periods beginning on or after 1 January 2016. The amendments must be applied retrospectively. Early application is permitted and must be disclosed.

Annual Improvements to IFRSs - 2012-2014 Cycle

In September 2014, IASB issued their annual cycle of improvements to IFRSs, Annual Improvements to IFRSs 2012-2014 Cycle. The document sets out five amendments to four standards, excluding those standards that are consequentially amended, and the related Basis for Conclusions. The standards affected and the subjects of the amendments are:

- *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations* – changes in methods of disposal
- *IFRS 7 Financial Instruments: Disclosures* – servicing contracts; applicability of the amendments to IFRS 7 to condensed interim financial statements
- *IAS 19 Employee Benefits* – regional market issue regarding discount rate
- *IAS 34 Interim Financial Reporting* – disclosure of information 'elsewhere in the interim financial report'

The amendments are effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

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

In September 2014, IASB issued amendments to IFRS 10 and IAS 28, to address the acknowledged inconsistency between the requirements in IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture, to clarify that an investor recognises a full gain or loss on the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture. The gain or loss resulting from the re-measurement at fair value of an investment retained in a former subsidiary should be recognised only to the extent of unrelated investors' interests in that former subsidiary. An entity shall apply those amendments prospectively to transactions occurring in annual periods beginning on or after 1 January 2016. Earlier application is permitted.

3. CHANGES IN ACCOUNTING POLICIES (continued)

b) Standards issued but not yet effective and not early adopted (continued)

Annual Improvements to IFRSs - 2012-2014 Cycle (continued)

IFRS 9 *Financial Instruments - Final standard (2014)*

In July 2014 the IASB published the final version of IFRS 9 Financial Instruments. The final version of IFRS 9 brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 is built on a logical, single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics. Built upon this is a forward-looking expected credit loss model that will result in more timely recognition of loan losses and is a single model that is applicable to all financial instruments subject to impairment accounting. In addition, IFRS 9 addresses the so-called 'own credit' issue, whereby banks and others book gains through profit or loss as a result of the value of their own debt falling due to a decrease in credit worthiness when they have elected to measure that debt at fair value. The Standard also includes an improved hedge accounting model to better link the economics of risk management with its accounting treatment. IFRS 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. In addition, the own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments.

The Group does not expect that these amendments will have significant impact on the financial position or performance of the Group.

4. DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

i) 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 İzmir, TAV Esenboğa, TAV Gazipaşa, TAV Macedonia and TAV Ege are 0%, TAV Tbilisi and TAV Tunisia are 15% and %5 respectively.

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

4. DETERMINATION OF FAIR VALUES (continued)

iii) Trade and other receivables:

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

iv) Derivatives:

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

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

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

v) Other non-derivative financial liabilities:

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

Fair value hierarchy:

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

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

30 September 2014	**Level 1**	**Level 2**	**Level 3**
Loans and borrowings	-	(1,373,080)	-
Interest rate swap	-	(146,909)	-
Cross currency swap	-	3,857	-
Forward	-	3,267	-
	-	**(1,512,865)**	**-**

31 December 2013	**Level 1**	**Level 2**	**Level 3**
Loans and borrowings	-	(1,352,270)	-
Interest rate swap	-	(111,017)	-
Cross currency swap	-	(10,424)	-
Forward	-	295	-
	-	**(1,473,416)**	**-**

5. OPERATING SEGMENTS

Operating Segments:

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

- ***Terminal operations:*** Operating terminal buildings, car parks and general aviation terminals, the Group companies included in this segment are TAV İstanbul, TAV Esenboğa, TAV İzmir, TAV Ege, TAV Gazipaşa, TAV Tunisia, TAV Batumi, TAV Tbilisi, Batumi Airport LLC, TAV Macedonia, Tibah Development, Tibah Operation, MZLZ, MZLZ Operation and TAV Bodrum. TAV Tbilisi, TAV Batumi, TAV Tunisia, TAV Gazipaşa, TAV Macedonia 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, and ferry ports which is run by BTA, BTA Georgia, BTA Tunisia, BTA Macedonia, Cakes & Bakes, BTU Lokum, BTU Gıda, BTA Denizyolları, BTA Tedarik and BTA Medinah.

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

- ***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, CAS, TAV Gözen, TGS, SAUDI HAVAŞ, HAVAŞ Europe, HAVAŞ Europe Helsinki, HAVAŞ Europe Stockholm and HAVAŞ Germany. HAVAŞ, HYT İzmir, HYT Muğla and HYT Samsun provides bus operations.

- ***Other:*** Providing lounge services, IT, security and education services, the Group companies included in this segment are TAV Holding, TAV İşletme, TAV İşletme Georgia, TAV İşletme Tunisia, TAV İşletme Tunisia Plus, TAV İşletme Macedonia, TAV Bilişim, TAV Güvenlik, TAV Latvia, TAV Aviation Minds, TAV Akademi, Aviator Netherlands, ZAIC-A and AMS.

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 SEGMENTS (continued)

Operating Segments (continued)

	Nine-month period ended 30 September											
	Terminal Operations		Catering Operations		Duty Free Operations		Ground Handling and Bus Operations		Other Operations		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Total external revenues	388,162	371,972	74,615	69,154	201,948	204,899	193,668	183,575	22,580	17,439	880,973	847,039
Inter-segment revenue	115,934	115,695	14,828	13,122	-	-	246	257	16,266	16,275	147,274	145,349
Construction revenue	139,645	237,957	-	-	-	-	-	-	-	-	139,645	237,957
Construction expenditure	(139,645)	(237,957)	-	-	-	-	-	-	-	-	(139,645)	(237,957)
Interest income	6,099	7,066	218	158	131	615	394	232	11,918	9,741	18,760	17,812
Interest expense	(54,675)	(53,529)	(482)	(184)	(227)	(1,369)	(3,736)	(4,520)	(15,383)	(9,533)	(74,503)	(69,135)
Depreciation and amortisation	(45,667)	(42,899)	(2,771)	(2,365)	(1,494)	(973)	(8,657)	(8,533)	(1,472)	(1,387)	(60,061)	(56,157)
Reportable segment operating profit	187,853	172,517	7,130	7,504	21,912	22,528	38,078	25,806	1,036	(2,265)	256,009	226,090
Capital expenditure	151,484	248,443	7,311	4,352	4,447	2,753	16,198	7,259	2,404	1,786	181,844	264,593

	As at 30 September 2014 and 31 December 2013											
	Terminal Operations		Catering Operations		Duty Free Operations		Ground Handling and Bus Operations		Other Operations		Total	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Reportable segment assets	2,268,032	1,989,076	40,369	29,034	49,119	37,619	177,123	145,142	197,241	251,465	2,731,884	2,452,336
Other investments	-	-	-	-	-	-	-	-	16	36	16	36
Reportable segment liabilities	1,528,980	1,405,241	26,004	18,012	33,293	25,156	111,912	105,025	318,910	273,648	2,019,099	1,827,082

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

5. OPERATING SEGMENTS (continued)

Operating Segments (continued)

	Three-month period ended 30 September											
	Terminal Operations		Catering Operations		Duty Free Operations		Ground Handling and Bus Operations		Other Operations		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Total external revenues	152,697	142,018	27,837	25,490	77,733	73,158	81,550	76,470	8,012	6,203	347,829	323,339
Inter-segment revenue	44,792	41,405	5,220	4,280	-	-	84	82	5,550	5,288	55,646	51,055
Construction revenue	22,625	82,869	-	-	-	-	-	-	-	-	22,625	82,869
Construction expenditure	(22,625)	(82,869)	-	-	-	-	-	-	-	-	(22,625)	(82,869)
Interest income	1,794	2,898	53	51	(122)	57	171	93	4,286	3,750	6,182	6,849
Interest expense	(16,350)	(17,127)	(173)	(78)	46	(717)	(1,278)	(1,636)	(3,469)	(3,478)	(21,224)	(23,036)
Depreciation and amortisation	(16,226)	(14,298)	(997)	(767)	(527)	(367)	(3,048)	(2,855)	(518)	(392)	(21,316)	(18,679)
Reportable segment operating profit	84,851	78,710	3,967	3,776	8,664	8,952	19,789	21,022	976	1,267	118,247	113,727
Capital expenditure	30,481	82,079	1,777	2,384	1,141	1,353	4,717	1,517	1,771	132	39,887	87,465

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

5. OPERATING SEGMENTS (continued)

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

Revenues	**1 January-30 September 2014**	**1 July-30 September 2014**	**1 January-30 September 2013**	**1 July-30 September 2013**
Total revenue for reportable segments	1,129,046	412,538	1,196,631	445,772
Other revenue	38,846	13,562	33,714	11,491
Elimination of inter-segment revenue	(147,274)	(55,646)	(145,349)	(51,055)
	1,020,618	**370,454**	**1,084,996**	**406,208**
Effect of using the equity method for joint ventures	(330,062)	(110,461)	(293,108)	(113,950)
Consolidated revenue	**690,556**	**259,993**	**791,888**	**292,258**

Operating profit	**1 January-30 September 2014**	**1 July-30 September 2014**	**1 January-30 September 2013**	**1 July-30 September 2013**
Segment operating profit	254,973	117,271	228,355	112,460
Other operating (loss) / profit	1,036	976	(2,265)	1,267
Elimination of inter-segment operating loss	(1,944)	(86)	(1,003)	(387)
	254,065	**118,161**	**225,087**	**113,340**
Effect of using the equity method for joint ventures	(9,158)	(5,149)	(8,331)	(4,117)
Consolidated operating profit	**244,907**	**113,012**	**216,756**	**109,223**
Finance income	35,814	17,620	25,349	11,068
Finance expense	(70,077)	(19,470)	(85,031)	(34,294)
Consolidated profit before tax	**210,644**	**111,162**	**157,074**	**85,997**

Assets	**30 September 2014**	**31 December 2013**
Total assets for reportable segments	2,534,643	2,200,871
Other assets	197,241	251,465
	2,731,884	**2,452,336**
Effect of using the equity method for joint ventures	(317,538)	(190,774)
Consolidated total assets	**2,414,346**	**2,261,562**

Liabilities	**30 September 2014**	**31 December 2013**
Total liabilities for reportable segments	1,700,189	1,553,434
Other liabilities	318,910	273,648
	2,019,099	**1,827,082**
Effect of using the equity method for joint ventures	(319,580)	(191,786)
Consolidated total liabilities	**1,699,519**	**1,635,296**

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

5. OPERATING SEGMENTS (continued)

Interest income	**1 January-30 September 2014**	**1 July-30 September 2014**	**1 January-30 September 2013**	**1 July-30 September 2013**
Total interest income for reportable segments	6,842	1,896	8,071	3,099
Other interest income	11,918	4,286	9,741	3,750
Elimination of inter-segment interest income	(9,849)	(4,060)	(7,725)	(2,837)
	8,911	**2,122**	**10,087**	**4,012**
Effect of using the equity method for joint ventures	(463)	(142)	(309)	(100)
Consolidated interest income	**8,448**	**1,980**	**9,778**	**3,912**

Interest expense	**1 January-30 September 2014**	**1 July-30 September 2014**	**1 January-30 September 2013**	**1 July-30 September 2013**
Total interest expense for reportable segments	(59,120)	(17,755)	(59,602)	(19,558)
Other interest expense	(15,383)	(3,469)	(9,533)	(3,478)
Elimination of inter-segment interest expense	10,162	4,078	7,421	2,775
	(64,341)	**(17,146)**	**(61,714)**	**(20,261)**
Effect of using the equity method for joint ventures	221	48	1,208	701
Consolidated interest expense	**(64,120)**	**(17,098)**	**(60,506)**	**(19,560)**

Geographical information

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

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

Revenue	**1 January-30 September 2014**	**1 July-30 September 2014**	**1 January-30 September 2013**	**1 July-30 September 2013**
Turkey	805,373	297,851	905,426	324,249
Saudi Arabia	131,839	33,306	96,813	41,530
Tunisia	38,342	21,238	38,343	22,020
Georgia	25,876	11,051	24,832	10,565
Macedonia	14,994	6,090	13,442	5,541
Other	4,194	918	6,140	2,303
	1,020,618	**370,454**	**1,084,996**	**406,208**
Effect of using the equity method for joint ventures	(330,062)	(110,461)	(293,108)	(113,950)
Consolidated revenue	**690,556**	**259,993**	**791,888**	**292,258**

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

5. OPERATING SEGMENTS (continued)

Non-current assets	**30 September 2014**	**31 December 2013**
Turkey	1,058,631	839,166
Tunisia	496,270	501,096
Saudi Arabia	278,100	157,576
Macedonia	73,182	76,702
Georgia	66,679	64,966
Other	2,977	2,738
	1,975,839	**1,642,244**
Effect of using the equity method for joint ventures	(248,873)	(127,752)
Consolidated non-current assets	**1,726,966**	**1,514,492**

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

6. AIRPORT OPERATION RIGHT

	Ankara Esenboğa International Airport	International Terminal of İzmir Adnan Menderes International Airport	Tbilisi International Airport	Enfidha International Airport	Alanya Gazipaşa Airport	Skopje International Airport	Domestic Terminal of İzmir Adnan Menderes International Airport	Total
Cost								
Balance at 1 January 2013	**111,500**	**80,469**	**90,198**	**515,959**	**21,768**	**86,736**	**38,549**	**945,179**
Effect of movements in exchange rates	-	-	(2,605)	-	-	-	-	(2,605)
Additions (*)	-	-	-	-	-	-	168,478	168,478
Balance at 30 September 2013	**111,500**	**80,469**	**87,593**	**515,959**	**21,768**	**86,736**	**207,027**	**1,111,052**
Balance at 1 January 2014 (note 3a)	**-**	**80,469**	**82,397**	**515,959**	**21,768**	**86,736**	**248,906**	**1,036,235**
Effect of movements in exchange rates	-	-	6,141	-	-	-	-	6,141
Additions (*)	-	-	-	-	3,446	-	36,177	39,623
Balance at 30 September 2014	**-**	**80,469**	**88,538**	**515,959**	**25,214**	**86,736**	**285,083**	**1,081,999**

(*) Borrowing costs amounting to EUR 4,261 are capitalised on airport operation right in 2014 (30 September 2013: EUR 5,136). The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 100%.

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

6. AIRPORT OPERATION RIGHT (continued)

	Ankara Esenboğa International Airport	İzmir Adnan Menderes International Airport	Tbilisi International Airport	Enfidha International Airport	Alanya Gazipaşa Airport	Skopje International Airport	Domestic Terminal of İzmir Adnan Menderes International Airport	Total
Accumulated amortisation								
Balance at 1 January 2013	**41,697**	**61,165**	**29,992**	**39,402**	**2,199**	**6,309**	**-**	**180,764**
Effect of movements in exchange rates	-	-	(961)	-	-	-	-	(961)
Amortisation for the period	5,037	7,319	3,227	10,292	686	3,502	-	30,063
Balance at 30 September 2013	**46,734**	**68,484**	**32,258**	**49,694**	**2,885**	**9,811**	**-**	**209,866**
Balance at 1 January 2014 (note 3 a)	**-**	**70,924**	**31,327**	**53,125**	**3,116**	**10,992**	**-**	**169,484**
Effect of movements in exchange rates	-	-	2,539	-	-	-	-	2,539
Amortisation for the period	-	7,319	2,961	10,401	758	3,504	7,981	32,924
Balance at 30 September 2014	**-**	**78,243**	**36,827**	**63,526**	**3,874**	**14,496**	**7,981**	**204,947**
Carrying amounts								
At 30 September 2013	**176,266**	**11,985**	**117,185**	**466,265**	**18,883**	**76,925**	**207,027**	**1,074,536**
At 31 December 2013	**-**	**9,545**	**51,070**	**462,834**	**18,652**	**75,744**	**248,906**	**866,751**
At 30 September 2014	**-**	**2,226**	**51,711**	**452,433**	**21,340**	**72,240**	**277,102**	**877,052**

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

7. PREPAID CONCESSION AND RENT EXPENSES

An analysis of the Group's prepaid rent expenses as at 30 September 2014, 31 December 2013 and 30 September 2013 are as follows:

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

31 December 2013	Concession and rent	Prepaid development expenditures	Total
Balance at 31 December 2012	**170,078**	**24,669**	**194,747**
Concession and rent payments	136,433	-	136,433
Current year rent expense – TAV İstanbul	(125,827)	(3,079)	(128,906)
Current year concession expense – TAV Ege	(8,714)	-	(8,714)
Balance at 31 December 2013	**171,970**	**21,590**	**193,560**
Represented as current prepaid concession and rent expense	**134,837**	**3,079**	**137,916**
Represented as non-current prepaid concession and rent expense	**37,133**	**18,511**	**55,644**

30 September 2013	Concession and rent	Prepaid development expenditures	Total
Balance at 31 December 2012	**170,078**	**24,669**	**194,747**
Concession and rent payments	136,433	-	136,433
Current period rent expense – TAV İstanbul	(94,029)	(2,303)	(96,332)
Current period concession expense – TAV Ege	(6,536)	-	(6,536)
Balance at 30 September 2013	**205,946**	**22,366**	**228,312**
Represented as current prepaid concession and rent expense	**134,846**	**3,079**	**137,925**
Represented as non-current prepaid concession and rent expense	**71,100**	**19,287**	**90,387**

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

8. CASH AND CASH EQUIVALENTS

At 30 September 2014 and 31 December 2013, cash and cash equivalents comprised the following:

	30 September 2014	**31 December 2013**
Cash on hand	760	577
Cash at banks		
- Demand deposits	33,310	41,812
- Time deposits	32,831	54,654
Other liquid assets	1,028	779
Cash and cash equivalents	**67,929**	**97,822**
Bank overdrafts used for cash management purposes	(3,016)	(1,610)
Cash and cash equivalents in the statement of cash flows	**64,913**	**96,212**

9. RESTRICTED BANK BALANCES

At 30 September 2014 and 31 December 2013, restricted bank balances comprised the following:

	30 September 2014	**31 December 2013**
Project reserve and funding accounts (*)	283,985	370,681
Cash collaterals (**)	12,078	11,258
	296,063	**381,939**

(*) Certain subsidiaries, namely TAV İstanbul, TAV Esenboğa, TAV Tunisia, TAV Macedonia and TAV Ege and (“the Borrowers”) opened Project Accounts designated mainly in order to reserve required amount of debt services, lease payment to DHMİ based on agreements with their lenders. Based on these agreements, the Group can access and use such restricted cash as per the conditions and cascade defined in respective loan agreements. The project accounts should be used for predetermined purposes, such as, operational expenses, loan repayments or rent payments to airport administrations, tax payments, debt service, etc.

(**) Cash collaterals include the time deposit provided by HAVAŞ as guarantee for its bank loan.

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

10. EARNINGS PER SHARE

The calculation of basic and diluted EPS at 30 September 2014 was based on the profit attributable to ordinary shareholders of EUR 173,717 (30 September 2013: EUR 113,916) and a weighted average number of ordinary shares outstanding of 363,281,250 (30 September 2013: 363,281,250), as follows:

	1 January-30 September 2014	**1 July-30 September 2014**	**1 January-30 September 2013**	**1 July-30 September 2013**
Numerator:				
Profit for the period attributable to owners of the Company	173,717	88,543	113,916	60,730
Denominator:				
Weighted average number of shares	363,281,250	363,281,250	363,281,250	363,281,250
Basic and diluted profit per share (full EUR)	**0.48**	**0.24**	**0.31**	**0.17**

	1 January-30 September 2014	**1 July-30 September 2014**	**1 January-30 September 2013**	**1 July-30 September 2013**
Issued ordinary shares at 1 January	363,281,250	363,281,250	363,281,250	363,281,250
Effect of shares issued during the year	-	-	-	-
Weighted average number of ordinary shares	**363,281,250**	**363,281,250**	**363,281,250**	**363,281,250**

11. LOANS AND BORROWINGS

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

	30 September 2014	**31 December 2013**
Non-current liabilities		
Secured bank loans (*)	933,398	965,845
Unsecured bank loans	271,126	99,542
Finance lease liabilities	2,498	2,957
	1,207,022	**1,068,344**
Current liabilities		
Current portion of long term secured bank loans (*)	136,439	123,401
Short term unsecured bank loans	-	135,885
Short term secured bank loans	12,655	16,344
Current portion of long term unsecured bank loans	17,034	5,730
Current portion of finance lease liabilities	1,438	2,045
	167,566	**283,405**

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

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

11. LOANS AND BORROWINGS (continued)

The Group's total bank loans and finance lease liabilities as at 30 September 2014 and 31 December 2013 are as follows:

	30 September 2014	31 December 2013
Bank loans	1,370,652	1,346,747
Finance lease liabilities	3,936	5,002
	1,374,588	**1,351,749**

The Group's bank loans as at 30 September 2014 are as follows:

	Presented as		
	Current liabilities	Non-current liabilities	Total
TAV Tunisia	21,873	327,993	349,866
TAV Holding	15,953	269,510	285,463
TAV İstanbul	66,817	176,139	242,956
TAV Ege	12,292	212,324	224,616
TAV Esenboğa	13,871	89,886	103,757
TAV Macedonia	7,568	57,337	64,905
HAVAŞ	13,723	46,995	60,718
TAV Gazipaşa	12,885	22,724	35,609
Others	1,146	1,616	2,762
	166,128	**1,204,524**	**1,370,652**

The Group's bank loans as at 31 December 2013 are as follows:

	Presented as		
	Current liabilities	Non-current liabilities	Total
TAV Tunisia	20,295	330,911	351,206
TAV İstanbul	59,659	238,309	297,968
TAV Holding	141,153	98,651	239,804
TAV Ege	10,697	181,935	192,632
TAV Esenboğa	13,007	95,356	108,363
TAV Macedonia	5,912	58,434	64,346
HAVAŞ	19,110	42,956	62,066
TAV Gazipaşa	10,925	12,924	23,849
Others	602	5,911	6,513
	281,360	**1,065,387**	**1,346,747**

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

11. LOANS AND BORROWINGS (continued)

Redemption schedules of the Group's bank loans according to original maturities as at 30 September 2014 and 31 December 2013 are as follows:

	30 September 2014	31 December 2013
On demand or within one year	166,128	281,360
In the second year	269,239	161,053
In the third year	318,468	217,362
In the fourth year	123,901	158,723
In the fifth year	68,861	111,687
After five years	424,055	416,562
	1,370,652	**1,346,747**

The majority of the borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk. Spreads for EUR denominated loans as at 30 September 2014 are between 1.54% - 5.75% (31 December 2013: Spreads for EUR denominated loans are between 1.54% - 5.75%, respectively).

Interest payments of 100%, 100%, 43%, 80%, 85% and 99% of floating bank loans for TAV İstanbul, TAV Esenboğa, HAVAŞ, TAV Macedonia, TAV Tunisia and TAV Ege respectively are fixed with interest rate swaps as explained in Note 12.

The Group has obtained project financing loans to finance construction of its BOT and BTO based 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 İstanbul.

12. DERIVATIVE FINANCIAL INSTRUMENTS

At 30 September 2014 and 31 December 2013, derivative financial instruments comprised the following:

	30 September 2014		
	Assets	**Liabilities**	**Net Amount**
Interest rate swap	-	(146,909)	(146,909)
Cross currency swap	3,857	-	3,857
Forward	3,267	-	3,267
	7,124	**(146,909)**	**(139,785)**

	31 December 2013		
	Assets	**Liabilities**	**Net Amount**
Interest rate swap	65	(111,082)	(111,017)
Cross currency swap	-	(10,424)	(10,424)
Forward	1,313	(1,018)	295
	1,378	**(122,524)**	**(121,146)**

12. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Interest rate swap:

TAV Esenboğa uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 30 September 2014, 100% of project finance loan is hedged through Interest Rate Swap ("IRS") contract during the life of the loan with an amortising schedule depending on repayment of the loan (31 December 2013: 100%).

TAV Tunisia uses interest rate swaps to manage its exposure to interest rate fluctuations on its bank borrowings. As at 30 September 2014, 85% of floating senior bank loan is hedged through IRS contract during the life of the loan with an amortising schedule depending on repayment of the loan (31 December 2013: 85%).

TAV İstanbul uses interest rate swaps to manage its exposure to interest rate fluctuations on its bank borrowings. As at 30 September 2014, 100% of project finance loan is hedged through IRS contract during the life of the loan with an amortising schedule depending on repayment of the loan (31 December 2013: 100%).

TAV Ege uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 30 September 2014, 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 2013: 100%).

HAVAŞ uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 30 September 2014, 43% of total loan with variable interest rate is hedged through IRS contract (31 December 2013: 50%).

TAV Macedonia uses interest rate swap to manage its exposure to interest rate fluctuations on its bank borrowings. As at 30 September 2014, 80% of total loan is hedged through IRS contract (31 December 2013: 80%).

Cross currency swap:

TAV İstanbul uses cross currency swaps to manage its exposure to foreign currency exchange rate fluctuations on its rent installments that will be paid to DHMİ in terms of USD.

TAV İstanbul had signed a derivative contract with Dexia Credit Local ("DCL") on 12 March 2008 to manage and fix its exposure on foreign currency exchange rate fluctuations between USD and EUR on the rent installments that will be paid to DHMİ till 2018. TAV İstanbul terminated the hedge relationship in 2010 and two new cross currency swap contracts were signed by and between TAV İstanbul, DCL, and ING Bank N.V. on 16 December 2010. The total notional amount of the contract is EUR 171,774 (in exchange of USD 226,399) as at 30 September 2014 (31 December 2013: EUR 194,877 (in exchange of USD 256,847)).

The fair value of derivatives at 30 September 2014 is estimated at loss of EUR 139,785 (31 December 2013: loss of EUR 121,146). This amount is based on market values of equivalent instruments at the reporting date. Since the Group applied hedge accounting as at 30 September 2014, changes in the fair value of these interest rate swaps and cross currency swaps are reflected to other comprehensive income resulting to an loss of EUR 21,580 (30 September 2013: income of EUR 28,447) net of tax.

Fair value disclosures:

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

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

13. FINANCIAL INSTRUMENTS

Currency risk

Exposure to currency risk:

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

30 September 2014

Foreign currency denominated financial assets	**USD**	**EUR (*)**	**TRL**	**Other**	**Total**
Other non-current assets	7	-	11	-	18
Trade receivables	19,843	2,979	7,612	12,190	42,624
Due from related parties	10,351	2,546	4,659	802	18,358
Derivative financial instruments	3,856	-	3,267	-	7,123
Other receivables and current assets	310	24	9,554	2,219	12,107
Restricted bank balances	98,383	-	15,328	601	114,312
Cash and cash equivalents	7,367	307	2,033	6,389	16,096
	140,117	**5,856**	**42,464**	**22,201**	**210,638**
Foreign currency denominated financial liabilities					
Loans and borrowings	-	(254)	(50,826)	(655)	(51,735)
Bank overdraft	-	-	(1,906)	-	(1,906)
Trade payables	(1,877)	(166)	(7,916)	(3,774)	(13,733)
Due to related parties	(52)	(959)	(95)	(368)	(1,474)
Other payables	(3,004)	(134)	(7,009)	(1,778)	(11,925)
	(4,933)	**(1,513)**	**(67,752)**	**(6,575)**	**(80,773)**
Net exposure	**135,184**	**4,343**	**(25,288)**	**15,626**	**129,865**

(*) 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.)

13. FINANCIAL INSTRUMENTS (continued)

Currency risk (continued)

Exposure to currency risk (continued):

31 December 2013

Foreign currency denominated financial assets	**USD**	**EUR (*)**	**TRL**	**Other**	**Total**
Other non-current assets	6	-	10	-	16
Trade receivables	10,134	1,576	5,482	10,386	27,578
Due from related parties	8,843	660	1,843	1,053	12,399
Other receivables and current assets	379	5	8,564	1,802	10,750
Restricted bank balances	113,994	-	102,019	24	216,037
Cash and cash equivalents	15,273	473	5,625	4,884	26,255
	148,629	**2,714**	**123,543**	**18,149**	**293,035**
Foreign currency denominated financial liabilities					
Loans and borrowings	-	(387)	(5,222)	(876)	(6,485)
Bank overdraft	-	-	(970)	-	(970)
Trade payables	(3,537)	(191)	(6,657)	(5,969)	(16,354)
Due to related parties	(4,282)	(180)	527	(370)	(4,305)
Derivative financial instruments	(10,424)	-	-	-	(10,424)
Other payables	(691)	(79)	(10,949)	(1,541)	(13,260)
	(18,934)	**(837)**	**(23,271)**	**(8,756)**	**(51,798)**
Net exposure	**129,695**	**1,877**	**100,272**	**9,393**	**241,237**

(*) 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.)

13. FINANCIAL INSTRUMENTS (continued)

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

	Average Rate		Reporting Date Closing Rate	
	30 September 2014	30 September 2013	30 September 2014	31 December 2013
USD	0.7375	0.7594	0.7881	0.7268
TRL	0.3411	0.4076	0.3459	0.3405
GEL	0.4207	0.4585	0.4498	0.4186
MKD	0.0162	0.0162	0.0162	0.0163
TND	0.4462	0.4701	0.4393	0.4412
SEK	0.1106	0.1166	0.1089	0.1118
SAR	0.1966	0.2025	0.2102	0.1937
HRK	0.1311	0.1320	0.1310	0.1311

Sensitivity analysis:

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

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

A 10 percent strengthening / (weakening) of EUR against the following currencies at 30 September 2014 and 31 December 2013 would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Equity		Profit or loss	
	Strengthening of EUR	Weakening of EUR	Strengthening of EUR	Weakening of EUR
30 September 2014				
USD	(16,043)	15,701	(13,133)	13,133
TRL	-	-	2,529	(2,529)
Other	-	-	(1,563)	1,563
Total	**(16,043)**	**15,701**	**(12,167)**	**12,167**
31 December 2013				
USD	(16,039)	15,607	(14,012)	14,012
TRL	-	-	(10,027)	10,027
Other	-	-	(939)	939
Total	**(16,039)**	**15,607**	**(24,978)**	**24,978**

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

13. FINANCIAL INSTRUMENTS (continued)

Fair values

Fair values versus carrying amounts:

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

		30 September 2014		31 December 2013	
	Note	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial assets					
Other non-current assets		325	325	251	251
Trade receivables - non current		109,026	109,026	113,388	113,388
Trade receivables - current		111,360	111,360	81,667	81,986
Due from related parties	15	26,487	26,487	14,750	14,750
Other receivables and current assets (*)		1,351	1,351	557	557
Restricted bank balances	9	296,063	296,063	381,939	381,939
Cash and cash equivalents	8	67,929	67,929	97,822	97,822
Derivative financial instruments	12	7,124	7,124	1,378	1,378
Financial liabilities					
Bank overdraft	8	(3,016)	(3,016)	(1,610)	(1,610)
Loans and borrowings	11	(1,374,588)	(1,373,080)	(1,351,749)	(1,352,270)
Trade payables (**)		(34,640)	(34,640)	(39,913)	(39,913)
Due to related parties	15	(12,772)	(12,772)	(19,335)	(19,335)
Derivative financial instruments	12	(146,909)	(146,909)	(122,524)	(122,524)
Other payables (**)		(41,698)	(41,698)	(30,708)	(30,708)
		(993,958)	**(992,450)**	**(874,087)**	**(874,289)**

(*) 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.)

14. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS

Commitments and contingencies

	30 September 2014	**31 December 2013**
Letters of guarantee given to third parties	261,690	274,218
Letters of guarantee given to DHMİ	206,275	153,797
Letters of guarantee given to Tunisian Government	22,336	16,552
Letters of guarantee given to Saudi Arabian Government	21,017	19,381
Letters of guarantee given to Macedonian Government	250	250
	511,568	**464,198**

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 EUR 21,017 to GACA according to the BTO agreement signed with GACA in Saudi Arabia (31 December 2013: EUR 19,381). Furthermore, the Group is obliged to provide a letter of guarantee at an amount equivalent of EUR 125,719 to National Commercial Bank which is included in letters of guarantee given to third parties (31 December 2013: EUR 115,934). 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 14,294 (31 December 2013: EUR 10,850) to the Ministry of Transportation and EUR 8,042 (31 December 2013: 5,702) 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 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.

14. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS (continued)

Contingent liability

TAV Security has undergone a tax inspection by the Tax Inspectors of the Ministry of Finance on the value added tax returns for the periods between January 2007 and December 2011. The tax inspector claimed that the staff should have been in the payroll of TAV Security and TAV Security could not render such a service without having its own personnel. Since the staff is in the payroll of the terminal companies, the terminal companies should have issued labor force invoices to TAV Security and TAV Security should have issued security service invoices to terminal companies including the payroll cost invoiced by the terminal companies. As a result of the tax inspection, the withholding value added tax treatments of the Company in relation to the security and the labor services rendered have been criticised and based on the criticism, tax and tax penalty has been assessed and notified to the Company. As per the notification, outstanding value added taxes amounting to TRL 6,201, TRL 6,839, TRL 7,883, TRL 8,345, TRL 9,409 and tax penalties at the equivalent amounts have been assessed for the periods 2007, 2008, 2009, 2010 and 2011, respectively. Furthermore, outstanding corporate income taxes amounting to TRL 745, TRL 688, TRL 823, TRL 800, TRL 1,011 and tax penalties of TRL 1,326, TRL 1,242, TRL 1,496, TRL 1,423, TRL 2,358 have been assessed for the periods 2007, 2008, 2009, 2010 and 2011, respectively.

In addition, Special Irregularity Penalty is assessed due to the fact that TAV Security has not issued security service invoices to the terminals including the payroll invoices. Special Irregularity Penalty amounting to TRL 365 have been assessed for the periods 2007, 2008, 2009, 2010 and 2011. A lawsuit will be filed on the grounds that the criticism do not have any justifications. The management, lawyers and tax auditors of TAV Security are in the opinion that the lawsuit will result in TAV Security’s favor, so no provision is recorded in the accompanying interim condensed consolidated financial statements.

Georgian Tax Authority criticised the deduction of the VAT stemming from the construction of Batumi Airport Terminal which was undertaken by TAV Tbilisi in return for the extension of the operation period of Tbilisi Airport. The inspectors claimed that this transaction was a barter transaction and hence, TAV Tbilisi should have transferred the Batumi Airport Terminal to the competent authority by calculating VAT. As a result, VAT amounting to GEL 9,798 (EUR 4,069) has been assessed and it has been charged together with GEL 8,263 (EUR 3,331) of penalty (GEL 18,061 (EUR 7,500) in total). The management, lawyers and the tax advisors do not agree with the claim of the Georgian Tax Authority. Therefore, TAV Tbilisi has proceeded the appeal process and management believe that the appeal process will be concluded in the TAV Tbilisi’s favor. Accordingly, no provision is recorded in the accompanying 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.)

15. RELATED PARTIES

The major immediate parents and ultimate controlling parties of the Group are Aéroports de Paris, Tepe and Akfen Groups.

All other transactions not described in this footnote between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. Details of balances between the Group and other related parties are disclosed below.

Key management personnel compensation:

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

	1 January-30 September 2014	1 July-30 September 2014	1 January-30 September 2013	1 July-30 September 2013
Short-term benefits (salaries, bonuses etc.)	12,312	2,804	11,093	1,348
	12,312	**2,804**	**11,093**	**1,348**

As at 30 September 2014 and 31 December 2013, none of the Group's directors and executive officers has outstanding personnel loans from the Group.

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

Other related party transactions:

	30 September 2014	31 December 2013
Due from related parties	16,023	7,226
Current loan to related parties	7,569	7,524
	23,592	**14,750**

	30 September 2014	31 December 2013
Non-current due from related parties	2,885	-
	2,885	**-**

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

15. RELATED PARTIES (continued)

Due from related parties	30 September 2014	31 December 2013
ATÜ (*)	7,286	4,642
TAV Tepe Akfen Yat.İnş ve İşl. A.Ş. ("TAV İnşaat") (**)	5,179	-
BTA Denizyolları	1,160	80
Tibah Development	665	584
Tibah Operations	494	421
TGS	257	233
TAV G Otopark Yapım Yatırım ve İşletme A.Ş. ("TAV G")	175	694
Other related parties	807	572
	16,023	**7,226**

(*) Receivables from ATÜ comprise of concession fee duty-free receivables.
(**) Advance receivables from TAV İnşaat for construction services.

Loan to related parties	30 September 2014	31 December 2013
TAV İnşaat	4,199	2,841
Tibah Development	713	2,468
CAS	-	1,057
Other related parties	2,657	1,158
	7,569	**7,524**

Non-current loan to related parties	30 September 2014	31 December 2013
Tibah Development	1,911	-
Other related parties	974	-
	2,885	**-**

	30 September 2014	31 December 2013
Due to related parties	1,646	5,267
Current loan from related parties	3,524	3,779
	5,170	**9,046**
Non-current loan from related parties	7,602	10,289
	7,602	**10,289**

Due to related parties	30 September 2014	31 December 2013
BTU Lokum	669	-
IBS Sigorta (*)	430	4,914
Bilintur Bilkent Turizm Inş. Yat. Tic. A.Ş.	17	34
Other related parties	530	319
	1,646	**5,267**

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

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

15. RELATED PARTIES (continued)

Current loan from related parties	**30 September 2014**	**31 December 2013**
ATÜ	3,159	3,366
Other related parties	365	413
	3,524	**3,779**

Non-current loan from related parties	**30 September 2014**	**31 December 2013**
ATÜ	7,602	10,289
	7,602	**10,289**

Short term deferred income from related parties	**30 September 2014**	**31 December 2013**
ATÜ (*)	3,779	3,986
Other related parties	402	6
	4,181	**3,992**

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

Long term deferred income from related parties	**30 September 2014**	**31 December 2013**
ATÜ (*)	19,804	22,584
	19,804	**22,584**

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

Services rendered to related parties	**1 January-30 September 2014**	**1 July-30 September 2014**	**1 January-30 September 2013**	**1 July-30 September 2013**
ATÜ (*)	174,839	66,154	181,496	65,007
BTA Denizyolları	7,148	3,404	-	-
Other related parties	12,283	3,565	11,102	3,856
	194,270	**73,123**	**192,598**	**68,863**

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

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

15. RELATED PARTIES (continued)

Services rendered by related parties	**1 January-30 September 2014**	**1 July-30 September 2014**	**1 January-30 September 2013**	**1 July-30 September 2013**
Akfen Elektrik Enerjisi Toptan Satış A.Ş. (*)	3,874	1,639	-	-
IBS Sigorta (*)	2,116	368	2,756	887
TAV İnşaat	2,062	635	489	212
TAV Havacılık A.Ş.	338	99	406	133
Other related parties	716	249	217	77
	9,106	**2,990**	**3,868**	**1,309**

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

Interest (expense) / income from related parties (net)	**1 January-30 September 2014**	**1 July-30 September 2014**	**1 January-30 September 2013**	**1 July-30 September 2013**
ATÜ	(542)	(170)	(696)	(224)
Other related parties	46	9	526	405
	(496)	**(161)**	**(170)**	**181**

The average interest rate used within the Group is 6.62% per annum (31 December 2013: 6.63%). The Group converts related party TRL loan receivable and payable balances to USD at month end using the Central Bank's announced exchange rates and then charges interest on the USD balances.

Construction work rendered by related parties	**1 January-30 September 2014**	**1 July-30 September 2014**	**1 January-30 September 2013**	**1 July-30 September 2013**
TAV İnşaat (*)	33,346	-	163,023	48,280
	33,346	**-**	**163,023**	**48,280**

(*) TAV İnşaat mainly provided services relating to the construction of İzmir Adnan Menderes International Airport's domestic terminal and renovation of Alanya Gazipaşa Airport as of 30 September 2014. TAV İnşaat mainly provided services relating to the construction of İzmir Adnan Menderes International Airport's domestic terminal as of 30 September 2013.

Dividend distribution

In 2014 the Company distributed dividends to the shareholders amounting to EUR 65,209 (TRL 199,009) from the Company's distributable profits computed for 2013.

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

16. INTERESTS IN OTHER ENTITIES

Non-controlling interests in subsidiaries

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

	30 September 2014				
	TAV Tunisia	TAV Tbilisi	BTA	Other immaterial subsidiaries	Total
NCI Percentage	**33.00%**	**24.00%**	**33.33%**		
Non-current assets	496,270	57,849	19,883		
Current assets	42,553	9,188	21,380		
Non-current liabilities	387,589	-	7,584		
Current liabilities	125,112	3,162	23,843		
Net assets	**26,122**	**63,875**	**9,836**		
Carrying amount of NCI	8,620	15,330	3,278	3,545	30,773

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

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

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

16. INTERESTS IN OTHER ENTITIES (continued)

Non-controlling interests in subsidiaries (continued)

	31 December 2013				
	TAV Tunisia	**TAV Tbilisi**	**BTA**	**Other immaterial subsidiaries**	**Total**
NCI Percentage	**33.00%**	**24.00%**	**33.33%**		
Non-current assets	501,096	57,116	15,153		
Current assets	24,289	3,967	13,185		
Non-current liabilities	379,879	10,381	5,142		
Current liabilities	97,430	2,192	14,750		
Net assets	**48,076**	**48,510**	**8,446**		
Carrying amount of NCI	15,865	11,642	2,815	2,109	32,431

	1 January – 30 September 2013				
	TAV Tunisia	**TAV Tbilisi**	**BTA**	**Other immaterial subsidiaries**	**Total**
Revenue	41,480	24,202	74,872		
(Loss) / profit	(3,375)	9,129	5,882		
Total comprehensive income	**5,172**	**7,658**	**(1,224)**		
(Loss) / profit allocated to NCI	(1,114)	2,191	1,961	590	3,628

	1 July - 30 September 2013				
	TAV Tunisia	**TAV Tbilisi**	**BTA**	**Other immaterial subsidiaries**	**Total**
Revenue	23,802	10,079	26,596		
(Loss) / profit	8,755	4,740	3,078		
Total comprehensive income	**8,894**	**2,738**	**2,038**		
(Loss) / profit allocated to NCI	2,889	1,138	1,026	595	5,648

	30 September 2014	**31 December 2013**
Joint ventures	98,028	90,058
Associates	2,368	1,937
	100,396	**91,995**

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

16. INTERESTS IN OTHER ENTITIES (continued)

Joint Ventures

Carrying amounts of the Group's joint ventures in the statement of financial position as at 30 September 2014 and 31 December 2013 are as follows:

	30 September 2014	31 December 2013
TGS	57,096	52,208
ATÜ	29,280	30,357
Tibah Development	8,803	4,281
BTA Denizyolları	1,661	1,385
Tibah Operation	583	1,033
Other	605	794
	98,028	**90,058**

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

	1 January-30 September 2014	1 July-30 September 2014	1 January-30 September 2013	1 July-30 September 2013
ATÜ	16,173	5,412	15,639	5,587
TGS	8,716	3,531	5,840	3,465
Tibah Development	4,792	1,592	3,319	1,407
BTA Denizyolları	862	508	505	389
Tibah Operation	509	181	432	131
Other	(35)	(272)	63	31
	31,017	**10,952**	**25,798**	**11,010**

Associates

Carrying amount of the Group's associate in the statement of financial position as at 30 September 2014 and 31 December 2013 are as follows:

	30 September 2014	31 December 2013
ZAIC-A	2,368	1,937
	2,368	**1,937**

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

	1 January-30 September 2014	1 July-30 September 2014	1 January-30 September 2013	1 July-30 September 2013
ZAIC-A	(329)	(1,382)	-	-
	(329)	**(1,382)**	**-**	**-**

17. SUBSEQUENT EVENTS

As of 8 October 2014, TAV Airports Holding's joint venture, ATU Duty Free, has been awarded the tender to operate the duty free shops at five Tunisian international airports comprising the capital city of Tunis-Carthage, Djerba-Zarzis, Sfax-Thyna, Tozeur-Nefta and Tabarka-Ain Draham.