

**TEKFEN HOLDİNG ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE THREE MONTH
INTERIM PERIOD
ENDED 31 MARCH 2015

(Translated into English from the report
originally issued Turkish)

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TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2015

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

ASSETS	Notes	Unaudited 31 March 2015	Audited 31 December 2014
Current Assets		3.560.071	3.255.170
Cash and cash equivalents	7	1.246.025	1.047.449
Financial investments		-	41.411
Trade receivables	8	839.637	704.388
- <i>Related party receivables</i>		19.840	17.819
- <i>Trade receivables</i>		819.797	686.569
Other receivables		10.219	3.053
- <i>Related party receivables</i>		7.628	-
- <i>Other receivables</i>		2.591	3.053
Inventories	9	625.238	722.479
Receivables from ongoing construction contracts	10	565.510	409.086
Prepaid expenses		67.272	77.514
Assets related with current tax		40.324	52.872
Other current assets		146.821	177.433
		<u>3.541.046</u>	<u>3.235.685</u>
Assets classified as held for sale	4(b)	19.025	19.485
Non Current Assets		1.786.134	1.700.312
Financial investments		73.575	68.745
Trade receivables	8	93.575	88.205
- <i>Related party receivables</i>		-	-
- <i>Trade receivables</i>		93.575	88.205
Other receivables		3.305	2.966
- <i>Related party receivables</i>		-	-
- <i>Other receivables</i>		3.305	2.966
Investments valued by equity method	11	142.334	149.307
Investment property	12	91.985	78.334
Property, plant and equipment	12	1.247.454	1.185.759
Intangible assets	12	5.735	4.714
Prepaid expenses	4(b)	21.743	21.947
Deferred tax assets		49.251	47.076
Other non current assets		57.177	53.259
TOTAL ASSETS		<u>5.346.205</u>	<u>4.955.482</u>

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 2015

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

LIABILITIES	Notes	Unaudited 31 March 2015	Audited 31 December 2014
Current Liabilities		2.601.793	2.277.766
Short term financial debts	13	654.294	676.552
Short term portion of long term financial debts		147.036	21.679
Trade payables	8	1.292.620	1.106.045
- <i>Related party payables</i>		352	519
- <i>Trade payables</i>		1.292.268	1.105.526
Employee benefit payables		32.244	34.126
Other payables		16.299	15.273
- <i>Related party payables</i>		-	21
- <i>Other payables</i>		16.299	15.252
Advances received		285.164	232.224
Deferred revenue		10.334	5.618
Current tax liability		32.662	45.733
Ongoing construction progress payments	10	55.812	55.003
Short term provisions	14	55.479	74.127
- <i>Short term provisions attributable to employee benefits</i>		27.813	46.665
- <i>Other short term provisions</i>		27.666	27.462
Other short term liabilities		19.849	11.386
Non Current Liabilities		677.048	681.652
Long term financial debts	13	335.237	389.702
Trade payables	8	91.317	79.190
Other payables		20.912	24.213
Advances received	4(b)	127.088	87.128
Long term provisions	14	40.092	36.714
- <i>Long term provisions attributable to employee benefits</i>		40.027	36.649
- <i>Other long term provisions</i>		65	65
Deferred tax liabilities		61.698	63.938
Government incentives and grants		704	767
EQUITY	5, 17	2.067.364	1.996.064
Equity Attributable To Owners Of The Parent		2.035.160	1.959.165
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		(378)	(658)
- <i>Gain on revaluation and remeasurement</i>		(378)	(658)
Accumulated other comprehensive income or loss that will be reclassified in profit or loss		201.007	213.534
- <i>Currency translation reserve</i>		146.359	163.474
- <i>Gain on revaluation and reclassification</i>		54.648	50.060
Legal reserves		167.303	140.185
Retained earnings		908.762	875.736
Net profit for the period		84.007	55.909
Non-controlling Interests		32.204	36.899
TOTAL EQUITY AND LIABILITIES		5.346.205	4.955.482

The accompanying notes form an integral part of these condensed consolidated financial statements.
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TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2015

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

	Notes	Unaudited 1 January - 31 March 2015	Unaudited 1 January - 31 March 2014
Revenue		1.091.192	1.148.554
Cost of revenue (-)		(975.956)	(933.003)
GROSS PROFIT		115.236	215.551
General administrative expenses (-)		(34.169)	(31.914)
Marketing expenses (-)		(38.551)	(36.172)
Other operating income	19	85.508	44.564
Other operating expenses (-)	19	(107.845)	(52.347)
Share on profit / loss of investments valued using equity method	11	6.539	225
OPERATING PROFIT		26.718	139.907
Investment income		12.820	7.271
Investment expense (-)		(21)	(7)
PROFIT BEFORE FINANCIAL INCOME/(EXPENSE)		39.517	147.171
Financial income	20	72.966	63.155
Financial expense (-)	20	(24.652)	(38.779)
PROFIT BEFORE TAXATION		87.831	171.547
Tax expense		(2.994)	(29.100)
Tax expense for the period		(10.775)	(27.498)
Deferred tax expense		7.697	(1.283)
Currency translation reserve		84	(319)
PROFIT FOR THE PERIOD		84.837	142.447
Distribution of Net Profit For The Period			
Non-controlling interests		830	65
Owners of the parent		84.007	142.382
Earnings Per Share	18	0,227	0,385

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TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2015

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

	Unaudited 1 January - 31 March 2015	Unaudited 1 January - 31 March 2014
PROFIT FOR THE PERIOD	84.837	142.447
OTHER COMPREHENSIVE INCOME/(EXPENSE):		
<u>Items that will not be reclassified to profit or loss</u>	280	(582)
Gain on revaluation of defined retirement benefit plans	350	(728)
Taxes based on other comprehensive income that will not be reclassified to profit or loss	(70)	146
<i>Deferred tax (expense)/income</i>	(70)	146
<u>Items that may be reclassified to profit or loss</u>	(18.052)	17.118
Gain/(loss) on revaluation of available for sale financial investments	4.829	14.269
Currency translation reserve differences	(22.640)	3.562
Taxes based on other comprehensive income that will be reclassified to profit or loss	(241)	(713)
<i>Deferred tax expense</i>	(241)	(713)
OTHER COMPREHENSIVE (EXPENSE)/INCOME	(17.772)	16.536
TOTAL COMPREHENSIVE INCOME	67.065	158.983
Distribution of Total Comprehensive Income For The Period		
Non-controlling interests	(4.695)	900
Owners of the parent	71.760	158.083

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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 2015

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

	Paid in capital	Capital structure adjustment	Premiums in capital stock	Gain on revaluation and remeasurement	Gain on revaluation and reclassification	Currency translation reserve	Legal reserves	Retained earnings	Net profit for the period	Equity attributable to owners of the parent	Non controlling interests	Total
Opening balance as of 1 January 2014	370.000	3.475	300.984	2.470	45.179	149.095	120.830	962.382	(64.261)	1.890.154	32.043	1.922.197
<i>Other comprehensive income</i>	-	-	-	(582)	13.556	2.727	-	-	-	15.701	835	16.536
<i>Net profit for the period</i>	-	-	-	-	-	-	-	-	142.382	142.382	65	142.447
Total comprehensive income	-	-	-	(582)	13.556	2.727	-	-	142.382	158.083	900	158.983
Fair value of redeemed shares	-	-	-	-	-	-	-	505	-	505	-	505
Transfers to retained earnings	-	-	-	-	-	-	-	(64.261)	64.261	-	-	-
Transfers to reserves from retained earnings	-	-	-	-	-	-	10.122	(10.122)	-	-	-	-
Closing balance as of 31 March 2014	370.000	3.475	300.984	1.888	58.735	151.822	130.952	888.504	142.382	2.048.742	32.943	2.081.685
Opening balance as of 1 January 2015	370.000	3.475	300.984	(658)	50.060	163.474	140.185	875.736	55.909	1.959.165	36.899	1.996.064
<i>Other comprehensive income</i>	-	-	-	280	4.588	(17.115)	-	-	-	(12.247)	(5.525)	(17.772)
<i>Net profit for the period</i>	-	-	-	-	-	-	-	-	84.007	84.007	830	84.837
Total comprehensive income	-	-	-	280	4.588	(17.115)	-	-	84.007	71.760	(4.695)	67.065
Fair value of redeemed shares	-	-	-	-	-	-	-	4.235	-	4.235	-	4.235
Transfers to retained earnings	-	-	-	-	-	-	-	55.909	(55.909)	-	-	-
Transfers to reserves from retained earnings	-	-	-	-	-	-	27.118	(27.118)	-	-	-	-
Closing balance as of 31 March 2015	370.000	3.475	300.984	(378)	54.648	146.359	167.303	908.762	84.007	2.035.160	32.204	2.067.364

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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 2015

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

	Notes	Unaudited 1 January - 31 March 2015	Unaudited 1 January - 31 March 2014
A. CASH FLOWS FROM OPERATING ACTIVITIES		235.883	318.823
Profit for The Period		84.837	142.447
Adjustments to Reconcile Net Profit		5.399	52.121
- Depreciation and Amortization	12	24.505	21.120
- Impairment / Reversed Provision	9	505	(68)
- Provision Adjustments	8, 14	12.273	21.821
- Interest Expense and Income	20	(15.540)	(12.363)
- Group's Share on Profit of Investments in Associates Accounted by Equity Method	11	(6.539)	(225)
- Dividend Income		(7.661)	(5.765)
- Gain / Loss on Fair Valuation		2	5
- Allowance for Taxation		2.994	29.100
- Gain / Loss on Sale of Fixed Assets	12	(5.140)	(1.504)
Movements in Working Capital		175.162	150.943
- Changes in Inventories	9	98.692	53.920
- Changes in Trade Receivables	8	(171.481)	59.042
- Changes in Retention Receivables	8	18.626	50.330
- Changes in Other Assets		38.068	(3.376)
- Changes in Receivables from Ongoing Construction Contracts	10	(156.424)	(59.637)
- Changes in Trade Payables	8	199.089	(50.762)
- Changes in Other Liabilities		106.372	42.808
- Changes in Receivables from Ongoing Construction Progress Payments	10	809	9.499
- Other Changes in Working Capital		41.411	49.119
Cash Generated by Operating Activities		265.398	345.511
Interest Paid		(5.845)	(6.328)
Interest Received		18.005	20.060
Tax Paid / Return		(11.298)	(17.360)
Penalty of Litigation Paid	14	(60)	(36)
Retirement Pay Provision and Premiums Paid	14	(27.012)	(20.040)
Unused Vacation Paid	14	(3.305)	(2.525)
Other Provision Paid	14	-	(459)

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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 2015

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

	Notes	Unaudited 1 January - 31 March 2015	Unaudited 1 January - 31 March 2014
B. CASH FLOWS FROM INVESTING ACTIVITIES		(62.348)	(63.483)
Proceeds from Sale of Tangible and Intangible Assets	12	5.568	2.431
Acquisition of Tangible and Intangible Assets	12	(75.174)	(87.512)
Advances and Debts Given		(403)	15.833
Dividend Received		7.661	5.765
C. CASH FLOWS FROM FINANCING ACTIVITIES		(34.347)	8.302
Proceeds from Borrowings		266.521	240.754
Repayments of Borrowings		(294.384)	(217.903)
Payments of Financial Lease Obligations		(6.484)	(14.549)
CHANGE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION RESERVE EFFECT		139.188	263.642
D. CURRENCY TRANSLATION RESERVE EFFECT ON CASH AND CASH EQUIVALENTS		59.388	10.766
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		198.576	274.408
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		1.047.449	1.055.153
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		1.246.025	1.329.561

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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 2015

(Amounts are expressed in thousands of Turkish Lira (“TRY”) 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 2015, the Group has 11.198 employees (31 December 2014: 13.878) including the personnel of subcontractors. Registered address of the Company is Kültür Mahallesi, Budak 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 branches of the Group as of 31 March 2015:

The projects of Tekfen İnşaat – Abu Dhabi Branch and Tekfen İnşaat – Muscat Branch, which are recognised in the consolidated financial statements as of 31 December 2014 with the full consolidation method by the Group, are completed.

Approval of condensed consolidated financial statements:

The condensed consolidated financial statements are approved and published by the Board of Directors as of 7 May 2015.

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 local currencies and 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 (“TAS”/“TFRS”) 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.

The Group has preferred to disclose its interim consolidated financial statements as of 31 March 2015 in condensed format in accordance with TAS 34 “Interim Financial Reporting” standard. The descriptions and disclosures which are needed in the financial statements prepared annually complying with TAS 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 2014 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 2014.

Exchange rates used in the consolidation process as of 31 March 2015 are; 1 USD= 2,6102 TRY, 1 EUR= 2,8309 TRY, 1 MAD= 0,26428 TRY, 1 SAR= 0,69605 TRY, 1 QAR= 0,71512 TRY (Exchange rates as of 31 December 2014 are; 1 USD= 2,3189 TRY, 1 EUR= 2,8207 TRY, 1 MAD= 0,25785 TRY, 1 SAR= 0,61837 TRY, 1 QAR=0,63532 TRY).

TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2015

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

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

Comparative Information and Reclassification of Prior Period Condensed Consolidated Financial Statements

Condensed consolidated financial statements of the Group have been prepared comparatively with the prior period in order to give information about financial position and performance. In order to maintain consistency with current year condensed consolidated financial statements, comparative information is reclassified and significant changes are disclosed if necessary. The Group had made a reclassification in prior period condensed consolidated financial statements in order to provide conformity with the current period's presentation. The nature, reason and amount the reclassification is described below:

The amount of 9.078 which is presented as gross in foreign currency translation income amounted to 12.888 and foreign currency translation loss amounted to 10.876, is netted off with the reclassification between "Financial Income" and "Financial Expense" accounts in the condensed consolidated financial statements as of 31 March 2014. In the scope of TAS 33 Earnings per share, this reclassification has no effect on earnings per share calculation.

3. ADOPTION OF NEW AND REVISED STANDARDS

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

(a) Amendments in TASs affecting the notes and amounts in the financial statements:

None.

(b) Standards and interpretations and amendments to existing standards that are effective as of the year 2015, but not affecting the financial statements of the Group:

- TAS 19 (amendments), "Employee Benefits", will be effective for annual periods beginning after 30 June 2014.
- Annual Improvements to 2010 – 2012 Cycle (TFRS 2, TFRS 3, TFRS 8, TFRS 13, TAS 16 and TAS 38, TAS 24, TFRS 9, TAS 37, TAS 39), will be effective for annual periods beginning after 30 June 2014.
- Annual Improvements to 2011 – 2013 Cycle (TFRS 3, TFRS 13 and TAS 40), will be effective for annual periods beginning after 30 June 2014.

(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:

- TFRS 9, "Financial Instruments", will be effective for annual periods beginning on or after 31 December 2015.
- TFRS 9 and TFRS 7 (amendments), "Mandatory Effective Date of TFRS 9 and Transition Disclosures", mandatory effective date of TFRS 9 has been postponed and it will not be earlier than 1 January 2018.
- TAS 16 and TAS 38 (amendments), "Clarification of Acceptable Methods of Depreciation and Amortisation", will be effective for annual periods beginning after 31 December 2015.
- TAS 16 and TAS 41 (amendments) and TAS 1, TAS 17, TAS 23, TAS 36 and TAS 40 (amendments), "Agriculture: Bearer Plants", will be effective for annual periods beginning after 31 December 2015.
- TFRS 11 and TFRS 1 (amendments), "Accounting for Acquisition of Interests in Joint Operations", will be effective for annual periods beginning after 31 December 2015.
- Annual Improvements to 2011-2013 Cycle (TFRS 1), will be effective for annual periods beginning after 1 January 2016.
- TAS 1 (amendments), "Disclosure Initiative", will be effective for annual periods beginning after 1 January 2016.
- Annual Improvements to 2012-2014 Cycle (TFRS 5, TFRS 7, TAS 34, TAS 19), will be effective for annual periods beginning after 1 January 2016.
- TAS 27 (amendments), "Equity Method in Separate Financial Statements", will be effective for annual periods beginning after 1 January 2016.
- TFRS 10 and TAS 28 (amendments), "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture", will be effective for annual periods beginning after 1 January 2016.
- TFRS 10, TFRS 12 and TAS 28 (amendments), "Investment Entities: Applying the Consolidation Exception", will be effective for annual periods beginning after 1 January 2016.

TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH INTERIM PERIOD ENDED 31 MARCH 2015

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

4. EVENTS AND TRANSACTIONS MATERIALLY AFFECTING CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(a) Developments in Libya

As explained in detail in the consolidated financial statements of 31 December 2014, the Group resolved to proceed with an International Arbitration claim for recovery of assets in Libya. After this decision, a contract has been signed with a law firm to represent the Group and the prepararion of the case file has begun. Our work continues to send of "Request for Arbitration" within the framework to initiate the arbitration. Letters of guarantees given related to Libya project to various institutions amount to 40.221(USD 15.409 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) Other

On 11 August 2014, the Group signed a preliminary sales contract indicating that sales and transfer of shares will occur only if parties' specified conditions are fulfilled in order to sell all shares of its subsidiary, Papfen Limited Liability Company ("Papfen"), which is consolidated with the full consolidation method and whose amount of total net assets as of the balance sheet date is 5.074. Net assets of Papfen has been classified to the account of "Assets classified as held for sale" in the condensed consolidated financial statements in the current period and the final sales contract has not been signed yet, because the obligations of the parties have not been completed as of the report date.

With Toros Tarım Sanayi ve Ticaret A.Ş.'s (Toros Tarım) Board of Directors' resolution dated 20 June 2012, it is decided that an investment amounting to 605.566 (USD 232 million) will be made and 40 % of this amount will be met by shareholders' equity. With Toros Tarım's Board of Directors' resolution dated 7 January 2013, the amount of the investment is increased by 177.494 (USD 68 million) and the total amount of the investment is 783.060 (USD 300 million). As of the balance sheet date, ongoing investments are worth around 536 Million TRY after the consolidation adjustments, besides advance payments made for these investments amounting to 6.042 is classified under long term prepaid expenses. ECA (SACE) bank loan is obtained from Unicredit Bank Austria AG for related investments in August 2013. The amount used until the balance sheet date is 157.440 (EUR 55.615 thousand). A bank loan from Deutsche Bank amounting to 116.081 (EUR 41.005 thousand) is obtained up to the date of 31 March 2015 for the investments. In the subsequent period, the use of new loans has been realized from Deutsche Bank amounting to 10.418 (EUR 3.680 thousand).

Tekfen Emlak Geliştirme Yatırım ve Ticaret A.Ş., a subsidiary of the Company, recognized the advances from the pre-sales of Esenyurt Project amounting 127.088 under the long term advances received account (31 December 2014: 87.128).

5. SIGNIFICANT CHANGES IN EQUITY

Gain on Revaluation and Reclassification:

The positive change of 4.588 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 2014: positive change of 13.556).

Legal Reserves:

In accordance with the resolutions taken during the Ordinary General Assemblies of Group companies as of 31 March 2015, 27.118 of legal reserves were transferred from retained earnings in the condensed consolidated financial statements as of 31 March 2015 (31 March 2014: 10.122).

Profit Distribution:

Board of Directors offered to pay shareholders 0,11 TRY (2014: None) gross cash dividends per share attributable to the operations of the year of 2014 on 5 March 2015. That dividend payment is approved by the shareholders in General Shareholders' Meeting on 15 April 2015 and the amount is not accounted as liability in the condensed consolidated financial statements. For the operations of the year 2014, gross dividends of 40.001 and 1.048 in the aggregate 41.049 will be distributed on 25 June 2015 respectively to owners of the parent and Tekfen Eğitim Sağlık Kültür Sanat ve Doğal Varlıkları Koruma Vakfı which holds redeemed share.

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6. SEGMENTAL REPORTING

a) Segmental results

	1 January - 31 March 2015				
	Contracting	Agriculture	Real Estate	Other	Total
Revenue	484.515	586.031	7.169	13.477	1.091.192
Cost of revenue (-)	(469.333)	(491.246)	(6.247)	(9.130)	(975.956)
GROSS PROFIT	15.182	94.785	922	4.347	115.236
General administrative expenses (-)	(19.510)	(5.975)	(1.033)	(7.651)	(34.169)
Marketing expenses (-)	(288)	(35.322)	(1.098)	(1.843)	(38.551)
Other operating income	63.843	20.100	523	1.042	85.508
Other operating expenses (-)	(43.053)	(64.080)	(96)	(616)	(107.845)
Share on profit / loss of investments valued using equity method	6.582	(39)	(4)	-	6.539
OPERATING PROFIT / (LOSS)	22.756	9.469	(786)	(4.721)	26.718
Investment income	4.918	427	40	7.435	12.820
Investment expense (-)	-	-	(19)	(2)	(21)
PROFIT / (LOSS) BEFORE FINANCIAL INCOME / (EXPENSE)	27.674	9.896	(765)	2.712	39.517
Financial income	4.387	35.595	348	32.636	72.966
Financial expense (-)	(18.925)	(134)	-	(5.593)	(24.652)
PROFIT / (LOSS) BEFORE TAXATION	13.136	45.357	(417)	29.755	87.831
Tax expense	1.131	3.243	50	(7.418)	(2.994)
PROFIT / (LOSS) FOR THE PERIOD	14.267	48.600	(367)	22.337	84.837

The Group has 27.371 of revenue and 14.152 of operating income from terminal operations classified as agricultural operation for the period of 1 January – 31 March 2015.

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6. SEGMENTAL REPORTING (cont’d)

a) Segmental results (cont’d)

	1 January - 31 March 2014				
	Contracting	Agriculture	Real Estate	Other	Total
Revenue	608.967	513.688	6.692	19.207	1.148.554
Cost of revenue (-)	(556.312)	(358.403)	(5.752)	(12.536)	(933.003)
GROSS PROFIT	52.655	155.285	940	6.671	215.551
General administrative expenses (-)	(18.167)	(6.060)	(937)	(6.750)	(31.914)
Marketing expenses (-)	(245)	(33.593)	(131)	(2.203)	(36.172)
Other operating income	15.914	28.299	113	238	44.564
Other operating expenses (-)	(15.995)	(35.849)	(3)	(500)	(52.347)
Share on profit / loss of investments valued using equity method	51	175	(1)	-	225
OPERATING PROFIT / (LOSS)	34.213	108.257	(19)	(2.544)	139.907
Investment income	739	1.239	31	5.262	7.271
Investment expense (-)	-	(2)	-	(5)	(7)
PROFIT BEFORE FINANCIAL INCOME / (EXPENSE)	34.952	109.494	12	2.713	147.171
Financial income	4.188	24.597	126	34.244	63.155
Financial expense (-)	(7.609)	(16.885)	(18)	(14.267)	(38.779)
PROFIT BEFORE TAXATION	31.531	117.206	120	22.690	171.547
Tax expense	(7.722)	(16.077)	(20)	(5.281)	(29.100)
PROFIT FOR THE PERIOD	23.809	101.129	100	17.409	142.447

The Group has 20.771 of revenue and 11.303 of operating income from terminal operations classified as agricultural operation for the period of 1 January – 31 March 2014.

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6. SEGMENTAL REPORTING (cont’d)

b) As of 31 March 2015 and 31 December 2014 segmental assets and liabilities are as follows:

Balance sheet	31 March 2015				
	Contracting	Agriculture	Real Estate	Other	Total
Total assets	2.105.115	2.042.140	243.778	955.172	5.346.205
Current and non-current liabilities	1.985.945	988.028	229.589	75.279	3.278.841
Equity attributable to owners of the parent	(95.916)	705.014	15.339	1.410.723	2.035.160
Non-controlling interests	31.865	271	-	68	32.204

Balance sheet	31 December 2014				
	Contracting	Agriculture	Real Estate	Other	Total
Total assets	1.977.897	1.838.653	212.216	926.716	4.955.482
Current and non-current liabilities	1.842.845	831.979	197.434	87.160	2.959.418
Equity attributable to owners of the parent	(66.787)	657.318	15.773	1.352.861	1.959.165
Non-controlling interests	36.571	262	-	66	36.899

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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 2015 and 2014 is as follows:

	1 January - 31 March 2015				
	Contracting	Agriculture	Real Estate	Other	Total
Capital expenditures (*)	5.178	75.609	443	115	81.345
Depreciation and amortization expense for the period (**)	16.364	6.864	159	1.118	24.505
Intra-segment revenue	13.909	5.615	10	57	19.591
Inter-segment revenue	32	343	257	1.871	2.503

	1 January - 31 March 2014				
	Contracting	Agriculture	Real Estate	Other	Total
Capital expenditures (*)	13.963	78.991	93	262	93.309
Depreciation and amortization expense for the period (**)	17.652	2.280	74	1.114	21.120
Intra-segment revenue	49.670	5.899	50	53	55.672
Inter-segment revenue	20	367	141	1.763	2.291

(*) Fixed assets purchases through financial lease amounting to 3.086 (2014: 2.242) and capitalized borrowings costs amounting to 3.085 (2014: 3.555) are also included.

(**) Depreciation expense of 1.047 is deducted from the cost of inventory (31 March 2014: 3.068 added to the cost of inventory).

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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 2015)	699.969	253.176	(5.964)	165.160	945	(22.094)	1.091.192
Total assets (31 March 2015)	6.977.536	2.320.404	614.138	669.054	67.953	(5.302.880)	5.346.205
Capital expenditures (1 January - 31 March 2015)	80.477	182	-	686	-	-	81.345

	Turkey	CIS	Northern Africa	Middle Eastern Countries	Other	Eliminations	Total
Revenue (1 January - 31 March 2014)	750.800	232.332	57.328	165.071	986	(57.963)	1.148.554
Total assets (31 December 2014)	6.134.476	2.137.335	320.421	673.673	78.586	(4.389.009)	4.955.482
Capital expenditures (1 January - 31 March 2014)	80.342	2.973	-	9.994	-	-	93.309

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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 1.102.152 (31 December 2014: 909.702). 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 2015	31 December 2014
<u>Short term trade receivables</u>		
Receivables from Contracting group operations	527.377	480.159
Receivables from Agriculture group operations	274.768	157.502
Receivables from Real Estate group operations	22.021	16.729
Receivables from Other group operations	7.466	11.655
Provision for doubtful receivables	(60.900)	(56.292)
Retention receivables (Note: 10)	40.358	65.355
Due from related parties	19.840	17.819
Other	8.707	11.461
	<u>839.637</u>	<u>704.388</u>
<u>Long term trade receivables</u>		
Retention receivables (Note: 10)	77.274	70.901
Receivables from Real Estate group operations	16.301	17.304
	<u>93.575</u>	<u>88.205</u>

Post dated cheques amounting to 187.172 (31 December 2014: 126.374), notes receivables amounting to 36.478 (31 December 2014: 32.469), positive foreign currency differences amounting to 78 (31 December 2014: negative foreign currency differences amount to 12) and due date differences amounting to 4 (31 December 2014: 8) 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 88 days (31 December 2014: 66 days), for domestic projects is 33 days (31 December 2014: 35 days), for Agriculture segment is 37 days (31 December 2014: 40 days), for Real Estate group for short term trade receivables is 223 days, for long term trade receivables is 661 days (31 December 2014: short term trade receivables 115 days, long term trade receivables 625 days), and for other segments is 43 days (31 December 2014: 93 days).

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

	2015	2014
Provision as at 1 January	(56.292)	(32.675)
Charge for the period	(19)	(747)
Collected	2	53
Currency translation effect	(4.591)	(417)
Provision as at 31 March	<u>(60.900)</u>	<u>(33.786)</u>

19 (2014: 747) charge for the period has been charged to general administrative expenses.

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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 2015	31 December 2014
Short term trade payables		
Trade payables from Contracting group operations	612.066	615.611
Trade payables from Agriculture group operations	654.273	464.602
Trade payables from Real Estate group operations	5.978	5.190
Trade payables from Other group operations	8.238	7.512
Due to related parties	352	519
Retention payables (Note: 10)	11.652	12.430
Other trade payables	61	181
	<u>1.292.620</u>	<u>1.106.045</u>
	31 March 2015	31 December 2014
Long term trade payables		
Retention payables (Note: 10)	91.243	79.117
Trade payables from Contracting group operations	74	73
	<u>91.317</u>	<u>79.190</u>

Notes payables amount to 350 (31 December 2014: 141) and foreign currency differences amounting to 113.245 (31 December 2014: 61.337) are included in short and long term trade payables. There is any postdated cheques in the current period (31 December 2014: None).

For Agriculture Group, payables attributable to inventory supplied through imports constitute 96% (31 December 2014: 93%) of trade payables as at balance sheet date and average payable period for these import purchases is 120 days (31 December 2014: 164 days) whereas average payable period for domestic purchases is 30 days (31 December 2014: 30 days).

For Contracting segment, import purchases through letter of credit constitute 3% (31 December 2014: 3%) of trade payables as at balance sheet date. The average payable period for these import purchases is 79 days (31 December 2014: 90 days) whereas the average payable period for other purchases is 154 days (31 December 2014: 104 days).

The average payable period for Real Estate segment is 30 days (31 December 2014: 30 days).

For the other operations of the Group, the average payable period is 42 days (31 December 2014: 54 days).

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9. INVENTORIES

	31 March 2015	31 December 2014
Raw materials	81.146	62.378
Work in progress	63.482	86.463
Finished goods	10.167	55.911
Trading goods	48.449	122.974
Goods in transit	74.549	72.799
Inventory from real estate projects	156.344	146.170
Inventory at construction sites	160.457	147.749
Other inventories	32.188	29.074
Allowance for impairment on inventory (-)	(1.544)	(1.039)
	<u>625.238</u>	<u>722.479</u>

During the three month interim period ended 31 March 2015, borrowing costs capitalized in inventory amount to 2.698 (31 December 2014: 14.832).

<u>Movement of allowance for impairment of inventory</u>	<u>2015</u>	<u>2014</u>
Provision as of 1 January	(1.039)	(67)
Charge for the period	(814)	-
Currency translation effect	-	(1)
Provision released	309	68
Provision as of 31 March	<u>(1.544)</u>	<u>-</u>

Group has identified some inventories whose net realizable value is less than its current cost. Accordingly, the amount of 1.544 (31 March 2014: None) has been determined as provision for allowance for impairment on inventory and included in cost of revenue. As of 31 March 2015, total amount of the inventory shown at net realizable value is 7.329 (31 March 2014: None).

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10. CONSTRUCTION CONTRACTS

	31 March 2015	31 December 2014
Cost incurred on uncompleted contracts	10.221.871	8.648.378
Recognised gain less losses (net)	236.576	187.789
	<u>10.458.447</u>	<u>8.836.167</u>
Less: Billings to date (-)	(9.948.749)	(8.482.084)
	<u>509.698</u>	<u>354.083</u>

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

	31 March 2015	31 December 2014
From customers under construction contracts	565.510	409.086
To customers under construction contracts	(55.812)	(55.003)
	<u>509.698</u>	<u>354.083</u>

	31 March 2015	31 December 2014
<u>Receivables from uncompleted contracts</u>		
Contracts undersigned abroad	503.536	386.047
Contracts undersigned in Turkey	61.974	23.039
	<u>565.510</u>	<u>409.086</u>
<u>Payables to uncompleted contracts</u>		
Contracts undersigned abroad	(55.812)	(54.020)
Contracts undersigned in Turkey	-	(983)
	<u>(55.812)</u>	<u>(55.003)</u>
	<u>509.698</u>	<u>354.083</u>

The Group has 43.965 of advances given to subcontractors and other suppliers for construction projects classified in short term prepaid expenses (31 December 2014: 58.087). Also, the Group has 267.078 of advances received for contracting projects classified in advances received (31 December 2014: 183.203).

As of 31 March 2015, the Group has 102.895 of retention payables to subcontractors (31 December 2014: 91.547). Also, the amount of retention receivables is 117.632 (31 December 2014: 136.256) (Note: 8).

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11. INVESTMENTS VALUED BY EQUITY METHOD

Joint Ventures	Location of foundation and operation	%	31 March 2015		31 December 2014		Power to appoint	Industry
			Amount	%	Amount	%		
H-T Fidecilik	Turkey	50%	6.078	50%	6.060	50%	Agriculture	
Azfen	Azerbaijan	40%	74.116	40%	81.002	40%	Construction	
Black Sea Gübre	Turkey	30%	939	30%	997	30%	Fertilizer Trade	
Florya Gayrimenkul	Turkey	50%	61.201	50%	61.248	50%	Real Estate	
			<u>142.334</u>		<u>149.307</u>			

Movements of Group’s joint ventures during the period is as follows:

	2015	2014
Opening balance as at 1 January	149.307	120.547
Group's share on profit/loss	6.539	225
Currency translation effect	(13.465)	1.387
Profit eliminations	(47)	(34)
Closing balance as at 31 March	<u>142.334</u>	<u>122.125</u>

Group’s share on profit/loss of joint ventures is as follows:

H-T Fidecilik	18	89
Azfen	6.582	51
Black Sea Gübre	(57)	86
Florya Gayrimenkul	(4)	(1)
Shares on profit / loss of joint ventures consolidated by equity method	<u>6.539</u>	<u>225</u>

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

Information related to financial position:

<u>31 March 2015</u>	<u>H-T Fidecilik</u>	<u>Azfen</u>	<u>Black Sea Gübre</u>	<u>Florya Gayrimenkul</u>	<u>Total</u>
Cash and cash equivalents	28	50.529	2.419	50	53.026
Other current assets	27.412	349.800	646	68.325	446.183
Non current assets	16.917	54.880	442	58.506	130.745
Total Assets	44.357	455.209	3.507	126.881	629.954
Short term financial debts	17.270	-	-	-	17.270
Other short term liabilities	13.296	259.345	250	2.029	274.920
Long term financial debts	1.076	-	-	-	1.076
Other long term liabilities	560	10.575	126	2.451	13.712
Total Liabilities	32.202	269.920	376	4.480	306.978
Net Assets	12.155	185.289	3.131	122.401	322.976
Group's Ownership Rate	50,00%	40,00%	30,00%	50,00%	
Group's share on Net Assets	6.078	74.116	939	61.201	142.334

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11. INVESTMENTS VALUED BY EQUITY METHOD (cont’d)

Information related to financial position (cont’d):

<u>31 December 2014</u>	<u>H-T Fidecilik</u>	<u>Azfen</u>	<u>Black Sea Gübre</u>	<u>Florya Gayrimenkul</u>	<u>Total</u>
Cash and cash equivalents	16	87.517	2.508	153	90.194
Other current assets	24.838	323.656	11.311	60.653	420.458
Non current assets	16.652	69.248	473	65.327	151.700
Total Assets	41.506	480.421	14.292	126.133	662.352
Short term financial debts	16.154	-	-	-	16.154
Other short term liabilities	11.735	276.051	10.844	1.192	299.822
Long term financial debts	1.073	-	-	-	1.073
Other long term liabilities	424	1.865	124	2.445	4.858
Total Liabilities	29.386	277.916	10.968	3.637	321.907
Net Assets	12.120	202.505	3.324	122.496	340.445
Group's Ownership Rate	50,00%	40,00%	30,00%	50,00%	
Group's share on Net Assets	6.060	81.002	997	61.248	149.307

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

Information related to profit or loss statement:

<u>1 January - 31 March 2015</u>	<u>H-T Fidecilik</u>	<u>Azfen</u>	<u>Black Sea Gübre</u>	<u>Florya Gayrimenkul</u>	<u>Total</u>
Revenue	9.824	373.479	-	-	383.303
Depreciation and amortization expense	1.099	3.823	29	-	4.951
Operating profit/(loss)	341	20.051	(1.111)	-	19.281
Financial income	1	990	1.363	-	2.354
Financial expense (-)	(293)	-	(442)	(1)	(736)
Tax income/(expense)	(13)	(4.586)	(1)	(7)	(4.607)
Profit/(Loss) for the period	36	16.456	(191)	(7)	16.294
Group's Ownership Rate	50,00%	40,00%	30,00%	50,00%	
Group's share on Profit/(Loss) for the period	18	6.582	(57)	(4)	6.539
<u>1 January - 31 March 2014</u>	<u>H-T Fidecilik</u>	<u>Azfen</u>	<u>Black Sea Gübre</u>	<u>Florya Gayrimenkul</u>	<u>Total</u>
Revenue	6.529	122.167	66.729	-	195.425
Depreciation and amortization expense	204	2.702	28	-	2.934
Operating profit	429	164	126	-	719
Financial income	1	-	5	7	13
Financial expense (-)	(205)	-	-	-	(205)
Tax income/(expense)	(47)	(37)	155	(9)	62
Profit/(Loss) for the period	178	127	286	(2)	589
Group's Ownership Rate	50,00%	40,00%	30,00%	50,00%	
Group's share on Profit/(Loss) for the period	89	51	86	(1)	225

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

	Property, plant and equipment	Intangible assets	Investment property
Cost Value			
Opening balance as of 1 January 2015	2.628.497	23.402	107.579
Currency translation effect	96.652	2.053	(747)
Additions	80.196	1.096	53
Disposals	(17.798)	-	-
Transfers	(15.041)	-	15.041
Closing balance as of 31 March 2015	<u>2.772.506</u>	<u>26.551</u>	<u>121.926</u>
Accumulated Depreciation and Amortization			
Opening balance as of 1 January 2015	(1.442.738)	(18.688)	(29.245)
Currency translation effect	(77.318)	(1.732)	-
Charge for the period	(22.366)	(396)	(696)
Disposals	17.370	-	-
Closing balance as of 31 March 2015	<u>(1.525.052)</u>	<u>(20.816)</u>	<u>(29.941)</u>
Carrying value as of 31 March 2015	<u>1.247.454</u>	<u>5.735</u>	<u>91.985</u>
	Property, plant and equipment	Intangible assets	Investment property
Cost Value			
Opening balance as of 1 January 2014	2.370.090	19.580	105.249
Currency translation effect	30.854	370	114
Additions	92.468	623	218
Disposals	(8.656)	-	-
Disposals due to the grant of subsidiary	(250)	(202)	-
Transfers	(399)	399	-
Closing balance as of 31 March 2014	<u>2.484.107</u>	<u>20.770</u>	<u>105.581</u>
Accumulated Depreciation and Amortization			
Opening balance as of 1 January 2014	(1.465.378)	(16.269)	(26.474)
Currency translation effect	(18.734)	(303)	-
Disposals due to the grant of subsidiary	250	186	-
Charge for the period	(23.189)	(307)	(692)
Disposals	7.729	-	-
Closing balance as of 31 March 2014	<u>(1.499.322)</u>	<u>(16.693)</u>	<u>(27.166)</u>
Carrying value as of 31 March 2014	<u>984.785</u>	<u>4.077</u>	<u>78.415</u>

Property, plant and equipment includes fixed assets with carrying value of 128.127 purchased through financial lease (31 March 2014: 155.143). 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 3.086 (31 March 2014: 2.242).

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 31 March 2015 is 456.775 (31 March 2014: 393.097) according to the valuation carried out by independent expert. During the period ended on 31 March 2015, borrowing costs capitalized in property, plant and equipment amount to 3.085 (31 March 2014: 3.555). The rate used to determine the amount of borrowing costs eligible for capitalization is 18,40%.

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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 31 March 2016 according to their opening dates. Annual weighted average interest rate of the existing short term loans is 2,90% for US Dollars, 1,51% for EUR and 10,70% for TRY (31 December 2014: 3,17% for US Dollars, 2,04% for EUR and 12,04% for TRY). Annual weighted average interest rate of the existing long term loans in terms of US Dollars is 4,50% (31 December 2014: 3,88%).

One of the Group's subsidiaries, Toros Tarım has borrowed ECA (SACE) bank loan from Unicredit Bank Austria AG in August, 2013 for sulfuric acid facility in Samsun factory. The credit amount used until 31 March 2015 is 157.440 (EUR 55.615 thousand). The duration of repayments will last 7 years, including no principal payment within the first 2 years. The first principal installment payment will start after 6 months from the commissioning of investments. The interest rate for 6 months is 2% plus Euribor. Toros Tarım fulfilled the financial performance criteria obliged due to the agreement as of 31 March 2015. The Deutsche Bank credit amount used for investments until 31 March 2015 is 116.081 (EUR 41.005 thousand). The duration of repayments will last 6,5 years, including no principal payment within first 1,5 years. The interest rate for 6 months is 0,9% plus Euribor.

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

	31 March 2015	31 December 2014
Short term provisions	55.479	74.127
Long term provisions	40.092	36.714
Total provisions	95.571	110.841
Retirement pay provision	49.720	53.970
Unused vacation pay liability provision	14.610	15.526
Premium provision	3.510	13.818
Total provisions attributable to employee benefits	67.840	83.314
Provision for litigation	23.319	23.152
Other liability provisions	4.412	4.375
Other provisions	27.731	27.527
Total provisions	95.571	110.841

	Retirement Pay Provision	Unused vacation pay liability provision	Premium Provision	Total provisions attributable to employee benefits
Opening balance as of 1 January 2015	53.970	15.526	13.818	83.314
Currency translation effect	1.986	813	346	3.145
Charge for the period	6.974	1.576	3.406	11.956
Interest expense	212	-	-	212
Provision paid during the period	(12.952)	(3.305)	(14.060)	(30.317)
Actuarial gain	(470)	-	-	(470)
Closing balance as of 31 March 2015	49.720	14.610	3.510	67.840
Opening balance as of 1 January 2014	50.824	17.933	12.629	81.386
Currency translation effect	579	322	41	942
Charge for the period	7.340	1.483	3.069	11.892
Interest expense	335	-	-	335
Provision paid during the period	(7.444)	(2.525)	(12.596)	(22.565)
Actuarial loss	767	-	-	767
Closing balance as of 31 March 2014	52.401	17.213	3.143	72.757

The amount payable to employee calculated by one month salary is limited to a maximum 3.541,37 TRY (31 December 2014: 3.541,37 TRY) as of 31 March 2015.

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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 2015	23.152	4.375	27.527
Currency translation effect	171	5	176
Charge for the period	62	32	94
Provision paid during the period	(60)	-	(60)
Provision released	(6)	-	(6)
Closing balance as of 31 March 2015	<u>23.319</u>	<u>4.412</u>	<u>27.731</u>
Opening balance as of 1 January 2014	8.112	22.650	30.762
Currency translation effect	2	494	496
Charge for the period	20	9.092	9.112
Provision paid	(36)	(459)	(495)
Provision released	(212)	-	(212)
Closing balance as of 31 March 2014	<u>7.886</u>	<u>31.777</u>	<u>39.663</u>

Litigations:

As of 31 March 2015, lawsuit filed against the Group is totally 142.614 (31 December 2014: 119.453) and it has been decided to accrue 23.319 (31 December 2014: 23.152) 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

Toros Tarım has acquired all of the public shares of Samsun Gübre Sanayi 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 construction plans, Toros Tarım has filed an annulment action against Municipality at Samsun 1st 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 lawsuits filed at Samsun Administrative Court with the request for cancellation of construction plans prepared by the Municipality are concluded in our favor though the court decision has not been notified yet.

On the other side, new title deeds are received as a result of construction plans prepared ex officio and parceling prepared by Ministry of Environment and Urbanization (Ministry) related to the parcels on which the facility is located. The Municipality has filed a lawsuit against the Ministry, related with the cancellation of the zoning plan, the Court has given decision for the suspension of the execution and the cancellation of construction plans prepared by Ministry. The decision is appealed by the defendant Ministry.

Subsequently, Toros Tarım has filed lawsuits against the Municipality with the request for cancellation of the new construction plans prepared by Municipality, and the lawsuits are not concluded.

The application to Municipality for operating license is not accepted on the grounds that the Court has given decision for the suspension of the execution for the lawsuit filed by the Municipality against the Ministry.

On 3 November 2014, the Municipality notified for shutdown of the facility and it is decided by the the Court for the suspension of the execution at the lawsuit filed at Samsun 2nd Administrative Court by Toros Tarım for cancellation of this administrative act. The lawsuit related with the cancellation of this administrative act is going on.

Meanwhile with our intensive intervention, a new construction plan has been prepared by Municipality so as not to interfere the operation in our facility by Municipality, has been accepted by the Municipality Council on 14 April 2015 and the suspension and notice process has been started. The licence issue is expected to be resolved with this positive issue of finalisation of construction plan.

Other:

3.829 of provisions is recognized for the possible expenses of contracting group which may occur in the future under “Other liability provisions” (31 December 2014: 3.829).

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15. COMMITMENTS AND OBLIGATIONS

The guarantee, pledge and mortgage (“GPM”) position tables of the Group as of 31 March 2015 and 31 December 2014 are as follows:

	Equivalent of Thousands TRY	Thousands of US Dollars	Thousands of EUR	Other (Equivalent of Thousands TRY)
31 March 2015				
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	6.415.566	2.155.633	59.559	620.330
-Guarantee	6.411.066	2.155.633	59.559	615.830
-Pledge	-	-	-	-
-Mortgage	4.500	-	-	4.500
C. GPM given in order to guarantee third parties' debts for the routine trade operations	45.843	-	-	45.843
-Guarantee	45.843	-	-	45.843
-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	-	-	-	-
Total as of 31 March 2015	6.461.409	2.155.633	59.559	666.173
31 December 2014				
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	6.145.036	2.313.655	60.232	610.005
-Guarantee	6.140.536	2.313.655	60.232	605.505
-Pledge	-	-	-	-
-Mortgage	4.500	-	-	4.500
C. GPM given in order to guarantee third parties' debts for the routine trade operations	27.381	-	-	27.381
-Guarantee	27.381	-	-	27.381
-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	-	-	-	-
Total as of 31 December 2014	6.172.417	2.313.655	60.232	637.386

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

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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.

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

17. EQUITY

Capital / Capital Structure Adjustment

After the changes in the shareholders' structure during the period, the capital structure as of 31 March 2015 and 31 December 2014 is as follows:

Shareholders	(%)	31 March 2015	(%)	31 December 2014
Berker family	19,30%	71.426	19,30%	71.426
Gökyiğit family	19,30%	71.426	19,30%	71.426
Akçağlılar family	10,87%	40.216	10,87%	40.216
Other (*)	4,21%	15.593	4,21%	15.593
Publicly traded (**)	46,31%	171.339	46,31%	171.339
Paid in capital	100,00%	370.000	100,00%	370.000
Capital structure adjustment		3.475		3.475
Restated capital		<u>373.475</u>		<u>373.475</u>

(*)Indicates the total of shareholders with shares less than 5% of the capital.

(**)14.892.694 (4,02 %) shares at 1 TRY par value of publicly traded shares are under the control of founding shareholder families as of 31 March 2015 (31 December 2014: 14.892.694 share; 4,02 %).

18. EARNINGS PER SHARE

	1 January - 31 March 2015	1 January - 31 March 2014
Average number of ordinary shares outstanding during the period (in full)	370.000.000	370.000.000
Net profit / (loss) for the period attributable to owners of the parent (thousands TRY)	84.007	142.382
Earnings per share from operations (TRY)	0,227	0,385

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19. OTHER OPERATING INCOME AND EXPENSES

	1 January - 31 March 2015	1 January - 31 March 2014
<u>Other operating income</u>		
Foreign exchange gains of working capital	75.121	36.419
Discount income	2.382	904
Due date difference income	5.137	3.427
Indemnity income	347	415
Scrap sale income	442	1.243
Rent income	882	817
Project management income	-	87
Government grants and incentives income	28	44
Reversal of litigation provision (Note: 14)	6	212
Other income	1.163	996
	<u>85.508</u>	<u>44.564</u>
	1 January - 31 March 2015	1 January - 31 March 2014
<u>Other operating expenses (-)</u>		
Foreign exchange losses of working capital	(104.913)	(45.408)
Grants and contributions	(56)	(206)
Due date difference expense	(726)	(764)
Discount expense	(574)	(3.452)
Litigation provision (Note: 14)	(62)	(20)
Additional tax expense	(23)	(16)
Damages subject to litigation	(30)	-
Other expenses	(1.461)	(2.481)
	<u>(107.845)</u>	<u>(52.347)</u>

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20. FINANCIAL INCOME AND FINANCIAL EXPENSE

Financial income

	1 January - 31 March 2015	1 January - 31 March 2014
Foreign exchange gains	49.815	36.989
Currency translation reserve gains	3.100	3.810
Interest income	20.051	22.353
Other finance income	-	3
	<u>72.966</u>	<u>63.155</u>

Financial expense (-)

	1 January - 31 March 2015	1 January - 31 March 2014
Foreign exchange losses	(7.418)	(37.370)
Currency translation reserve losses	(13.843)	(1.798)
Interest expense	(8.982)	(9.849)
Other finance expenses	(192)	(676)
Less: Financial expenses included in costs of property, plant and equipment and inventories	5.783	10.914
	<u>(24.652)</u>	<u>(38.779)</u>

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21. FOREIGN CURRENCY POSITION

31 March 2015	Equivalent of Thousands of TRY	Thousands of US Dollars	Thousands of EUR	Thousands of GBP	Other (Equivalent of Thousands of TRY)
1. Trade Receivables	91.355	25.217	2.262	-	19.130
2. Monetary Financial Assets	364.752	136.633	1.357	7	4.244
3. Other	92.833	28.653	1.152	10	14.743
4. CURRENT ASSETS	548.940	190.503	4.771	17	38.117
5. Trade Receivables	15.285	5.856	-	-	-
6. Monetary Financial Assets	386	-	-	-	386
7. Other	1.786	-	631	-	-
8. NON CURRENT ASSETS	17.457	5.856	631	-	386
9. TOTAL ASSETS	566.397	196.359	5.402	17	38.503
10. Trade Payables	869.471	243.674	15.979	49	188.008
11. Financial Liabilities	19.138	1.265	3.670	-	5.447
12. Monetary Other Liabilities	59.948	1.672	7.562	-	34.177
12b. Non Monetary Other Liabilities	714	43	125	-	248
13. CURRENT LIABILITIES	949.271	246.654	27.336	49	227.880
14. Trade Payables	91.565	20.703	1.261	-	33.956
15. Financial Liabilities	275.825	426	97.041	-	-
16. Monetary Other Liabilities	11.954	844	4	-	9.740
17. NON CURRENT LIABILITIES	379.344	21.973	98.306	-	43.696
18. TOTAL LIABILITIES	1.328.615	268.627	125.642	49	271.576
19. Net foreign currency assets / liabilities position	(762.218)	(72.268)	(120.240)	(32)	(233.073)
20. Monetary items net foreign currency assets / liabilities position (1+2+5+6-10-11-12-14-15-16)	(856.123)	(100.878)	(121.898)	(42)	(247.568)

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21. FOREIGN CURRENCY POSITION (cont’d)

31 December 2014	Equivalent of Thousands of TRY	Thousands of US Dollars	Thousands of EUR	Thousands of GBP	Other (Equivalent of Thousands of TRY)
1. Trade Receivables	71.642	16.778	3.081	-	24.045
2. Monetary Financial Assets	352.201	146.684	1.512	2	7.783
3. Other	107.802	33.850	1.059	-	26.320
4. CURRENT ASSETS	531.645	197.312	5.652	2	58.148
5. Trade Receivables	12.916	5.570	-	-	-
6. Monetary Financial Assets	342	-	17	-	294
7. Other	12.524	-	4.440	-	-
8. NON CURRENT ASSETS	25.782	5.570	4.457	-	294
9. TOTAL ASSETS	557.427	202.882	10.109	2	58.442
10. Trade Payables	741.985	204.154	16.904	20	220.819
11. Financial Liabilities	35.000	8.250	3.723	-	5.368
12. Monetary Other Liabilities	68.282	457	7.108	-	47.173
12b. Non Monetary Other Liabilities	823	322	27	-	-
13. CURRENT LIABILITIES	846.090	213.183	27.762	20	273.360
14. Trade Payables	37.844	-	1.218	-	34.408
15. Financial Liabilities	262.863	845	92.496	-	-
16. Monetary Other Liabilities	11.308	732	-	-	9.611
17. NON CURRENT LIABILITIES	312.015	1.577	93.714	-	44.019
18. TOTAL LIABILITIES	1.158.105	214.760	121.476	20	317.379
19. Net foreign currency assets / liabilities position	(600.678)	(11.878)	(111.367)	(18)	(258.937)
20. Monetary items net foreign currency assets / liabilities position (1+2+5+6-10-11-12-14-15-16)	(720.181)	(45.406)	(116.839)	(18)	(285.257)

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21. 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 TRY. Positive number indicates an increase in profit or loss.

	31 March 2015	
	Profit / Loss	
	Appreciation of foreign currencies	Depreciation of foreign currencies
	If US Dollars changes 5% against TRY	
US Dollars net assets / liabilities	(9.432)	9.432
	If Euro changes 5% against TRY	
Euro net assets / liabilities	(17.019)	17.019
	If other foreign currencies changes 5% against TRY	
Other foreign currency net assets / liabilities	(11.660)	11.660
TOTAL	(38.111)	38.111
	31 December 2014	
	Profit / Loss	
	Appreciation of foreign currencies	Depreciation of foreign currencies
	If US Dollars change 5% against TRY	
US Dollars net assets / liabilities	(1.377)	1.377
	If Euro changes 5% against TRY	
Euro net assets / liabilities	(15.707)	15.707
	If other foreign currencies change 5% against TRY	
Other foreign currency net assets / liabilities	(12.950)	12.950
TOTAL	(30.034)	30.034

22. SUBSEQUENT EVENTS

1.488.000 (0,40 %) shares at 1 TRY par value of publicly traded shares are purchased by founding shareholder families in the subsequent period.