

**TEKFEN HOLDİNG ANONİM ŞİRKETİ  
AND ITS SUBSIDIARIES**

CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE THREE MONTH  
INTERIM PERIOD  
ENDED 31 MARCH 2013

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

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# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2013

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

ASSETS	Notes	Unaudited	Audited
		31 March 2013	Restated (Note 3) 31 December 2012
<b>Current Assets</b>		<b>3.210.247</b>	<b>2.921.525</b>
Cash and cash equivalents	7	1.186.305	1.063.761
Trade receivables	8	865.576	616.810
Other receivables		9.035	7.837
Inventories	9	342.712	426.271
Receivables from ongoing construction contracts	10	663.679	649.604
Other current assets		132.046	146.298
		<u>3.199.353</u>	<u>2.910.581</u>
Assets classified as held for sale		10.894	10.944
<b>Non Current Assets</b>		<b>1.220.557</b>	<b>1.162.384</b>
Trade receivables	8	117.784	120.182
Other receivables		6.496	6.819
Financial investments		82.050	94.213
Investments valued by equity method	11	96.279	42.539
Investment property	12	79.752	92.825
Property, plant and equipment	12	746.230	748.505
Intangible assets	12	3.035	2.691
Deferred tax assets		13.300	15.237
Other non current assets	4 (c)	75.631	39.373
<b>TOTAL ASSETS</b>		<b><u>4.430.804</u></b>	<b><u>4.083.909</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 31 MARCH 2013**

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

		<b>Unaudited</b>	<b>Audited</b>
			<b>Restated</b>
			<b>(Note 3)</b>
		<b>31 March</b>	<b>31 December</b>
<b>LIABILITIES</b>	<b>Notes</b>	<b>2013</b>	<b>2012</b>
<b>Current Liabilities</b>		<b>2.014.864</b>	<b>1.776.361</b>
Financial debts	13	425.705	316.208
Trade payables	8	995.280	906.053
Other payables		51.402	55.611
Current tax liability		14.430	14.749
Ongoing construction progress payments	10	248.074	172.375
Provisions	14	9.279	9.082
Employee benefits	16	41.679	43.092
Other short term liabilities		229.015	259.191
<b>Non Current Liabilities</b>		<b>165.523</b>	<b>196.283</b>
Financial debts	13	78.906	112.789
Trade payables	8	10.327	9.357
Other payables		1.172	1.001
Employee benefits	16	39.923	42.169
Deferred tax liabilities		35.195	30.967
<b>EQUITY</b>	<b>5</b>	<b>2.250.417</b>	<b>2.111.265</b>
<b>Equity Attributable To Owners Of The Parent</b>		<b>2.223.898</b>	<b>2.081.480</b>
Paid in capital		373.475	373.475
Premiums in capital stock		300.984	300.984
Revaluation growth funds		62.720	74.273
Currency translation reserve		98.147	91.270
Restricted profit reserves		111.195	98.255
Retained earnings		1.130.227	843.918
Net profit for the period		147.150	299.305
<b>Non-controlling Interests</b>		<b>26.519</b>	<b>29.785</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4.430.804</b>	<b>4.083.909</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 THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2013

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

		Unaudited	Unaudited
			Restated (Note 3)
		1 January- 31 March 2013	1 January- 31 March 2012
	Notes		
Revenue		1.058.530	1.000.179
Cost of revenue (-)		(899.435)	(869.991)
<b>GROSS PROFIT</b>		<b>159.095</b>	<b>130.188</b>
Marketing, selling and distribution expenses (-)		(34.456)	(29.088)
General administrative expenses (-)		(28.771)	(24.466)
Research and development expenses (-)		(122)	(52)
Other operating income	4 (c)	55.861	4.694
Other operating expenses (-)		(4.494)	(1.140)
<b>OPERATING PROFIT</b>		<b>147.113</b>	<b>80.136</b>
Share on profit / loss of investments valued using equity method	11	6.112	6.888
Financial income	19	61.758	78.790
Financial expense (-)	19	(42.805)	(54.516)
<b>PROFIT BEFORE TAXATION</b>		<b>172.178</b>	<b>111.298</b>
<b>Tax expense</b>		<b>(25.142)</b>	<b>(19.131)</b>
Tax expense for the period		(18.802)	(17.507)
Deferred tax expense		(6.231)	(1.982)
Currency translation reserve		(109)	358
<b>NET PROFIT FOR THE PERIOD</b>		<b>147.036</b>	<b>92.167</b>
<b>Distribution of Profit For The Period</b>			
Non-controlling interests		(114)	(205)
Owners of the parent		147.150	92.372
<b>Earnings Per Share</b>	18	0,398	0,250

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## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2013

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

	<b>Unaudited 1 January- 31 March 2013</b>	<b>Unaudited 1 January- 31 March 2012</b>
<b>NET PROFIT FOR THE PERIOD</b>	<b>147.036</b>	<b>92.167</b>
<b>Other comprehensive income / (expense):</b>		
<b>a) Items that will not be reclassified subsequently to profit or loss</b>		
Actuarial gains on defined retirement benefit plans	587	-
Tax expense based on change in defined retirement benefit plans	(116)	-
	<u>471</u>	<u>-</u>
<b>b) Items that may be reclassified subsequently to profit or loss when specific conditions are met</b>		
Change in fair value reserve of financial assets	(12.161)	42.381
Change in currency translation reserve	7.257	(28.510)
Share on other comprehensive income of investments valued using equity method	-	753
Tax income / (expense) based on change in fair value reserve of financial assets	608	(2.119)
	<u>(4.296)</u>	<u>12.505</u>
<b>OTHER COMPREHENSIVE (LOSS)/INCOME AFTER TAX</b>	<b><u>(3.825)</u></b>	<b><u>12.505</u></b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b><u>143.211</u></b>	<b><u>104.672</u></b>
<b>Distribution of Total Comprehensive Income For The Period</b>		
Non-controlling interests	266	(1.848)
Owners of the parent	142.945	106.520

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# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2013

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

	Other comprehensive income										
	Revaluation growth funds		Property, plant and equipment revaluation fund	Fair value reserve of financial investments	Currency translation reserve	Restricted profit reserves	Retained earnings	Net profit for the period	Equity attributable to owners of the parent	Non controlling interests	Total
Paid in capital	Premiums in capital stock										
<b>Opening balances as of 1 January 2012</b>	373.475	300.984	1.008	50.552	114.768	72.222	701.471	242.440	1.856.920	30.686	1.887.606
<i>Other comprehensive income</i>	-	-	-	41.015	(26.867)	-	-	-	14.148	(1.643)	12.505
<i>Net profit for the period</i>	-	-	-	-	-	-	-	92.372	92.372	(205)	92.167
Total comprehensive income	-	-	-	41.015	(26.867)	-	-	92.372	106.520	(1.848)	104.672
Transfers to retained earnings	-	-	-	-	-	-	242.440	(242.440)	-	-	-
Transfers to reserves from retained earnings	-	-	-	-	-	14.316	(14.316)	-	-	-	-
<b>Balance as of 31 March 2012</b>	<b>373.475</b>	<b>300.984</b>	<b>1.008</b>	<b>91.567</b>	<b>87.901</b>	<b>86.538</b>	<b>929.595</b>	<b>92.372</b>	<b>1.963.440</b>	<b>28.838</b>	<b>1.992.278</b>
<b>Opening balances as of 1 January 2013</b>	373.475	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>	-	-	-	(11.553)	6.877	-	-	-	(4.676)	380	(4.296)
<i>Actuarial gains on defined retirement benefit plans</i>	-	-	-	-	-	-	471	-	471	-	471
<i>Net profit for the period</i>	-	-	-	-	-	-	-	147.150	147.150	(114)	147.036
Total comprehensive income	-	-	-	(11.553)	6.877	-	471	147.150	142.945	266	143.211
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	-	-	-	-	-	12.940	(12.940)	-	-	-	-
<b>Balance as of 31 March 2013</b>	<b>373.475</b>	<b>300.984</b>	<b>-</b>	<b>62.720</b>	<b>98.147</b>	<b>111.195</b>	<b>1.130.227</b>	<b>147.150</b>	<b>2.223.898</b>	<b>26.519</b>	<b>2.250.417</b>

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# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2013

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

	Notes	Unaudited 1 January - 31 March 2013	Unaudited Restated 1 January - 31 March 2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit for the period		147.150	92.372
Adjustments to reconcile net profit for the period to cash provided by operating activities:			
Changes in non-controlling interests		(114)	(205)
Depreciation and amortization	6 (c)	18.682	20.732
Gain on sale of tangible and intangible assets, net	12	(733)	(620)
Provision for retirement pay provision and premiums	16	7.873	7.557
Provision for litigation	14	-	20
Doubtful receivable provision	8	1.763	-
Other employee benefits	16	4.141	4.156
Reversal of unnecessary provisions	8, 9, 14	(547)	(718)
Income accruals		629	(1.674)
Expense accruals		1.830	4.419
Group's share on net assets of investments in associates accounted by equity method	11	(6.112)	(6.888)
Changes in available for sale investments		(3)	(11)
Interest income	19	(17.319)	(16.494)
Interest expense	19	7.176	4.364
Dividend income		(4.927)	(415)
Allowance for taxation		25.142	19.131
Difference between capital in kind and fair value	4 (c)	(48.349)	-
Loss on sale of assocaiton accounted by equity method	11	42	-
Cash generated by operating activities before movements in working capital		136.324	125.726
Movements in working capital			
Changes in trade and other receivables		(244.412)	(249.057)
Changes in due from related parties		(836)	5.038
Changes in inventories	9	84.822	115.800
Changes in receivables from ongoing construction contracts	10	(36.841)	60.538
Changes in other current / non-current assets		(22.006)	(1.129)
Changes in trade and other payables		110.845	70.818
Changes in due to related parties		525	1.432
Changes in ongoing construction progress payments	10	75.699	19.455
Changes in provisions and other short term liabilities		(29.650)	(2.317)
		(61.854)	20.578
Interest received		16.408	15.694
Interest paid		(8.033)	(3.227)
Tax paid		(19.122)	(11.777)
Penalty of litigation paid	14	(439)	-
Retirement pay provision and premiums paid	16	(15.208)	(15.128)
<b>Cash generated by operating activities</b>		<b>48.076</b>	<b>131.866</b>

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# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2013

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

		<b>Unaudited</b>	<b>Unaudited</b>
		<b>1 January -</b>	<b>1 January -</b>
		<b>31 March</b>	<b>31 March</b>
	<b>Notes</b>	<b>2013</b>	<b>2012</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Effect of investments in associates valued by equity method	11	-	(2.727)
Acquisition of tangible, intangible assets and investment properties	6 (c)	(12.668)	(28.036)
Proceeds from sale of tangible and intangible assets	12	1.354	660
Acquisition of non-controlling interests' shares		(4.059)	-
Proceeds from sale of association	11	6.126	-
Dividend income		4.927	415
<b>Cash used in investing activities</b>		<b>(4.320)</b>	<b>(29.688)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		218.004	45.619
Repayments of borrowings		(142.707)	(49.794)
Finance lease paid		(8.787)	(5.811)
<b>Cash generated by/(used in) financing activities</b>		<b>66.510</b>	<b>(9.986)</b>
Translation reserve (net)		11.367	(34.761)
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>121.633</b>	<b>57.431</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>1.063.761</b>	<b>769.198</b>
Interest accrual on cash and cash equivalents		911	800
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>1.186.305</b>	<b>827.429</b>

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# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 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 31 March 2013, the Group has 16.973 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 31 March 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 Group has 50% share, is established between the Group’s subsidiary Tekfen Emlak Geliştirme Yatırım ve Ticaret A.Ş. 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 is included in condensed consolidated financial statements by equity method.

Based on the 2013/14 numbered decree published in Official Gazette on 29 January 2013, the shares of Sümer Holding A.Ş. representing 20% of Türk Arap Gübre A.Ş.’s capital and amounting to 44, are acquired Toros Tarım Sanayi ve Ticaret A.Ş. (Toros Tarım) with a consideration of 4.059. 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 9 May 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 Capital Markets Board (“CMB”) has established principles, procedures and basis on the preparation of financial reports by enterprises and the representation of the reports with Communiqué Series XI, No: 29 “Communiqué on Capital Market Financial Reporting Standards”. This Communiqué is applicable for the first interim financial statements to be prepared after 1 January 2008 and with this Communiqué, the Communiqué Series XI, No:25 “Communiqué on Capital Market Accounting Standards” has been repealed. In accordance with this Communiqué, the companies are supposed to prepare their financial statements in accordance with the International Financial Reporting Standards (“IAS/IFRS”) accepted by the European Union. Nevertheless, until the discrepancies between the IAS/IFRS accepted by the European Union, and the IAS/IFRS declared by IASB are announced by the Turkish Accounting Standards Board (“TASB”), IAS/IFRS will be in use. Under such circumstances Turkish Accounting Standards/Turkish Financial Reporting Standards (“TAS/TFRS”), which are the standards published by TASB, not contradicting with IAS/IFRS, will be predicated on.

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2013

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

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

The accompanying condensed consolidated financial statements have been prepared in compliance with CMB’s decree announce on 17 April 2008 and 9 January 2009 regarding the format of the financial statements and footnotes and include compulsory information.

Based on the 660 numbered Decree published in Official Gazette on 2 November 2011; Additional 1. Clause of the Law 2499 has been dissolved and Public Supervision, Accounting and Audit Standards Institution (Institution) has been founded. In accordance with this law’s 1. Provisional Clause, former regulations will be valid in law until the Institution publishes its amended standards and regulations. Therefore, as of reporting date, this issue explained under this note will not cause any changes on “Bases of Preparation of Financial Statements”.

CMB allows the publicly-traded companies to present the financial statements in full set or condensed presentation in accordance with IAS 34 “ Interim Financial Reporting” standard. The Group has preferred to disclose its interim consolidated financial statements as of 31 March 2013 in condensed format.

Based on the notification, the descriptions and disclosures which are needed in the financial statements annually are summarized appropriately in accordance with IAS 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 estimates which are mentioned in the consolidated financial statements as of 31 December 2012.

Exchange rates used in the consolidation process as of 31 March 2013 are; 1 USD= 1,8087 TL, 1 EUR= 2,3189 TL, 1 MAD= 0,2097 TL, 1 SAR= 0,4823 TL, 1 QAR= 0,4955 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).

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2013

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

### 3. ADOPTION OF NEW AND REVISED STANDARDS

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

#### (a) New standards and revisions and interpretations to existing revised standards effective as of 1 January 2013

- IAS 1 (amendments), “Presentation of Items of Other Comprehensive Income”, will be effective for annual periods beginning on or after 1 July 2012.
- IAS 1 (amendments), “Clarification of the Requirements for Comparative Information”, will be effective for annual periods beginning on or after 1 January 2013.
- IFRS 10, “Consolidated Financial Statements”, will be effective for annual periods beginning on or after 1 January 2013.
- IFRS 11, “Joint Arrangements”, will be effective for annual periods beginning on or after 1 January 2013.
- IFRS 12, “Disclosure of Interests in Other Entities”, will be effective for annual periods beginning on or after 1 January 2013.
- IFRS 13, “Fair Value Measurement”, will be effective for annual periods beginning on or after 1 January 2013.
- IFRS 7 (amendments), “Disclosures: Offsetting Financial Assets and Financial Liabilities”, will be effective for annual periods beginning on or after 1 January 2013.
- IFRS 10, IFRS 11 and IFRS 12 (amendments), “Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guide”, will be effective for annual periods beginning on or after 1 January 2013.
- IAS 19 (amendments), “Employee Benefits”, will be effective for annual periods beginning on or after 1 January 2013.
- IAS 27 (revised), “Separate Financial Statements”, will be effective for annual periods beginning on or after 1 January 2013.
- IAS 28 (revised), “Investments in Associates and Joint Ventures”, will be effective for annual periods beginning on or after 1 January 2013.
- Amendments to IFRSs, “Annual Improvements to IFRSs 2009-2011 Cycle except for the amendment to IAS 1, IAS 16 (amendments) Property, Plant and Equipment, IAS 32 (amendments) Financial Instruments: Presentation and IAS 34 (amendments) Interim Financial Reporting”, will be effective for annual periods beginning on or after 1 January 2013.
- IFRIC 20, “Stripping Costs in the Production Phase of a Surface Mine”, will be effective for annual periods beginning on or after 1 January 2013.

#### (b) Standards that are issued but not yet effective and have not been early adopted by the Group

- IFRS 9, “Financial Instruments”, will be effective for annual periods beginning on or after 1 January 2015.
- IFRS 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.
- IAS 32 (amendments), “Offsetting Financial Assets and Financial Liabilities”, will be effective for annual periods beginning on or after 1 January 2014.

The effects of the amendments in IFRS 11, “Joint Arrangements” are presented in detailed in “c” clause by restating the consolidated balance sheet as at 31 December 2012 and condensed consolidated statement of profit or loss for the three month interim period ended 31 March 2012.

The amendments to IAS 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 IAS 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 IAS 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.

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

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2013

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

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

#### (c) The effect of restating the financial statements due to applying IFRS 11 “Joint Arrangements” effective as of 1 January 2013:

Group has applied IFRS 11 “Joint Arrangements” standard effective as of 1 January 2013 retrospectively beginning from 1 January 2012 while preparing condensed consolidated financial statements as of 31 March 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 the amendments in the standard on the audited consolidated balance sheet as at 31 December 2012 and unaudited and condensed consolidated statement of profit or loss for the three month interim period ended 31 March 2012 are presented below.

	Audited 31 December 2012	Derecognize previous effect	Consolidation per EQ pickup effect	Audited Restated 31 December 2012
<b>ASSETS</b>				
<b>Current Assets</b>	<b>2.977.883</b>	<b>(56.358)</b>	-	<b>2.921.525</b>
Cash and cash equivalents	1.084.315	(20.554)	-	1.063.761
Trade receivables	636.172	(19.362)	-	616.810
Other receivables	13.944	(6.107)	-	7.837
Inventories	433.467	(7.196)	-	426.271
Receivables from ongoing construction contracts	651.273	(1.669)	-	649.604
Other current assets	147.768	(1.470)	-	146.298
	2.966.939	(56.358)	-	2.910.581
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>
Trade receivables	120.182	-	-	120.182
Other receivables	6.819	-	-	6.819
Financial investments	94.213	4.603	(4.603)	94.213
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
Deferred tax assets	19.280	(4.043)	-	15.237
Other non current assets	39.388	(15)	-	39.373
<b>TOTAL ASSETS</b>	<b>4.133.212</b>	<b>(72.652)</b>	<b>23.349</b>	<b>4.083.909</b>

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2013

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

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

(c) The effect of restating the financial statements due to applying IFRS 11 "Joint Arrangements" effective as of 1 January 2013 (cont'd):

<b>LIABILITIES</b>	<b>Audited 31 December 2012</b>	<b>Derecognize previous effect</b>	<b>Consolidation per EQ pickup effect</b>	<b>Audited Restated 31 December 2012</b>
<b>Current Liabilities</b>	<b>1.824.300</b>	<b>(47.939)</b>	-	<b>1.776.361</b>
Financial debts	320.824	(4.616)	-	316.208
Trade payables	915.742	(9.689)	-	906.053
Other payables	56.557	(946)	-	55.611
Current tax liability	17.093	(2.344)	-	14.749
Ongoing construction progress payments	191.856	(19.481)	-	172.375
Provisions	9.099	(17)	-	9.082
Employee benefits	45.446	(2.354)	-	43.092
Other short term liabilities	267.683	(8.492)	-	259.191
<b>Non Current Liabilities</b>	<b>197.647</b>	<b>(1.364)</b>	-	<b>196.283</b>
Financial debts	113.989	(1.200)	-	112.789
Trade payables	9.357	-	-	9.357
Other payables	1.001	-	-	1.001
Employee benefits	42.333	(164)	-	42.169
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	373.475	-	-	373.475
Premiums in capital stock	300.984	-	-	300.984
Revaluation growth funds	74.273	-	-	74.273
Currency translation reserve	91.270	78	(78)	91.270
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>4.083.909</b>

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2013

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

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

(c) The effect of restating the financial statements due to applying IFRS 11 "Joint Arrangements" effective as of 1 January 2013 (cont'd):

	Unaudited 1 January- 31 March 2012	Derecognize previous effect	Consolidation per EQ pickup effect	Unaudited 1 January- 31 March 2012
Revenue	1.023.420	(23.241)	-	1.000.179
Cost of revenue (-)	(890.590)	20.599	-	(869.991)
<b>GROSS PROFIT</b>	<b>132.830</b>	<b>(2.642)</b>	<b>-</b>	<b>130.188</b>
Marketing, selling and distribution expenses (-)	(29.438)	350	-	(29.088)
General administrative expenses (-)	(25.138)	672	-	(24.466)
Research and development expenses (-)	(52)	-	-	(52)
Other operating income	4.725	(31)	-	4.694
Other operating expenses (-)	(1.224)	84	-	(1.140)
<b>OPERATING PROFIT</b>	<b>81.703</b>	<b>(1.567)</b>	<b>-</b>	<b>80.136</b>
Share on profit / loss of investments valued using equity method	5.710	-	1.178	6.888
Financial income	78.872	(82)	-	78.790
Financial expense (-)	(54.717)	201	-	(54.516)
<b>PROFIT BEFORE TAXATION</b>	<b>111.568</b>	<b>(1.448)</b>	<b>1.178</b>	<b>111.298</b>
<b>Tax expense</b>	<b>(19.401)</b>	<b>270</b>	<b>-</b>	<b>(19.131)</b>
Tax expense for the period	(18.787)	1.280	-	(17.507)
Deferred tax expense	(972)	(1.010)	-	(1.982)
Currency translation reserve	358	-	-	358
<b>NET PROFIT FOR THE PERIOD</b>	<b>92.167</b>	<b>(1.178)</b>	<b>1.178</b>	<b>92.167</b>

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2013

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

### 4. EVENTS AND TRANSACTIONS POSSIBLY AFFECTING CONDENSED CONSOLIDATED FINANCIAL STATEMENTS BY LEVEL OF SIGNIFICANCE

#### (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 31 March 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 189.329 (USD 104.677 thousand), total debt of 44.002 (USD 24.328 thousand), resulting a net asset of 145.327 (USD 80.349 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 30.428 (USD 16.823 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 1.157.568 (USD 640 million) and be completed in March 2015.

#### (c) Other

Tekfen Gayrimenkul, a subsidiary of the Company, makes capital contribution to Florya Gayrimenkul with tangible assets amounting to 13.211 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. The difference between the fair value and the cost value of the tangible assets amounting to 48.349 is presented under "Other operating income" at the accompanying condensed consolidated financial statements.

As of 31 March 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 48.805 and this amount is presented under "Other non current assets" at the accompanying condensed consolidated financial statements (31 December 2012: 15.299).

### 5. SIGNIFICANT CHANGES IN EQUITY

#### Fair Value Reserve of Financial Investments:

The negative change of 11.553 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 (31 March 2012: positive change of 40.262). In the current period, there is not any income directly recognized in equity from investments of the Group valued by equity method (31 March 2012: positive change of 753).

Cari dönemde Grup'un özkaynaktan pay alma yöntemi ile konsolide ettiği iştiraklerinden finansal yatırımlar değer artış fonuna kaydedilen herhangi bir gelir yoktur

#### Restricted Profit Reserves:

In accordance with the resolutions taken during the Ordinary General Assemblies of Group companies as of 31 March 2013, 12.940 of restricted reserves were transferred from retained earnings in the condensed consolidated financial statements (31 March 2012: 14.316).

#### Profit Distribution:

Board of Directors offered to pay shareholders 0,36 TL (2012: 0,19) gross cash dividends per share attributable to the operations of the year of 2012 on 11 April 2013. That dividend payment is approved by the shareholders in General Shareholders' Meeting on 7 May 2013 and the amount is not accounted as liability to the condensed consolidated financial statements. The gross dividend payable amount is 132.220 (2012: 70.167), on the other side dividend amount will be paid to usufructuary is 6.055 (2012: 4.880).



# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2013

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

### 6. SEGMENTAL REPORTING

#### a) Segmental results

	1 January - 31 March 2013					
	Contracting	Agriculture	Real Estate	Other	Eliminations	Total
Revenue	554.217	476.646	9.593	18.074	-	1.058.530
Intra-segment sales	20.078	5.115	7	45	(25.245)	-
Inter-segment sales	9	332	95	1.722	(2.158)	-
<b>TOTAL REVENUE</b>	<b>574.304</b>	<b>482.093</b>	<b>9.695</b>	<b>19.841</b>	<b>(27.403)</b>	<b>1.058.530</b>
Cost of revenue (-)	(502.421)	(377.748)	(7.881)	(11.385)	-	(899.435)
<b>GROSS PROFIT</b>	<b>51.796</b>	<b>98.898</b>	<b>1.712</b>	<b>6.689</b>	<b>-</b>	<b>159.095</b>
Marketing, selling and distribution expenses (-)	(313)	(32.260)	(35)	(1.848)	-	(34.456)
General administrative expenses (-)	(14.400)	(6.743)	(1.209)	(6.419)	-	(28.771)
Research and development expenses (-)	-	(122)	-	-	-	(122)
Other operating income	2.279	3.914	953	48.715	-	55.861
Other operating expenses (-)	(2.775)	(1.156)	(102)	(461)	-	(4.494)
<b>OPERATING PROFIT</b>	<b>36.587</b>	<b>62.531</b>	<b>1.319</b>	<b>46.676</b>	<b>-</b>	<b>147.113</b>
Share on profit / loss of investments valued using equity method	5.959	212	-	(59)	-	6.112
Financial income	19.382	15.473	278	26.625	-	61.758
Financial expense (-)	(23.079)	(13.144)	(37)	(6.545)	-	(42.805)
<b>PROFIT BEFORE TAXATION</b>	<b>38.849</b>	<b>65.072</b>	<b>1.560</b>	<b>66.697</b>	<b>-</b>	<b>172.178</b>
Tax expense	(6.893)	(12.747)	(311)	(5.191)	-	(25.142)
<b>NET PROFIT FOR THE PERIOD</b>	<b>31.956</b>	<b>52.325</b>	<b>1.249</b>	<b>61.506</b>	<b>-</b>	<b>147.036</b>

The Group has 16.896 of revenue and 6.205 of operating income from terminal operations classified under agricultural operations for the period of 1 January - 31 March 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 THREE MONTH INTERIM PERIOD ENDED 31 MARCH 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 - 31 March 2012					
	Contracting	Agriculture	Real Estate	Other	Eliminations	Total
Revenue	525.839	450.713	5.751	17.876	-	1.000.179
Intra-segment sales	50.396	4.256	4	46	(54.702)	-
Inter-segment sales	157	321	94	1.678	(2.250)	-
<b>TOTAL REVENUE</b>	<b>576.392</b>	<b>455.290</b>	<b>5.849</b>	<b>19.600</b>	<b>(56.952)</b>	<b>1.000.179</b>
Cost of revenue (-)	(472.573)	(381.095)	(5.028)	(11.295)	-	(869.991)
<b>GROSS PROFIT</b>	<b>53.266</b>	<b>69.618</b>	<b>723</b>	<b>6.581</b>	<b>-</b>	<b>130.188</b>
Marketing, selling and distribution expenses (-)	(161)	(26.463)	(54)	(2.410)	-	(29.088)
General administrative expenses (-)	(13.276)	(4.520)	(879)	(5.791)	-	(24.466)
Research and development expenses (-)	-	(52)	-	-	-	(52)
Other operating income	1.274	2.243	1.152	25	-	4.694
Other operating expenses (-)	(439)	(537)	(119)	(45)	-	(1.140)
<b>OPERATING PROFIT / (LOSS)</b>	<b>40.664</b>	<b>40.289</b>	<b>823</b>	<b>(1.640)</b>	<b>-</b>	<b>80.136</b>
Share on profit / loss of investments valued using equity method	972	206	-	5.710	-	6.888
Financial income	27.067	33.082	501	18.140	-	78.790
Financial expense (-)	(24.803)	(19.766)	(836)	(9.111)	-	(54.516)
<b>PROFIT BEFORE TAXATION</b>	<b>43.900</b>	<b>53.811</b>	<b>488</b>	<b>13.099</b>	<b>-</b>	<b>111.298</b>
Tax expense	(6.401)	(10.131)	(86)	(2.513)	-	(19.131)
<b>NET PROFIT FOR THE PERIOD</b>	<b>37.499</b>	<b>43.680</b>	<b>402</b>	<b>10.586</b>	<b>-</b>	<b>92.167</b>

The Group has 12.897 of revenue and 4.140 of operating income from terminal operations classified under agricultural operations for the period of 1 January - 31 March 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 THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2013

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

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

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

Balance sheet	31 March 2013				
	Contracting	Agriculture	Real Estate	Other	Total
Total assets	2.181.359	1.067.712	28.422	1.153.311	4.430.804
Current and non-current liabilities	1.658.784	419.406	5.360	96.837	2.180.387
Equity attributable to owners of the parent	391.355	442.837	22.543	1.367.163	2.223.898
Non-controlling interests	26.248	119	-	152	26.519

  

Balance sheet	31 December 2012				
	Contracting	Agriculture	Real Estate	Other	Total
Total assets	1.985.903	964.974	25.723	1.107.309	4.083.909
Current and non-current liabilities	1.514.797	345.340	3.957	108.550	1.972.644
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

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 THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2013

(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 three month interim periods ended 31 March 2013 and 2012 is as follows:

	1 January - 31 March 2013				
	Contracting	Agriculture	Real Estate	Other	Total
Capital expenditures (*)	5.903	6.672	43	50	12.668
Depreciation and amortization expense for the period (**)	14.325	3.030	62	1.265	18.682

  

	1 January - 31 March 2012				
	Contracting	Agriculture	Real Estate	Other	Total
Capital expenditures (*)	40.292	7.012	61	99	47.464
Depreciation and amortization expense for the period (**)	16.725	2.647	61	1.299	20.732

(\*) Fixed assets purchases through financial lease are also included (2013: None, 2012: 19.428).

(\*\*) Depreciation expense of 1.263 is capitalized within the cost of inventory (31 March 2012: 1.169).

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 THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2013

(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 - 31 March 2013)	791.501	167.527	55.437	70.385	1.083	(27.403)	1.058.530
Total assets (31 March 2013)	4.773.601	1.417.096	443.561	640.145	116.759	(2.960.358)	4.430.804
Capital expenditures (1 January - 31 March 2013) (*)	9.898	353	78	2.339	-	-	12.668
	Turkey	CIS	Northern Africa	Middle Eastern Countries	Other	Eliminations	Total
Revenue (1 January - 31 March 2012)	722.154	158.434	45.862	122.664	8.017	(56.952)	1.000.179
Total assets (31 December 2012)	4.294.480	1.307.711	405.175	666.732	70.672	(2.660.861)	4.083.909
Capital expenditures (1 January - 31 March 2012) (*)	32.843	3.504	2.262	8.855	-	-	47.464

(\*) Fixed assets purchases through financial lease are also included (2013: None, 2012: 19.428).

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 THREE MONTH INTERIM PERIOD ENDED 31 MARCH 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 1.068.730 (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:

	31 March 2013	31 December 2012
<u>Short term trade receivables</u>		
Contract receivables	616.533	414.998
Receivables from Agriculture group operations	188.864	127.804
Other trade receivables	31.196	28.991
Provision for doubtful receivables	(18.298)	(17.090)
Retention receivables (Note: 10)	33.011	47.730
Due from related parties	11.080	10.244
Other	3.190	4.133
	<u>865.576</u>	<u>616.810</u>
<u>Long term trade receivables</u>		
Retention receivables (Note: 10)	117.784	120.182
	<u>117.784</u>	<u>120.182</u>

Average maturity date for trade receivables varies between the segments. Average maturity date for Contracting segment, for projects in abroad is 103 days (31 December 2012: 73 days), for domestic projects is 53 days (31 December 2012: 36 days), for Agriculture segment is 35 days (31 December 2012: 34 days) and for other segments is 66 days (31 December 2012: 52 days).

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

	2013	2012
Provision as at 1 January	(17.090)	(11.536)
Charge for the year	(1.763)	-
Collected	533	639
Currency translation effect	22	(1)
Provision as at 31 March	<u>(18.298)</u>	<u>(10.898)</u>

1.763 of doubtful receivable charge for the period has been charged to general administration expenses (2012: None).

## TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 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:

	31 March 2013	31 December 2012
<b>Short term trade payables</b>		
Contract payables	608.097	603.261
Trade payables from Agriculture group operations	353.925	269.705
Due to related parties	1.359	834
Retention payables (Note: 10)	20.150	19.692
Other trade payables	11.749	12.561
	<u>995.280</u>	<u>906.053</u>
	31 March 2013	31 December 2012
<b>Long term trade payables</b>		
Retention payables (Note: 10)	10.078	9.267
Contract payables	249	90
	<u>10.327</u>	<u>9.357</u>

For Agriculture Group, payables attributable to inventory supplied through imports constitute 96% (31 December 2012: 95%) of trade payables as at balance sheet date and average payable period for these import purchases is 119 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 22% (31 December 2012: 23%) of trade payables as at balance sheet date. The average payable period for these import purchases is 95 days (31 December 2012: 111 days) whereas the average payable period for other purchases is 82 days (31 December 2012: 97 days).

For the other operations of the Group, the average payable period is 36 days (31 December 2012: 36 days).

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2013

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

### 9. INVENTORIES

	31 March 2013	31 December 2012
Raw materials	33.301	46.932
Work in progress	55.616	105.171
Finished goods	10.077	48.991
Trading goods	22.967	50.516
Goods in transit	88.950	52.308
Inventory from real estate projects	3.341	5.970
Inventory at construction sites	98.537	86.731
Other inventories (*)	30.906	30.635
Allowance for impairment on inventory (-)	(983)	(983)
	<u>342.712</u>	<u>426.271</u>

(\*) As of 31 March 2013, other inventories consist of operating supplies amounting to 15.068, spare parts amounting to 15.083 and other inventory amounting to 755 (31 December 2012: 16.066 operating supplies, 14.379 spare parts and 190 other).

<u>Movement of allowance for impairment of inventory</u>	<u>2013</u>	<u>2012</u>
Provision as of 1 January	(983)	(1.027)
Currency translation effect	(14)	63
Provision released	14	-
Provision as of 31 March	<u>(983)</u>	<u>(964)</u>

Impairment of inventory is included in cost of revenue.

Group has identified some inventories whose net realizable value is less than its current cost. Accordingly, the amount of 983 (31 March 2012: 964) has been determined as provision for allowance for impairment on inventory. As of 31 March 2013, total amount of the inventory shown at net realizable value is 1.949 (31 March 2012: 948).



# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2013

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

### 10. CONSTRUCTION CONTRACTS

	31 March 2013	31 December 2012
Cost incurred on uncompleted contracts	6.052.950	5.978.983
Recognised gain less losses (net)	600.589	531.133
	<u>6.653.539</u>	<u>6.510.116</u>
Less: Billings to date (-)	(6.237.934)	(6.032.887)
	<u>415.605</u>	<u>477.229</u>

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

	31 March 2013	31 December 2012
From customers under construction contracts	663.679	649.604
To customers under construction contracts	(248.074)	(172.375)
	<u>415.605</u>	<u>477.229</u>

	31 March 2013	31 December 2012
<u>Receivables from uncompleted contracts</u>		
Contracts undersigned abroad	643.527	614.002
Contracts undersigned in Turkey	20.152	35.602
	<u>663.679</u>	<u>649.604</u>
<u>Payables to uncompleted contracts</u>		
Contracts undersigned abroad	(157.427)	(62.240)
Contracts undersigned in Turkey	(90.647)	(110.135)
	<u>(248.074)</u>	<u>(172.375)</u>
	<u>415.605</u>	<u>477.229</u>

The Group has 36.491 of advances given to subcontractors and other suppliers for construction projects classified in other current assets (31 December 2012: 34.968). Also, the Group has 186.521 of advances received for contracting projects classified in other short term liabilities (31 December 2012: 206.547).

As of 31 March 2013, the Group has 30.228 of retention payables to subcontractors (31 December 2012: 28.959). Also, the amount of retention receivables is 150.795 (31 December 2012: 167.912) (Note: 8).

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 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
		31 March 2013	31 December 2012		
Hishtil Toros Fidecilik San. ve Tic. A.Ş.	Turkey	50,00 %	50,00 %	50,00 %	Agriculture
Azfen Birge Müessesesi	Azerbaijan	40,00 %	40,00 %	40,00 %	Construction
Blacksea Gübre Ticaret A.Ş.	Turkey	30,00 %	30,00 %	30,00 %	Fertilizer Trade
Florya Gayrimenkul	Turkey	50,00 %	50,00 %	50,00 %	Real Estate
Tekfen Oz Gayrimenkul Geliştirme A.Ş. (*)	Turkey	-	16,40 %	50,00 %	Real Estate
Eurobank Tekfen A.Ş. (**)	Turkey	-	-	-	Banking

(\*) 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.

(\*\*) Group has sold all its shares in Eurobank Tekfen to Burgan Bank S.A.K. at a value of 343.532 on 21 December 2012.

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

Financial Position	31 March 2013			Group's share in net assets of subsidiaries
	Total assets	Total liabilities	Net assets	
Hishtil	27.165	16.778	10.387	5.193
Azfen	165.044	91.986	73.058	29.223
Black Sea Gübre	15.761	14.461	1.300	389
Florya Gayrimenkul	125.448	2.500	122.948	61.474
Tekfen Oz	-	-	-	-
Eurobank Tekfen	-	-	-	-
	<u>333.418</u>	<u>125.725</u>	<u>207.693</u>	<u>96.279</u>
Financial Position	31 December 2012			Group's share in net assets of subsidiaries
	Total assets	Total liabilities	Net assets	
Hishtil	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
Eurobank Tekfen	-	-	-	-
	<u>281.266</u>	<u>125.684</u>	<u>155.582</u>	<u>42.539</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 THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2013

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

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

	1 January - 31 March 2013		
	Revenue	Profit / (loss) for the year	Group's share on subsidiaries' profit/loss for the year
Hishtil	4.767	138	69
Azfen	64.071	14.897	5.959
Black Sea Gübre	14.702	479	143
Florya Gayrimenkul	-	(173)	(86)
Tekfen Oz	801	166	27
Eurobank Tekfen	-	-	-
	<u>84.341</u>	<u>15.507</u>	<u>6.112</u>

  

	1 January - 31 March 2012		
	Revenue	Profit for the year	Group's share on subsidiaries' profit/loss for the year
Hishtil	6.811	412	206
Azfen	50.271	2.431	972
Black Sea Gübre	-	-	-
Florya Gayrimenkul	-	-	-
Tekfen Oz	78.823	102	17
Eurobank Tekfen	162.256	19.457	5.693
	<u>298.161</u>	<u>22.402</u>	<u>6.888</u>

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 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	12.767	164	56
Additions	12.245	408	15
Disposals	(7.149)	(78)	-
Transfers as capital in kind	-	-	(15.191)
Transfers	(91)	91	-
Closing balance as of 31 March 2013	<u>2.032.851</u>	<u>17.277</u>	<u>104.171</u>
<b>Accumulated Depreciation and Amortization</b>			
Opening balance as of 1 January 2013	(1.266.574)	(14.001)	(26.466)
Currency translation effect	(7.472)	(144)	-
Charge for the period	(19.104)	(174)	(667)
Disposals	6.529	77	-
Transfers as capital in kind	-	-	2.714
Closing balance as of 31 March 2013	<u>(1.286.621)</u>	<u>(14.242)</u>	<u>(24.419)</u>
Carrying value as of 31 March 2013	<u><u>746.230</u></u>	<u><u>3.035</u></u>	<u><u>79.752</u></u>

	Property, plant and equipment	Intangible assets	Investment property
<b>Cost Value</b>			
Opening balance as of 1 January 2012	1.928.643	15.679	118.553
Currency translation effect	(56.717)	(621)	(235)
Additions	46.702	762	-
Disposals	(12.011)	-	-
Closing balance as of 31 March 2012	<u>1.906.617</u>	<u>15.820</u>	<u>118.318</u>
<b>Accumulated Depreciation and Amortization</b>			
Opening balance as of 1 January 2012	(1.250.482)	(13.761)	(23.485)
Currency translation effect	34.250	586	-
Charge for the period	(20.927)	(232)	(742)
Disposals	11.971	-	-
Closing balance as of 31 March 2012	<u>(1.225.188)</u>	<u>(13.407)</u>	<u>(24.227)</u>
Carrying value as of 31 March 2012	<u><u>681.429</u></u>	<u><u>2.413</u></u>	<u><u>94.091</u></u>

Property, plant and equipment includes fixed assets with carrying value of 143.115 purchased through financial lease (31 March 2012: 91.927). These 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, there are not any property, plant and equipment purchases through financial lease (31 March 2012: 19.428)

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. The fair value of the investment properties as of 31 March 2013 is 339.490 (31 March 2012: 376.221) 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 THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2013

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

### 13. FINANCIAL DEBTS

The Company's bank loans, utilized to finance its working capital flow are reclassified as long term whose maturities passed 31 March 2014 according to their opening dates. Annual weighted average interest rate of the existing short term loans in term of US Dollars is 3,77% (31 December 2012: 4,89%).

### 14. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

	31 March 2013	31 December 2012
<u>Provisions</u>		
Provision for litigation	7.808	8.248
Other provisions	1.471	834
	<u>9.279</u>	<u>9.082</u>

Movement of provision for litigation is as follows:

	2013	2012
Provision as of 1 January	8.248	8.273
Provision paid (-)	(439)	-
Charge for the period	-	20
Provision released	-	(79)
Currency translation effect	(1)	(234)
Provision as of 31 March	<u>7.808</u>	<u>7.980</u>

#### Litigations:

As of 31 March 2013, lawsuit filed against the Group is totally 78.460 (31 December 2012: 74.504) and the management has decided to accrue 7.808 (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, the Group foresees no significant risks 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.

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 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 31 March 2013 and 31 December 2012 are as follows:

31 March 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	-	-	-	-
B. GPM given on behalf of subsidiaries that are included in full consolidation	1.812.869	676.392	61.192	447.580
-Guarantee	1.812.869	676.392	61.192	447.580
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
C. GPM given in order to guarantee third parties' debts for the routine trade operations	736	-	-	736
-Guarantee	736	-	-	736
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
D. Total amounts of other GPM given (*)	68.670	32.080	-	10.647
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	68.670	32.080	-	10.647
-Guarantee	67.170	32.080	-	9.147
-Pledge	-	-	-	-
-Mortgage	1.500	-	-	1.500
iii. Total amount of GPM given on behalf of third parties that are not included group C	-	-	-	-
<b>Total as of 31 March 2013</b>	<b>1.882.275</b>	<b>708.472</b>	<b>61.192</b>	<b>458.963</b>
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	-	-	-	-
B. GPM given on behalf of subsidiaries that are included in full consolidation	1.725.631	586.143	93.796	460.193
-Guarantee	1.725.631	586.143	93.796	460.193
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
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 (*)	76.496	39.485	18	6.068
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	76.496	39.485	18	6.068
-Guarantee	74.996	39.485	18	4.568
-Pledge	-	-	-	-
-Mortgage	1.500	-	-	1.500
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>	<b>1.803.404</b>	<b>625.628</b>	<b>93.814</b>	<b>467.538</b>

As of 31 March 2013, the ratio of other GPMs given by the Group mentioned in D item to Group's total equity is 3,05% (31 December 2012: 3,62%).

(\*) According to the amendments in IFRS 11 "Joint Arrangements", GPMs relating to Azfen and Hishtil companies are reclassified to D item retrospectively.

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2013

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

### 16. EMPLOYEE BENEFITS

	31 March 2013	31 December 2012
Short Term Employee Benefits:		
Retirement pay provision	3.742	412
Unused vacation pay liability provision	15.778	13.223
Premium provision	2.871	11.755
Wages and other employee benefits	19.288	17.702
	<u>41.679</u>	<u>43.092</u>
Long Term Employee Benefits:		
Retirement pay provision	39.923	42.169
	<u>31 March 2013</u>	<u>31 December 2012</u>
Short term retirement pay provision	3.742	412
Long term retirement pay provision	39.923	42.169
	<u>43.665</u>	<u>42.581</u>
	<u>Retirement Pay Provision</u>	<u>Premium Provision</u>
Opening balance as of 1 January 2013	42.581	11.755
Currency translation effect	177	(55)
Service expense	4.947	2.804
Interest expense	122	-
Provision paid	(3.575)	(11.633)
Actuarial gain	(587)	-
Closing balance as of 31 March 2013	<u>43.665</u>	<u>2.871</u>
Opening balance as of 1 January 2012	39.984	11.332
Currency translation effect	(1.123)	(9)
Service expense	4.256	2.966
Interest expense	398	-
Provision paid	(3.738)	(11.390)
Actuarial gain	(63)	-
Closing balance as of 31 March 2012	<u>39.714</u>	<u>2.899</u>

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

# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2013

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

### 17. SIGNIFICANT RELATED PARTY TRANSACTIONS

According to IAS 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, the related party of the Group, in term of TL is 12,14% and in terms of US Dollars is 5,40%, and 9.700 of interest income is earned within the three month interim period ended 31 March 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 31 March 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.

### 18. EARNINGS PER SHARE

	1 January - 31 March 2013	1 January - 31 March 2012
Average number of ordinary shares outstanding during the period (in full)	370.000.000	370.000.000
Net profit for the period attributable to owners of the parent (thousands TL)	147.150	92.372
Earnings per share from operations (TL)	0,398	0,250



# TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2013

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

### 19. FINANCIAL INCOME AND FINANCIAL EXPENSE

#### Financial Income:

	1 January - 31 March 2013	1 January - 31 March 2012
Foreign exchange gains	34.388	57.202
Interest income	17.319	16.494
Due date difference income	2.544	2.733
Dividend income	4.927	2.080
Discount income	2.578	265
Other	2	16
	<u>61.758</u>	<u>78.790</u>

#### Financial Expense:

	1 January - 31 March 2013	1 January - 31 March 2012
Foreign exchange losses	(35.345)	(47.575)
Interest expense	(7.176)	(4.364)
Due date difference expense	-	(298)
Discount expense	(276)	(1.317)
Other finance expenses	(8)	(962)
	<u>(42.805)</u>	<u>(54.516)</u>

**TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2013**

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

**20. FOREIGN CURRENCY POSITION**

31 March 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	186.480	8.574	33.214	7	93.936
2. Monetary Financial Assets	396.661	157.353	8.104	9	93.241
3. Other	96.913	45.465	1.161	43	11.876
<b>4. CURRENT ASSETS</b>	<b>680.054</b>	<b>211.392</b>	<b>42.479</b>	<b>59</b>	<b>199.053</b>
5. Trade Receivables	46.621	8.478	10.517	-	6.900
6. Monetary Financial Assets	4.057	-	17	-	4.018
7. Other	65.007	27.600	6.506	-	-
<b>8. NON CURRENT ASSETS</b>	<b>115.685</b>	<b>36.078</b>	<b>17.040</b>	<b>-</b>	<b>10.918</b>
<b>9. TOTAL ASSETS</b>	<b>795.739</b>	<b>247.470</b>	<b>59.519</b>	<b>59</b>	<b>209.971</b>
10. Trade Payables	791.282	203.440	68.948	335	262.565
11. Financial Liabilities	49.477	15.590	6.854	-	5.386
12. Monetary Other Liabilities	104.881	28.567	7.335	-	36.203
12b. Non Monetary Other Liabilities	1.205	637	23	-	-
<b>13. CURRENT LIABILITIES</b>	<b>946.845</b>	<b>248.234</b>	<b>83.160</b>	<b>335</b>	<b>304.154</b>
14. Trade Payables	4.371	-	10	-	4.348
15. Financial Liabilities	19.991	1.262	7.442	-	452
16. Monetary Other Liabilities	13.034	486	-	-	12.155
<b>17. NON CURRENT LIABILITIES</b>	<b>37.396</b>	<b>1.748</b>	<b>7.452</b>	<b>-</b>	<b>16.955</b>
<b>18. TOTAL LIABILITIES</b>	<b>984.241</b>	<b>249.982</b>	<b>90.612</b>	<b>335</b>	<b>321.109</b>
19. Net foreign currency assets / liabilities position	(188.502)	(2.512)	(31.093)	(276)	(111.138)
20. Monetary items net foreign currency assets / liabilities position (1+2+5+6-10-11-12-14-15-16)	(349.217)	(74.940)	(38.737)	(319)	(123.014)
21. Export	42.058	8.940	11.210	-	-
22. Import	235.119	128.853	4.153	88	-

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**TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 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
4. CURRENT ASSETS	573.590	150.430	84.561	63	106.390
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	-	-
8. NON CURRENT ASSETS	44.816	61	14.543	-	10.506
9. TOTAL ASSETS	618.406	150.491	99.104	63	116.896
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	-	-
13. CURRENT LIABILITIES	839.616	180.294	88.519	348	309.055
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
17. NON CURRENT LIABILITIES	36.198	1.741	7.996	-	14.290
18. TOTAL LIABILITIES	875.814	182.035	96.515	348	323.345
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)
21. Export	139.014	66.617	8.114	-	-
22. Import	1.125.751	532.495	67.321	2.298	44

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 THREE MONTH INTERIM PERIOD ENDED 31 MARCH 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 three 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.

	31 March 2013	
	Profit / Loss	
	Appreciation of foreign currencies	Depreciation of foreign currencies
	If US Dollars changes 5% against TL	
US Dollars net assets / liabilities	(227)	227
	If Euro changes 5% against TL	
Euro net assets / liabilities	(3.605)	3.605
	If other foreign currencies changes 5% against TL	
Other foreign currency net assets / liabilities	(5.593)	5.593
TOTAL	(9.425)	9.425
	31 December 2012	
	Profit / Loss	
	Appreciation of foreign currencies	Depreciation of foreign currencies
	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
TOTAL	(12.870)	12.870

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

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

As of 9 May 2013, there is a negative change of 5.025 in the fair value of Akmerkez Gayrimenkul Yatırım Ortaklığı, the associate of the Company, whose shares are publicly traded after the balance sheet date.