

**TEKFEN HOLDİNG ANONİM ŐİRKETİ
AND ITS SUBSIDIARIES**

CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE SIX MONTH
INTERIM PERIOD
ENDED 30 JUNE 2015
TOGETHER WITH
REVIEW REPORT

(Translated into English from the report
originally issued Turkish)



Tel: +90 212 365 62 00
Fax: +90 212 365 62 01
e-mail: bdo@bdo.com.tr
www.bdo.com.tr

BDO Denet Bağımsız Denetim
Yeminli Mali Müşavirlik Anonim Şirketi
Tic. Sicil Numarası : 254683
Mersis Numarası : 0291001084600012
Şirket Merkezi : Eski Büyükdere Cad. No:14
Park Plaza Kat:4
34398 Maslak/İstanbul
Turkey

**CONVENIENCE TRANSLATION INTO ENGLISH OF
REVIEW REPORT ORIGINALLY ISSUED IN TURKISH**

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

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

Introduction

We have reviewed the accompanying condensed consolidated balance sheet of Tekfen Holding Anonim Şirketi (the "Company") and its subsidiaries (altogether referred as the "Group") as of 30 June 2015 and the related condensed consolidated statements of profit or loss, condensed other comprehensive income, condensed changes in equity, and condensed cash flows for the six-month period then ended. The Group Management is responsible for the preparation and fair presentation of the interim condensed financial information in accordance with the Turkish Accounting Standards 34 Interim Financial Reporting ("TAS 34"). Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information has not been prepared, in all material respects, in accordance with the TAS 34.

Without qualifying our conclusion, we would like to draw your attention to the following matter:

As explained in detail in Note 14, the uncertainty about the legal process, which was started with Samsun Metropolitan Municipality notifying the Management of Toros Tarım Sanayi ve Ticaret A.Ş. ("Toros Tarım"), the subsidiary of the Group, about the closure of the Samsun Gübre Factory, continues with the stay of execution granted by Samsun Administrative Court of 1st instance. The new zoning plan which was prepared by Samsun Municipality in a manner so as not to interfere with the operations of Samsun Gübre Factory has been approved by the Municipal Council as at 14 April 2015 and the relevant suspension and announcement processes are pending.

İstanbul,
13 August 2015

BDO Denet Bağımsız Denetim
Yeminli Mali Müşavirlik A.Ş.
Member, BDO International Network


Erdal Aslan
Partner in charge

BDO Denet Bağımsız Denetim Yeminli Mali Müşavirlik A.Ş., a Turkish joint stock company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Garantisi ile sınırlı bir Birleşik Krallık şirketi olan BDO International Limited'in üyesi ve bir Türk anonim şirketi olan BDO Denet Bağımsız Denetim Yeminli Mali Müşavirlik A.Ş., bağımsız üye kuruluşlardan oluşan BDO ağıнын bir parçasını teşkil etmektedir.

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TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2015

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

ASSETS	Notes	Reviewed 30 June 2015	Audited 31 December 2014
Current Assets		3.591.701	3.255.170
Cash and cash equivalents	7	1.197.023	1.047.449
Financial investments		59	41.411
Trade receivables	8	1.024.727	704.388
- <i>Related party receivables</i>		33.163	17.819
- <i>Trade receivables</i>		991.564	686.569
Other receivables		6.306	3.053
- <i>Related party receivables</i>		1.593	-
- <i>Other receivables</i>		4.713	3.053
Inventories	9	691.975	722.479
Receivables from ongoing construction contracts	10	441.143	409.086
Prepaid expenses		58.154	77.514
Assets related with current tax		16.454	52.872
Other current assets		137.735	177.433
		3.573.576	3.235.685
Assets classified as held for sale	4(d)	18.125	19.485
Non Current Assets		1.887.843	1.700.312
Financial investments		74.359	68.745
Trade receivables	8	121.217	88.205
- <i>Related party receivables</i>		-	-
- <i>Trade receivables</i>		121.217	88.205
Other receivables		3.173	2.966
- <i>Related party receivables</i>		-	-
- <i>Other receivables</i>		3.173	2.966
Investments valued by equity method	11	155.736	149.307
Investment property	12	90.410	78.334
Property, plant and equipment	12	1.305.225	1.185.759
Intangible assets	12	5.902	4.714
Prepaid expenses	4(b)	22.886	21.947
Deferred tax assets		48.088	47.076
Other non current assets		60.847	53.259
TOTAL ASSETS		5.479.544	4.955.482

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

TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2015

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

LIABILITIES	Notes	Reviewed 30 June 2015	Audited 31 December 2014
Current Liabilities		2.738.014	2.277.766
Short term financial debts	13	613.643	676.552
Short term portion of long term financial debts		208.091	21.679
Trade payables	8	1.360.922	1.106.045
- Related party payables		678	519
- Trade payables		1.360.244	1.105.526
Employee benefit payables		31.794	34.126
Other payables		23.081	15.273
- Related party payables		-	21
- Other payables		23.081	15.252
Advances received	4(c)	336.064	232.224
Deferred revenue		10.013	5.618
Current tax liability		20.411	45.733
Ongoing construction progress payments	10	59.653	55.003
Short term provisions	14	62.194	74.127
- Short term provisions attributable to employee benefits		28.837	46.665
- Other short term provisions		33.357	27.462
Other short term liabilities		12.148	11.386
Non Current Liabilities		682.415	681.652
Long term financial debts	13	339.987	389.702
Trade payables	8	23.244	79.190
Other payables		20.105	24.213
Advances received	4(c)	185.697	87.128
Long term provisions	14	41.945	36.714
- Long term provisions attributable to employee benefits		41.877	36.649
- Other long term provisions		68	65
Deferred tax liabilities		70.592	63.938
Government incentives and grants		845	767
EQUITY	5, 17	2.059.115	1.996.064
Equity Attributable To Owners Of The Parent		2.024.651	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		(444)	(658)
- Gain/(loss) on revaluation and remeasurement		(444)	(658)
Accumulated other comprehensive income or loss that will be reclassified in profit or loss		202.012	213.534
- Currency translation reserve		146.618	163.474
- Gain on revaluation and reclassification		55.394	50.060
Legal reserves		176.413	140.185
Retained earnings		859.108	875.736
Net profit for the period		113.103	55.909
Non-controlling Interests		34.464	36.899
TOTAL EQUITY AND LIABILITIES		5.479.544	4.955.482

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 STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2015

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

	Notes	Reviewed 1 January - 30 June 2015	Unreviewed 1 April - 30 June 2015	Reviewed 1 January - 30 June 2014	Unreviewed 1 April - 30 June 2014
Revenue		2.040.182	948.990	2.142.131	993.577
Cost of revenue (-)		(1.827.726)	(851.770)	(1.821.833)	(888.830)
GROSS PROFIT		212.456	97.220	320.298	104.747
General administrative expenses (-)		(69.569)	(35.400)	(61.924)	(30.010)
Marketing expenses (-)		(68.116)	(29.565)	(64.604)	(28.432)
Other operating income	19	124.453	38.945	88.734	44.170
Other operating expenses (-)	19	(171.154)	(63.309)	(88.829)	(36.482)
Share on profit / loss of investments valued using equity method	11	29.419	22.880	9.460	9.235
OPERATING PROFIT		57.489	30.771	203.135	63.228
Investment income		13.398	578	10.303	3.032
Investment expense (-)		(822)	(801)	(2)	5
PROFIT BEFORE FINANCIAL INCOME/(EXPENSE)		70.065	30.548	213.436	66.265
Financial income	20	116.452	43.486	102.761	39.606
Financial expense (-)	20	(41.409)	(16.757)	(80.015)	(41.236)
PROFIT BEFORE TAXATION		145.108	57.277	236.182	64.635
Tax expense		(29.868)	(26.874)	(52.239)	(23.139)
Tax expense for the period		(29.731)	(18.956)	(39.120)	(11.622)
Deferred tax expense		(255)	(7.952)	(13.034)	(11.751)
Currency translation reserve		118	34	(85)	234
PROFIT FOR THE PERIOD		115.240	30.403	183.943	41.496
Distribution of Net Profit For The Period					
Non-controlling interests		2.137	1.307	(7)	(72)
Owners of the parent		113.103	29.096	183.950	41.568
Earnings Per Share	18	0,306	0,079	0,497	0,112

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TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2015

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

	Reviewed 1 January - 30 June 2015	Unreviewed 1 April - 30 June 2015	Reviewed 1 January - 30 June 2014	Unreviewed 1 April - 30 June 2014
PROFIT FOR THE PERIOD	115.240	30.403	183.943	41.496
OTHER COMPREHENSIVE INCOME/(EXPENSE):				
<u>Items that will not be reclassified to profit or loss</u>	214	(66)	(445)	137
Gain/(Loss) on revaluation of defined retirement benefit plans	268	(82)	(556)	172
Taxes based on other comprehensive income that will not be reclassified to profit or loss	(54)	16	111	(35)
<i>Deferred tax (expense)/income</i>	<i>(54)</i>	<i>16</i>	<i>111</i>	<i>(35)</i>
<u>Items that will be reclassified to profit or loss</u>	(16.094)	1.958	(9.176)	(26.294)
Gain/(loss) on revaluation of available for sale financial investments	5.615	786	4.924	(9.345)
Currency translation reserve differences	(21.428)	1.212	(13.854)	(17.416)
Taxes based on other comprehensive income that will be reclassified to profit or loss	(281)	(40)	(246)	467
<i>Deferred tax (expense)/income</i>	<i>(281)</i>	<i>(40)</i>	<i>(246)</i>	<i>467</i>
OTHER COMPREHENSIVE (EXPENSE)/INCOME	(15.880)	1.892	(9.621)	(26.157)
TOTAL COMPREHENSIVE INCOME	99.360	32.295	174.322	15.339
Distribution of Total Comprehensive Income For The Period				
Non-controlling interests	(2.435)	2.260	(157)	(1.057)
Owners of the parent	101.795	30.035	174.479	16.396

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TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2015

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

	Paid in capital	Capital structure adjustment	Premiums in capital stock	Gain/(loss) on revaluation and remeasurement	Gain 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>	-	-	-	(445)	4.678	(13.704)	-	-	-	(9.471)	(150)	(9.621)
<i>Net profit for the period</i>	-	-	-	-	-	-	-	-	183.950	183.950	(7)	183.943
Total comprehensive income	-	-	-	(445)	4.678	(13.704)	-	-	183.950	174.479	(157)	174.322
Fair value of redeemed shares	-	-	-	-	-	-	-	(350)	-	(350)	-	(350)
Transfers to retained earnings	-	-	-	-	-	-	-	(64.261)	64.261	-	-	-
Transfers to reserves from retained earnings	-	-	-	-	-	-	19.356	(19.356)	-	-	-	-
Closing balance as of 30 June 2014	370.000	3.475	300.984	2.025	49.857	135.391	140.186	878.415	183.950	2.064.283	31.886	2.096.169
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>	-	-	-	214	5.334	(16.856)	-	-	-	(11.308)	(4.572)	(15.880)
<i>Net profit for the period</i>	-	-	-	-	-	-	-	-	113.103	113.103	2.137	115.240
Total comprehensive income	-	-	-	214	5.334	(16.856)	-	-	113.103	101.795	(2.435)	99.360
Fair value of redeemed shares	-	-	-	-	-	-	-	4.740	-	4.740	-	4.740
Transfers to retained earnings	-	-	-	-	-	-	-	55.909	(55.909)	-	-	-
Transfers to reserves from retained earnings	-	-	-	-	-	-	36.228	(36.228)	-	-	-	-
Payment of dividends	-	-	-	-	-	-	-	(41.049)	-	(41.049)	-	(41.049)
Closing balance as of 30 June 2015	370.000	3.475	300.984	(444)	55.394	146.618	176.413	859.108	113.103	2.024.651	34.464	2.059.115

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TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2015

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

	Notes	Reviewed 1 January - 30 June 2015	Reviewed 1 January - 30 June 2014
A. CASH FLOWS FROM OPERATING ACTIVITIES			
		278.862	175.673
Profit for The Period		115.240	183.943
Adjustments to Reconcile Net Profit		39.031	92.420
- Depreciation and Amortization	12	52.495	48.193
- Impairment / Reversed Provision	9	(1.039)	1.006
- Provision Adjustments	8, 14	31.864	41.308
- Interest Expense and Income	20	(32.162)	(30.565)
- Group's Share on Profit of Investments in Associates Accounted by Equity Method	11	(29.419)	(9.460)
- Dividend Income		(7.768)	(6.593)
- Gain / Loss on Fair Valuation		1	(6)
- Allowance for Taxation		29.868	52.239
- Gain / Loss on Sale of Fixed Assets	12	(4.809)	(3.702)
Movements in Working Capital		153.296	(56.879)
- Changes in Inventories	9	35.851	(35.998)
- Changes in Trade Receivables	8	(362.323)	(35.321)
- Changes in Retention Receivables	8	596	49.454
- Changes in Other Assets		51.328	(25.598)
- Changes in Receivables from Ongoing Construction Contracts	10	(32.057)	(23.575)
- Changes in Trade Payables	8	199.557	(58.398)
- Changes in Other Liabilities		214.342	24.434
- Changes in Receivables from Ongoing Construction Progress Payments	10	4.650	(996)
- Other Changes in Working Capital		41.352	49.119
Cash Generated by Operating Activities		307.567	219.484
Interest Paid		(9.722)	(13.954)
Interest Received		43.196	45.064
Tax Paid / Return		(18.635)	(41.403)
Penalty of Litigation Paid	14	(407)	(80)
Retirement Pay Provision and Premiums Paid	14	(33.564)	(26.804)
Unused Vacation Paid	14	(6.009)	(6.175)
Other Provision Paid	14	(3.564)	(459)

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TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2015

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

	Notes	Reviewed 1 January - 30 June 2015	Reviewed 1 January - 30 June 2014
B. CASH FLOWS FROM INVESTING ACTIVITIES		(108.153)	(170.517)
Proceeds from Sale of Tangible and Intangible Assets	12	6.793	8.607
Acquisition of Tangible and Intangible Assets	12	(131.102)	(224.500)
Advances and Debts Given		(2.169)	22.602
Dividend Received		18.325	22.774
C. CASH FLOWS FROM FINANCING ACTIVITIES		(97.401)	64.809
Proceeds from Borrowings		391.428	491.529
Repayments of Borrowings		(433.067)	(395.498)
Payments of Financial Lease Obligations		(14.713)	(31.222)
Dividend paid	5	(41.049)	-
CHANGE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION RESERVE EFFECT		73.308	69.965
D. CURRENCY TRANSLATION RESERVE EFFECT ON CASH AND CASH EQUIVALENTS		76.266	(15.500)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		149.574	54.465
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		1.197.023	1.109.618

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TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2015

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

1. ORGANIZATION AND OPERATIONS OF THE GROUP

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

As of 30 June 2015, the Group has 11.947 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 30 June 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 13 August 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 30 June 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 30 June 2015 are; 1 USD= 2,6863 TL, 1 EUR= 2,9822 TL, 1 MAD= 0,27480 TL, 1 SAR= 0,71634 TL, 1 QAR= 0,73597 TL (Exchange rates as of 31 December 2014 are; 1 USD= 2,3189 TL, 1 EUR= 2,8207 TL, 1 MAD= 0,25785 TL, 1 SAR= 0,61837 TL, 1 QAR=0,63532 TL).

TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2015

(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) 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 consolidated 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”, 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.
- TFRS 14, “Regulatory Deferral Accounts”, will be effective for annual periods beginning after 1 January 2016.

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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. In line with this decision, on 16 June 2015, a plea of commercial arbitration was placed with the International Court of Arbitration of the International Chamber of Commerce (ICC) against the contracting management for the project, Libyan Man-Made River Authority (MMRA), and Libyan State via offering "Request for Arbitration". Letters of guarantees given related to Libya project to various institutions amount to 124.

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) Toros Samsun Investment

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 632.222 (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 182.668 (USD 68 million) and the total amount of the investment is 805.890 (USD 300 million). As of the balance sheet date, ongoing investments are worth around 597 Million TL after the consolidation adjustments, besides advance payments made for these investments amounting to 5.379 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 165.855 (EUR 55.615 thousand). A bank loan from Deutsche Bank amounting to 142.519 (EUR 47.790 thousand) is obtained up to the date of 30 June 2015 for the investments. In the subsequent period, the use of new loans has been realized from Deutsche Bank amounting to 6.227 (EUR 2.088 thousand).

(c) Advances Received

The advances received from a project of Tekfen İnşaat, a subsidiary of the Company, amounting to 151.496 is recognized under the short term advances received account in the current period.

Tekfen Emlak Geliştirme Yatırım ve Ticaret A.Ş., a subsidiary of the Company, recognized the advances from the pre-sales of Esenyurt Project amounting to 185.697 under the long term advances received account (31 December 2014: 87.128).

(d) 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 3.556. Net assets of Papfen has been classified to the account of "Assets classified as held for sale". The final sales contract has not been signed yet, because the obligations of the parties have not been completed as of the report date.

5. SIGNIFICANT CHANGES IN EQUITY

Gain on Revaluation and Reclassification:

The positive change of 5.334 in the fair values of the financial investments of the Group, which have been traded in the stock exchange market, has been directly recognized in equity (30 June 2014: positive change of 4.678).

Legal Reserves:

In accordance with the resolutions taken during the Ordinary General Assemblies of Group companies as of 30 June 2015, 36.228 of legal reserves were transferred from retained earnings in the condensed consolidated financial statements as of 30 June 2015 (30 June 2014: 19.356).

Profit Distribution:

Upon the resolution of Ordinary General Assembly held on 15 April 2015, it is decided to distribute 0,11 TL (2014: None) gross cash dividends per share attributable to the operations of the year of 2014. Profit shares of 40.001(2014: None) and 1.048 (2014: None) in the aggregate 41.049 (2014: None) have been distributed on 25 June 2015 respectively to the owners of the parent and Tekfen Eğitim Sağlık Kültür Sanat ve Dođal Varlıkları Koruma Vakfı which holds redeemed share.

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6. SEGMENTAL REPORTING

a) Segmental results

	1 January - 30 June 2015				
	Contracting	Agriculture	Real Estate	Other	Total
Revenue	1.017.057	978.169	13.843	31.113	2.040.182
Cost of revenue (-)	(966.250)	(827.190)	(12.333)	(21.953)	(1.827.726)
GROSS PROFIT	50.807	150.979	1.510	9.160	212.456
General administrative expenses (-)	(37.202)	(14.645)	(2.093)	(15.629)	(69.569)
Marketing expenses (-)	(690)	(62.667)	(2.662)	(2.097)	(68.116)
Other operating income	85.724	36.578	677	1.474	124.453
Other operating expenses (-)	(78.461)	(91.546)	(99)	(1.048)	(171.154)
Share on profit / loss of investments valued using equity method	29.085	338	(4)	-	29.419
OPERATING PROFIT / (LOSS)	49.263	19.037	(2.671)	(8.140)	57.489
Investment income	5.276	526	58	7.538	13.398
Investment expense (-)	(788)	(14)	(19)	(1)	(822)
PROFIT / (LOSS) BEFORE FINANCIAL INCOME / (EXPENSE)	53.751	19.549	(2.632)	(603)	70.065
Financial income	5.089	49.461	1.379	60.523	116.452
Financial expense (-)	(28.855)	(3.439)	(68)	(9.047)	(41.409)
PROFIT / (LOSS) BEFORE TAXATION	29.985	65.571	(1.321)	50.873	145.108
Tax income/(expense)	(13.115)	(2.062)	248	(14.939)	(29.868)
PROFIT / (LOSS) FOR THE PERIOD	16.870	63.509	(1.073)	35.934	115.240

The Group has 59.932 of revenue and 27.140 of operating income from terminal operations classified as agricultural operation for the period of 1 January – 30 June 2015.

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6. SEGMENTAL REPORTING (cont’d)

a) Segmental results (cont’d)

	1 April - 30 June 2015				
	Contracting	Agriculture	Real Estate	Other	Total
Revenue	532.542	392.138	6.674	17.636	948.990
Cost of revenue (-)	(496.917)	(335.944)	(6.086)	(12.823)	(851.770)
GROSS PROFIT	35.625	56.194	588	4.813	97.220
General administrative expenses (-)	(17.692)	(8.670)	(1.060)	(7.978)	(35.400)
Marketing expenses (-)	(402)	(27.345)	(1.564)	(254)	(29.565)
Other operating income	21.881	16.478	154	432	38.945
Other operating expenses (-)	(35.408)	(27.466)	(3)	(432)	(63.309)
Share on profit / loss of investments valued using equity method	22.503	377	-	-	22.880
OPERATING PROFIT/(LOSS)	26.507	9.568	(1.885)	(3.419)	30.771
Investment income	358	99	18	103	578
Investment expense (-)	(788)	(14)	-	1	(801)
PROFIT/(LOSS) BEFORE FINANCIAL INCOME/(EXPENSE)	26.077	9.653	(1.867)	(3.315)	30.548
Financial income	702	13.866	1.031	27.887	43.486
Financial expense (-)	(9.930)	(3.305)	(68)	(3.454)	(16.757)
PROFIT/(LOSS) BEFORE TAXATION	16.849	20.214	(904)	21.118	57.277
Tax income/(expense)	(14.246)	(5.305)	198	(7.521)	(26.874)
PROFIT/(LOSS) FOR THE PERIOD	2.603	14.909	(706)	13.597	30.403

The Group has 25.561 of revenue and 12.988 of operating income from terminal operations classified as agricultural operation for the period of 1 April – 30 June 2015.

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6. SEGMENTAL REPORTING (cont’d)

a) Segmental results (cont’d)

	1 January - 30 June 2014				
	Contracting	Agriculture	Real Estate	Other	Total
Revenue	1.272.070	820.361	13.208	36.492	2.142.131
Cost of revenue (-)	(1.171.580)	(614.834)	(11.638)	(23.781)	(1.821.833)
GROSS PROFIT	100.490	205.527	1.570	12.711	320.298
General administrative expenses (-)	(35.190)	(11.380)	(1.893)	(13.461)	(61.924)
Marketing expenses (-)	(436)	(59.585)	(327)	(4.256)	(64.604)
Other operating income	30.160	57.322	137	1.115	88.734
Other operating expenses (-)	(35.568)	(52.342)	(4)	(915)	(88.829)
Share on profit / loss of investments valued using equity method	9.040	420	-	-	9.460
OPERATING PROFIT / (LOSS)	68.496	139.962	(517)	(4.806)	203.135
Investment income	2.882	1.432	31	5.958	10.303
Investment expense (-)	-	(2)	-	-	(2)
PROFIT/(LOSS) BEFORE FINANCIAL INCOME / (EXPENSE)	71.378	141.392	(486)	1.152	213.436
Financial income	4.558	30.352	257	67.594	102.761
Financial expense (-)	(14.725)	(34.203)	(21)	(31.066)	(80.015)
PROFIT/(LOSS) BEFORE TAXATION	61.211	137.541	(250)	37.680	236.182
Tax income/(expense)	(18.765)	(22.999)	73	(10.548)	(52.239)
PROFIT/(LOSS) FOR THE PERIOD	42.446	114.542	(177)	27.132	183.943

The Group has 34.023 of revenue and 15.449 of operating income from terminal operations classified as agricultural operation for the period of 1 January – 30 June 2014.

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6. SEGMENTAL REPORTING (cont’d)

a) Segmental results (cont’d)

	1 April - 30 June 2014				
	Contracting	Agriculture	Real Estate	Other	Total
Revenue	663.103	306.673	6.516	17.285	993.577
Cost of revenue (-)	(615.268)	(256.431)	(5.886)	(11.245)	(888.830)
GROSS PROFIT	47.835	50.242	630	6.040	104.747
General administrative expenses (-)	(17.023)	(5.320)	(956)	(6.711)	(30.010)
Marketing expenses (-)	(191)	(25.992)	(196)	(2.053)	(28.432)
Other operating income	14.246	29.023	24	877	44.170
Other operating expenses (-)	(19.573)	(16.493)	(1)	(415)	(36.482)
Share on profit / loss of investments valued using equity method	8.989	245	1	-	9.235
OPERATING PROFIT/(LOSS)	34.283	31.705	(498)	(2.262)	63.228
Investment income	2.143	193	-	696	3.032
Investment expense (-)	-	-	-	5	5
PROFIT/(LOSS) BEFORE FINANCIAL INCOME/(EXPENSE)	36.426	31.898	(498)	(1.561)	66.265
Financial income	370	5.755	131	33.350	39.606
Financial expense (-)	(7.116)	(17.318)	(3)	(16.799)	(41.236)
PROFIT/(LOSS) BEFORE TAXATION	29.680	20.335	(370)	14.990	64.635
Tax income/(expense)	(11.043)	(6.922)	93	(5.267)	(23.139)
PROFIT/(LOSS) FOR THE PERIOD	18.637	13.413	(277)	9.723	41.496

The Group has 13.252 of revenue and 4.146 of operating income from terminal operations classified as agricultural operation for the period of 1 April – 30 June 2014.

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6. SEGMENTAL REPORTING (cont’d)

b) As of 30 June 2015 and 31 December 2014 segmental assets and liabilities are as follows:

Balance sheet	30 June 2015				
	Contracting	Agriculture	Real Estate	Other	Total
Total assets	2.244.975	1.814.448	287.972	1.132.149	5.479.544
Current and non current liabilities	2.092.094	985.083	276.074	67.178	3.420.429
Equity attributable to owners of the parent	(98.709)	721.886	14.701	1.386.773	2.024.651
Non-controlling interests	34.123	274	-	67	34.464

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, investment property, and revenue for the six month interim periods ended 30 June 2015 and 2014 is as follows:

	1 January - 30 June 2015				
	Contracting	Agriculture	Real Estate	Other	Total
Capital expenditures (*)	9.646	144.663	669	853	155.831
Depreciation and amortization expense for the period (**)	37.023	12.996	332	2.144	52.495
Intra-segment revenue	37.095	11.763	20	113	48.991
Inter-segment revenue	34	560	495	3.935	5.024

	1 April - 30 June 2015				
	Contracting	Agriculture	Real Estate	Other	Total
Capital expenditures (*)	4.468	69.054	226	738	74.486
Depreciation and amortization expense for the period (**)	20.659	6.132	173	1.026	27.990
Intra-segment revenue	23.186	6.148	10	56	29.400
Inter-segment revenue	2	217	238	2.064	2.521

(*) Fixed assets purchases through financial lease amounting to 4.634 (2014: 2.189) and capitalized borrowings costs amounting to 20.095 (2014: 877 capitalized income from borrowings) are also included.

(**) Depreciation expense of 1.329 is deducted from the cost of inventory (30 June 2014: 1.211).

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6. SEGMENTAL REPORTING (cont'd)

c) Segmental information related to property, plant and equipment, intangible assets, investment property, and revenue for the six month interim periods ended 30 June 2015 and 2014 is as follows (cont'd):

	1 January - 30 June 2014				
	Contracting	Agriculture	Real Estate	Other	Total
Capital expenditures	17.430	207.651	341	390	225.812
Depreciation and amortization expense for the period	34.045	11.809	150	2.189	48.193
Intra-segment revenue	73.566	10.889	55	103	84.613
Inter-segment revenue	23	554	256	3.494	4.327

	1 April - 30 June 2014				
	Contracting	Agriculture	Real Estate	Other	Total
Capital expenditures	3.467	128.660	248	128	132.503
Depreciation and amortization expense for the period	16.393	9.529	76	1.075	27.073
Intra-segment revenue	23.896	4.990	5	50	28.941
Inter-segment revenue	3	187	115	1.731	2.036

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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 - 30 June 2015)	1.234.367	511.569	(5.468)	351.736	1.993	(54.015)	2.040.182
Total assets (30 June 2015)	6.870.416	1.994.703	625.525	675.864	80.712	(4.767.676)	5.479.544
Capital expenditures (1 January - 30 June 2015)	153.294	384	-	2.153	-	-	155.831
	Turkey	CIS	Northern Africa	Middle Eastern Countries	Other	Eliminations	Total
Revenue (1 April - 30 June 2015)	534.398	258.393	496	186.576	1.048	(31.921)	948.990
Capital expenditures (1 April - 30 June 2015)	72.817	202	-	1.467	-	-	74.486
	Turkey	CIS	Northern Africa	Middle Eastern Countries	Other	Eliminations	Total
Revenue (1 January - 30 June 2014)	1.289.804	537.696	73.246	328.211	2.114	(88.940)	2.142.131
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 - 30 June 2014)	210.183	3.477	-	12.152	-	-	225.812
	Turkey	CIS	Northern Africa	Middle Eastern Countries	Other	Eliminations	Total
Revenue (1 April - 30 June 2014)	539.004	305.364	15.918	163.140	1.128	(30.977)	993.577
Capital expenditures (1 April - 30 June 2014)	129.841	504	-	2.158	-	-	132.503

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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 1.067.262 (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:

	30 June 2015	31 December 2014
<u>Short term trade receivables</u>		
Receivables from Contracting group operations	756.431	480.159
Receivables from Agriculture group operations	214.256	157.502
Receivables from Real Estate group operations	25.006	16.729
Receivables from Other group operations	7.311	11.655
Provision for doubtful receivables	(63.075)	(56.292)
Retention receivables (Note: 10)	37.652	65.355
Due from related parties	33.163	17.819
Other	13.983	11.461
	<u>1.024.727</u>	<u>704.388</u>
<u>Long term trade receivables</u>		
Retention receivables (Note: 10)	98.008	70.901
Receivables from Real Estate group operations	23.209	17.304
	<u>121.217</u>	<u>88.205</u>

Post dated cheques amounting to 177.683 (31 December 2014: 126.374), notes receivables amounting to 46.488 (31 December 2014: 32.469), positive foreign currency differences amounting to 234 (31 December 2014: negative foreign currency differences amount to 12) and due date differences amounting to 1 (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 111 days (31 December 2014: 66 days), for domestic projects is 31 days (31 December 2014: 35 days), for Agriculture segment is 41 days (31 December 2014: 40 days), for Real Estate group for short term trade receivables is 165 days, for long term trade receivables is 593 days (31 December 2014: short term trade receivables 115 days, long term trade receivables 625 days), and for other segments is 58 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	(892)	(9.080)
Collected	4	355
Currency translation effect	(5.895)	262
Provision as at 30 June	<u>(63.075)</u>	<u>(41.138)</u>

892 of doubtful receivable charge for the period has been charged to general administrative expenses (2014: 8.730 has been charged to cost of revenue and 350 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:

	30 June 2015	31 December 2014
Short term trade payables		
Trade payables from Contracting group operations	645.740	615.611
Trade payables from Agriculture group operations	615.000	464.602
Trade payables from Real Estate group operations	7.065	5.190
Trade payables from Other group operations	9.442	7.512
Due to related parties	678	519
Retention payables (Note: 10)	82.956	12.430
Other trade payables	41	181
	<u>1.360.922</u>	<u>1.106.045</u>
	30 June 2015	31 December 2014
Long term trade payables		
Retention payables (Note: 10)	23.166	79.117
Trade payables from Contracting group operations	78	73
	<u>23.244</u>	<u>79.190</u>

Notes payables amount to 295 (31 December 2014: 141) and foreign currency differences amounting to 108.133 (31 December 2014: 61.337) are included in short and long term trade payables. There is not any post dated 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 148 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 4% (31 December 2014: 3%) of trade payables as at balance sheet date. The average payable period for these import purchases is 138 days (31 December 2014: 90 days) whereas the average payable period for other purchases is 104 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 36 days (31 December 2014: 54 days).

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

9. INVENTORIES

	30 June 2015	31 December 2014
Raw materials	86.654	62.378
Work in progress	87.638	86.463
Finished goods	26.244	55.911
Trading goods	40.020	122.974
Goods in transit	83.675	72.799
Inventory from real estate projects	173.437	146.170
Inventory at construction sites	161.705	147.749
Other inventories	32.602	29.074
Allowance for impairment on inventory (-)	-	(1.039)
	<u>691.975</u>	<u>722.479</u>

During the six month interim period ended 30 June 2015, borrowing costs capitalized in inventory amount to 4.885 (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	-	(1.036)
Currency translation effect	-	-
Provision released	1.039	30
Provision as of 30 June	<u>-</u>	<u>(1.073)</u>

The Group does not have any inventories whose net realizable value is less than its current cost. Accordingly, there is not any provision for allowance for impairment on inventory (30 June 2014: 1.073).

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10. CONSTRUCTION CONTRACTS

	30 June 2015	31 December 2014
Cost incurred on uncompleted contracts	10.965.589	8.648.378
Recognised gain less losses (net)	255.348	187.789
	<u>11.220.937</u>	<u>8.836.167</u>
Less: Billings to date (-)	(10.839.447)	(8.482.084)
	<u>381.490</u>	<u>354.083</u>

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

	30 June 2015	31 December 2014
From customers under construction contracts	441.143	409.086
To customers under construction contracts	(59.653)	(55.003)
	<u>381.490</u>	<u>354.083</u>

	30 June 2015	31 December 2014
<u>Receivables from uncompleted contracts</u>		
Contracts undersigned abroad	356.927	386.047
Contracts undersigned in Turkey	84.216	23.039
	<u>441.143</u>	<u>409.086</u>
<u>Payables to uncompleted contracts</u>		
Contracts undersigned abroad	(59.653)	(54.020)
Contracts undersigned in Turkey	-	(983)
	<u>(59.653)</u>	<u>(55.003)</u>
	<u>381.490</u>	<u>354.083</u>

The Group has 33.485 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 314.658 of advances received for contracting projects classified in advances received (31 December 2014: 183.203).

As of 30 June 2015, the Group has 106.122 of retention payables to subcontractors (31 December 2014: 91.547). Also, the amount of retention receivables is 135.660 (31 December 2014: 136.256) (Note: 8).

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11. INVESTMENTS VALUED BY EQUITY METHOD

Joint Ventures	Location of foundation and operation	30 June 2015		31 December 2014		Power to appoint	Industry
		%	Amount	%	Amount		
H-T Fidecilik	Turkey	50%	7.340	50%	6.060	50%	Agriculture
Azfen	Azerbaijan	40%	86.273	40%	81.002	40%	Construction
Black Sea Gübre	Turkey	30%	954	30%	997	30%	Fertilizer Trade
Florya Gayrimenkul	Turkey	50%	61.169	50%	61.248	50%	Real Estate
			<u>155.736</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	29.419	9.460
Dividends received	(10.557)	(16.181)
Capital increases	900	-
Currency translation effect	(13.254)	(1.905)
Profit eliminations	(79)	(64)
Closing balance as at 30 June	<u>155.736</u>	<u>111.857</u>

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

H-T Fidecilik	381	195
Azfen	29.085	9.040
Black Sea Gübre	(43)	225
Florya Gayrimenkul	(4)	-
Shares on profit / loss of joint ventures consolidated by equity method	<u>29.419</u>	<u>9.460</u>

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

Information related to financial position:

30 June 2015	H-T Fidecilik	Azfen	Black Sea Gübre	Florya Gayrimenkul	Total
Cash and cash equivalents	68	89.399	60.205	38	149.710
Other current assets	28.031	415.486	420	68.913	512.850
Non current assets	17.460	80.433	264	58.577	156.734
Total Assets	<u>45.559</u>	<u>585.318</u>	<u>60.889</u>	<u>127.528</u>	<u>819.294</u>
Short term financial debts	18.876	-	-	-	18.876
Other short term liabilities	11.330	369.635	57.698	2.739	441.402
Long term financial debts	83	-	-	-	83
Other long term liabilities	590	-	12	2.451	3.053
Total Liabilities	<u>30.879</u>	<u>369.635</u>	<u>57.710</u>	<u>5.190</u>	<u>463.414</u>
Net Assets	14.680	215.683	3.179	122.338	355.880
Group's Ownership Rate	50,00%	40,00%	30,00%	50,00%	
Group's share on Net Assets	<u>7.340</u>	<u>86.273</u>	<u>954</u>	<u>61.169</u>	<u>155.736</u>

Translated into English from the report originally issued in Turkish.

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

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

Information related to profit or loss statement:

<u>1 January - 30 June 2015</u>	<u>H-T Fidecilik</u>	<u>Azfen</u>	<u>Black Sea Gübre</u>	<u>Florya Gayrimenkul</u>	<u>Total</u>
Revenue	20.469	754.076	58.473	-	833.018
Depreciation and amortization expense	749	10.172	58	-	10.979
Operating profit/(loss)	1.583	64.530	(1.414)	-	64.699
Financial income	2	30.833	2.378	-	33.213
Financial expense (-)	(743)	-	(1.089)	(1)	(1.833)
Tax income/(expense)	(81)	(22.650)	(18)	(6)	(22.755)
Profit/(Loss) for the period	<u>762</u>	<u>72.713</u>	<u>(144)</u>	<u>(8)</u>	<u>73.323</u>
Group's Ownership Rate	50,00%	40,00%	30,00%	50,00%	
Group's share on Profit/(Loss) for the period	<u>381</u>	<u>29.085</u>	<u>(43)</u>	<u>(4)</u>	<u>29.419</u>
<u>1 April - 30 June 2015</u>	<u>H-T Fidecilik</u>	<u>Azfen</u>	<u>Black Sea Gübre</u>	<u>Florya Gayrimenkul</u>	<u>Total</u>
Revenue	10.645	380.597	58.473	-	449.715
Depreciation and amortization expense	374	6.349	29	-	6.752
Operating profit/(loss)	1.242	44.479	(303)	-	45.418
Financial income	1	29.843	1.015	-	30.859
Financial expense (-)	(450)	-	(647)	-	(1.097)
Tax income/(expense)	(68)	(18.064)	(17)	1	(18.148)
Profit for the period	<u>726</u>	<u>56.257</u>	<u>47</u>	<u>(1)</u>	<u>57.029</u>
Group's Ownership Rate	50,00%	40,00%	30,00%	50,00%	
Group's share on Profit/(Loss) for the period	<u>363</u>	<u>22.503</u>	<u>14</u>	<u>-</u>	<u>22.880</u>

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

Information related to profit or loss statement (cont'd):

<u>1 January - 30 June 2014</u>	<u>H-T Fidecilik</u>	<u>Azfen</u>	<u>Black Sea Gübre</u>	<u>Florya Gayrimenkul</u>	<u>Total</u>
Revenue	15.604	261.870	89.335	-	366.809
Depreciation and amortization expense	415	5.512	57	-	5.984
Operating profit	924	28.307	542	-	29.773
Financial income	3	215	169	8	395
Financial expense (-)	(435)	-	-	-	(435)
Tax income/(expense)	(101)	(5.923)	38	(9)	(5.995)
Profit/(Loss) for the period	<u>391</u>	<u>22.600</u>	<u>749</u>	<u>(1)</u>	<u>23.739</u>
Group's Ownership Rate	50,00%	40,00%	30,00%	50,00%	
Group's share on Profit/(Loss) for the period	<u>195</u>	<u>9.040</u>	<u>225</u>	<u>-</u>	<u>9.460</u>
<u>1 April - 30 June 2014</u>	<u>H-T Fidecilik</u>	<u>Azfen</u>	<u>Black Sea Gübre</u>	<u>Florya Gayrimenkul</u>	<u>Total</u>
Revenue	9.075	139.703	22.606	-	171.384
Depreciation and amortization expense	211	2.810	29	-	3.050
Operating profit	495	28.143	416	-	29.054
Financial income	2	215	164	1	382
Financial expense (-)	(230)	-	-	-	(230)
Tax income/(expense)	(54)	(5.886)	(117)	-	(6.057)
Profit for the period	<u>213</u>	<u>22.473</u>	<u>463</u>	<u>1</u>	<u>23.150</u>
Group's Ownership Rate	50,00%	40,00%	30,00%	50,00%	
Group's share on Profit/(Loss) for the period	<u>106</u>	<u>8.989</u>	<u>139</u>	<u>1</u>	<u>9.235</u>

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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	133.100	2.597	(631)
Additions	153.406	1.649	776
Disposals	(30.092)	-	-
Transfers	(12.980)	-	12.825
Closing balance as of 30 June 2015	2.871.931	27.648	120.549
Accumulated Depreciation and Amortization			
Opening balance as of 1 January 2015	(1.442.738)	(18.688)	(29.245)
Currency translation effect	(102.815)	(2.202)	-
Charge for the period	(48.935)	(835)	(1.396)
Disposals	28.108	-	-
Transfers	(326)	(21)	502
Closing balance as of 30 June 2015	(1.566.706)	(21.746)	(30.139)
Carrying value as of 30 June 2015	1.305.225	5.902	90.410
	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	(6.957)	(79)	(21)
Additions	224.632	923	257
Disposals	(22.009)	-	-
Disposals due to the grant of subsidiary	(250)	(202)	-
Transfers	(1.394)	975	1.660
Closing balance as of 30 June 2014	2.564.112	21.197	107.145
Accumulated Depreciation and Amortization			
Opening balance as of 1 January 2014	(1.465.378)	(16.269)	(26.474)
Currency translation effect	5.867	69	-
Disposals due to the grant of subsidiary	250	186	-
Charge for the period	(45.016)	(582)	(1.384)
Disposals	17.104	-	-
Closing balance as of 30 June 2014	(1.487.173)	(16.596)	(27.858)
Carrying value as of 30 June 2014	1.076.939	4.601	79.287

Property, plant and equipment includes fixed assets with carrying value of 121.993 purchased through financial lease (30 June 2014: 144.398). This property, plant and equipment purchased through financial lease consists of various prefabricated buildings, machinery, equipment and vehicles employed in construction sites. During the current period, property, plant and equipment purchases through financial lease amount to 4.634 (30 June 2014: 2.189).

The fair value of the Group's investment property has been arrived based on a valuation carried out by independent expertise which is one of the accredited independent valuers by Capital Market Board and is not a related party of the Group. Valuation work is concluded with regard to the market purchase and sale prices of similar properties. The fair value of the investment properties as of 30 June 2015 is 452.210 (30 June 2014: 395.735) according to the valuation carried out by independent expert. During the period ended on 30 June 2015, borrowing costs capitalized in property, plant and equipment amount to 20.095 (30 June 2014: borrowing income capitalized in property, plant and equipments amounts to 877). The rate used to determine the amount of borrowing costs eligible for capitalization is 18,60%.

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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 30 June 2016 according to their opening dates. Annual weighted average interest rate of the existing short term loans is 2,71% for US Dollars, 1,51% for EUR and 10,65% for TL (31 December 2014: 3,17% for US Dollars, 2,04% for EUR and 12,04% for TL). Annual weighted average interest rate of the existing long term loans in terms of US Dollars is 4,50% (31 December 2014: 3,88%).

The subsidiary of the Company, 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 30 June 2015 is 165.855 (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 30 June 2015. The Deutsche Bank credit amount used for investments until 30 June 2015 is 142.519 (EUR 47.790 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

	30 June 2015	31 December 2014
Short term provisions	62.194	74.127
Long term provisions	41.945	36.714
Total provisions	104.139	110.841
Retirement pay provision	48.531	53.970
Unused vacation pay liability provision	15.129	15.526
Premium provision	7.054	13.818
Total provisions attributable to employee benefits	70.714	83.314
Provision for litigation	32.764	23.152
Other liability provisions	661	4.375
Other provisions	33.425	27.527
Total provisions	104.139	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	2.660	1.081	719	4.460
Charge for the period	11.010	4.531	6.951	22.492
Interest expense	437	-	-	437
Provision paid during the period	(19.130)	(6.009)	(14.434)	(39.573)
Actuarial gain	(416)	-	-	(416)
Closing balance as of 30 June 2015	48.531	15.129	7.054	70.714
Opening balance as of 1 January 2014	50.824	17.933	12.629	81.386
Currency translation effect	(148)	(10)	(173)	(331)
Charge for the period	11.778	3.952	6.299	22.029
Interest expense	676	-	-	676
Provision paid during the period	(14.277)	(6.175)	(12.527)	(32.979)
Actuarial loss	554	-	-	554
Closing balance as of 30 June 2014	49.407	15.700	6.228	71.335

The amount payable to employee calculated by one month salary is limited to a maximum 3.709,98 TL (31 December 2014: 3.541,37 TL) as of 30 June 2015.

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

	Provision for Litigation	Other Liability	Total Other Provisions
Opening balance as of 1 January 2015	23.152	4.375	27.527
Currency translation effect	1.407	415	1.822
Charge for the period	8.618	121	8.739
Provision paid during the period	(407)	(3.564)	(3.971)
Provision released	(6)	(686)	(692)
Closing balance as of 30 June 2015	32.764	661	33.425
Opening balance as of 1 January 2014	8.112	22.650	30.762
Currency translation effect	69	(347)	(278)
Charge for the period	408	17.308	17.716
Provision paid	(80)	(459)	(539)
Provision released	(4.123)	(3.715)	(7.838)
Closing balance as of 30 June 2014	4.386	35.437	39.823

Litigations:

As of 30 June 2015, lawsuit filed against the Group is totally 115.595 (31 December 2014: 119.453) and it has been decided to accrue 32.764 (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 favor of Toros Tarım.

On the other side, new title deeds are received as a result of construction plans prepared ex office 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 afterwards for 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 yet 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 concluded in the favor of Toros Tarım, however an appeal from the Municipality is expected in the future.

Meanwhile, with intensive intervention of Toros Tarım, a new construction plan has been prepared by Municipality so as not to interfere the operation in the facility by Municipality, has been accepted by the Municipality Council on 14 April 2015 and the stay and announcement process is still ongoing. The licence issue is expected to be resolved with this positive event of the finalisation of the construction plan.

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15. COMMITMENTS AND OBLIGATIONS

The guarantee, pledge and mortgage ("GPM") position tables of the Group as of 30 June 2015 and 31 December 2014 are as follows:

	Equivalent of Thousands TL	Thousands of US Dollars	Thousands of EUR	Other (Equivalent of Thousands TL)
30 June 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	6.499.365	2.058.387	58.557	795.290
-Guarantee	6.494.865	2.058.387	58.557	790.790
-Pledge	-	-	-	-
-Mortgage	4.500	-	-	4.500
C. GPM given in order to guarantee third parties' debts for the routine trade operations	73.272	-	-	73.272
-Guarantee	73.272	-	-	73.272
-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 30 June 2015	6.572.637	2.058.387	58.557	868.562
	Equivalent of Thousands TL	Thousands of US Dollars	Thousands of EUR	Other (Equivalent of Thousands TL)
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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(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

16. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

According to the resolution of the board of directors dated 9 December 2014, due to the its economically unsustainable operating activities, Tekfen Endüstri ve Ticaret A.Ş., which is included in the condensed consolidated financial statements with the full consolidation method by the Group, has transferred all of its inventories to Group's related party, Agromak Makine İmalat Sanayi ve Ticaret A.Ş. in line with the contract dated 23 February 2015.

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 30 June 2015 and 31 December 2014 is as follows:

Shareholders	(%)	30 June 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.

(**) 20.793.695 (5,62 %) shares at 1 TL par value of publicly traded shares are under the control of founding shareholder families as of 30 June 2015 (31 December 2014: 14.892.694 share; 4,02 %).

18. EARNINGS PER SHARE

	1 January - 30 June 2015	1 April - 30 June 2015	1 January - 30 June 2014	1 April - 30 June 2014
Average number of ordinary shares outstanding during the period (in full)	370.000.000	370.000.000	370.000.000	370.000.000
Net profit for the period attributable to owners of the parent (thousands TL)	113.103	29.096	183.950	41.568
Earnings per share from operations (TL)	0,306	0,079	0,497	0,112

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19. OTHER OPERATING INCOME AND EXPENSES

	1 January - 30 June 2015	1 April - 30 June 2015	1 January - 30 June 2014	1 April - 30 June 2014
<u>Other operating income</u>				
Foreign exchange gains of working capital	105.280	30.159	71.939	35.520
Due date difference income	9.901	4.764	7.595	4.168
Rent income	1.899	1.017	1.634	817
Discount income	1.485	(897)	1.631	727
Scrap sale income	903	461	1.432	189
Reversal of other unnecessary provisions (Note: 14)	686	686	-	-
Indemnity income	369	22	588	173
Government grants and incentives income	144	116	417	373
Reversal of litigation provision (Note: 14)	6	-	212	-
Other income	3.780	2.617	3.286	2.203
	<u>124.453</u>	<u>38.945</u>	<u>88.734</u>	<u>44.170</u>
	1 January - 30 June 2015	1 April - 30 June 2015	1 January - 30 June 2014	1 April - 30 June 2014
<u>Other operating expenses (-)</u>				
Foreign exchange losses of working capital	(154.793)	(49.880)	(76.219)	(30.811)
Litigation provision (Note: 14)	(8.618)	(8.556)	(408)	(388)
Due date difference expense	(2.418)	(1.692)	(1.524)	(760)
Discount expense	(1.886)	(1.312)	(5.873)	(2.421)
Grants and contributions	(79)	(23)	(360)	(154)
Damages subject to litigation	(56)	(26)	(13)	(13)
Additional tax expense	(40)	(17)	(30)	(14)
Other expenses	(3.264)	(1.803)	(4.402)	(1.921)
	<u>(171.154)</u>	<u>(63.309)</u>	<u>(88.829)</u>	<u>(36.482)</u>

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20. FINANCIAL INCOME AND FINANCIAL EXPENSE

Financial income

	1 January - 30 June 2015	1 April - 30 June 2015	1 January - 30 June 2014	1 April - 30 June 2014
Foreign exchange gains	68.883	19.068	53.129	16.140
Currency translation reserve gains	3.175	75	3.513	(297)
Interest income	44.379	24.328	46.110	23.757
Other finance income	15	15	9	6
	<u>116.452</u>	<u>43.486</u>	<u>102.761</u>	<u>39.606</u>

Financial expense (-)

	1 January - 30 June 2015	1 April - 30 June 2015	1 January - 30 June 2014	1 April - 30 June 2014
Foreign exchange losses	(30.588)	(23.170)	(62.046)	(24.676)
Currency translation reserve losses	(16.485)	(2.642)	(2.704)	(906)
Interest expense	(18.259)	(9.277)	(20.555)	(10.706)
Other finance expenses	(1.057)	(865)	(2.320)	(1.644)
Less: Financial expenses included in costs of property, plant and equipment and inventories	24.980	19.197	7.610	(3.304)
	<u>(41.409)</u>	<u>(16.757)</u>	<u>(80.015)</u>	<u>(41.236)</u>

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

21. FOREIGN CURRENCY POSITION

30 June 2015	Equivalent of Thousands of TL	Thousands of US Dollars	Thousands of EUR	Thousands of GBP	Other (Equivalent of Thousands of TL)
1. Trade Receivables	120.538	11.338	3.233	-	80.439
2. Monetary Financial Assets	465.035	169.312	804	6	7.791
3. Other	17.393	924	1.194	352	9.991
4. CURRENT ASSETS	602.966	181.574	5.231	358	98.221
5. Trade Receivables	18.232	6.787	-	-	-
6. Monetary Financial Assets	438	-	-	-	438
7. Other	17.619	-	5.908	-	-
8. NON CURRENT ASSETS	36.289	6.787	5.908	-	438
9. TOTAL ASSETS	639.255	188.361	11.139	358	98.659
10. Trade Payables	920.497	233.994	11.845	68	256.332
11. Financial Liabilities	43.658	1.231	12.066	-	4.368
12. Monetary Other Liabilities	54.308	1.149	7.188	-	29.785
12b. Non Monetary Other Liabilities	3.119	1.135	18	-	16
13. CURRENT LIABILITIES	1.021.582	237.509	31.117	68	290.501
14. Trade Payables	7.789	2.650	-	4	655
15. Financial Liabilities	280.478	808	93.323	-	-
16. Monetary Other Liabilities	12.165	861	4	-	9.840
17. NON CURRENT LIABILITIES	300.432	4.319	93.327	4	10.495
18. TOTAL LIABILITIES	1.322.014	241.828	124.444	72	300.996
19. Net foreign currency assets / liabilities position	(682.759)	(53.467)	(113.305)	286	(202.337)
20. Monetary items net foreign currency assets / liabilities position (1+2+5+6-10-11-12-14-15-16)	(714.652)	(53.256)	(120.389)	(66)	(212.312)

Translated into English from the report originally issued in Turkish.

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

21. FOREIGN CURRENCY POSITION (cont’d)

31 December 2014	Equivalent of Thousands of TL	Thousands of US Dollars	Thousands of EUR	Thousands of GBP	Other (Equivalent of Thousands of TL)
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	35.846	2.983	925	-	26.320
4. CURRENT ASSETS	459.689	166.445	5.518	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	485.471	172.015	9.975	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	(672.634)	(42.745)	(111.501)	(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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TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2015

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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 six month interim period end for a 5% change in foreign currency rates. This sensitivity analysis excludes the foreign currency denominated items presented on the balance sheet of the Group companies whose functional currency is other than TL. Positive number indicates an increase in profit or loss.

	30 June 2015	
	Profit / Loss	
	Appreciation of foreign currencies	Depreciation of foreign currencies
	If US Dollars changes 5% against TL	
US Dollars net assets / liabilities	(7.181)	7.181
	If Euro changes 5% against TL	
Euro net assets / liabilities	(16.895)	16.895
	If other foreign currencies changes 5% against TL	
Other foreign currency net assets / liabilities	(10.062)	10.062
TOTAL	(34.138)	34.138
	31 December 2014	
	Profit / Loss	
	Appreciation of foreign currencies	Depreciation of foreign currencies
	If US Dollars change 5% against TL	
US Dollars net assets / liabilities	(4.956)	4.956
	If Euro changes 5% against TL	
Euro net assets / liabilities	(15.726)	15.726
	If other foreign currencies change 5% against TL	
Other foreign currency net assets / liabilities	(12.950)	12.950
TOTAL	(33.632)	33.632

22. SUBSEQUENT EVENTS

None.