

**TEKFEN HOLDİNG ANONİM ŐİRKETİ  
AND ITS SUBSIDIARIES**

CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE SIX MONTH  
INTERIM PERIOD  
ENDED 30 JUNE 2013  
TOGETHER WITH INDEPENDENT  
AUDITOR'S REVIEW REPORT

(Translated into English from the report  
originally issued in Turkish)

(Convenience Translation of Report and Financial Statements Originally Issued in Turkish)

**REPORT ON REVIEW OF CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION**

**To the Board of Directors of  
Tekfen Holding Anonim Şirketi  
İstanbul**

We have reviewed the accompanying condensed consolidated balance sheet of Tekfen Holding Anonim Şirketi (the “Company”) and its subsidiaries (together the “Group”) as of 30 June 2013 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended. Group Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with the Turkish Accounting Standards published by the Public Oversight Accounting and Auditing Standards Authority (“POA”). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

***Scope of Review***

We conducted our review in accordance with the independent auditing standards published by the Capital Markets Board. A review of consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards published by the Capital Markets Board and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

***Basis for qualified conclusion***

Due to recent and unfavorable developments occurred in Libya in February 2011, Tekfen-TML Partnership, a joint venture of which 67% is owned by the Group, has to cease its operations and evacuate the sites in the country for an indefinite period of time.

The Company has total assets amounting to TL 198.417 thousand (USD 103.084 thousand), liabilities amounting to TL 43.862 thousand (USD 22.788 thousand) and net assets of TL 154.555 thousand (USD 80.296 thousand) that has been included in the consolidated financial statements as of 30 June 2013. In addition, the total amount of guarantee letters given to third parties related to Libya operations amounts to TL 30.978 thousand (USD 16.094 thousand).

The management intends and anticipates to continue the operations of the Tekfen-TML JV in Libya depending on the conclusion of negotiations with the new government as well as the compensation of its losses. As of this report date, however, we were unable to perform any audit procedures on the financial position of Tekfen-TML JV as the Company management has to suspend its operations in Libya; therefore we are not able to express an audit opinion for the Tekfen-TML JV operations.

***Qualified conclusion***

Based on our review, except for the effects of the matter explained in the paragraph above, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information is not prepared, in all material respects, in accordance with the Turkish Accounting Standards issued by the POA.

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

As explained in independent auditor's reports as of 31 December 2012, the Group's legal claims and appeals against the administrative court's decision regarding the closure of Samsun Gbre facility of Toros Tarım Sanayi ve Ticaret A.Ş. ("Toros Tarım"), subsidiary of the Group, after the written petition of the Samsun Municipality is still in process with the suspension execution as of report date due to existence of the uncertainty about the legal outcome of the case.

İstanbul, 22 August 2013

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.  
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Koray Öztürk  
Partner

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# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2013

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

ASSETS	Notes	Reviewed	Audited
		30 June 2013	Restated (Note 3) 31 December 2012
<b>Current Assets</b>		<b>3.052.303</b>	<b>2.967.237</b>
Cash and cash equivalents	7	953.842	1.063.761
Trade receivables	8	769.041	619.409
- Related party receivables		18.651	10.244
- Trade receivables		750.390	609.165
Other receivables		3.301	5.238
- Related party receivables		74	-
- Other receivables		3.227	5.238
Inventories	9	502.354	426.271
Receivables from ongoing construction contracts	10	622.907	649.604
Prepaid expenses		68.172	55.260
Assets related with current tax		27.739	53.781
Other current assets		93.210	82.969
		<u>3.040.566</u>	<u>2.956.293</u>
Assets classified as held for sale		11.737	10.944
<b>Non Current Assets</b>		<b>1.207.958</b>	<b>1.162.384</b>
Financial investments		69.097	94.213
Trade receivables	8	68.858	120.182
- Related party receivables		-	-
- Trade receivables		68.858	120.182
Other receivables		6.507	6.819
- Related party receivables		-	-
- Other receivables		6.507	6.819
Investments valued by equity method	11	93.797	42.539
Investment property	12	79.719	92.825
Property, plant and equipment	12	793.770	748.505
Intangible assets	12	1.699	2.691
Prepaid expenses	4(c)	47.805	15.463
Deferred tax assets		17.145	15.237
Other non current assets		29.561	23.910
<b>TOTAL ASSETS</b>		<b><u>4.260.261</u></b>	<b><u>4.129.621</u></b>

The accompanying notes form an integral part of these condensed consolidated financial statements.  
Translated into English from the report originally issued in Turkish.

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2013

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

		<b>Reviewed</b>	<b>Audited</b>
			<b>Restated</b>
			<b>(Note 3)</b>
		<b>30 June</b>	<b>31 December</b>
<b>LIABILITIES</b>	<b>Notes</b>	<b>2013</b>	<b>2012</b>
<b>Current Liabilities</b>		<b>2.092.372</b>	<b>1.822.073</b>
Short term financial debts	13	434.225	275.241
Short term portion of long term financial debts		51.578	40.967
Trade payables	8	1.108.969	940.949
- Related party payables		1.159	834
- Trade payables		1.107.810	940.115
Employee benefit payables		40.443	23.457
Other payables		14.421	14.982
- Related party payables		-	-
- Other payables		14.421	14.982
Advances received		187.476	249.785
Deferred revenue		7.042	6.396
Current tax liability		23.180	60.461
Ongoing construction progress payments	10	167.756	172.375
Short term provisions	14	55.630	34.450
- Short term provisions attributable to employee benefits		28.248	25.389
- Other short term provisions		27.382	9.061
Other short term liabilities		1.652	3.010
<b>Non Current Liabilities</b>		<b>187.220</b>	<b>196.283</b>
Long term financial debts	13	90.421	112.789
Trade payables	8	10.527	9.357
Other payables		1.045	937
Long term provisions	14	41.403	42.233
- Long term provisions attributable to employee benefits		41.337	42.169
- Other long term provisions		66	64
Deferred tax liabilities		43.824	30.967
<b>EQUITY</b>	5	<b>1.980.669</b>	<b>2.111.265</b>
<b>Equity Attributable To Owners Of The Parent</b>		<b>1.952.002</b>	<b>2.081.480</b>
Paid in capital		370.000	370.000
Capital structure adjustment		3.475	3.475
Premiums in capital stock		300.984	300.984
Accumulated other comprehensive income or loss that will not be reclassified in profit or loss		1.935	-
- Gain/(loss) on revaluation and remeasurement		1.935	-
Accumulated other comprehensive income or loss that will be reclassified in profit or loss		167.039	165.543
- Currency translation reserve		116.629	91.270
- Gain/(loss) on revaluation and reclassification		50.410	74.273
Legal reserves		120.623	98.255
Retained earnings		982.053	843.918
Net profit for the period		5.893	299.305
<b>Non-controlling Interests</b>		<b>28.667</b>	<b>29.785</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4.260.261</b>	<b>4.129.621</b>

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Translated into English from the report originally issued in Turkish.

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

		Reviewed	Unreviewed	Reviewed Restated (Note 3)	Unreviewed Restated (Note 3)
		1 January - 30 June 2013	1 April - 30 June 2013	1 January - 30 June 2012	1 April - 30 June 2012
	Notes				
Revenue		1.964.430	905.900	1.970.548	970.369
Cost of revenue (-)		(1.875.553)	(976.118)	(1.720.344)	(850.353)
<b>GROSS PROFIT / (LOSS)</b>		<b>88.877</b>	<b>(70.218)</b>	<b>250.204</b>	<b>120.016</b>
General administrative expenses (-)		(56.199)	(27.428)	(50.552)	(26.115)
Marketing expenses (-)		(61.907)	(27.451)	(57.918)	(28.830)
Research and development expenses (-)		(306)	(184)	(61)	(9)
Other operating income	18	58.027	26.933	74.087	28.447
Other operating expenses (-)	18	(84.019)	(58.161)	(52.330)	(25.972)
Share on profit / loss of investments valued using equity method	11	11.663	5.551	8.299	1.411
<b>OPERATING PROFIT / (LOSS)</b>		<b>(43.864)</b>	<b>(150.958)</b>	<b>171.729</b>	<b>68.948</b>
Investment income	4(c)	56.313	1.567	7.406	4.700
Investment expense (-)		(1.450)	(1.405)	(4.365)	(4.359)
<b>PROFIT / (LOSS) BEFORE FINANCIAL INCOME/ (EXPENSE)</b>		<b>10.999</b>	<b>(150.796)</b>	<b>174.770</b>	<b>69.289</b>
Financial income	19	79.542	47.763	65.148	30.262
Financial expense (-)	19	(51.065)	(29.669)	(50.325)	(21.256)
<b>PROFIT / (LOSS) BEFORE TAXATION</b>		<b>39.476</b>	<b>(132.702)</b>	<b>189.593</b>	<b>78.295</b>
<b>Tax expense</b>		<b>(33.277)</b>	<b>(8.135)</b>	<b>(39.491)</b>	<b>(20.360)</b>
Tax expense for the period		(23.610)	(4.808)	(38.177)	(20.670)
Deferred tax expense		(9.055)	(2.824)	(1.692)	290
Currency translation reserve		(612)	(503)	378	20
<b>PROFIT / (LOSS) FOR THE PERIOD</b>		<b>6.199</b>	<b>(140.837)</b>	<b>150.102</b>	<b>57.935</b>
<b>Distribution of Profit For The Period</b>					
Non-controlling interests		306	420	885	1.090
Owners of the parent		5.893	(141.257)	149.217	56.845
<b>Earnings / (Loss) Per Share</b>	17	0,016	(0,382)	0,403	0,154

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# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	<b>Reviewed</b> <b>1 January -</b> <b>30 June</b> <b>2013</b>	<b>Unreviewed</b> <b>1 April -</b> <b>30 June</b> <b>2013</b>	<b>Reviewed</b> <b>1 January -</b> <b>30 June</b> <b>2012</b>	<b>Unreviewed</b> <b>1 April -</b> <b>30 June</b> <b>2012</b>
<b>PROFIT / (LOSS) FOR THE PERIOD</b>	<b>6.199</b>	<b>(140.837)</b>	<b>150.102</b>	<b>57.935</b>
<b>OTHER COMPREHENSIVE INCOME / (EXPENSE):</b>				
Items that will not be reclassified to profit or loss	1.935	1.464	-	-
Gain on revaluation of defined retirement benefit plans	2.419	1.832	-	-
Taxes based on other comprehensive income that will not be reclassified to profit or loss	(484)	(368)	-	-
<i>Deferred tax expense</i>	<i>(484)</i>	<i>(368)</i>	-	-
Items that may be reclassified to profit or loss	3.604	7.900	(6.261)	(18.766)
Gain / (loss) on revaluation of available for sale financial investments	(25.119)	(12.958)	10.707	(31.674)
Currency translation reserve differences	27.467	20.210	(18.097)	10.413
Share on other comprehensive income of investments valued using equity method	-	-	1.664	911
Taxes based on other comprehensive income that will be reclassified to profit or loss	1.256	648	(535)	1.584
<i>Deferred tax income / (expense)</i>	<i>1.256</i>	<i>648</i>	<i>(535)</i>	<i>1.584</i>
<b>OTHER COMPREHENSIVE INCOME / (LOSS)</b>	<b>5.539</b>	<b>9.364</b>	<b>(6.261)</b>	<b>(18.766)</b>
<b>TOTAL COMPREHENSIVE INCOME / (LOSS)</b>	<b>11.738</b>	<b>(131.473)</b>	<b>143.841</b>	<b>39.169</b>
<b>Distribution of Total Comprehensive Income For The Period</b>				
Non-controlling interests	2.414	2.148	(255)	1.593
Owners of the parent	9.324	(133.621)	144.096	37.576

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# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

	Paid in capital	Capital structure adjustment	Premiums in capital stock	Gain / (loss) on revaluation and remeasurement	Gain / (loss) on revaluation and reclassification	Currency translation reserve	Restricted profit reserves	Retained earnings	Net profit for the period	Equity attributable to owners of the parent	Non controlling interests	Total
<b>Opening balances as of 1 January 2012</b>	370.000	3.475	300.984	-	51.560	114.768	72.222	701.471	242.440	1.856.920	30.686	1.887.606
<i>Other comprehensive income</i>	-	-	-	-	11.836	(16.957)	-	-	-	(5.121)	(1.140)	(6.261)
<i>Net profit for the period</i>	-	-	-	-	-	-	-	-	149.217	149.217	885	150.102
Total comprehensive income	-	-	-	-	11.836	(16.957)	-	-	149.217	144.096	(255)	143.841
Transfers to retained earnings	-	-	-	-	-	-	-	242.440	(242.440)	-	-	-
Transfers to reserves from retained earnings	-	-	-	-	-	-	25.588	(25.588)	-	-	-	-
Payment of dividends	-	-	-	-	-	-	-	(75.047)	-	(75.047)	-	(75.047)
<b>Balance as of 30 June 2012</b>	370.000	3.475	300.984	-	63.396	97.811	97.810	843.276	149.217	1.925.969	30.431	1.956.400
<b>Opening balances as of 1 January 2013</b>	370.000	3.475	300.984	-	74.273	91.270	98.255	843.918	299.305	2.081.480	29.785	2.111.265
<i>Other comprehensive income</i>	-	-	-	-	(23.863)	25.359	-	-	-	1.496	2.108	3.604
<i>Actuarial gains on defined retirement benefit plans</i>	-	-	-	1.935	-	-	-	-	-	1.935	-	1.935
<i>Net profit for the period</i>	-	-	-	-	-	-	-	-	5.893	5.893	306	6.199
Total comprehensive income	-	-	-	1.935	(23.863)	25.359	-	-	5.893	9.324	2.414	11.738
Change in non-controlling interests	-	-	-	-	-	-	-	(527)	-	(527)	(3.532)	(4.059)
Transfers to retained earnings	-	-	-	-	-	-	-	299.305	(299.305)	-	-	-
Transfers to reserves from retained earnings	-	-	-	-	-	-	22.368	(22.368)	-	-	-	-
Payment of dividends	-	-	-	-	-	-	-	(138.275)	-	(138.275)	-	(138.275)
<b>Balance as of 30 June 2013</b>	370.000	3.475	300.984	1.935	50.410	116.629	120.623	982.053	5.893	1.952.002	28.667	1.980.669

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# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	Notes	Reviewed 1 January - 30 June 2013	Reviewed Restated 1 January - 30 June 2012
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
		<b>(39.177)</b>	<b>176.064</b>
Profit for the period		6.199	150.102
Adjustments to reconcile net profit		32.363	73.410
- Depreciation and amortization	12	38.299	43.661
- Impairment / reversed provision	9, 12	2.365	763
- Provision adjustments	8, 14	44.669	23.301
- Interest expense and income	19	(18.521)	(20.176)
- Difference between capital in kind and fair value	4(c)	(49.083)	-
- Loss on sale of associaton accounted by equity method	11	42	-
- Group's share on net assets of investments in associates accounted by equity method	11	(11.663)	(8.299)
- Dividend income		(6.285)	(4.783)
- Gain / Loss on fair valuation		(6)	(3)
- Allowance for taxation		33.277	39.491
- Gain / Loss on sale of fixed assets	12	(731)	(545)
Movements in working capital		(36.623)	(16.883)
- Changes in inventories	9	(63.398)	40.226
- Changes in trade receivables	8	(99.814)	(126.893)
- Changes in other assets		(22.466)	(42.647)
- Changes in receivables from ongoing construction contracts	10	3.931	36.753
- Changes in trade payables	8	191.956	80.609
- Changes in other liabilities		(42.213)	(61.231)
- Changes in receivables from ongoing construction progress payments	10	(4.619)	56.300
Cash generated by operating activities		1.939	206.629
Interest paid		(13.266)	(10.065)
Interest received		31.397	32.814
Tax paid / return		(34.849)	(30.241)
Penalty of litigation paid	14	(697)	(81)
Retirement pay provision and premiums paid	14	(18.983)	(18.533)
Unused vacation paid	14	(4.186)	(4.155)
Other provision paid	14	(532)	(304)

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# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	<b>Notes</b>	<b>Reviewed 1 January - 30 June 2013</b>	<b>Reviewed Restated 1 January - 30 June 2012</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(63.084)</b>	<b>(49.102)</b>
Effect of investments in associates valued by equity method		-	(2.727)
Proceeds from sale of tangible and intangible assets	12	1.835	1.427
Acquisition of tangible and intangible assets	12	(49.510)	(52.448)
Advances and debts given		(32.503)	(137)
Proceeds from sale of association	11	6.126	-
Acquisition of non-controlling interests' shares	1	(4.059)	-
Dividend received		15.027	4.783
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(45.793)</b>	<b>(51.799)</b>
Proceeds from borrowings		392.215	256.554
Repayments of borrowings		(276.662)	(213.133)
Payments of financial lease obligations		(23.071)	(20.173)
Dividend paid	5	(138.275)	(75.047)
<b>CHANGE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION RESERVE EFFECT</b>		<b>(148.054)</b>	<b>75.163</b>
<b>D. CURRENCY TRANSLATION RESERVE EFFECT ON CASH AND CASH EQUIVALENTS</b>		38.135	(10.101)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(109.919)</b>	<b>65.062</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		1.063.761	769.198
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>953.842</b>	<b>834.260</b>

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# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

### 1. ORGANIZATION AND OPERATIONS OF THE GROUP

Majority shares of Tekfen Holding A.Ş. (“the Company”) are controlled by Akçağlılar, Berker and Gökyiğit families. The Company and its subsidiaries are referred as “the Group” in the accompanying condensed consolidated financial statements.

As of 30 June 2013, the Group has 17.213 employees (31 December 2012: 17.532) including the personnel of subcontractors. Registered address of the Company is Kültür Mahallesi, Aydınlık Sokak, Tekfen Sitesi A Blok, No: 7, Beşiktaş, İstanbul, Türkiye.

The Company shares are being publicly traded in Borsa İstanbul since 23 November 2007.

#### Changes in the subsidiaries and associates of the Company as of 30 June 2013:

Tekfen Gayrimenkul Yatırım A.Ş. (“Tekfen Gayrimenkul”), a subsidiary of the Company, makes capital contribution to Florya Gayrimenkul Yatırım İnşaat Turizm Sanayi ve Ticaret A.Ş. (“Florya Gayrimenkul”) with tangible assets in return for acquiring 50% equity interest by the way of partial split in the year, 2013. In accordance with the “Shareholding Agreement” signed on 27 March 2012 between the Group and Rönesans Gayrimenkul Yatırım A.Ş., a partnership, in which the parties have equal shares, is established between the Group’s subsidiary Tekfen Emlak Geliştirme Yatırım ve Ticaret A.Ş. (“Tekfen Emlak”) and Rönesans Teknik İnşaat Sanayi ve Ticaret A.Ş., to undertake the real estate projects developed by Florya Gayrimenkul on 25 January 2013. Florya Gayrimenkul and Tekfen Rönesans Adi Ortaklığı are included in the accompanying condensed consolidated financial statements by equity method and proportional consolidation method, respectively and are presented under “Real Estate Group” in segmental reporting note.

The shares of Sümer Holding A.Ş. representing 20% of Türk Arap Gübre A.Ş.’s capital and whose nominal value amounting to 44, are acquired by Toros Tarım Sanayi ve Ticaret A.Ş. (“Toros Tarım”) with a consideration of 4.059 on 29 January 2013. The amount is paid on 12 February 2013.

Group has sold all its shares in Tekfen Oz Gayrimenkul Geliştirme A.Ş., the subsidiary of Group valued by equity method on 29 March 2013 (Note 11).

#### Approval of condensed consolidated financial statements:

The condensed consolidated financial statements are approved and published by the Board of Directors as of 22 August 2013.

### 2. BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Company and its subsidiaries registered in Turkey maintain their books of account and prepare their statutory financial statements in accordance with the accounting principles in line with the Turkish Commercial Code (“TCC”) and Tax Legislation. Subsidiaries those are registered in foreign countries maintain their books of account and prepare their statutory financial statements in accordance with the prevailing accounting principles in their registered countries.

The accompanying condensed consolidated financial statements have been prepared in accordance with the Communiqué Series II, 14.1 “Communiqué on the Principles of Financial Reporting In Capital Markets” (“the Communiqué”) announced by the Capital Markets Board (“CMB”) on 13 June 2013 which is published on Official Gazette numbered 28676. Turkish Accounting Standards/Turkish Financial Reporting Standards and additions and interpretations regarding these standards as adopted by the Public Oversight Accounting and Auditing Standards Authority (“POA”) are predicated on in accordance with article 5th of the Communiqué.

Additionally, the financial statements and notes are presented in accordance with the formats complying with CMB’s announcement dated 7 June 2013.

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

### 2. BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

CMB allows the publicly-traded companies to present the financial statements in full set or condensed presentation in accordance with TAS 34 "Interim Financial Reporting" standard. The Group has preferred to disclose its interim consolidated financial statements as of 30 June 2013 in condensed format. The descriptions and disclosures which are needed in the financial statements prepared annually complying with TAS/TFRS are summarized appropriately in accordance with TAS 34 or not mentioned.

The accompanying condensed consolidated financial statements have to be considered with the consolidated financial statements which are independently audited as of 31 December 2012 and the related disclosures. Interim periods' financial statements cannot be the sole indicator of the year-end results by themselves.

The Group continues to apply the same accounting policies and accounting estimate methods which are mentioned in the consolidated financial statements as of 31 December 2012.

Exchange rates used in the consolidation process as of 30 June 2013 are; 1 USD= 1,9248 TL, 1 EUR= 2,5137 TL, 1 MAD= 0,2271 TL, 1 SAR= 0,5133 TL, 1 QAR= 0,5273 TL (Exchange rates as of 31 December 2012 are; 1 USD= 1,7826 TL, 1 EUR= 2,3517 TL, 1 MAD= 0,21187 TL, 1 SAR= 0,47536 TL, 1 QAR= 0,48838 TL).

### 3. ADOPTION OF NEW AND REVISED STANDARDS

The following new and revised standards and interpretations are presented below.

#### (a) Amendments in TFRSs affecting the amounts and notes in the financial statements

- TAS 1 (amendments), "Presentation of Items of Other Comprehensive Income", will be effective for annual periods beginning on or after 1 July 2012.
- TAS 1 (amendments), "Presentation of Financial Statements", amendments issued as a part of Annual Improvements 2009-2011 Cycle published in May 2012, will be effective for annual periods beginning on or after 1 January 2013.
- TFRS 10, "Consolidated Financial Statements", will be effective for annual periods beginning on or after 1 January 2013.
- TFRS 11, "Joint Arrangements", will be effective for annual periods beginning on or after 1 January 2013.
- TFRS 12, "Disclosure of Interests in Other Entities", will be effective for annual periods beginning on or after 1 January 2013.
- TFRS 13, "Fair Value Measurement", will be effective for annual periods beginning on or after 1 January 2013.
- TAS 27 (revised), "Separate Financial Statements", will be effective for annual periods beginning on or after 1 January 2013.
- TAS 28 (revised), "Investments in Associates and Joint Ventures", will be effective for annual periods beginning on or after 1 January 2013.
- TAS 19 (amendments), "Employee Benefits", will be effective for annual periods beginning on or after 1 January 2013.
- TAS 16 (amendments), "Property, Plant and Equipment", will be effective for annual periods beginning on or after 1 January 2013.
- TAS 34 (amendments), "Interim Financial Reporting", will be effective for annual periods beginning on or after 1 January 2013.

The effects of the amendments in TFRS 11, "Joint Arrangements" are presented in detailed in "d" clause by restating the consolidated balance sheet as at 31 December 2012 and condensed consolidated statement of profit or loss for the six month interim period ended 30 June 2012.

The amendments to TAS 19 "Employee Benefits" change the accounting for defined benefit plans and termination benefits. The amendments require all actuarial gains and losses to be recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the condensed consolidated balance sheet to reflect the full value of the plan deficit or surplus.

Group has applied the amendment in TAS 19 and recognized all actuarial gains and losses, which are included in employee benefit item of condensed consolidated balance sheet, in other comprehensive income. Group has assessed the effect of the amendments in TAS 19 for the financial statements for the period ended 31 December 2012 and has decided not to restate prior year financial statements due to the immateriality of calculated after taxation effects.

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

### 3. ADOPTION OF NEW AND REVISED STANDARDS (cont'd)

#### (a) Amendments in TFRSs affecting the amounts and notes in the financial statements (cont'd):

Other standards and interpretations are not thought to be prone to cause any material changes on Group's condensed consolidated financial statements.

#### (b) Standards and interpretations and amendments to existing standards that are effective as of 1 January 2013, but not affecting the financial statements of the Group:

- TFRIC 20, "Stripping Costs in the Production Phase of a Surface Mine", will be effective for annual periods beginning on or after 1 January 2013.
- TFRS 7 (amendments), "Disclosures: Offsetting Financial Assets and Financial Liabilities", will be effective for annual periods beginning on or after 1 January 2013.
- TAS 32 (amendments), "Financial Instruments: Presentation", will be effective for annual periods beginning on or after 1 January 2013.

#### (c) Standards and interpretations and amendments to existing standards that are issued but not yet effective and have not been early adopted by the Group:

- TAS 32 (amendments), "Offsetting Financial Assets and Financial Liabilities", will be effective for annual periods beginning on or after 1 January 2014.
- TFRIC 21, "Levies", will be effective for annual periods beginning on or after 1 January 2014.
- TAS 36 (amendments), "Recoverable Amount Disclosures for Non-Financial Assets", will be effective for annual periods beginning on or after 1 January 2014.
- TAS 39 (amendments), "Novation of Derivatives and Continuation of Hedge Accounting", will be effective for annual periods beginning on or after 1 January 2014.
- TFRS 10, TFRS 11 and TMS 27 (amendments), "Investment Entities", will be effective for annual periods beginning on or after 1 January 2014.
- TFRS 9, "Financial Instruments", will be effective for annual periods beginning on or after 1 January 2015.
- TFRS 9 and IFRS 7 (amendments), "Mandatory Effective Date of IFRS 9 and Transition Disclosures", will be effective for annual periods beginning on or after 1 January 2015.

#### (d) The effect of restating the financial statements due to applying TFRS 11 "Joint Arrangements" and the formats complying with CMB's announcement dated 7 June 2013:

Group has restated condensed consolidated financial statements in accordance with the formats complying with CMB's announcement dated 7 June 2013 and made some reclassifications.

Additionally, Group has applied TFRS 11 "Joint Arrangements" standard effective as of 1 January 2013 retrospectively beginning from 1 January 2012 while preparing condensed consolidated financial statements as of 30 June 2013 and presented its financial statements with one year comparative information as permitted by the standard. Azfen Birge Müessesesi operating in Azerbaijan, in which Group has 40% of ownership, and Hishtil Toros Fidecilik San. ve Tic. A.Ş. operating in Turkey, in which Group has 50% of ownership, were included in consolidated financial statements as of 31 December 2012 by proportional consolidation method. Consequent to the assessment made by the Group, these companies are included in condensed consolidated financial statements by equity method effective as of 1 January 2013.

The effects of changes in the formats of financial statements announced by CMB on 7 June 2013 and the amendments in TFRS 11 on the audited consolidated balance sheet as at 31 December 2012 and reviewed condensed consolidated statement of profit or loss for the six month interim period ended 30 June 2012 are presented below.

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

### 3. ADOPTION OF NEW AND REVISED STANDARDS (cont'd)

(d) The effect of restating the financial statements due to applying TFRS 11 "Joint Arrangements" and the formats complying with CMB's announcement dated 7 June 2013 (cont'd):

	Audited 31 December 2012	Derecognize previous effect	Consolidation per EQ pickup effect	Reclassifications made due to the announcement by CMB on 7 June 2013	Audited Restated 31 December 2012
<b>ASSETS</b>					
<b>Current Assets</b>	<b>2.977.883</b>	<b>(56.358)</b>	-	<b>45.712</b>	<b>2.967.237</b>
Cash and cash equivalents	1.084.315	(20.554)	-	-	1.063.761
Trade receivables	636.172	(19.362)	-	2.599	619.409
- <i>Related party receivables</i>	9.274	970	-	-	10.244
- <i>Trade receivables</i>	626.898	(20.332)	-	2.599	609.165
Other receivables	13.944	(6.107)	-	(2.599)	5.238
- <i>Related party receivables</i>	-	-	-	-	-
- <i>Other receivables</i>	13.944	(6.107)	-	(2.599)	5.238
Inventories	433.467	(7.196)	-	-	426.271
Receivables from ongoing construction contracts	651.273	(1.669)	-	-	649.604
Prepaid expenses	-	-	-	55.260	55.260
Assets related with current tax	-	-	-	53.781	53.781
Other current assets	147.768	(1.470)	-	(63.329)	82.969
	2.966.939	(56.358)	-	45.712	2.956.293
Assets classified as held for sale	10.944	-	-	-	10.944
<b>Non Current Assets</b>	<b>1.155.329</b>	<b>(16.294)</b>	<b>23.349</b>	-	<b>1.162.384</b>
Financial investments	94.213	4.603	(4.603)	-	94.213
Trade receivables	120.182	-	-	-	120.182
- <i>Related party receivables</i>	-	-	-	-	-
- <i>Trade receivables</i>	120.182	-	-	-	120.182
Other receivables	6.819	-	-	-	6.819
- <i>Related party receivables</i>	-	-	-	-	-
- <i>Other receivables</i>	6.819	-	-	-	6.819
Investments valued by equity method	14.587	-	27.952	-	42.539
Investment property	92.825	-	-	-	92.825
Property, plant and equipment	765.309	(16.804)	-	-	748.505
Intangible assets	2.726	(35)	-	-	2.691
Prepaid expenses	-	-	-	15.463	15.463
Deferred tax assets	19.280	(4.043)	-	-	15.237
Other non current assets	39.388	(15)	-	(15.463)	23.910
<b>TOTAL ASSETS</b>	<b>4.133.212</b>	<b>(72.652)</b>	<b>23.349</b>	<b>45.712</b>	<b>4.129.621</b>

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

### 3. ADOPTION OF NEW AND REVISED STANDARDS (cont'd)

(d) The effect of restating the financial statements due to applying TFRS 11 "Joint Arrangements" and the formats complying with CMB's announcement dated 7 June 2013 (cont'd):

	Audited 31 December 2012	Derecognize previous effect	Consolidation per EQ pickup effect	Reclassifications made due to the announcement by CMB on 7 June 2013	Audited Restated 31 December 2012
<b>LIABILITIES</b>					
<b>Current Liabilities</b>	<b>1.824.300</b>	<b>(47.939)</b>	-	<b>45.712</b>	<b>1.822.073</b>
Short term financial debts	320.824	(4.616)	-	(40.967)	275.241
Short term portion of long term financial debts	-	-	-	40.967	40.967
Trade payables	915.742	(9.689)	-	34.896	940.949
- Related party payables	829	5	-	-	834
- Trade payables	914.913	(9.694)	-	34.896	940.115
Employee benefit payables	-	-	-	23.457	23.457
Other payables	56.557	(946)	-	(40.629)	14.982
- Related party payables	-	-	-	-	-
- Other payables	56.557	(946)	-	(40.629)	14.982
Advances received	-	-	-	249.785	249.785
Deferred revenue	-	-	-	6.396	6.396
Current tax liability	17.093	(2.344)	-	45.712	60.461
Ongoing construction progress payments	191.856	(19.481)	-	-	172.375
Short term provisions	54.545	(2.371)	-	(17.724)	34.450
- Short term provisions attributable to employee benefits	45.446	(2.354)	-	(17.703)	25.389
- Other short term provisions	9.099	(17)	-	(21)	9.061
Other short term liabilities	267.683	(8.492)	-	(256.181)	3.010
<b>Non Current Liabilities</b>	<b>197.647</b>	<b>(1.364)</b>	-	-	<b>196.283</b>
Long term financial debts	113.989	(1.200)	-	-	112.789
Trade payables	9.357	-	-	-	9.357
Other payables	1.001	-	-	(64)	937
Long term provisions	42.333	(164)	-	64	42.233
- Long term provisions attributable to employee benefits	42.333	(164)	-	-	42.169
- Other long term provisions	-	-	-	64	64
Deferred tax liabilities	30.967	-	-	-	30.967
<b>EQUITY</b>	<b>2.111.265</b>	<b>(23.349)</b>	<b>23.349</b>	-	<b>2.111.265</b>
<b>Equity Attributable To Owners Of The Parent</b>	<b>2.081.480</b>	<b>(23.349)</b>	<b>23.349</b>	-	<b>2.081.480</b>
Paid in capital	370.000	-	-	-	370.000
Capital structure adjustment	3.475	-	-	-	3.475
Premiums in capital stock	300.984	-	-	-	300.984
Accumulated other comprehensive income or loss that will not be reclassified in profit or loss	-	-	-	-	-
- Gain/(loss) on revaluation and remeasurement	-	-	-	-	-
Accumulated other comprehensive income or loss that will be reclassified in profit or loss	165.543	78	(78)	-	165.543
- Currency translation reserve	91.270	78	(78)	-	91.270
- Gain/(loss) on revaluation and reclassification	74.273	-	-	-	74.273
Restricted profit reserves	98.255	(194)	194	-	98.255
Retained earnings	843.918	(6.815)	6.815	-	843.918
Net profit for the period	299.305	(16.418)	16.418	-	299.305
<b>Non-controlling Interests</b>	<b>29.785</b>	-	-	-	<b>29.785</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4.133.212</b>	<b>(72.652)</b>	<b>23.349</b>	<b>45.712</b>	<b>4.129.621</b>



# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

### 3. ADOPTION OF NEW AND REVISED STANDARDS (cont’d)

(d) The effect of restating the financial statements due to applying TFRS 11 “Joint Arrangements” and the formats complying with CMB’s announcement dated 7 June 2013 (cont’d):

	Reviewed 1 January- 30 June 2012	Derecognize previous effect	Consolidation per EQ pickup effect	Reclassifications made due to the announcement by CMB on 7 June 2013	Unaudited Restated 1 January- 30 June 2012
Revenue	2.026.918	(56.370)	-	-	1.970.548
Cost of revenue (-)	(1.769.805)	49.461	-	-	(1.720.344)
<b>GROSS PROFIT</b>	<b>257.113</b>	<b>(6.909)</b>	-	-	<b>250.204</b>
General administrative expenses (-)	(52.669)	1.353	-	764	(50.552)
Marketing expenses (-)	(58.995)	1.077	-	-	(57.918)
Research and development expenses (-)	(61)	-	-	-	(61)
Other operating income	9.054	(66)	-	65.099	74.087
Other operating expenses (-)	(8.014)	229	-	(44.545)	(52.330)
Share on profit / loss of investments valued using equity method	5.329	-	2.970	-	8.299
<b>OPERATING PROFIT</b>	<b>151.757</b>	<b>(4.316)</b>	<b>2.970</b>	<b>21.318</b>	<b>171.729</b>
Investment income	-	-	-	7.406	7.406
Investment expense (-)	-	-	-	(4.365)	(4.365)
<b>PROFIT BEFORE FINANCIAL INCOME/ (EXPENSE)</b>	<b>151.757</b>	<b>(4.316)</b>	<b>2.970</b>	<b>24.359</b>	<b>174.770</b>
Financial income	137.747	(94)	-	(72.505)	65.148
Financial expense (-)	(99.104)	633	-	48.146	(50.325)
<b>PROFIT BEFORE TAXATION</b>	<b>190.400</b>	<b>(3.777)</b>	<b>2.970</b>	-	<b>189.593</b>
<b>Tax expense</b>	<b>(40.298)</b>	<b>807</b>	-	-	<b>(39.491)</b>
Tax expense for the period	(40.948)	2.771	-	-	(38.177)
Deferred tax expense	272	(1.964)	-	-	(1.692)
Currency translation reserve	378	-	-	-	378
<b>PROFIT FOR THE PERIOD</b>	<b>150.102</b>	<b>(2.970)</b>	<b>2.970</b>	-	<b>150.102</b>

Grants and contributions, which are not related to the core business of the Group, amounting to 764 presented under “General administrative expenses” in the condensed consolidated statement of profit or loss for the six month interim period ended 30 June 2012 is reclassified to “Other operating expenses”.

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

### 4. EVENTS AND TRANSACTIONS MATERIALLY AFFECTING CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### (a) Developments in Libya

Tekfen-TML J.V., a joint venture of which 67% is owned by the Group, had to suspend its operations and evacuate its sites in Libya for an uncertain period of time due to the civil unrest in the country. As of 30 June 2013, the negotiations are continuing to be held about the outlook of the operations and the accompanying condensed consolidated financial statements include total assets of 198.417 (USD 103.084 thousand), total debt of 43.862 (USD 22.788 thousand), resulting a net asset of 154.555 (USD 80.296 thousand) (31 December 2012: asset:185.749 (USD 104.201 thousand), debt: 42.777 (USD 23.997 thousand), net asset: 142.972 (USD 80.204 thousand)).

Additionally, letters of guarantees given related to such projects to various institutions amount to 30.978 (USD 16.094 thousand). In accordance with the Council of Ministers' decree no: 2011/2001 issued on 21 June 2011 and until a new resolution replaces resolutions no:1970 and 1973 of the United Nations Security Council and their requirements, resolution no:1973 requires disregarding compensation claims of guarantees given to the contractor, hence the expired letter of guarantees do not bear any risk exposure for the Group.

#### (b) New construction projects

Tekfen İnşaat ve Tesisat A.Ş., a subsidiary of the Company, has signed an agreement with State Oil Company of Azerbaijan (SOCAR) for construction works of Baku Olympic Stadium with a capacity of 68 thousand. The project size is approximately 1.231.872 (USD 640 million) and be completed in March 2015. As of balance sheet date, the completion rate of this project is 25,6%.

Tekfen İnşaat, has received a letter of intent from BTC Turkey for the repair, reinforcement and development works on the Turkey section of Baku-Tiflis-Ceyhan (BTC) Pipeline in various scopes. The project size is approximately 261.773 (USD 136 million) with a duration of 36 months.

#### (c) Other

Tekfen Gayrimenkul, a subsidiary of the Company, makes capital contribution to Florya Gayrimenkul with tangible assets amounting to 12.477 in return for acquiring 50% equity interest by the way of partial split in the year, 2013. The fair value of these tangible assets is 61.560 according to the valuation carried out by independent expert accredited by Capital Market Board. The difference between the fair value and the cost value of the tangible assets amounting to 49.083 is presented under "Investment income" at the accompanying condensed consolidated financial statements.

As of 30 June 2013, the amount of advances given to various suppliers for the investment which will be made by Toros Tarım, a subsidiary of the Company subject to full consolidation, is 47.802 and this amount is presented under "Long term prepaid expenses" at the accompanying condensed consolidated financial statements (31 December 2012: 15.299).

Tekfen Emlak, a subsidiary of the Company, acquired a land with a value of TL 90 million for the purpose of developing real estate project predominantly consisting of residential estate. The land is recognized under "Inventories" at the accompanying condensed consolidated financial statements.

The net loss of Contracting segment for the first half of 2013 is 103.512. This loss is due to unexpected project changes of two projects of Contracting segment and additional costs related to these changes and the labor and general expenses arising from the extension of the duration of the projects. The compensation for these expenses is claimed from the authorities and negotiations are continuing.

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

### 5. SIGNIFICANT CHANGES IN EQUITY

#### Gain/(Loss) on Revaluation and Reclassification:

The negative change of 23.863 in the fair values of the financial investments of the Group, which have been traded in the stock exchange market, has been directly recognized in equity (30 June 2012: positive change of 10.172). In the current period, there is not any income recognized as gain on revaluation and reclassification from investments of the Group valued by equity method (30 June 2012: 1.664 gain).

#### Restricted Profit Reserves:

In accordance with the resolutions taken during the Ordinary General Assemblies of Group companies as of 30 June 2013, 22.368 of restricted reserves were transferred from retained earnings in the condensed consolidated financial statements (30 June 2012: 25.588).

#### Profit Distribution:

Upon the decision taken in the Ordinary General Assembly held on 7 May 2013, gross cash dividends per share of 0,36 TL (2012: 0,19) has been decided to be distributed to shareholders attributable to the operations for the year 2012. Profit shares of 132.220 (2012: 70.167) and 6.055 (2012: 4.880) in the aggregate 138.275 (2012: 75.047) were distributed to owners of the parent and Tekfen Eğitim Sağlık Kültür Sanat ve Doğal Varlıkları Koruma Vakfı which holds redeemed share, respectively on 14 May 2013.

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

### 6. SEGMENTAL REPORTING

#### a) Segmental results

	1 January - 30 June 2013					
	Contracting	Agriculture	Real Estate	Other	Eliminations	Total
Revenue	1.147.556	764.369	16.842	35.663	-	1.964.430
<i>Intra-segment revenue</i>	<i>41.186</i>	<i>10.304</i>	<i>117</i>	<i>91</i>	<i>(51.698)</i>	-
<i>Inter-segment revenue</i>	<i>18</i>	<i>682</i>	<i>200</i>	<i>3.257</i>	<i>(4.157)</i>	-
<b>REVENUE</b>	<b>1.188.760</b>	<b>775.355</b>	<b>17.159</b>	<b>39.011</b>	<b>(55.855)</b>	<b>1.964.430</b>
Cost of revenue (-)	(1.208.778)	(629.308)	(14.407)	(23.060)	-	(1.875.553)
<b>GROSS PROFIT / (LOSS)</b>	<b>(61.222)</b>	<b>135.061</b>	<b>2.435</b>	<b>12.603</b>	<b>-</b>	<b>88.877</b>
General administrative expenses (-)	(29.484)	(11.092)	(2.155)	(13.468)	-	(56.199)
Marketing expenses (-)	(653)	(57.055)	(86)	(4.113)	-	(61.907)
Research and development expenses (-)	-	(306)	-	-	-	(306)
Other operating income	30.567	24.622	1.062	1.776	-	58.027
Other operating expenses (-)	(27.109)	(54.363)	(412)	(2.135)	-	(84.019)
Share on profit / loss of investments valued using equity method	11.157	547	(68)	27	-	11.663
<b>OPERATING PROFIT / (LOSS)</b>	<b>(76.744)</b>	<b>37.414</b>	<b>776</b>	<b>(5.310)</b>	<b>-</b>	<b>(43.864)</b>
Investment income	888	454	-	54.971	-	56.313
Investment expense (-)	(194)	(1.214)	-	(42)	-	(1.450)
<b>PROFIT / (LOSS) BEFORE FINANCIAL INCOME / (EXPENSE)</b>	<b>(76.050)</b>	<b>36.654</b>	<b>776</b>	<b>49.619</b>	<b>-</b>	<b>10.999</b>
Financial income	12.177	10.429	709	56.227	-	79.542
Financial expense (-)	(25.028)	(5.587)	(2.297)	(18.153)	-	(51.065)
<b>PROFIT / (LOSS) BEFORE TAXATION</b>	<b>(88.901)</b>	<b>41.496</b>	<b>(812)</b>	<b>87.693</b>	<b>-</b>	<b>39.476</b>
Tax expense	(14.611)	(8.191)	173	(10.648)	-	(33.277)
<b>PROFIT / (LOSS) FOR THE PERIOD</b>	<b>(103.512)</b>	<b>33.305</b>	<b>(639)</b>	<b>77.045</b>	<b>-</b>	<b>6.199</b>

The Group has 33.039 of revenue and 11.849 of operating income from terminal operations classified under agricultural operations for the period of 1 January - 30 June 2013.

Translated into English from the report originally issued in Turkish.

**TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013**

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

**6. SEGMENTAL REPORTING (cont’d)**

a) Segmental results (cont’d)

	1 April - 30 June 2013					
	Contracting	Agriculture	Real Estate	Other	Eliminations	Total
Revenue	593.339	287.723	7.249	17.589	-	905.900
<i>Intra-segment revenue</i>	21.108	5.189	110	46	(26.453)	-
<i>Inter-segment revenue</i>	9	350	105	1.535	(1.999)	-
<b>REVENUE</b>	<b>614.456</b>	<b>293.262</b>	<b>7.464</b>	<b>19.170</b>	<b>(28.452)</b>	<b>905.900</b>
Cost of revenue (-)	(706.357)	(251.560)	(6.526)	(11.675)	-	(976.118)
<b>GROSS PROFIT / (LOSS)</b>	<b>(113.018)</b>	<b>36.163</b>	<b>723</b>	<b>5.914</b>	<b>-</b>	<b>(70.218)</b>
General administrative expenses (-)	(15.084)	(4.349)	(946)	(7.049)	-	(27.428)
Marketing expenses (-)	(340)	(24.795)	(51)	(2.265)	-	(27.451)
Research and development expenses (-)	-	(184)	-	-	-	(184)
Other operating income	13.947	11.559	109	1.318	-	26.933
Other operating expenses (-)	(13.265)	(43.233)	(310)	(1.353)	-	(58.161)
Share on profit / loss of investments valued using equity method	5.198	335	18	-	-	5.551
<b>OPERATING PROFIT / (LOSS)</b>	<b>(122.562)</b>	<b>(24.504)</b>	<b>(457)</b>	<b>(3.435)</b>	<b>-</b>	<b>(150.958)</b>
Investment income	182	424	-	961	-	1.567
Investment expense (-)	(194)	(1.211)	-	-	-	(1.405)
<b>PROFIT / (LOSS) BEFORE FINANCIAL INCOME / (EXPENSE)</b>	<b>(122.574)</b>	<b>(25.291)</b>	<b>(457)</b>	<b>(2.474)</b>	<b>-</b>	<b>(150.796)</b>
Financial income	7.842	4.747	431	34.743	-	47.763
Financial expense (-)	(13.018)	(2.420)	(2.260)	(11.971)	-	(29.669)
<b>PROFIT / (LOSS) BEFORE TAXATION</b>	<b>(127.750)</b>	<b>(22.964)</b>	<b>(2.286)</b>	<b>20.298</b>	<b>-</b>	<b>(132.702)</b>
Tax expense	(7.718)	4.409	484	(5.310)	-	(8.135)
<b>PROFIT / (LOSS) FOR THE PERIOD</b>	<b>(135.468)</b>	<b>(18.555)</b>	<b>(1.802)</b>	<b>14.988</b>	<b>-</b>	<b>(140.837)</b>

The Group has 16.143 of revenue and 5.644 of operating income from terminal operations classified under agricultural operations for the period of 1 April - 30 June 2013.

Translated into English from the report originally issued in Turkish.

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

### 6. SEGMENTAL REPORTING (cont'd)

#### a) Segmental results (cont'd)

	1 January - 30 June 2012					
	Contracting	Agriculture	Real Estate	Other	Eliminations	Total
Revenue	1.122.406	798.192	10.927	39.023	-	1.970.548
<i>Intra-segment revenue</i>	76.125	8.540	8	95	(84.768)	-
<i>Inter-segment revenue</i>	160	786	178	3.237	(4.361)	-
<b>REVENUE</b>	<b>1.198.691</b>	<b>807.518</b>	<b>11.113</b>	<b>42.355</b>	<b>(89.129)</b>	<b>1.970.548</b>
Cost of revenue (-)	(1.033.977)	(651.704)	(9.647)	(25.016)	-	(1.720.344)
<b>GROSS PROFIT</b>	<b>88.429</b>	<b>146.488</b>	<b>1.280</b>	<b>14.007</b>	<b>-</b>	<b>250.204</b>
General administrative expenses (-)	(27.415)	(9.283)	(1.999)	(11.855)	-	(50.552)
Marketing expenses (-)	(407)	(52.493)	(100)	(4.918)	-	(57.918)
Research and development expenses (-)	-	(61)	-	-	-	(61)
Other operating income	28.447	43.658	1.752	230	-	74.087
Other operating expenses (-)	(21.151)	(30.147)	(368)	(664)	-	(52.330)
Share on profit / loss of investments valued using equity method	2.881	89	-	5.329	-	8.299
<b>OPERATING PROFIT</b>	<b>70.784</b>	<b>98.251</b>	<b>565</b>	<b>2.129</b>	<b>-</b>	<b>171.729</b>
Investment income	937	415	-	6.054	-	7.406
Investment expense (-)	(4.359)	-	-	(6)	-	(4.365)
<b>PROFIT BEFORE FINANCIAL INCOME/ (EXPENSE)</b>	<b>67.362</b>	<b>98.666</b>	<b>565</b>	<b>8.177</b>	<b>-</b>	<b>174.770</b>
Financial income	15.404	16.011	967	32.766	-	65.148
Financial expense (-)	(22.934)	(14.271)	(986)	(12.134)	-	(50.325)
<b>PROFIT BEFORE TAXATION</b>	<b>59.832</b>	<b>100.406</b>	<b>546</b>	<b>28.809</b>	<b>-</b>	<b>189.593</b>
Tax expense	(13.392)	(19.226)	(86)	(6.787)	-	(39.491)
<b>PROFIT FOR THE PERIOD</b>	<b>46.440</b>	<b>81.180</b>	<b>460</b>	<b>22.022</b>	<b>-</b>	<b>150.102</b>

The Group has 29.571 of revenue and 9.918 of operating income from terminal operations classified under agricultural operations for the period of 1 January - 30 June 2012.

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**TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

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(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

**6. SEGMENTAL REPORTING (cont’d)**

a) Segmental results (cont’d)

	1 April - 30 June 2012					
	Contracting	Agriculture	Real Estate	Other	Eliminations	Total
Revenue	596.567	347.479	5.176	21.147	-	970.369
<i>Intra-segment revenue</i>	25.729	4.284	4	49	(30.066)	-
<i>Inter-segment revenue</i>	3	465	84	1.559	(2.111)	-
<b>REVENUE</b>	<b>622.299</b>	<b>352.228</b>	<b>5.264</b>	<b>22.755</b>	<b>(32.177)</b>	<b>970.369</b>
Cost of revenue (-)	(561.404)	(270.609)	(4.619)	(13.721)	-	(850.353)
<b>GROSS PROFIT</b>	<b>35.163</b>	<b>76.870</b>	<b>557</b>	<b>7.426</b>	<b>-</b>	<b>120.016</b>
General administrative expenses (-)	(14.145)	(4.766)	(1.123)	(6.081)	-	(26.115)
Marketing expenses (-)	(246)	(26.030)	(46)	(2.508)	-	(28.830)
Research and development expenses (-)	-	(9)	-	-	-	(9)
Other operating income	12.920	14.789	595	143	-	28.447
Other operating expenses (-)	(6.446)	(18.844)	(246)	(436)	-	(25.972)
Share on profit / loss of investments valued using equity method	1.909	(117)	-	(381)	-	1.411
<b>OPERATING PROFIT / (LOSS)</b>	<b>29.155</b>	<b>41.893</b>	<b>(263)</b>	<b>(1.837)</b>	<b>-</b>	<b>68.948</b>
Investment income	324	8	-	4.368	-	4.700
Investment expense (-)	(4.359)	-	-	-	-	(4.359)
<b>PROFIT / (LOSS) BEFORE FINANCIAL INCOME/ (EXPENSE)</b>	<b>25.120</b>	<b>41.901</b>	<b>(263)</b>	<b>2.531</b>	<b>-</b>	<b>69.289</b>
Financial income	3.203	9.962	471	16.626	-	30.262
Financial expense (-)	(12.391)	(5.268)	(150)	(3.447)	-	(21.256)
<b>PROFIT BEFORE TAXATION</b>	<b>15.932</b>	<b>46.595</b>	<b>58</b>	<b>15.710</b>	<b>-</b>	<b>78.295</b>
Tax expense	(6.991)	(9.095)	-	(4.274)	-	(20.360)
<b>PROFIT FOR THE PERIOD</b>	<b>8.941</b>	<b>37.500</b>	<b>58</b>	<b>11.436</b>	<b>-</b>	<b>57.935</b>

The Group has 16.674 of revenue and 5.779 of operating income from terminal operations classified under agricultural operations for the period of 1 April - 30 June 2012.

Translated into English from the report originally issued in Turkish.

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

### 6. SEGMENTAL REPORTING (cont'd)

b) As of 30 June 2013 and 31 December 2012 segmental assets and liabilities are as follows:

Balance sheet	30 June 2013				
	Contracting	Agriculture	Real Estate	Other	Total
Total assets	2.086.317	957.950	111.024	1.104.970	4.260.261
Current and non-current liabilities	1.667.970	432.833	83.974	94.815	2.279.592
Equity attributable to owners of the parent	257.724	423.613	20.572	1.250.093	1.952.002
Non-controlling interests	28.400	113	-	154	28.667

  

Balance sheet	31 December 2012				
	Contracting	Agriculture	Real Estate	Other	Total
Total assets	1.997.138	988.350	26.203	1.117.930	4.129.621
Current and non-current liabilities	1.526.032	368.716	4.437	119.171	2.018.356
Equity attributable to owners of the parent	357.666	391.804	21.420	1.310.590	2.081.480
Non-controlling interests	26.006	3.662	-	117	29.785

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# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

### 6. SEGMENTAL REPORTING (cont’d)

c) Segmental information related to property, plant and equipment, intangible assets and investment property for the six month interim periods ended 30 June 2013 and 2012 is as follows:

	1 January - 30 June 2013				
	Contracting	Agriculture	Real Estate	Other	Total
Capital expenditures (*)	13.370	39.784	268	572	53.994
Depreciation and amortization expense for the period (**)	28.765	6.931	136	2.467	38.299
	1 April - 30 June 2013				
	Contracting	Agriculture	Real Estate	Other	Total
Capital expenditures (*)	8.385	33.112	225	522	42.244
Depreciation and amortization expense for the period	14.440	3.901	74	1.202	19.617
	1 January - 30 June 2012				
	Contracting	Agriculture	Real Estate	Other	Total
Capital expenditures (*)	101.120	10.812	258	304	112.494
Depreciation and amortization expense for the period (**)	34.414	6.553	131	2.563	43.661
	1 April - 30 June 2012				
	Contracting	Agriculture	Real Estate	Other	Total
Capital expenditures (*)	69.658	3.800	197	205	73.860
Depreciation and amortization expense for the period	17.689	3.906	70	1.264	22.929

(\*) Fixed assets purchases through financial lease are also included (2013: 4.484, 2012: 60.046).

(\*\*) Depreciation expense of 1.618 is capitalized within the cost of inventory (30 June 2012: 1.151).

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**TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

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(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

**6. SEGMENTAL REPORTING (cont'd)**

d) Geographical segmental information is as follows:

	Turkey	CIS	Northern Africa	Middle Eastern Countries	Other	Eliminations	Total
Revenue (1 January - 30 June 2013)	1.155.051	405.067	169.169	289.174	1.824	(55.855)	1.964.430
Total assets (30 June 2013)	4.677.074	1.450.184	427.120	748.201	80.221	(3.122.539)	4.260.261
Capital expenditures (1 January - 30 June 2013) (*)	51.694	778	78	1.444	-	-	53.994

	Turkey	CIS	Northern Africa	Middle Eastern Countries	Other	Eliminations	Total
Revenue (1 April - 30 June 2013)	491.472	237.540	31.677	172.922	741	(28.452)	905.900
Capital expenditures (1 April - 30 June 2013) (*)	41.796	425	-	23	-	-	42.244

	Turkey	CIS	Northern Africa	Middle Eastern Countries	Other	Eliminations	Total
Revenue (1 January - 30 June 2012)	1.103.485	383.634	269.811	292.210	10.537	(89.129)	1.970.548
Total assets (31 December 2012)	4.335.266	1.311.515	405.175	667.840	70.686	(2.660.861)	4.129.621
Capital expenditures (1 January - 30 June 2012) (*)	97.612	10.789	3.591	168	334	-	112.494

	Turkey	CIS	Northern Africa	Middle Eastern Countries	Other	Eliminations	Total
Revenue (1 April - 30 June 2012)	516.199	225.200	111.106	147.521	2.520	(32.177)	970.369
Capital expenditures (1 April - 30 June 2012) (*)	64.769	7.285	1.329	143	334	-	73.860

(\*) Fixed assets purchases through financial lease are also included (2013: 4.484, 2012: 60.046).

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# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

### 7. CASH AND CASH EQUIVALENTS

Time deposits with maturity of three months or less constitute the part of the cash and cash equivalents amounting to 833.142 (31 December 2012: 965.927). Demand deposits and other cash equivalents with maturity of three months or less constitute the rest of the cash and cash equivalents.

### 8. TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables:

As at balance sheet date, details of trade receivables of the Group are as follows:

	30 June 2013	31 December 2012
<u>Short term trade receivables</u>		
Contract receivables	472.553	416.424
Receivables from Agriculture group operations	162.120	128.577
Receivables from Real Estate group operations	967	1.346
Other trade receivables	31.706	29.391
Provision for doubtful receivables	(18.521)	(17.090)
Retention receivables (Note: 10)	99.863	47.730
Due from related parties	18.651	10.244
Other	1.702	2.787
	<u>769.041</u>	<u>619.409</u>
<u>Long term trade receivables</u>		
Retention receivables (Note: 10)	68.858	120.182
	<u>68.858</u>	<u>120.182</u>

Post dated cheques amounting to 136.384 (31 December 2012: 109.593), notes receivables amounting to 203 (31 December 2012: 42), foreign currency differences amounting to (2.594) (31 December 2012: 170), and due date differences amounting to 83 (31 December 2012: 58) are included in short and long term trade receivables.

Average maturity date for trade receivables varies between the segments. Average maturity date for Contracting segment, for projects in abroad is 80 days (31 December 2012: 73 days), for domestic projects is 48 days (31 December 2012: 36 days), for Agriculture segment is 39 days (31 December 2012: 34 days), for Real Estate segment is 12 days (31 December 2012: 20 days), and for other segments is 83 days (31 December 2012: 73 days).

The movement of the Group's provision for doubtful trade receivables is as follows:

	2013	2012
Provision as at 1 January	(17.090)	(11.536)
Charge for the year	(1.398)	(330)
Collected	78	881
Currency translation effect	(111)	116
Provision as at 30 June	<u>(18.521)</u>	<u>(10.869)</u>

1.398 of doubtful receivable charge for the period has been charged to general administration expenses (2012: 330).

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

#### 8. TRADE RECEIVABLES AND PAYABLES (cont’d)

b) Trade Payables:

As at balance sheet date, details of trade payables of the Group are as follows:

	30 June 2013	31 December 2012
<b>Short term trade payables</b>		
Contract payables	644.553	637.696
Trade payables from Agriculture group operations	381.887	269.705
Trade payables from Real Estate group operations	41.030	1.247
Due to related parties	1.159	834
Retention payables (Note: 10)	26.054	19.692
Other trade payables	14.286	11.775
	<u>1.108.969</u>	<u>940.949</u>
	30 June 2013	31 December 2012
<b>Long term trade payables</b>		
Retention payables (Note: 10)	10.442	9.267
Contract payables	85	90
	<u>10.527</u>	<u>9.357</u>

Notes payables amounting to 16.623 (31 December 2012: 18.861), post dated cheques amounting to 371 (31 December 2012: None), and foreign currency differences amounting to 36.295 (31 December 2012: 13.815) are included in short and long term trade payables.

For Agriculture Group, payables attributable to inventory supplied through imports constitute 94% (31 December 2012: 95%) of trade payables as at balance sheet date and average payable period for these import purchases is 129 days (31 December 2012: 134 days) whereas average payable period for domestic purchases is 30 days (31 December 2012: 30 days).

For Contracting segment, import purchases through letter of credit constitute 15% (31 December 2012: 23%) of trade payables as at balance sheet date. The average payable period for these import purchases is 66 days (31 December 2012: 111 days) whereas the average payable period for other purchases is 79 days (31 December 2012: 97 days).

The average payable period for Real Estate segment is 75 days (31 December 2012: 11 days).

For the other operations of the Group, the average payable period is 49 days (31 December 2012: 50 days).

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

### 9. INVENTORIES

	30 June 2013	31 December 2012
Raw materials	42.888	46.932
Work in progress	81.735	105.171
Finished goods	50.596	48.991
Trading goods	41.508	50.516
Goods in transit	59.943	52.308
Inventory from real estate projects	93.802	5.970
Inventory at construction sites	101.863	86.731
Other inventories	32.170	30.635
Allowance for impairment on inventory (-)	(2.151)	(983)
	<u>502.354</u>	<u>426.271</u>

During the six month interim period ended 30 June 2013, borrowing costs capitalized in inventory amount to 484 (31 December 2012: None). The rate used to determine the amount of borrowing costs eligible for capitalization is 7,63%.

<u>Movement of allowance for impairment of inventory</u>	<u>2013</u>	<u>2012</u>
Provision as of 1 January	(983)	(1.027)
Charge for the period	(2.146)	(23)
Currency translation effect	(14)	44
Provision released	992	-
Provision as of 30 June	<u>(2.151)</u>	<u>(1.006)</u>

Group has identified some inventories whose net realizable value is less than its current cost. Accordingly, the amount of 2.151 (30 June 2012: 1.006) has been determined as provision for allowance for impairment on inventory and included in cost of revenue. As of 30 June 2013, total amount of the inventory shown at net realizable value is 527 (30 June 2012: 1.152).

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

### 10. CONSTRUCTION CONTRACTS

	30 June 2013	31 December 2012
Cost incurred on uncompleted contracts	6.904.728	5.978.983
Recognised gain less losses (net)	486.911	531.133
	<u>7.391.639</u>	<u>6.510.116</u>
Less: Billings to date (-)	(6.936.488)	(6.032.887)
	<u>455.151</u>	<u>477.229</u>

Costs and billings incurred on uncompleted contracts in condensed consolidated financial statements are as follows:

	30 June 2013	31 December 2012
From customers under construction contracts	622.907	649.604
To customers under construction contracts	<u>(167.756)</u>	<u>(172.375)</u>
	<u>455.151</u>	<u>477.229</u>
	30 June 2013	31 December 2012
<u>Receivables from uncompleted contracts</u>		
Contracts undersigned abroad	604.635	614.002
Contracts undersigned in Turkey	18.272	35.602
	<u>622.907</u>	<u>649.604</u>
<u>Payables to uncompleted contracts</u>		
Contracts undersigned abroad	(104.323)	(62.240)
Contracts undersigned in Turkey	<u>(63.433)</u>	<u>(110.135)</u>
	<u>(167.756)</u>	<u>(172.375)</u>
	<u>455.151</u>	<u>477.229</u>

The Group has 51.599 of advances given to subcontractors and other suppliers for construction projects classified in short term prepaid expenses (31 December 2012: 34.968). Also, the Group has 169.142 of advances received for contracting projects classified in advances received (31 December 2012: 206.547).

As of 30 June 2013, the Group has 36.496 of retention payables to subcontractors (31 December 2012: 28.959). Also, the amount of retention receivables is 168.721 (31 December 2012: 167.912) (Note: 8).

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

### 11. INVESTMENTS VALUED BY EQUITY METHOD

Associates	Location of foundation and operation	Share in capital (%)		Power to appoint	Industry
		30 June 2013	31 December 2012		
H-T Fidecilik	Turkey	50,00 %	50,00 %	50,00 %	Agriculture
Azfen	Azerbaijan	40,00 %	40,00 %	40,00 %	Construction
Blacksea Gübre	Turkey	30,00 %	30,00 %	30,00 %	Fertilizer Trade
Florya Gayrimenkul	Turkey	50,00 %	50,00 %	50,00 %	Real Estate
Tekfen Oz (*)	Turkey	-	16,40 %	50,00 %	Real Estate

(\*) Group has sold all its shares in Tekfen Oz, the subsidiary of Group valued by equity method, to Omurga Yapı Yatırımları A.Ş. on 29 March 2013. As of date of the sale, financial statements of Tekfen Oz include total assets of 61.111, total liabilities of 23.502 resulting a net asset of 37.609. Group's share in the net assets is 6.168. The loss on sale of associate is calculated as 42. The Group's share on Tekfen Oz's profit until the date of sale is 27.

Details of Group's associates' condensed financial information are as follows:

Financial Position	30 June 2013			Group's share in net assets of subsidiaries
	Total assets	Total liabilities	Net assets	
H-T Fidecilik	27.043	16.376	10.667	5.333
Azfen	163.099	96.782	66.317	26.527
Black Sea Gübre	26.960	25.012	1.948	584
Florya Gayrimenkul	125.218	2.511	122.707	61.353
Tekfen Oz	-	-	-	-
	<u>342.320</u>	<u>140.681</u>	<u>201.639</u>	<u>93.797</u>
Financial Position	31 December 2012			Group's share in net assets of subsidiaries
	Total assets	Total liabilities	Net assets	
H-T Fidecilik	28.445	18.195	10.250	5.125
Azfen	160.018	102.950	57.068	22.827
Black Sea Gübre	3.850	3.029	821	246
Florya Gayrimenkul	-	-	-	-
Tekfen Oz	88.953	1.510	87.443	14.341
	<u>281.266</u>	<u>125.684</u>	<u>155.582</u>	<u>42.539</u>

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

### 11. INVESTMENTS VALUED BY EQUITY METHOD (cont'd)

1 January - 30 June 2013			
	Revenue	Profit / (loss) for the year	Group's share on subsidiaries' profit/loss for the year
H-T Fidecilik	12.999	418	209
Azfen	157.909	27.893	11.157
Black Sea Gübre	48.366	1.128	338
Florya Gayrimenkul	-	(137)	(68)
Tekfen Oz	801	166	27
	<u>220.075</u>	<u>29.468</u>	<u>11.663</u>
1 April - 30 June 2013			
	Revenue	Profit / (loss) for the year	Group's share on subsidiaries' profit/loss for the year
H-T Fidecilik	8.232	280	140
Azfen	93.838	12.996	5.198
Black Sea Gübre	33.664	649	195
Florya Gayrimenkul	-	36	18
Tekfen Oz	-	-	-
	<u>135.734</u>	<u>13.961</u>	<u>5.551</u>
1 January - 30 June 2012			
	Revenue	Profit / (loss) for the year	Group's share on subsidiaries' profit/loss for the year
H-T Fidecilik	16.506	178	89
Azfen	123.498	7.203	2.881
Black Sea Gübre	-	-	-
Florya Gayrimenkul	-	-	-
Tekfen Oz	91.901	(144)	(24)
Eurobank Tekfen	310.456	18.295	5.353
	<u>542.361</u>	<u>25.532</u>	<u>8.299</u>
1 April - 30 June 2012			
	Revenue	Profit / (loss) for the year	Group's share on subsidiaries' profit/loss for the year
H-T Fidecilik	9.695	(234)	(117)
Azfen	73.227	4.772	1.909
Black Sea Gübre	(48.366)	(1.128)	-
Florya Gayrimenkul	-	137	-
Tekfen Oz	13.078	(246)	(41)
Eurobank Tekfen	148.200	(1.162)	(340)
	<u>195.834</u>	<u>2.139</u>	<u>1.411</u>

Translated into English from the report originally issued in Turkish.



# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

### 12. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND INVESTMENT PROPERTY

	Property, plant and equipment	Intangible assets	Investment property
<b>Cost Value</b>			
Opening balance as of 1 January 2013	2.015.079	16.692	119.291
Currency translation effect	79.178	855	289
Additions	52.886	679	429
Disposals	(8.249)	(79)	-
Allowance for impairment	-	(1.211)	-
Transfers as capital in kind	-	-	(15.191)
Transfers	(91)	91	-
Closing balance as of 30 June 2013	2.138.803	17.027	104.818
<b>Accumulated Depreciation and Amortization</b>			
Opening balance as of 1 January 2013	(1.266.574)	(14.001)	(26.466)
Currency translation effect	(47.675)	(765)	-
Charge for the period	(37.930)	(640)	(1.347)
Disposals	7.146	78	-
Transfers as capital in kind	-	-	2.714
Closing balance as of 30 June 2013	(1.345.033)	(15.328)	(25.099)
Carrying value as of 30 June 2013	793.770	1.699	79.719
<b>Cost Value</b>			
Opening balance as of 1 January 2012	1.928.643	15.679	118.553
Currency translation effect	(43.159)	(441)	(163)
Additions	111.471	1.023	-
Disposals	(17.041)	(23)	-
Transfers	(1.224)	-	-
Closing balance as of 30 June 2012	1.978.690	16.238	118.390
<b>Accumulated Depreciation and Amortization</b>			
Opening balance as of 1 January 2012	(1.250.482)	(13.761)	(23.485)
Currency translation effect	23.219	415	-
Charge for the period	(42.890)	(439)	(1.483)
Allowance for impairment	(740)	-	-
Disposals	16.159	23	-
Transfers	617	-	-
Closing balance as of 30 June 2012	(1.254.117)	(13.762)	(24.968)
Carrying value as of 30 June 2012	724.573	2.476	93.422

Property, plant and equipment includes fixed assets with carrying value of 151.122 purchased through financial lease (30 June 2012: 137.036). This property, plant and equipment purchased through financial lease consists of various prefabricated buildings, machinery, equipment and vehicles employed in construction sites. During the current period, property, plant and equipment purchases through financial lease amount to 4.484 (30 June 2012: 60.046).

The fair value of the Group's investment property has been arrived based on a valuation carried out by independent expertise not connected with the Group which is one of the accredited independent valuers by Capital Market Board. Valuation work is concluded with regard to the market purchase and sale prices of similar properties. The fair value of the investment properties as of 30 June 2013 is 342.081 (30 June 2012: 387.966) according to the valuation carried out by independent expert.

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

### 13. SHORT AND LONG TERM FINANCIAL DEBTS

The Company's bank loans, utilized to finance its working capital flow are reclassified as long term whose maturities passed 30 June 2014 according to their opening dates. Annual weighted average interest rate of the existing short term loans in terms of US Dollars is 3,40% (31 December 2012: 4,89%).

### 14. SHORT AND LONG TERM PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

	30 June 2013	31 December 2012
Short term provisions	55.630	34.450
Long term provisions	41.403	42.233
<b>Total provisions</b>	<b>97.033</b>	<b>76.683</b>
Retirement pay provision	46.692	42.581
Unused vacation pay liability provision	16.862	13.223
Premium provision	6.031	11.754
<b>Total provisions attributable to employee benefits</b>	<b>69.585</b>	<b>67.558</b>
Provision for litigation	7.814	8.248
Other liability provisions	19.634	877
<b>Total other provisions</b>	<b>27.448</b>	<b>9.125</b>
<b>Total provisions</b>	<b>97.033</b>	<b>76.683</b>

	Retirement Pay Provision	Premium Provision	Unused vacation pay liability provision	Total provisions attributable to employee benefits
Opening balance as of 1 January 2013	42.581	11.754	13.223	67.558
Currency translation effect	1.630	139	818	2.587
Charge for the period	11.857	5.853	7.007	24.717
Interest expense	242	-	-	242
Provision paid	(7.268)	(11.715)	(4.186)	(23.169)
Actuarial gain	(2.350)	-	-	(2.350)
<b>Closing balance as of 30 June 2013</b>	<b>46.692</b>	<b>6.031</b>	<b>16.862</b>	<b>69.585</b>
Opening balance as of 1 January 2012	39.984	11.332	9.058	60.374
Currency translation effect	(958)	22	(223)	(1.159)
Charge for the period	10.239	5.554	6.384	22.177
Interest expense	565	-	-	565
Provision paid	(7.157)	(11.376)	(4.155)	(22.688)
<b>Closing balance as of 30 June 2012</b>	<b>42.673</b>	<b>5.532</b>	<b>11.064</b>	<b>59.269</b>

The amount payable to employee calculated by one month salary is limited to a maximum 3.254 TL (31 December 2012: 3.129) as of 30 June 2013.

Translated into English from the report originally issued in Turkish.

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

### 14. SHORT AND LONG TERM PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont’d)

	Provision for litigation	Other liability provisions	Total Other Provisions
Opening balance as of 1 January 2013	8.248	877	9.125
Currency translation effect	1	1.161	1.162
Charge for the period	284	18.128	18.412
Provision paid	(697)	(532)	(1.229)
Provision released	(22)	-	(22)
Closing balance as of 30 June 2013	7.814	19.634	27.448
Opening balance as of 1 January 2012	8.273	730	9.003
Currency translation effect	(168)	(18)	(186)
Charge for the period	84	1.121	1.205
Provision paid	(81)	(304)	(385)
Provision released	(95)	-	(95)
Closing balance as of 30 June 2012	8.013	1.529	9.542

#### Litigations:

As of 30 June 2013, lawsuit filed against the Group is totally 83.030 (31 December 2012: 74.504) and it has been decided to accrue 7.814 (31 December 2012: 8.248) of provision for lawsuits that might have high probability of potential outflow from the Group upon the consultation of legal advisors. Based on the legal advice of lawyers, no significant risks is foreseen regarding of lawsuit filed against the Group.

#### Toros Tarım Samsun Fertilizer Facility

As explained in the notes of audited consolidated financial statements as of 31 December 2012, Toros Tarım has acquired all of the public shares of Samsun Gübre Sanayii A.Ş. from the Privatization Administration on 4 July 2005. Following the issuance of the Article 2/B of the Forest Law in April 2012, restraints on some parcels transferred from Samsun Gübre Sanayi A.Ş. have become futile. Accordingly, revised construction plans with different scales and application zoning plans have been prepared by Samsun Metropolitan Municipality (Municipality). Upon the rejection of appeal for each construction plans, Toros Tarım has filed an annulment action against Municipality at Samsun 1. Administrative Court. Since the effect of Planning Partnership Interest prescribed at the Application Zoning Plan is considered to break the integrity of the facility; Toros Tarım has not been granted the operating license and Municipality Committee has announced enforcement on 5 February 2013 regarding the shutdown of the facility. Aforementioned transaction was not exercised upon interim suspension of the execution by the Administrative Court. The court will reconsider the act of suspension of execution after the response of the Municipality. On the other hand, the process within the construction plans of the parcels including the facility prepared ex officio by Ministry of Environment and Urbanization continues in favor of the Group based on the opinion of legal advisors. Group management estimates that at the end of the processes mentioned above operating license transactions will result in favor of the Group.

#### Other:

18.192 of provision is recognized for the possible expenses of construction projects which may occur during the rest of the project under “Other liability provisions”.

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

### 15. COMMITMENTS AND OBLIGATIONS

The guarantee, pledge and mortgage ("GPM") position tables of the Group as of 30 June 2013 and 31 December 2012 are as follows:

30 June 2013	Equivalent of Thousands TL	<i>Thousands of US Dollars</i>	<i>Thousands of EUR</i>	<i>Other (Equivalent of Thousands TL)</i>
A. GPM given on behalf of its own legal entity	-	-	-	-
-Guarantee	-	-	-	-
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
B. GPM given on behalf of subsidiaries that are included in full consolidation	1.928.527	655.874	54.094	530.125
-Guarantee	1.927.027	655.874	54.094	528.625
-Pledge	-	-	-	-
-Mortgage	1.500	-	-	1.500
C. GPM given in order to guarantee third parties' debts for the routine trade operations	529	-	-	529
-Guarantee	529	-	-	529
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
D. Total amounts of other GPM given	-	-	-	-
i. Total amount of GPM given on behalf of parent company	-	-	-	-
ii. Total amount of GPM given on behalf of other group companies that are not included group B and C	-	-	-	-
-Guarantee	-	-	-	-
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
iii. Total amount of GPM given on behalf of third parties that are not included group C	-	-	-	-
<b>Total as of 30 June 2013</b>	1.929.056	655.874	54.094	530.654
31 December 2012	Equivalent of Thousands TL	<i>Thousands of US Dollars</i>	<i>Thousands of EUR</i>	<i>Other (Equivalent of Thousands TL)</i>
A. GPM given on behalf of its own legal entity	-	-	-	-
-Guarantee	-	-	-	-
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
B. GPM given on behalf of subsidiaries that are included in full consolidation	1.797.512	625.629	93.796	461.686
-Guarantee	1.796.012	625.629	93.796	460.186
-Pledge	-	-	-	-
-Mortgage	1.500	-	-	1.500
C. GPM given in order to guarantee third parties' debts for the routine trade operations	1.277	-	-	1.277
-Guarantee	1.277	-	-	1.277
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
D. Total amounts of other GPM given	-	-	-	-
i. Total amount of GPM given on behalf of parent company	-	-	-	-
ii. Total amount of GPM given on behalf of other group companies that are not included group B and C	-	-	-	-
iii. Total amount of GPM given on behalf of third parties that are not included group C	-	-	-	-
<b>Total as of 31 December 2012</b>	1.798.789	625.629	93.796	462.963

Since there are not any GPMs mentioned under D item, the ratio to the total equity is not presented.

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013

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### 16. SIGNIFICANT RELATED PARTY TRANSACTIONS

According to TAS 24, the shareholders, Group companies and their subsidiaries, management and other related parties are classified as related parties.

Average interest rate of bank deposits at Eurobank Tekfen A.Ş.(renamed as Burgan Bank A.Ş.), the related party of the Group prior the date of 21 December 2012, in terms of TL is 11,69% and in terms of US Dollars is 4,99%, and 15.051 of interest income is earned within the six month interim period ended 30 June 2012. Group disposed its shares of Eurobank Tekfen on 21 December 2012, therefore Eurobank Tekfen is not classified as related party in condensed consolidated financial statements as of 30 June 2013.

For the interim period, there isn't any extraordinary transaction occurred besides the transactions with related parties and trade relations. Transactions with related parties are distinct and measurable.

### 17. EARNINGS PER SHARE

	1 January - 30 June 2013	1 April - 30 June 2013	1 January - 30 June 2012	1 April - 30 June 2012
Average number of ordinary shares outstanding during the period (in full)	370.000.000	370.000.000	370.000.000	370.000.000
Net profit / (loss) for the period attributable to owners of the parent (thousands TL)	5.893	(141.257)	149.217	56.845
Earnings / (loss) per share from operations (TL)	0,016	(0,382)	0,403	0,154

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

### 18. OTHER OPERATING INCOME AND EXPENSES

	1 January - 30 June 2013	1 April - 30 June 2013	1 January - 30 June 2012	1 April - 30 June 2012
<b>Other Operating Income</b>				
Foreign exchange gains	39.241	19.667	57.207	18.393
Discount income	4.625	2.047	1.872	1.859
Due date difference income	4.530	1.630	6.978	4.233
Indemnity income	1.818	654	185	11
Scrap sale income	1.443	1.189	616	600
Rent income	1.336	465	507	184
Project management income	498	105	1.190	580
Government grants and incentives income	120	94	209	209
Reversal of litigation provision (Note: 14)	22	22	95	16
Reversal of other unnecessary provisions	-	-	1.715	1.715
Other income	4.394	1.060	3.513	647
	<u>58.027</u>	<u>26.933</u>	<u>74.087</u>	<u>28.447</u>
<b>Other Operating Expenses</b>				
Foreign exchange losses	(59.313)	(38.180)	(41.748)	(17.916)
Grants and contributions	(15.562)	(15.068)	(764)	(735)
Due date difference expense	(1.917)	(1.917)	(2.644)	(2.598)
Discount expense	(1.136)	(860)	(3.754)	(2.437)
Litigation provision (Note: 14)	(284)	(284)	(84)	(63)
Additional tax expense	(56)	(38)	(40)	(23)
Damages subject to litigation	-	-	(36)	(32)
Other expenses	(5.751)	(1.814)	(3.260)	(2.168)
	<u>(84.019)</u>	<u>(58.161)</u>	<u>(52.330)</u>	<u>(25.972)</u>

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

### 19. FINANCIAL INCOME AND FINANCIAL EXPENSE

#### Financial Income:

	1 January - 30 June 2013	1 April - 30 June 2013	1 January - 30 June 2012	1 April - 30 June 2012
Foreign exchange gains	47.614	32.793	31.627	13.239
Interest income	31.397	14.713	32.814	16.695
Other finance income	531	257	707	328
	<u>79.542</u>	<u>47.763</u>	<u>65.148</u>	<u>30.262</u>

#### Financial Expense:

	1 January - 30 June 2013	1 April - 30 June 2013	1 January - 30 June 2012	1 April - 30 June 2012
Foreign exchange losses	(35.768)	(21.556)	(36.249)	(12.506)
Interest expense	(13.088)	(6.532)	(12.638)	(8.274)
Other finance expenses	(2.693)	(2.065)	(1.438)	(476)
Less: Financial expenses included in inventory:	484	484	-	-
	<u>(51.065)</u>	<u>(29.669)</u>	<u>(50.325)</u>	<u>(21.256)</u>

**TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013**

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

**20. FOREIGN CURRENCY POSITION**

30 June 2013	Equivalent of Thousands of TL	Thousands of US Dollars	Thousands of EUR	Thousands of GBP	Other (Equivalent of Thousands of TL)
1. Trade Receivables	144.155	39.464	22.842	7	10.758
2. Monetary Financial Assets	380.682	98.589	412	6	189.866
3. Other	64.477	30.990	690	41	2.986
<b>4. CURRENT ASSETS</b>	<b>589.314</b>	<b>169.043</b>	<b>23.944</b>	<b>54</b>	<b>203.610</b>
5. Trade Receivables	34.095	2.670	11.083	-	1.096
6. Monetary Financial Assets	4.065	-	17	-	4.022
7. Other	87.213	25.624	15.074	-	-
<b>8. NON CURRENT ASSETS</b>	<b>125.373</b>	<b>28.294</b>	<b>26.174</b>	<b>-</b>	<b>5.118</b>
<b>9. TOTAL ASSETS</b>	<b>714.687</b>	<b>197.337</b>	<b>50.118</b>	<b>54</b>	<b>208.728</b>
10. Trade Pay ables	629.177	193.513	56.672	454	113.061
11. Financial Liabilities	35.549	8.322	6.069	-	4.275
12. Monetary Other Liabilities	125.686	28.283	4.910	-	58.905
12b. Non Monetary Other Liabilities	1.279	662	2	-	-
<b>13. CURRENT LIABILITIES</b>	<b>791.691</b>	<b>230.780</b>	<b>67.653</b>	<b>454</b>	<b>176.241</b>
14. Trade Payables	5.546	-	8	-	5.526
15. Financial Liabilities	89.138	19.933	5.744	-	36.332
16. Monetary Other Liabilities	12.633	464	-	-	11.740
<b>17. NON CURRENT LIABILITIES</b>	<b>107.317</b>	<b>20.397</b>	<b>5.752</b>	<b>-</b>	<b>53.598</b>
<b>18. TOTAL LIABILITIES</b>	<b>899.008</b>	<b>251.177</b>	<b>73.405</b>	<b>454</b>	<b>229.839</b>
19. Net foreign currency assets / liabilities position	(184.321)	(53.840)	(23.287)	(400)	(21.111)
20. Monetary items net foreign currency assets / liabilities position (1+2+5+6-10-11-12-14-15-16)	(334.732)	(109.792)	(39.049)	(441)	(24.097)

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**TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013**

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

**20. FOREIGN CURRENCY POSITION (cont’d)**

31 December 2012	Equivalent of Thousands of TL	Thousands of US Dollars	Thousands of EUR	Thousands of GBP	Other (Equivalent of Thousands of TL)
1. Trade Receivables	295.223	25.232	75.515	1	72.653
2. Monetary Financial Assets	211.232	97.721	6.850	15	20.882
3. Other	67.135	27.477	2.196	47	12.855
<b>4. CURRENT ASSETS</b>	<b>573.590</b>	<b>150.430</b>	<b>84.561</b>	<b>63</b>	<b>106.390</b>
5. Trade Receivables	24.694	-	8.089	-	5.671
6. Monetary Financial Assets	4.875	-	17	-	4.835
7. Other	15.247	61	6.437	-	-
<b>8. NON CURRENT ASSETS</b>	<b>44.816</b>	<b>61</b>	<b>14.543</b>	<b>-</b>	<b>10.506</b>
<b>9. TOTAL ASSETS</b>	<b>618.406</b>	<b>150.491</b>	<b>99.104</b>	<b>63</b>	<b>116.896</b>
10. Trade Payables	655.707	153.652	62.328	348	234.231
11. Financial Liabilities	70.296	25.336	9.440	-	2.932
12. Monetary Other Liabilities	111.426	91	16.742	-	71.892
12b. Non Monetary Other Liabilities	2.187	1.215	9	-	-
<b>13. CURRENT LIABILITIES</b>	<b>839.616</b>	<b>180.294</b>	<b>88.519</b>	<b>348</b>	<b>309.055</b>
14. Trade Payables	2.985	-	12	-	2.957
15. Financial Liabilities	21.860	1.262	7.984	-	834
16. Monetary Other Liabilities	11.353	479	-	-	10.499
<b>17. NON CURRENT LIABILITIES</b>	<b>36.198</b>	<b>1.741</b>	<b>7.996</b>	<b>-</b>	<b>14.290</b>
<b>18. TOTAL LIABILITIES</b>	<b>875.814</b>	<b>182.035</b>	<b>96.515</b>	<b>348</b>	<b>323.345</b>
19. Net foreign currency assets / liabilities position	(257.408)	(31.544)	2.589	(285)	(206.449)
20. Monetary items net foreign currency assets / liabilities position (1+2+5+6-10-11-12-14-15-16)	(337.603)	(57.867)	(6.035)	(332)	(219.304)

Translated into English from the report originally issued in Turkish.

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

### 20. FOREIGN CURRENCY POSITION (cont'd)

#### Foreign currency sensitivity

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollars and Euro.

The following table details the Group's sensitivity to a 5% increase and decrease in foreign currency rates. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated items and adjusts their translation at the six month interim period end for a 5% change in foreign currency rates. This sensitivity analysis excludes the foreign currency denominated items presented on the balance sheet of the Group companies whose functional currency is other than TL. A positive number indicates an increase in profit or loss.

	30 June 2013	
	Appreciation of foreign currencies	Depreciation of foreign currencies
	Profit / Loss	
	If US Dollars changes 5% against TL	
US Dollars net assets / liabilities	(5.182)	5.182
	If Euro changes 5% against TL	
Euro net assets / liabilities	(2.927)	2.927
	If other foreign currencies changes 5% against TL	
Other foreign currency net assets / liabilities	(1.107)	1.107
<b>TOTAL</b>	<b>(9.216)</b>	<b>9.216</b>
	31 December 2012	
	Profit / Loss	
	If US Dollars change 5% against TL	
US Dollars net assets / liabilities	(2.812)	2.812
	If Euro changes 5% against TL	
Euro net assets / liabilities	304	(304)
	If other foreign currencies change 5% against TL	
Other foreign currency net assets / liabilities	(10.362)	10.362
<b>TOTAL</b>	<b>(12.870)</b>	<b>12.870</b>

## **TEKFEN HOLDİNG ANONİM ŐİRKETİ AND ITS SUBSIDIARIES**

### **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2013**

(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

#### **21. SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE**

None.