

**Çalık Holding Anonim Şirketi
and its Subsidiaries**

Condensed Consolidated Interim
Financial Statements
As at and For the Six-Month Period Ended
30 June 2015
With Independent Auditor's Report on Review of
Condensed Consolidated Interim Financial Information

KPMG Akis Bağımsız Denetim ve Serbest Muhasebeci Mali
Müşavirlik Anonim Şirketi

31 August 2015

This report includes 1 page of independent auditor's report on review of condensed consolidated interim financial information and 52 pages of condensed consolidated interim financial statements together with their explanatory notes.

Çalık Holding Anonim Şirketi and its Subsidiaries

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**Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik A.Ş.**

Kavacık Rüzgarlı Bahçe Mah.
Kavak Sok. No: 29
Beykoz 34805 İstanbul

Telephone +90 (216) 681 90 00
Fax +90 (216) 681 90 90
Internet www.kpmg.com.tr

**Independent Auditor's Report on Review of Condensed Consolidated
Interim Financial Information**

To the Board of Directors of Çalık Holding Anonim Şirketi

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Çalık Holding Anonim Şirketi ("Company") and its subsidiaries (referred altogether as "the Group") as at 30 June 2015, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the interim financial information ("condensed consolidated interim financial information"). Group management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 ("IAS 34") "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 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 condensed consolidated interim financial information as at 30 June 2015 is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting".

Other matter

Our review was made for the purpose of forming a conclusion on this condensed consolidated interim financial information taken as whole. The Non-Generally Accepted Accounting Principles ("Non-GAAP") information included in condensed consolidated statement of profit or loss and other comprehensive income is presented solely for the purposes of additional analysis and is not a required part of the consolidated interim financial statements. The effect of sale of shares in a subsidiary to non controlling interest without a change in control presented in the Non-GAAP information is recognised directly in equity as an equity transaction in accordance with International Financial Reporting Standards whereas it is recognised in profit or loss in the Company's statutory financial statements prepared for tax purposes in accordance with Turkish tax legislation.

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

A member of KPMG International Cooperative

Hakan Ölekli

31 August 2015

Istanbul, Turkey

Çalık Holding Anonim Şirketi and its Subsidiaries
Condensed Consolidated Statement of Financial Position
As at 30 June 2015

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

	Notes	30 June 2015	31 December 2014
Current assets			
Cash and cash equivalents	9	1.256.269	824.696
Financial investments	10	2.848.704	2.493.846
Trade receivables	11	1.895.828	2.230.990
<i>Due from related parties</i>	8	12.436	1.014
<i>Due from third parties</i>		1.883.392	2.229.976
Receivables related to finance sector operations	12	1.989.807	1.647.020
<i>Due from related parties</i>	8	6.924	--
<i>Due from third parties</i>		1.982.883	1.647.020
Other receivables		479.925	431.478
<i>Due from related parties</i>	8	22.760	60.155
<i>Due from third parties</i>		457.165	371.323
Inventories	13	1.006.475	1.037.975
Derivatives	19	9.418	1.022
Prepayments		296.459	250.624
Current tax assets		12.092	17.574
Other current assets		1.419.089	1.155.790
Subtotal		11.214.066	10.091.015
Assets held for sale	6	183.121	171.072
Total current assets		11.397.187	10.262.087
Non- current assets			
Trade receivables	11	360.767	330.154
<i>Due from third parties</i>		360.767	330.154
Receivables related to finance sector operations	12	2.701.605	2.707.573
<i>Due from related parties</i>	8	4.314	4.063
<i>Due from third parties</i>		2.697.291	2.703.510
Other receivables		18.119	17.340
<i>Due from third parties</i>		18.119	17.340
Financial investments	10	1.666.009	1.589.541
Investments in equity-accounted investees	14	180.761	160.443
Investment properties	17	363.641	357.948
Property, plant and equipment	15	1.253.167	1.195.772
Intangible assets	16	588.523	568.130
<i>Goodwill</i>		3.796	3.796
<i>Other intangible assets</i>		584.727	564.334
Prepayments		84.730	72.756
Deferred tax assets		137.974	124.087
Other non-current assets		49	292
Total non-current assets		7.355.345	7.124.036
Total assets		18.752.532	17.386.123

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

Çalık Holding Anonim Şirketi and its Subsidiaries
Condensed Consolidated Statement of Financial Position
As at 30 June 2015 (*continued*)

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

	Notes	30 June 2015	31 December 2014
Short term liabilities			
Short term loans and borrowings	18	4.765.254	4.901.234
Short term portion of			
long term loans and borrowings	18	311.959	196.710
Derivatives	19	16.630	2.510
Trade payables	11	783.603	885.780
<i>Due to related parties</i>	8	--	18.525
<i>Due to third parties</i>		783.603	867.255
Payables related to finance sector operations	12	6.242.848	5.752.118
<i>Due to related parties</i>	8	--	9.558
<i>Due to third parties</i>		6.242.848	5.742.560
Payables related to employee benefits		25.920	12.888
Other payables		62.064	242.535
<i>Due to related parties</i>	8	--	43.365
<i>Due to third parties</i>		62.064	199.170
Deferred revenue		1.149.304	1.121.179
Current tax liabilities		29.969	10.952
Short term provisions	20	63.127	59.573
<i>Short term employee benefits</i>		22.754	32.130
<i>Other short term provisions</i>		40.373	27.443
Other short term liabilities		471.368	226.421
Liabilities from equity accounted investees	14	38.004	38.480
Subtotal		13.960.050	13.450.380
Liabilities held for sale	6	7.925	7.533
Total short term liabilities		13.967.975	13.457.913
Long term liabilities			
Long term loans and borrowings	18	1.323.527	1.093.642
Trade payables	11	37.310	78.167
<i>Due to third parties</i>		37.310	78.167
Payables related to finance sector operations	12	644.925	488.159
<i>Due to third parties</i>		644.925	488.159
Other payables		128.082	117.725
<i>Due to related parties</i>	8	823	935
<i>Due to third parties</i>		127.259	116.790
Deferred revenue		881.455	651.083
Long term provisions	20	33.711	31.041
<i>Long term employee benefits</i>		33.711	30.809
<i>Other long term provisions</i>		--	232
Deferred tax liabilities		150.627	152.592
Other long term liabilities		--	7.223
Total long term liabilities		3.199.637	2.619.632
Total liabilities		17.167.612	16.077.545

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

Çalık Holding Anonim Şirketi and its Subsidiaries
Condensed Consolidated Statement of Financial Position
As at 30 June 2015 (*continued*)

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

	Notes	30 June 2015	31 December 2014
Equity			
Equity attributable to the owners of the Company			
Share capital		400.000	400.000
Adjustment to share capital		6.400	6.400
Other comprehensive income that is or may be reclassified to profit or loss		14.985	60.701
Restricted reserves		291.878	278.012
Retained earnings		755.972	474.619
Total equity attributable to the owners of the Company		1.469.235	1.219.732
Total non-controlling interests		115.685	88.846
Total equity		1.584.920	1.308.578
Total equity and liabilities		18.752.532	17.386.123

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

Çalık Holding Anonim Şirketi and its Subsidiaries
Condensed Consolidated Statement of Profit or Loss and
Other Comprehensive Income
For the Six-Month Period Ended 30 June 2015

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

Continuing operations	Notes	2015	2014
Revenue		2.658.463	2.141.195
Cost of sales		(2.165.937)	(1.575.919)
Gross profit from non-finance sector operations		492.526	565.276
Revenue from finance sector operations		389.087	283.165
Cost of revenue from finance sector operations		(236.532)	(124.904)
Gross profit from finance sector operations		152.555	158.261
Gross profit		645.081	723.537
Other income		401.710	299.226
General and administrative expenses		(273.235)	(264.541)
Selling, marketing and distribution expenses		(156.463)	(115.258)
Research and development expenses		(13.277)	(6.641)
Share of profit of equity accounted investees	14	8.340	25.481
Other expenses		(207.106)	(53.283)
Operating profit		405.050	608.521
Gain from investing activities		106.178	59.789
Loss from investing activities		(24.465)	(137.053)
Operating profit before finance costs		486.763	531.257
Finance income		164.238	49.648
Finance costs		(670.611)	(198.432)
Net finance costs		(506.373)	(148.784)
(Loss) / profit before tax from continuing operations		(19.610)	382.473
Current tax expense		(59.388)	(43.274)
Deferred tax benefit/(expense)		24.221	(7.938)
Total tax expense		(35.167)	(51.212)
(Loss) / profit from continuing operations		(54.777)	331.261
(Loss) / profit from discontinued operations, net of tax	6	--	472.132
(Loss) / profit for the period		(54.777)	803.393

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

Çalık Holding Anonim Şirketi and its Subsidiaries
Condensed Consolidated Statement of Profit or Loss and
Other Comprehensive Income
For the Six-Month Period Ended 30 June 2015 (*continued*)
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	Notes	2015	2014
(Loss) / profit for the period		(54.777)	803.393
Items that are or may be reclassified to profit or loss			
Foreign currency translation differences for foreign operations and reporting currency translation differences		(33.709)	(18.265)
Change in fair value of available-for-sale financial assets		(12.702)	23.408
Deferred tax benefit/(expense)		3.286	(3.853)
Total other comprehensive income		(43.125)	1.290
Total comprehensive (loss) / income		(97.902)	804.683
Total (loss) / profit for the period attributable to:			
Owners of the Company		(50.025)	813.403
Non-controlling interests		(4.752)	(10.010)
Net (loss) / profit for the period		(54.777)	803.393
Total comprehensive (loss) / income attributable to:			
Owners of the Company		(93.754)	814.948
Non-controlling interests		(4.148)	(10.265)
Total comprehensive (loss) / income		(97.902)	804.683

Non-Generally Accepted Accounting Principles ("Non-GAAP") Information

	2015	2014 ^(*)
Net (loss)/ profit for the period	(54.777)	803.393
Sale of shares in a subsidiary to non-controlling interest without change in control recognised directly in equity	352.265	(980)
Total of net (loss) / profit for the period and sale of shares in a subsidiary to non-controlling interest without change in control recognised directly in equity	297.488	802.413

^(*) This amount includes the entities in the discontinued operations.

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

Çalık Holding Anonim Şirketi and its Subsidiaries
Condensed Consolidated Statement of Changes in Equity
For the Six-Month Period Ended 30 June 2015

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

	Attributable to owners of the Company								Non-controlling interests	Total equity
				Other comprehensive income that are or may be classified to profit or loss		Retained earnings / (accumulated deficit)				
	Paid-in capital	Adjustment to share capital	Restricted reserves	Fair value reserve of financial assets available-for-sale	Translation reserve	Retained earnings/ (accumulated deficit)	(Loss)/profit for the period	Total		
Balances at 1 January 2014	240.852	6.400	174.764	(18.790)	154.804	669.816	(840.911)	386.935	164.937	551.872
Total comprehensive income for the period										
Profit for the period	--	--	--	--	--	--	813.403	813.403	(10.010)	803.393
Other comprehensive income	--	--	--	19.555	(18.010)	--	--	1.545	(255)	1.290
Total comprehensive income for the period	--	--	--	19.555	(18.010)	--	813.403	814.948	(10.265)	804.683
Transactions with owners, recorded directly in equity										
Dividend distribution to non-controlling interests	--	--	--	--	--	--	--	--	(1.255)	(1.255)
Acquisition of non-controlling interests in the consolidated subsidiaries (Note 5)	--	--	--	--	--	(980)	--	(980)	(1.325)	(2.305)
Sales of interests in consolidated subsidiaries resulting loss of control	--	--	--	--	5.414	--	--	5.414	(52.236)	(46.822)
Transfers	--	--	59.591	--	--	(900.502)	840.911	--	--	--
Total transactions with owners	--	--	59.591	--	5.414	(901.482)	840.911	4.434	(54.816)	(50.382)
Balances at 30 June 2014	240.852	6.400	234.355	765	142.208	(231.666)	813.403	1.206.317	99.856	1.306.173
Balances at 1 January 2015	400.000	6.400	278.012	(2.228)	62.929	(334.056)	808.675	1.219.732	88.846	1.308.578
Total comprehensive loss for the period										
Loss for the period	--	--	--	--	--	--	(50.025)	(50.025)	(4.752)	(54.777)
Other comprehensive loss	--	--	--	(9.416)	(34.313)	--	--	(43.729)	604	(43.125)
Total comprehensive loss for the period	--	--	--	(9.416)	(34.313)	--	(50.025)	(93.754)	(4.148)	(97.902)
Transactions with owners, recorded directly in equity										
Change in non-controlling interest in consolidated subsidiaries without change in control (Note 5)	--	--	(7.021)	--	(1.987)	352.265	--	343.257	30.910	374.167
Acquisition of subsidiary with non-controlling interests	--	--	--	--	--	--	--	--	77	77
Transfers	--	--	20.887	--	--	787.788	(808.675)	--	--	--
Total transactions with owners	--	--	13.866	--	(1.987)	1.140.053	(808.675)	343.257	30.987	374.244
Balances at 30 June 2015	400.000	6.400	291.878	(11.644)	26.629	805.997	(50.025)	1.469.235	115.685	1.584.920

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

Çalık Holding Anonim Şirketi and its Subsidiaries
Condensed Consolidated Interim Statement of Cash Flows
For the Six-Month Period Ended 30 June 2015

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

Notes	2015	2014
A.CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES	436.073	(64.295)
(Loss) / profit for the period	(54.777)	803.393
Adjustments to reconcile cash flow generated from operating activities:	72.916	(89.218)
Adjustments for depreciation and amortization	74.115	72.036
Loss on sale of derivative financial instruments	17.146	129.307
Adjustments for fair value (gains) / loss of financial investments	(77.770)	(53.788)
Adjustments for doubtful receivables	9.689	7.666
Adjustments for inventory impairment, net	(503)	5.537
Adjustments for provision for long term employee benefits	3.093	3.610
Adjustments for provisions for loan impairment	9.375	25.731
Adjustments for provisions, net	(333)	(6.599)
Adjustments for vacation pay liability	2.878	2.420
Adjustments for share of profit of equity accounted investees	(8.340)	(25.481)
Adjustments for impairment on property, plant and equipment	(260)	--
Adjustments for interest income and expenses	102.241	125.485
Gain on sale of discontinued operations, net of tax	--	(484.791)
Net gain on sale/disposal of financial investments	2.664	4.055
Unrealized foreign currency (income) / loss	(95.694)	55.391
Adjustments for tax expense	35.167	51.212
Adjustments for the gains on sales of property, plant and equipment, net	(552)	(1.009)
Changes in working capital	426.396	(784.892)
Adjustments for change in inventories	32.003	(304.819)
Adjustments for change in trade receivables	286.962	346.014
Adjustments for change in payables related to employee benefits	13.032	7.727
Adjustments for change in other receivables , other current assets and other non-current assets related with operating activities	(312.282)	32.961
Adjustments for change in assets held for sale	(12.049)	65.703
Adjustments for change in liabilities held for sale	392	19.878
Adjustments for change in receivables from finance sector operations	(346.194)	37.297
Adjustments for change in payables from finance sector operations	647.496	(10.820)
Change in restricted cash and cash equivalents	(8.649)	4.900
Adjustments for change in trade payables	(143.034)	(31.792)
Adjustments for change in prepayments	(57.809)	(55.505)
Adjustments for change in deferred income	258.497	(680.111)
Dividend income from associates and jointly controlled entities	421	--
Adjustments for change in other payables and other liabilities related with operating activities	67.610	(216.325)

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

Çalık Holding Anonim Şirketi and its Subsidiaries
Condensed Consolidated Interim Statement of Cash Flows
For the Six-Month Period Ended 30 June 2015 (continued)

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

Cash flows from operating activities	(8.462)	6.422
Employee termination indemnity paid	(387)	(3.142)
Interest received	25.538	21.581
Collection from doubtful receivables	7.898	12.216
Taxes paid	(41.511)	(24.233)
B. CASH FLOWS (USED IN) FROM INVESTING ACTIVITIES	(94.524)	288.885
Proceeds from sales of property, plant and equipment and intangible assets	3.376	5.424
Acquisition of investment property	(5.693)	(7.889)
Proceeds from disposal of held to maturity financial investments	7.330	102.213
Disposal of discontinued operations, net of cash disposed of	--	607.677
Formation and capital contribution of share capital of equity accounted investees	(6.885)	(26.830)
Acquisition of non-controlling interests in entities under common control	--	(2.305)
Proceeds from / (repayment of) derivative financial instruments	(11.422)	(125.086)
Acquisition of held to maturity financial investments	(244.171)	--
Net cash flow from available for sale financial investments	(83.682)	(171.799)
Proceeds from sales of non-controlling interest in consolidated subsidiaries without change in control	374.167	--
Acquisition of property, plant and equipment	(86.020)	(83.350)
Acquisition of intangible assets	(41.524)	(9.170)
C. CASH FLOWS FROM FINANCING ACTIVITIES	81.375	191.267
Proceeds from funding of related parties	92.521	108.346
Dividend payment	--	(1.255)
Proceeds from / (repayment of) loans and borrowings, net	116.633	247.584
Interest paid	(127.779)	(163.408)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	422.924	415.857
E. CASH AND CASH EQUIVALENTS		
AT THE BEGINING OF THE PERIOD	767.676	697.332
CASH AND CASH EQUIVALENTS		
AT THE END OF THE PERIOD (A+B+C+E)	1.190.600	1.113.189

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

Çalık Holding Anonim Şirketi and its Subsidiaries
Notes to the Condensed Consolidated Interim Financial Statements
As at and for the Six-Month Period Ended 30 June 2015
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

Notes to the condensed consolidated interim financial statements

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Çalık Holding Anonim Şirketi and its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

As at and for the Six-Month Period Ended 30 June 2015

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

1 Reporting entity

Çalık Holding Anonim Şirketi (“Çalık Holding” or “the Company”) was established in 1997 and the Company’s main operations are to manage and coordinate the activities of its subsidiaries operating in different industries, including textile, energy, telecommunication, construction, real estate, investment and marketing to make investments in these industries.

Çalık Holding was established at its registered office address, Büyükdere Caddesi No:163 Zincirlikuyu İstanbul/Türkiye, on 20 March 1997.

As of 30 June 2015, Çalık Holding has 74 (31 December 2014: 71) subsidiaries (“the Subsidiaries”), 8 (31 December 2014: 8) joint ventures (“the Joint Ventures”), 1 (31 December 2014: 1) joint operation (“the Joint Operation”) and 9 (31 December 2014: 9) associates (“the Associates”) (referred to as “the Group” or “Çalık Group” herein and after). The condensed consolidated interim financial statements of the Group as at and for the six month period ended 30 June 2015 comprises Çalık Holding and its subsidiaries and the Group’s interest in associates and joint ventures and operations.

As at 30 June 2015, the number of employees of the Group is 8.378 (31 December 2014: 7.631).

As explained in more detail in Note 7, as at 30 June 2015 the Group operates mainly under six segments:

- Energy
- Construction
- Textile
- Marketing
- Telecommunication
- Banking and finance
- Media (Discontinued)

The subsidiaries, the joint ventures, the joint operation and the associates included in the consolidation scope of Çalık Holding, their country of incorporation, nature of business and their respective operating segments are as follows:

Çalık Holding Anonim Şirketi and its Subsidiaries
Notes to the Condensed Consolidated Interim Financial Statements
As at and for the Six-Month Period Ended 30 June 2015

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

1 Reporting entity (continued)

1.1 Entities in energy segment

Company Name	Type of partnership	Country
Adacami Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş.	Subsidiary	Turkey
Akçay Enerji A.Ş.	Subsidiary	Turkey
Aktif Doğalgaz Ticaret A.Ş.	Subsidiary	Turkey
Ant Enerji Sanayi ve Ticaret Limited Şirketi	Subsidiary	Turkey
Atagas Doğalgaz Ticaret A.Ş.	Joint venture	Turkey
Atayurt İnşaat A.Ş.	Subsidiary	Turkey
Atlas Petrol Gaz İthalat İhracat ve Pazarlama Ticaret A.Ş.	Subsidiary	Turkey
Ayas Rafineri ve Petrokimya Sanayi ve Ticaret A.Ş.	Subsidiary	Turkey
Başak Yönetim Sistemleri A.Ş.	Subsidiary	Turkey
Çalık Diamond Solar Enerji A.Ş.	Subsidiary	Turkey
Çalık Elektrik Dağıtım A.Ş.	Subsidiary	Turkey
Çedaş Elektrik Dağıtım Yatırımları A.Ş.	Subsidiary	Turkey
Çalık Energy AB ^(**)	Subsidiary	Sweden
Çalık Energy Albania SHA ^{(*)(**)}	Subsidiary	Albania
Çalık Enerji Dubai FZE	Subsidiary	UAE – Dubai
Çalık Enerji Elektrik Üretim ve Madencilik A.Ş.	Subsidiary	Turkey
Çalık Enerji Sanayi ve Ticaret A.Ş.	Subsidiary	Turkey
Çalık Limak Adi Ortaklığı	Joint venture	Turkey
Çalık NTF Elektrik Üretim ve Madencilik A.Ş.	Subsidiary	Turkey
Çalık Petrol Arama Üretim Sanayi ve Ticaret A.Ş.	Subsidiary	Turkey
Çalık Rüzgar Enerjisi Elektrik Üretim Limited Şirketi	Subsidiary	Turkey
Çep Petrol Dağıtım Sanayi ve Ticaret A.Ş.	Subsidiary	Turkey
Doğu Akdeniz Petrokimya ve Rafineri Sanayi ve Ticaret A.Ş.	Subsidiary	Turkey
Doğu Aras Enerji Yatırımları A.Ş.	Joint venture	Turkey
Gap Elektrik Dağıtım Sanayi ve Ticaret A.Ş.	Subsidiary	Turkey
Irmak Yönetim Sistemleri A.Ş.	Subsidiary	Turkey
İkideniz Petrol ve Gaz Sanayi ve Ticaret A.Ş.	Subsidiary	Turkey
Japan International Enerji Network A.Ş.	Subsidiary	Turkey
Kızılırmak Enerji Elektrik A.Ş.	Subsidiary	Turkey
Kosova Çalık Limak Energy SH.A.	Joint venture	Kosovo
LC Electricity Supply and Trading d.o.o.	Joint venture	Serbia
Momentum Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş.	Subsidiary	Turkey
Petrotrans Enerji A.Ş.	Subsidiary	Turkey
Sembol Enerji A.Ş.	Subsidiary	Turkey
TAPCO Petrol Boru Hattı Sanayi ve Ticaret A.Ş.	Associate	Turkey
Tasfiye Halinde Ortur Elektrik Üretim ve Ticaret Limited Şirketi ^(*)	Subsidiary	Turkey
Tasfiye Halinde Vadi Elektrik Üretim Sanayi ve Ticaret Limited Şirketi ^(*)	Subsidiary	Turkey
Technovision Mühendislik Danışmanlık A.Ş.	Subsidiary	Turkey
Türkmen'in Altın Asrı Elektrik Enerjisi Toptan Satış A.Ş.	Subsidiary	Turkey
Yeşilçay Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş.	Subsidiary	Turkey
Yeşilirmak Elektrik Perakende Satış A.Ş.	Subsidiary	Turkey
Yeşilirmak Elektrik Dağıtım A.Ş.	Subsidiary	Turkey

(*) These companies are under liquidation.

(**) Çalık Enerji Albania SHA and Çalık Energy AB, subsidiaries of the Group are non operating and in start up phase, respectively and are not consolidated due to the insignificance of their financial impact on the consolidated financial statements as of and for the six-month period ended 30 June 2015.

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1 Reporting entity (continued)

1.1 Entities in energy segment (continued)

Adacami Enerji Elektrik Üretim Sanayi Ve Ticaret A.Ş. (“Adacami Enerji”)

Adacami Enerji was established in December 2009, for the purpose of renting and operating electricity facility and selling electricity.

Akçay Enerji A.Ş. (“Akçay Enerji”)

Akçay Enerji was established in 2010 in Istanbul for the purpose of building, renting and setting electricity production facility into operation, producing electricity and selling produced electricity and/or electricity capacity to the customers.

Aktif Doğalgaz Ticaret A.Ş. (“Aktif Doğalgaz”)

Aktif Doğalgaz was established in 1999, in Istanbul for the purpose of operating in gas distribution and trading.

Ant Enerji Sanayi ve Ticaret Limited Şirketi (“Ant Enerji”)

Ant Enerji was established in 2006, in Istanbul for the purpose of marketing, selling and distribution of energy.

Atagas Doğalgaz Ticaret A.Ş. (“Atagas Doğalgaz”)

Atagas Doğalgaz was founded in 2014 as a joint venture with a joint agreement between Aktif Doğalgaz and ASL Enerji Sanayi ve Ticaret A.Ş. (“ASL Enerji”) with the participation of these two companies equally by 50%, for the purpose of exporting natural gas to be purchased from Turkmenistan, through Iran and wholesales in Turkey and/or re-exporting abroad.

Atayurt İnşaat A.Ş. (“Atayurt İnşaat”)

Atayurt İnşaat was established in 2009 for the purpose of building and operating energy power plants and providing operational and maintenance services to power plants. Atayurt İnşaat has opened a branch in Tripoli city of Libya in 2014.

Atlas Petrol Gaz İthalat İhracat ve Pazarlama Ticaret A.Ş. (“Atlas Petrol”)

Atlas Petrol was established in 2008 for the purpose of importing, exporting, and distributing of all kinds of crude oil and building and operation necessary facility for the production.

Ayas Rafineri ve Petrokimya Sanayi ve Ticaret A.Ş. (“Ayas Rafineri”)

Ayas Rafineri was established in 2010 for the purpose of installing petroleum refinery, petrochemistry facilities, additional facilities and all kind of auxiliary and complementary plants, buying and selling them, acquiring interest in these facilities, operating and expanding them when necessary.

Başak Yönetim Sistemleri A.Ş. (“Başak Yönetim”)

Başak Yönetim was established in 2008 for the purpose of building and operating of electricity production facility and producing, selling and marketing of electricity with the name “Başak Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş.”.

The name of the Başak Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş. was changed on 11 April 2013 as “Başak Yönetim Sistemleri A.Ş.”.

Çalık Diamond Solar Enerji A.Ş. (“Çalık Solar Enerji”)

Çalık Solar Enerji was established in 2012 and main operation of the Çalık Solar Enerji is to develop and construct all kinds of solar energy power plants.

Çalık Elektrik Dağıtım A.Ş. (“ÇEDAŞ”)

ÇEDAŞ was established in 2010 according to legislations of Energy Market Regulatory Authority to distribute and sale of electricity and to invest in companies operating in these businesses.

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1 Reporting entity (continued)

1.1 Entities in energy segment (continued)

Çedaş Elektrik Dağıtım Yatırımları A.Ş. (“ÇED”)

ÇED was founded in accordance with the energy market regulations for the purpose of establishing and participating to the companies that are engaged in distribution, retail and wholesale of electricity energy and/or capacity, assigning management of these established and participated companies, to provide consultancy services on technical, financial, information processing and human resources management issues and to make industrial and commercial investments through these companies.

Çalık Energy AB (“Çalık Energy AB”)

Çalık Energy AB was established in 2012, in Stockholm. As of the reporting date the company is non operating.

Çalık Energy Albania SHA (“Çalık Energy Albania”)

Çalık Energy Albania was established in 2005 in Albania. As of the reporting date the Company is in liquidation process.

Çalık Enerji Dubai FZE (“Çalık Enerji Dubai ”)

Çalık Enerji Dubai was incorporated in Jebel Ali Free Zone, Dubai and has a branch in Turkmenistan.

Çalık Enerji Elektrik Üretim ve Madencilik A.Ş. (“Çalık Elektrik”)

Çalık Elektrik was established in 2004, in Istanbul for the purpose of building, operating and renting electricity power plants.

Çalık Enerji Sanayi ve Ticaret A.Ş. (“Çalık Enerji”)

Çalık Enerji was established in 1998 to conduct the Group's activities in the energy sector and to engage in the operation, exploration and production of natural gas and petroleum resources, shipment and selling of these resources to the international areas. Çalık Enerji has five branches namely Çalık Enerji Turkmenistan, Çalık Enerji Georgia, Çalık Enerji Libya, Çalık Enerji Uzbekistan and Çalık Enerji Iraq.

Çalık Limak Adi Ortaklığı

Çalık Limak Adi Ortaklığı was established in 2013 as a joint venture of ÇEDAŞ and Limak Yatırım Enerji Üretim İşletme Hizmetleri ve İnşaat A.Ş. (“Limak Yatırım”), in Istanbul for the purpose of supplying all kind of technical equipments to Kosovo Electricity Distribution and Supply Company ISC fully owned by Kosovo Çalık Limak Energy which is also a joint venture of Çalık Energy and Limak Yatırım.

Çalık NTF Elektrik Üretim ve Madencilik A.Ş. (“Çalık NTF”)

Çalık NTF was established in 2006, in Istanbul for the purpose of establishing, operating and renting power generation plants.

Çalık Petrol Arama Üretim Sanayi ve Ticaret A.Ş. (“Çalık Petrol”)

Çalık Petrol was established in 2012 for natural gas and oil exploration, production, distribution, sale, transport and trading.

Çalık Rüzgar Enerjisi Elektrik Üretim Limited Şirketi (“Çalık Rüzgar”)

Çalık Rüzgar was established for the purpose of building and operating of electricity power plants, production, selling and marketing of electricity.

Çep Petrol Dağıtım Sanayi ve Ticaret A.Ş. (“ÇEP Petrol”)

ÇEP Petrol was established in 2008 for the purpose of importing, exporting, distributing all kinds of crude oil and building and operating necessary facilities for the production.

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1 Reporting entity (continued)

1.1 Entities in energy segment (continued)

Doğu Akdeniz Petrokimya ve Rafineri Sanayi ve Ticaret A.Ş. (“Doğu Akdeniz Petrokimya”)

Doğu Akdeniz Petrokimya (formerly known as Enerji Petrol Gaz İthalat Pazarlama Sanayi ve Ticaret A.Ş.) was established at the end of 2005 in Istanbul for the purpose of realising prospects for oil and natural gas, producing, importing and exporting and distribution of these products to other plants.

Doğu Aras Enerji Yatırımları A.Ş. (“Doğu Aras”)

Doğu Aras was founded in accordance with the energy market regulations as a joint venture with a joint agreement between ÇED and Kiler Alışveriş Hizmetleri Gıda Sanayi Ticaret A.Ş. (“Kiler Alışveriş”) on 5 May 2013 with the participation of these two companies by 49% and 51%, respectively, for the purpose of establishing and participating to the companies that are engaged in distribution, retail and wholesale of electricity energy and/or capacity, assigning management of these established and participated companies, providing consultancy services on technical, financial, information processing and human resources management issues and making industrial and commercial investments through this companies.

On 28 June 2013, Doğu Aras purchased all shares of Aras Elektrik Dağıtım A.Ş. (“EDAŞ”) and Aras Elektrik Perakende Satış A.Ş. (“EPAS”), which were previously state owned companies operating in electricity distribution and procurement in cities Kars, Ardahan, Iğdır, Erzin, Ağrı, Bayburt and Erzurum, within the privatization.

Gap Elektrik Dağıtım Sanayi ve Ticaret A.Ş. (“Gap Elektrik”)

Gap Elektrik was established in 1998 and has a 30-year license to operate electrical distribution systems in the cities of Malatya, Elazığ, Tunceli and Bingöl. As of the reporting date, Gap Elektrik is a nonoperating company.

Irmak Yönetim Sistemleri A.Ş. (“Irmak Yönetim”)

Irmak Yönetim, formerly known as “Irmak Enerji Elektrik Üretim Madencilik Sanayi ve Ticaret A.Ş.”, was established in 2008 for the purpose of building and operating electricity production facility and producing, selling and marketing of electricity.

The name of Enerji Elektrik Üretim Madencilik Sanayi ve Ticaret A.Ş. was changed on 11 April 2013 as “Irmak Yönetim Sistemleri A.Ş.”.

İkideniz Petrol ve Gaz Sanayi ve Ticaret A.Ş. (“İkideniz Petrol”)

İkideniz Petrol was established in 2008 for the purpose of importing, exporting, distributing, operating and production all kinds of crude oil. As of the reporting date, İkideniz Petrol is not operating.

Japan International Enerji Network A. Ş. (“Japan International”)

Japan International was established in 2010 for the purpose of exploration and operation of solar power, wind power, geothermal power and other renewable energy resources, selling and marketing of electricity. Japan International is also engaged in processing and distribution of mineral ores. As of the reporting date, Japan International is a nonoperating company.

Kızılırmak Enerji Elektrik A.Ş. (“Kızılırmak”)

Kızılırmak was established in 2005 in Istanbul for the purpose of importing, exporting, distributing and operating all kinds of natural gas, crude oil and derivatives of these products.

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1 Reporting entity (continued)

1.1 Entities in energy segment (continued)

Kosova Çalık Limak Energy SH.A (“KÇLE”)

KÇLE was established as a joint venture with a joint agreement between Çalık Enerji, ÇEDAŞ and Limak Yatırım on 17 September 2012 with the participation these three companies by 25%, 25% and 50%, respectively, in the share capital of KÇLE. On 8 May 2013, KÇLE purchased all shares of state-owned enterprise namely Kompania Per Distribuim Dhe Fumizim Me Energji Elektrike SH.A (“KEDS”) which is operating in electricity distribution and procurement of electricity in Kosovo.

LC Electricity Supply and Trading d.o.o (“LC Electricity”)

LC Electricity was founded in Serbia in 2014 as a joint venture with a joint agreement between Türkmen’in Altın Asrı Elektrik Enerjisi Toptan Satış A.Ş. (“Türkmen Elektrik”) and Limak Yatırım with the participation of these two companies equally by 50%. The purpose of the Company is trading electricity and sales/purchases of goods and services as part of this operation.

Momentum Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş. (“Momentum Enerji”)

Momentum Enerji was established in 2008 for the purpose of building and operating of electricity power plant, producing, selling and marketing of electricity.

Petrotrans Enerji A.Ş. (“Petrotrans Enerji”)

Petrotrans Enerji was established in 2010 to operate necessary power plants for the purpose of importing, exporting and trade of crude oil, natural gas and derivatives of these products and distribution, purchasing and selling of natural gas, crude oil and products of natural gas and oil.

Sembol Enerji A.Ş. (“Sembol Enerji”)

Sembol Enerji was established in 2010, in Istanbul for the purpose of building, renting and setting electricity production facilities into operation, producing electricity and selling produced electricity and/or electricity capacity to the customers.

TAPCO Petrol Boru Hattı Sanayi ve Ticaret A.Ş. (“TAPCO”)

TAPCO was established in 2005, in Istanbul for the purpose of importing, exporting, distributing and operating all kinds of natural gas, crude oil and derivatives of these products.

Tasfiye Halinde Ortur Elektrik Üretim ve Ticaret Limited Şirketi (“Ortur Elektrik”)

Ortur Elektrik was established in 2005 for the purpose of producing and distributing electricity. As of reporting date, Ortur Elektrik is in liquidation process.

Tasfiye Halinde Vadi Elektrik Üretim Sanayi ve Ticaret Limited Şirketi (“Vadi Elektrik”)

Vadi Elektrik was established in 2007 for the purpose of producing and distributing electricity. As of reporting date, Vadi Elektrik is in liquidation process.

Technovision Mühendislik, Danışmanlık ve Dış Ticaret Ltd. Şti. (“Technovision”)

Technovision was established in 1994, in Ankara to provide machinery and civil engineering and consulting services. 99% of the Technovision’s shares were acquired by Çalık Enerji in 2015 for the purpose of providing engineering and consultancy services to entities (See note 5.1).

Türkmen Elektrik

Türkmen Elektrik was established in 2000, in Istanbul for the purpose of distributing and selling electricity.

Çalık Holding Anonim Şirketi and its Subsidiaries

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1 Reporting entity (continued)

1.1 Entities in energy segment (continued)

Yeşilçay Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş. ("Yeşilçay Enerji")

Yeşilçay Enerji was established in 2008 for the purpose of building and operating of electricity power plant, producing, selling and marketing of electricity. Yeşilçay Enerji also engages in exploration and production of mineral ore.

Yeşilirmak Elektrik Dağıtım A.Ş. ("YEDAŞ")

YEDAŞ was taken over by the Group in 2010 for 30 years with the scope of privatisation in order to distribute electricity energy in Samsun, Ordu, Amasya, Çorum and Sinop.

In accordance with the 3rd clause of 4628 numbered Energy Markets Code, electricity distribution companies must separate its distribution and retail operations from each other until 1 January 2013. In this regard, YEDAŞ that carried out the electricity distribution and retail sales operations in Samsun, Ordu, Amasya, Çorum and Sinop regions, unbundled its distribution and retail sales operations on 31 December 2012 and YEPAŞ started its operations on 1 January 2013.

Yeşilirmak Elektrik Perakende Satış A.Ş. ("YEPAŞ")

In accordance with the 3rd clause of 4628 numbered Energy Markets Code, electricity distribution companies must separate its distribution and retail operations from each other until 1 January 2013. In this regard, YEDAŞ which was engaged in distribution and retail sale of electricity in Samsun, Ordu, Çorum, Amasya and Sinop regions, unbundled its distribution and retail operations on 31 December 2012. YEPAŞ was founded for retail sales of electricity and electricity related products by partial demerger of YEDAŞ as of 1 January 2013.

1.2 Entities in construction segment

Company Name	Type of partnership	Country
Çalık Gayrimenkul Ticaret A.Ş.	Subsidiary	Turkey
Çalık İnşaat A.Ş.	Subsidiary	Turkey
Gap Construction A.B	Subsidiary	Sweden
Gap Construction Co.	Subsidiary	Libya
Gap Construction Investment and Foreign Trade LLC	Subsidiary	Qatar
Gap İnşaat Construction and Investment Co. Ltd.	Subsidiary	Sudan
Gap İnşaat Dubai FZE	Subsidiary	Dubai
Gap İnşaat Saudi Arabia Ltd.	Subsidiary	S. Arabia
Gap İnşaat Ukraine Ltd.	Subsidiary	Ukraine
Gap İnşaat Yatırım ve Dış Ticaret A.Ş.	Subsidiary	Turkey
Gap Yapı A.Ş.	Subsidiary	Turkey
Kentsel Dönüşüm İnşaat A.Ş.	Subsidiary	Turkey
Varyap Varlıbaşlar Yapı Sanayi ve Turizm Yatırımları A.Ş.		
- Gap İnşaat Yatırım ve Dış Ticaret A.Ş. Ortak Girişimi	Joint operation	Turkey

Çalık Gayrimenkul Ticaret A.Ş. ("Çalık Gayrimenkul")

Çalık Gayrimenkul was founded in 2005 in Istanbul for the purpose of developing real estates.

Çalık İnşaat A.Ş. ve Kentsel Dönüşüm İnşaat A.Ş.

Subsidiaries of Gap İnşaat namely, Çalık İnşaat A.Ş. ve Kentsel Dönüşüm İnşaat A.Ş. were established for the purpose of engage in constructing projects in Turkey.

Gap Yapı A.Ş. ("Gap Yapı")

Gap Yapı was founded in 2007 for the purpose of operating in construction, decoration businesses in Turkey and abroad, making research, feasibility, project designing, city planning, development planning, consultancy activities related with these businesses and also collaborating with other domestic, foreign companies dealing with same businesses whether domestic or foreign and private or governmental.

Çalık Holding Anonim Şirketi and its Subsidiaries

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1 Reporting entity (continued)

1.2 Entities in construction segment (continued)

Gap İnşaat Yatırım ve Dış Ticaret A.Ş. (“Gap İnşaat”)

Gap İnşaat was established in 1996 in Istanbul, Turkey in order to provide construction, contracting and decoration businesses both within Turkey and abroad. Gap İnşaat also operates in mining of all kinds of minerals, marble, lime, clay, coal and stone quarries and trading of stone cutter, spare parts and glazed ceramic tiles both within the country and abroad provided that the necessary permits are granted. Gap İnşaat has two branches in Turkmenistan and Iraq.

Gap İnşaat Construction and Investment Co. Ltd, Gap İnşaat Saudi Arabia Ltd, Gap Construction Co., Çalık İnşaat A.Ş, Gap Construction A.B, Gap Construction Investment and Foreign Trade LLC-Qatar, Gap İnşaat Dubai FZE (UAE), Gap İnşaat Ukraine Ltd.

As subsidiaries of Gap İnşaat, Gap İnşaat Construction and Investment Co. Ltd, Gap İnşaat Saudi Arabia Ltd, Gap Construction Co, Kentsel Dönüşüm İnşaat A.Ş., Çalık İnşaat A.Ş., Gap Construction A.B, Gap Construction Investment and Foreign Trade LLC-Qatar, Gap İnşaat Dubai FZE, Gap İnşaat Ukraine Ltd. were established for the purpose of engaging in construction projects in the countries where they operate.

1.3 Entities in textile segment

Company Name	Type of partnership	Country
Balkan Dokuma TGPI	Associate	Turkmenistan
Çalık Alexandria For Readymade Garments	Subsidiary	Egypt
Çalık Pamuk Doğal ve Sentetik Elyaf Ticaret A.Ş.	Subsidiary	Turkey
Çalık USA	Subsidiary	USA
Gap Güneydoğu FZE Jebel Ali Free Zone	Subsidiary	UAE– Dubai
Gap Güneydoğu Tekstil Sanayi ve Ticaret A.Ş.	Subsidiary	Turkey
Gap Türkmen-Türkmenbaşı Jeans Kompleksi	Associate	Turkmenistan
Serdar Pamuk Egrigi Fabriği ÇJB	Associate	Turkmenistan
Türkmenbaşı Tekstil Kompleksi	Associate	Turkmenistan

Balkan Dokuma TGPI (“Balkan Dokuma”)

Balkan Dokuma was established in 2000 for the purpose of manufacturing and marketing yarn.

Çalık Alexandria For Readymade Garments (“Çalık Alexandria”)

Çalık Alexandria was established in 2006 in Egypt for the purpose of engaging in the business of manufacturing and marketing ready wear, yarn and textures.

Çalık Pamuk Doğal ve Sentetik Elyaf Ticaret A.Ş. (“Çalık Pamuk”)

Çalık Pamuk was founded in 2011 for the purpose of conducting international cotton trade activities and rendering consultancy services in all matters related to cotton.

Gap Güneydoğu Tekstil Sanayi ve Ticaret A.Ş. (“Gap Güneydoğu”)

Gap Güneydoğu was established in 1987, in Turkey and conducts its production operation in Malatya Industrial Area. Gap Güneydoğu has a branch, namely Gap Güneydoğu Mersin Free Zone, that is engaged in the importing and exporting of textile products.

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1 Reporting entity (continued)

1.3 Entities in textile segment (continued)

Çalık USA and Gap Güneydoğu FZE Jebel Ali Free Zone (“Gap Güneydoğu FZE”)

Çalık USA and Gap Güneydoğu FZE are operating in the trade of textile products in the USA and UAE-Dubai, respectively.

Gap Türkmen -Türkmenbaşı Jeans Kompleksi (“TJK”)

TJK has been established as a joint venture of Gap Tekstil and the Ministry of Textiles Industry of Turkmenistan in 1995 within the frame of Turkmenistan regulations for the purpose of yarn and denim fabric production and marketing. TJK has a denim fabric and jean factory and makes domestic and foreign sales to USA and European countries.

Serdar Pamuk Egrigi Fabriği ÇJB (“Serdar Pamuk”) and Türkmenbaşı Tekstil Kompleksi (“TTK”)

Serdar Pamuk and TTK were established in Turkmenistan for the purpose of producing denim fabric in textile industry.

1.4 Entities in marketing segment

Company Name	Type of partnership	Country
Gap Pazarlama A.Ş.	Subsidiary	Turkey
Gap Pazarlama FZE Jebel Ali Free Zone	Subsidiary	UAE – Dubai
Gappa Textile Inc.	Subsidiary	USA

Gap Pazarlama A.Ş. (“Gap Pazarlama”)

Gap Pazarlama was established in 1994 in order to supply goods used in the production and the domestic or foreign projects carried out mainly by the Group and other non-group companies. Gap Pazarlama has a branch in Mersin Free Zone, which is engaged in the importation and exportation of textile products.

Gap Pazarlama FZE Jebel Ali Free Zone (“Gap Pazarlama FZE”)

Gap Pazarlama FZE was established in 2004 in United Arab Emirates (“UAE”) for the purpose of importing and exporting of trading goods.

Gappa Textile Inc.

Gappa Textile Inc. was established to operate in the international markets for selling of the home textiles and ready-to-wear garments.

1.5 Entities in telecommunication segment

Company Name	Type of Partnership	Country
Albtelecom Sh.a.	Subsidiary	Albania
Cetel Çalık Enerji Telekomünikasyon Hizmetleri A.Ş.	Subsidiary	Turkey
Cetel Telekom İletişim Sanayi ve Ticaret A.Ş.	Subsidiary	Turkey
Teled Med Telekom A.Ş.	Subsidiary	Turkey
Yenikom Telekomünikasyon Hizmetleri A.Ş.	Subsidiary	Turkey

Cetel Çalık Enerji Telekomünikasyon Hizmetleri A.Ş. (“Cetel Çalık”)

Cetel Çalık was established in 2004 in Istanbul for the purpose of providing various services in the fields of telecommunication, communication, press, and internet.

Teled Med Telekom A.Ş. (“Teled Med”)

Teled Med was established in 2010 for the purpose of providing all kind of services in the fields of telecommunication, communication, media, internet, and voice and data communication.

Çalık Holding Anonim Şirketi and its Subsidiaries

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1 Reporting entity (continued)

1.5 Entities in telecommunication segment (continued)

Albtelecom Sh.a. ("Albtelecom")

Albtelecom was established in 1992 with a company name Albtelecom Telekom Shqiptar and transformed into a joint-stock company on 23 February 1999. Until 28 September 2007, Government of Albania as represented by the Ministry of Economy, Trade and Energy was the sole shareholder of the company. As of 28 September 2007, CT Telecom Sh.a, a subsidiary of Cetel Telekom İletişim Sanayi ve Ticaret A.Ş. ("Cetel Telekom") acquired 76% of the Albtelecom's share capital. Albtelecom is the unique national operator providing wired telephone service in Albania. In 2013, CT Telecom Sh.a merged with Albtelecom under Albtelecom.

Albtelecom merged with its subsidiary Eagle Mobile Sh.a, which provides local, mobile and terrestrial communication services in Albania, on 1 February 2013.

Cetel Telekom

Cetel Telekom was established in 2007 in Istanbul. The principal activities are telecommunication, multimedia, internet and data transportation.

Yenikom Telekomünikasyon Hizmetleri A.Ş. ("Yenikom")

Yenikom was established in 2008 for the purpose of building and managing electronic communication network.

1.6 Entities in banking and finance segment

Company Name	Type of partnership	Country
Aktif Yatırım Bankası A.Ş.	Subsidiary	Turkey
Albania Leasing Company	Associate	Albania
Banka Kombetare Tregtare Sh.a	Subsidiary	Albania
Çalık Finansal Hizmetler A.Ş.	Subsidiary	Turkey
Kazakhstan Ijara Company KIC Leasing	Associate	Kazakhstan
Sigortayeri Sigorta ve Reasürans Brokerliği A.Ş.	Subsidiary	Turkey

Aktif Yatırım Bankası A.Ş. ("Aktifbank")

Aktifbank was founded as an investment and development bank in 1999 for the purpose of providing all kind of transactions related with investment, project finance and marketable securities and also to provide all kinds of investment banking services. However, Aktifbank is not authorised to accept deposits.

Name of Aktifbank has been changed to "Aktif Yatırım Bankası A.Ş." from "Çalık Yatırım Bankası A.Ş." on 1 August 2008.

Albania Leasing Company ("Albania Leasing")

Main activity of Albania Leasing is financial leasing. As of the reporting date, Albania Leasing is a non-operating company.

Banka Kombetare Tregtare Sh.a ("BKT")

BKT was founded in 1998 by obtaining banking license and engages in banking activities in Albania.

Çalık Finansal Hizmetler A.Ş. ("Çalık Finansal Hizmetler")

Çalık Finansal Hizmetler was established in 2003 as Aktifbank's cooperation with Şekerbank T.A.Ş. and Çalık Holding for their projects of investing in domestic and foreign banks. In 2008, Çalık Holding acquired shares held by Şekerbank T.A.Ş..

Kazakhstan Ijara Company KIC Leasing

Kazakhstan Ijara Company KIC Leasing was founded in 2013, in Kazakhstan for the purpose of operating in financial leasing sector.

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1 Reporting entity (continued)

1.6 Entities in banking and finance segment (continued)

Sigortayeri Sigorta ve Reasürans Brokerlığı A.Ş. (“Sigortayeri”)

Sigortayeri provides insurance products through the virtual and physical multi-channel structure that are shaped according to the needs of potential policyholders in order to operate insurance brokerage.

1.7 Entities in other segments

Company Name	Type of partnership	Country
Aktif Yatırım Bankası Sukuk Varlık Kiralama A.Ş.	Subsidiary	Turkey
Asset Aktif Sportif ve Sanatsal Etkinlik Hizmetleri Ticaret A.Ş.	Subsidiary	Turkey
Çalık Hava Taşımacılık Turizm Sanayi ve Ticaret A.Ş.	Subsidiary	Turkey
Çalık Turizm Kültür İnşaat Sanayi ve Ticaret A.Ş.	Subsidiary	Turkey
Dore Altın ve Madencilik A.Ş.	Subsidiary	Turkey
E-Kent Elektronik Ücret Toplama Sistemleri A.Ş.	Subsidiary	Turkey
Emlak Girişim Danışmanlığı A.Ş.	Subsidiary	Turkey
E-Post Elektronik Perakende Otomasyon Satış ve Ticaret A.Ş.	Subsidiary	Turkey
IFM İstanbul Finans Merkezi İnşaat Taahhüt A.Ş.	Associate	Turkey
Kartaltepe Madencilik Sanayi ve Ticaret A.Ş.	Joint venture	Turkey
Lidya Madencilik Sanayi ve Ticaret A.Ş.	Subsidiary	Turkey
N-Kolay Mağazacılık A.Ş.	Subsidiary	Turkey
Pavo Teknik Servis Elektrik ve Elektronik Sanayi ve Ticaret A.Ş.	Subsidiary	Turkey
Polimetal Madencilik Sanayi ve Ticaret A.Ş.	Joint venture	Turkey
Tunçpınar Madencilik Sanayi ve Ticaret A.Ş.	Joint venture	Turkey
Tura Madencilik A.Ş.	Subsidiary	Turkey

Aktif Yatırım Bankası Sukuk Varlık Kiralama A.Ş. (“Aktif VKŞ”)

Aktif VKŞ was established in 2013 in Istanbul for the purpose of issuing rent certificate in accordance with the relevant regulations promulgated by Capital Market Board of Turkey.

Asset Aktif Sportif ve Sanatsal Etkinlik Hizmetleri Ticaret A.Ş. (“Asset Aktif”)

Asset Aktif was established in 2014 in Istanbul for the purpose of providing ticket sale and organization management for football and art activities.

Çalık Hava Taşımacılık Turizm Sanayi ve Ticaret A.Ş. (“Çalık Hava”)

Çalık Hava was established in 2010 in Istanbul for the purpose of providing every kind of air transportation activities, scheduled or unscheduled domestic and abroad air transportation, arranging passenger and freight cargo transportation.

Çalık Turizm Kültür İnşaat Sanayi ve Ticaret A.Ş. (“Çalık Turizm”)

Çalık Turizm was established in December 2004 in Istanbul for the purpose of efficient utilisation of immovable assets related to establishment of mega-cities held by the municipality enterprises. Çalık Turizm is involved with the construction, establishment, operation and rental of contemporary residential areas, trade and tourism centers, international and local press centers, mass housing, subways, bridges, and highways.

Dore Altın ve Madencilik A.Ş. (“Dore Altın”)

Dore Altın was established in 2010 in Istanbul for the purpose of mining, operating, purchasing and renting underground and surface mine and natural resources in accordance with existing regulations, to purchase prospecting license, to demand operating right and to take over mining rights.

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1 Reporting entity (continued)

1.7 Entities in other segments (continued)

E-Kent Elektronik Ücret Toplama Sistemleri A.Ş. (“E-Kent”)

E-Kent was established in 2002 and the main activity is modernisation of public transportation and suggesting new electronic solutions about electronic ticket and prosecution system.

Emlak Girişim Danışmanlığı A.Ş. (“Emlak Girişim”)

Emlak Girişim engages in real estate projects, structures and systems, and in this regard make active counseling and guidance.

E-Post Elektronik Perakende Otomasyon Satış ve Ticaret A.Ş. (“E-Post”)

E-Post was established in 2009 in Istanbul for the purpose of providing tailor-made postcard designing services.

IFM İstanbul Finans Merkezi İnşaat Taahhüt A.Ş. (“IFM”)

IFM operates in special projects, land recreation, area sales and revenue sharing provisions for the construction of the immovable, construction and sales activity is independent sections.

Kartaltepe Madencilik Sanayi ve Ticaret A.Ş. (“Kartaltepe”)

Kartaltepe was established in 2011 as a wholly owned subsidiary of YAMAS. Kartaltepe is registered in Ankara, Turkey and is engaged in the operation of mining in Erzincan region. As at reporting date, Kartaltepe is a joint venture of Lidya Madencilik Sanayi ve Ticaret A.Ş. (“Lidya Maden”) and YAMAS with an ownership structure of 50% and 50%, respectively.

Lidya Madencilik Sanayi ve Ticaret A.Ş. (“Lidya Maden”)

Lidya Maden was established in 2006 in Istanbul to explore all kind of metal and mineral products and to participate in mining companies.

N-Kolay Mağazacılık A.Ş. (“N-Kolay”)

N-Kolay was established in 2014 in Istanbul for the purpose of providing bill payment point service to its customers.

Pavo Teknik Servis Elektrik ve Elektronik Sanayi ve Ticaret A.Ş. (“Pavo”)

Pavo operates in the area of new generation payment recorders import, manufacture, sales and technical services.

Polimetal Madencilik Sanayi ve Ticaret A.Ş. (“Polimetal”)

Polimetal was incorporated in 2011 as a wholly owned subsidiary of Yeni Anadolu Mineral Madencilik Sanayi ve Ticaret Ltd. Şti. (“YAMAS”). Polimetal is registered in Ankara, Turkey and is engaged in the development and operation of mining assets. As at reporting date, Polimetal is a joint venture of Lidya Maden and YAMAS with an ownership structure of 80% and 20%, respectively.

Tunçpınar Madencilik Sanayi ve Ticaret A.Ş. (“Tunçpınar”)

Tunçpınar was established in 2011 as a wholly owned subsidiary of YAMAS. Tunçpınar is registered in Ankara, Turkey and is engaged in the operation of mining in Tunceli region. As at reporting date, Tunçpınar is a joint venture of Lidya Maden and YAMAS with an ownership structure of 50% and 50%, respectively.

Tura Madencilik A.Ş. (“Tura”)

Tura was established in 2010 in Istanbul to mine, operate, buy and rent underground and aboveground mine and natural resources in accordance with existing regulations.

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2 Basis of preparation

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 ("IAS 34") "Interim Financial Reporting". Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the consolidated financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2014. These condensed consolidated interim financial statements do not include all the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and should be considered together with consolidated financial statements as at and for the year ended 31 December 2014.

The condensed consolidated interim financial statements were approved by the Group management on 31 August 2015.

(b) Basis of measurement

The condensed consolidated interim financial statements have been prepared on the historical cost basis and for the Turkish entities as adjusted for the effects of inflation that lasted by 31 December 2005, except for the following:

- derivative financial instruments are measured at fair value,
- available-for-sale financial assets are measured at fair value,
- assets and liabilities held for sale are measured at the lower of their carrying amount and fair value less costs to sell,
- non-derivative financial assets at fair value through profit or loss are measured at fair value,
- investment property is measured at fair value.

(c) Functional and presentation currency

The accompanying condensed consolidated interim financial statements are presented in Turkish Lira ("TL") which is the Company's functional currency. Unless otherwise indicated, all financial information presented in TL has been rounded to the nearest thousand.

The foreign exchange rates used by the Group as at 30 June 2015, 31 December 2014 and 30 June 2014 are as follows:

	30 June 2015	31 December 2014	30 June 2014
<u>Reporting date rates</u>			
US Dollar	2,6863	2,3189	2,1234
Euro	2,9822	2,8207	2,8919
<u>Average rates for the periods</u>			
US Dollar	2,5613	2,1863	2,1629
Euro	2,8576	2,9042	2,9651

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2 Basis of preparation (continued)

(d) Use of estimates and judgements

In preparing these condensed consolidated interim financial statement, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements and estimates made by the management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2014.

3 Significant accounting policies

The significant accounting policies have been applied consistently by the Group in the preparation of these condensed consolidated interim financial statements as of and for the six month period ended 30 June 2015 with those financial statements as of and for the year ended 31 December 2014.

The condensed consolidated interim financial statements as of and for the six month period ended 30 June 2015 should be read together with the financial statements as of and for the year ended 31 December 2014.

The adaptation of new and amended IFRSs and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations effective as of 1 January 2015 have no impact on the consolidated financial position and consolidated performance of the Group.

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4 Seasonality of operations

The holiday in summer season has a negative effect on sales of entities in textile segment while the sales of these entities in this segment are relatively higher in winter months compared to summer season. Total revenue of Textile Group for the 12 month-period ended 30 June 2015 is TL 638.074 (2014: TL 468.889).

Although there are seasonal changes in energy and telecommunication segments, they are not expected to have a material effect on Group's revenue for the-six-month period ended 30 June 2015. There is no material seasonality change in the operations of other segments.

5 Acquisitions and disposals of subsidiaries and non controlling interests

5.1 Acquisition of subsidiary during the six months period ended 30 June 2015

Technovision

On 19 March 2015, Çalık Enerji, a consolidated subsidiary operating in energy sector contributed to the capital increase of Technovision by getting the ownership of all shares with a carrying amount of TL 112 representing 99,67% of Technovision's shares.

The combination had the following effect on the Group's assets and liabilities on 1 January 2015 which is the date of the Technovision's available financial information to be recognised in this combination, since no significant change in the Technovision's operations and financial information is expected between 1 January 2015 and acquisition date:

	Pre-acquisition carrying amounts	Fair value adjustments	Recognised values on acquisition
Current assets	347	--	347
Non-current assets	3	--	3
Current liabilities	(29)	--	(29)
Net identifiable assets and liabilities acquired			321
Capital contribution			(112)
Bargain purchase gain			209

5.2 Disposal of non-controlling interests during the six months period ended 30 June 2015

Çalık Enerji

On 28 May 2015, the shares of Çalık Enerji held by the Group with a nominal value of TL 4.876 representing 4,48% of Çalık Enerji's capital have been sold to Kırmızı Elmas Enerji ve Altyapı Yatırımları A.Ş., a subsidiary of Mitsubishi Corporation, for a total consideration of TL 374.167 and this has been treated as a transaction in with non-controlling interests sold, recognised directly under equity.

5.3 Acquisitions of non-controlling interests during the six months period ended 30 June 2014

Çalık Solar Enerji

On 20 June 2014, Çalık Enerji acquired the shares held by Mitsubishi Corporation and with a nominal value of TL 684 representing 50,00% of Çalık Diamond Solar Energy's all shares for a total consideration of TL 57, increasing its ownership percent from 49,99% to 99,99%. This transaction did not result in a control change and the Group continued to consolidate Çalık Diamond Solar Energy after this transaction.

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5 Acquisitions and disposals of subsidiaries and non controlling interests (continued)

5.3 Acquisitions of non-controlling interests during the six months period ended 30 June 2014 (continued)

Çalık NTF

On 24 April 2014, Çalık Enerji acquired the shares held by NTF İnşaat Ticaret Limited Şirketi and with a nominal value of TL 4.000 representing 10,00% of Çalık NTF Elektrik Üretim Anonim Şirketi's capital for a total consideration of TL 2.248, increasing its ownership percent from 89,99% to 99,99%.

6 Discontinued operation and disposal group held for sale

In December 2013, the Group committed to a plan to dispose all of its subsidiaries in media operation following a strategic decision to place greater focus on the Group's key competencies. On 22 April 2014, the Group sold its entire media segment with a total net asset amounting to TL 185.510 for a total consideration received in cash of TL 623.479. As the media segment represents a major line of business of the Group, the comparative condensed consolidated statement of profit or loss and other comprehensive income for the six month period ended on 30 June 2014 was presented separately from continuing operations to show this transaction as a discontinued operation and all assets and liabilities of these subsidiaries started to be presented as "Assets held for sale" and "Liabilities held for sale", respectively, as at 31 December 2013.

The Group also reclassified assets and liabilities of Çalık Alexandria and its two foreign subsidiaries operating in textile sector as "Assets held for sale" starting from 2012 as the Group plans to dispose its production and retail facilities of these subsidiaries. All assets and liabilities of these entities except the cash and cash equivalents have been classified as "Assets held for sale" and "Liabilities held for sale" in the consolidated financial statements, respectively. In addition, properties acquired as a result of legal proceedings of uncollectable loans and receivables of banking sector operations have been re-presented under "Assets held for sale".

As at 30 June 2015, assets and liabilities held for sale are TL 183.121 and TL 7.925 (31 December 2014: 171.072 and TL 7.533), respectively, and details are as follows:

Assets held for sale	30 June 2015	31 December 2014
Inventories	51	1.592
Property, plant and equipment (*)	181.155	168.788
Intangible assets	1.844	46
Other assets	71	646
	183.121	171.072
Liabilities held for sale		
Trade and other payables	7.799	7.329
Loans and borrowings	126	70
Other current liabilities	--	134
	7.925	7.533

(*) Property, plant and equipment consist of properties classified as held for sale of the subsidiaries in textile sector amounting to TL 25.099 (31 December 2014: TL 22.373) and properties amounting to TL 156.056 (31 December 2014: TL 146.415) which were acquired as a result of legal proceedings of uncollectable loans and receivables of banking sector operations.

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6 Discontinued operation and disposal group held for sale (continued)

For the period between 1 January and 22 April 2014, results of the discontinued operation were as follows:

	1 January- 22 April 2014
Revenue	327.571
Cost of sales	(282.401)
Gross profit	45.170
Other income	5.622
General and administrative expenses	(6.199)
Selling, marketing and distribution expenses	(36.067)
Other expenses	(6.541)
Operating profit	1.985
Gains from investing activities	3
Losses from investing activities	(1.392)
Operating profit before finance costs	596
Finance income	9.063
Finance cost	(29.396)
Net finance costs	(20.333)
Result from discontinued activities	(19.737)
Current tax expense	(506)
Deferred tax benefit	7.584
Result from discontinued activities, net of tax	(12.659)
Gain on sale of discontinued operation	484.791
Profit for the period from discontinued operation	472.132

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6 Discontinued operation and disposal group held for sale (continued)

Effects of disposal on the consolidated financial position of the Group are as follows:

	22 April 2014
Cash and cash equivalents	(15.802)
Trade receivables	(324.115)
Inventories	(148.650)
Property, plant and equipment	(239.322)
Intangible assets	(1.125.184)
Deferred tax assets	(74.129)
Other assets	(111.002)
Loans and borrowings	1.393.593
Trade payables	183.606
Other payables	142.257
Other liabilities	40.010
Deferred tax liabilities	5.211
Provisions	88.017
Net assets and liabilities	(185.510)
Consideration received in cash	623.479
Cash and cash equivalent disposed of	(15.802)
Net cash inflow	607.677

As at transaction date, the Group reclassified the foreign currency translation differences for foreign operations attributable to the owners of the Group amounting to TL 5.414 from the discontinued operations previously recognised under translation reserve in the equity to the comparative period profit or loss.

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7 Operating segments

The Group has six reportable segments, as described below, which are largely organised and managed separately according to the nature of products and services provided, distribution channels and profile of customers.

Assets, liabilities, profit and measurement of financial results of the segments are dependant to accounting policies of the Group. Segment operating profit, assets and liabilities consist of items directly belonging to these segment or items that can be distributed fairly.

The Group’s main reportable operating segments are as follows:

Energy: Entities in energy segment operate in sale of electricity, operation of natural gas and crude oil resources, exploration-production of these resources and sale and transportation of these resources to international markets.

Construction: Entities in construction segment are operating in construction, contracting and decoration businesses both within Turkey and abroad. In addition, these entities are managing mining of all kinds of minerals, marble, lime, clay, coal and stone as long as the necessary permits are granted and trading of marble, store cutting machines with its spare parts, ceramic floor and wall tiles both within the country and abroad. These entities are also providing services for land development and project development services for urban renewal, office residential and housing markets.

Textile: Entities in textile segment mainly deal with production and trading activities of yarn, texture and ready wear besides providing consulting services related to importation and exportation of cotton.

Marketing: Entities in marketing segment mainly supplies goods used in the production and the domestic or foreign projects carried out mainly by the Group entities.

Telecommunication: Entities in telecommunication segment mainly provides telecommunication, communication, press and internet.

Banking and finance: Entities in banking and finance segment mainly provides commercial and investment banking, financial leasing, insurance, project financing, other financial services, trading of marketable securities and credit financial services.

Media: Entities in media segment engage in publishing, broadcasting, advertising, newspaper and magazine publishing and distribution. As the the Group sold its entire media segment in 2014 in accordance with the Group management’s plan to dispose the consolidated media entities in 2013, the financial figures of this segment have been presented to show the discontinued operation separately from continuing operations in the comparative period.

Other: Entities in other segment mainly engage in electronic fee collection, organisation, mining, transportation, procurement and various services.

The Group management prepares segment reporting in accordance with same policies applied to the consolidated financial statements as at and for the year ended 31 December 2014.

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7 Operating segments

The following information was prepared according to the accounting policies applied for subsidiaries, associates, joint ventures and joint operations.

	30 June 2015								
	Energy	Construction	Textile	Marketing	Tele-communication	Banking and finance	Other	Eliminations	Total
Revenue	1.367.711	497.839	414.739	228.157	96.681	562.702	91.435	(211.714)	3.047.550
Gross profit	348.040	33.825	77.633	35.766	26.148	268.027	24.316	(168.674)	645.081
Share of profit/(loss) of equity accounted investees	18.464	--	--	--	--	221	(10.345)	--	8.340
Interest income	52.794	1.571	10	5	--	--	68	--	54.448
Other income/(expenses), net	(242.096)	44.305	(8.534)	(14.781)	(45.246)	(112.056)	63.259	12.330	(302.819)
Results from operating activities	177.202	79.701	69.109	20.990	(19.098)	156.192	77.298	(156.344)	405.050
Gains /(loss) from investing activities	95.401	7.393	(2.147)	54	(94)	(12.389)	459.255	(465.760)	81.713
Interest expense	(98.388)	--	(20.441)	(5.132)	(12.166)	(9.092)	(593)	116.778	(29.034)
Finance income/(cost), net	(1.294)	(76.410)	(40.488)	(11.023)	2.579	(738)	(350.293)	328	(477.339)
Consolidated income/(loss) before tax	172.921	10.684	6.033	4.889	(28.779)	133.973	185.667	(504.998)	(19.610)
Tax benefit/(expense)	(19.207)	5.197	6.573	6	(3.303)	(19.301)	(5.132)	--	(35.167)
Net profit / (loss) for the period	153.714	15.881	12.606	4.895	(32.082)	114.672	180.535	(504.998)	(54.777)

	Energy	Construction	Textile	Marketing	Tele-communication	Banking and finance	Other	Eliminations	Total
Segment assets	3.025.105	2.347.514	807.327	254.189	629.203	13.711.423	3.809.547	(5.831.776)	18.752.532
Segment liabilities	2.073.252	1.975.957	605.041	201.664	536.341	12.202.543	2.666.308	(3.093.494)	17.167.612
Capital expenditure	15.576	34.568	22.710	143	28.317	28.833	3.090	--	133.237
Depreciation and amortisation	(20.541)	(6.531)	(5.543)	(212)	(18.782)	(18.646)	(3.860)	--	(74.115)

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7

Operating segments

30 June 2014 (*)										
	Energy	Construction	Textile	Marketing	Tele- communication	Banking and finance	Other	Eliminations	Total	Discontinued operation
Revenue	1.435.951	115.777	282.949	156.321	111.323	487.424	33.597	(198.982)	2.424.360	327.571
Gross profit	353.535	64.352	53.623	35.717	42.128	222.408	27.678	(75.904)	723.537	45.170
Share of profit/(loss) of equity accounted investees	29.225	--	--	--	--	883	(4.627)	--	25.481	--
Interest income	14.578	32	--	1	--	25	45	(247)	14.435	--
Other income/(expenses), net	(85.172)	(9.640)	(23.171)	(17.975)	(46.903)	42.184	(31.076)	16.821	(154.932)	(43.184)
Results from operating activities	312.166	54.744	30.452	17.743	(4.775)	265.500	(7.980)	(59.330)	608.521	1.985
Gains /(loss) from investing activities	4.009	1.256	545	275	--	(125.324)	41.981	(6)	(77.264)	(1.389)
Interest expense	(28.606)	(1.564)	(10.404)	(5.848)	(11.287)	(107.048)	(131.850)	123.068	(173.539)	(33.210)
Finance income/(cost), net	14.470	(231)	(7.788)	(796)	(122)	74.586	8.123	(63.487)	24.755	12.877
Consolidated income/(loss) before tax	302.039	54.205	12.805	11.374	(16.184)	107.714	(89.726)	246	382.473	(19.736)
Tax benefit/(expense)	(30.489)	(1.221)	5.812	(213)	(240)	(21.053)	(3.808)	--	(51.212)	7.078
Gain on sale of discontinued operation	--	--	--	--	--	--	--	--	--	484.790
Net profit / (loss) for the period	271.550	52.984	18.617	11.161	(16.424)	86.661	(93.534)	246	331.261	472.132

	Energy	Construction	Textile	Marketing	Tele- communication	Banking and finance	Other	Eliminations	Total
Segment assets	3.483.493	2.144.296	683.222	211.204	591.450	12.626.086	3.556.345	(5.909.973)	17.386.123
Segment liabilities	2.677.511	1.734.671	493.384	168.336	471.253	11.260.501	2.813.065	(3.541.176)	16.077.545
Capital expenditure	19.189	9.660	23.321	26	12.893	33.576	1.744	--	100.409
Depreciation and amortisation	(16.299)	(2.894)	(9.665)	(111)	(24.626)	(15.745)	(2.696)	--	(72.036)

(*) Items related to profit or loss of income are presented as of 30 June 2014, while items related to the statement of financial position are presented as of 31 December 2014.

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8 Related party disclosures

Related party balances

As at 30 June 2015 and 31 December 2014, the Group had the following balances outstanding from its related parties:

30 June 2015					
	Shareholders	Associates	Joint ventures	Other	Total
Trade receivables	145	8.239	553	3.499	12.436
Receivables					
from finance sector	3.096	--	2.402	5.740	11.238
Other receivables	--	17.601	3.197	1.962	22.760
Other payables	--	--	--	(823)	(823)
Total	3.241	25.840	6.152	10.378	45.611
31 December 2014					
	Shareholders	Associates	Joint ventures	Other	Total
Trade receivables	54	--	29	931	1.014
Receivables					
from finance sector	1.148	--	2.915	--	4.063
Other receivables	742	54.721	3.403	1.289	60.155
Payables related					
to finance sector	--	--	--	(9.558)	(9.558)
Trade payables	(39)	(18.485)	(1)	--	(18.525)
Other payables	(32.331)	(11.405)	(564)	--	(44.300)
Total	(30.426)	24.831	5.782	(7.338)	(7.151)

No impairment losses have been recognised against balances outstanding as at 30 June 2015 (31 December 2014: None) and no specific allowance has been made for impairment losses on balances with the related parties.

Related party transactions

For the six month periods ended 30 June 2015 and 2014, the revenues earned and expenses incurred by the Group in relation to transactions with its related parties were as summarised below:

2015					
	Shareholders	Associates	Joint ventures	Other	Total
Revenue	--	4.038	286	30.940	35.264
Other income / (expense)	167	2	--	--	169
Total	167	4.040	286	30.940	35.433
2014					
	Shareholders	Associates	Joint ventures	Other	Total
Revenue	233	--	--	45.946	46.179
Net finance income	2.625	--	25.043	--	27.678
Total	2.858	--	25.043	45.946	73.857

Transactions with key management personnel

On a consolidated basis, key management costs included in general and administrative expenses for the six month period ended 30 June 2015 amounted to TL 41.859 (2014: TL 40.612).

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9 Cash and cash equivalents

At 30 June 2015 and 31 December 2014, cash and cash equivalents comprised the following:

30 June 2015	Finance^(*)	Non-finance^(**)	Total
Cash on hand	109.026	541	109.567
Cash at banks	763.686	220.851	984.537
-Demand deposits	355.266	219.845	575.111
-Time deposits	408.420	1.006	409.426
Balances at central bank (excluding statutory reserve)	145.408	--	145.408
Other cash and cash equivalents ^(***)	5.742	11.015	16.757
Cash and cash equivalents	1.023.862	232.407	1.256.269
Restricted amounts	(16.673)	(48.996)	(65.669)
Cash and cash equivalents in the consolidated statement of cash flows	1.007.189	183.411	1.190.600

31 December 2014	Finance^(*)	Non-finance^(**)	Total
Cash on hand	117.714	609	118.323
Cash at banks	431.547	99.884	531.431
-Demand deposits	186.302	99.152	285.454
-Time deposits	245.245	732	245.977
Balances at central bank (excluding statutory reserve)	140.136	--	140.136
Other cash and cash equivalents ^(***)	31.602	3.204	34.806
Cash and cash equivalents	720.999	103.697	824.696
Restricted amounts	(11.602)	(45.418)	(57.020)
Cash and cash equivalents in the consolidated statement of cash flows	709.397	58.279	767.676

(*) Finance represents the Group's entities operating in banking and finance business.

(**) Non-finance represents the Group's entities operating in businesses other than banking and finance.

(***) Other cash and cash equivalents mainly consist of money in transit amounting to TL 10.738 and credit card receivables amounting to TL 494 as of 30 June 2015 (31 December 2014: money in transit amounting to TL 246 and credit and receivables from money market amounting to TL 25.000).

As at 30 June 2015, restricted cash in cash equivalents amounting to TL 65.669 (31 December 2014: TL 57.020) is not available in the Group's day-to-day operations. TL 45.751 of the restricted amounts is related to the mandatory bank deposits at banks in Turkmenistan for engineering, procurement and construction projects ("EPC") in accordance with the relevant agreements (31 December 2014: TL 40.494). The remaining restricted cash mainly comprised of cash security given to İstanbul Takas ve Saklama Bankası A.Ş. due to purchased electricity from Market Financial Settlement Center ("PMUM") and the mandatory bank deposits in Albania and Turkey for banking activities amounting to TL 1.896 (31 December 2014: TL 4.970) and TL 18.022 (31 December 2014: TL 11.556), respectively.

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10 Financial investments

At 30 June 2015 and 31 December 2014, financial investments comprised the following:

30 June 2015			
	Current	Non-current	Total
Available-for-sale financial investments	1.754.057	1.571.430	3.325.487
Held to maturity financial investments	627.570	94.579	722.149
Financial assets at fair value through profit or loss ^(*)	467.077	--	467.077
	2.848.704	1.666.009	4.514.713

31 December 2014			
	Current	Non-current	Total
Available-for-sale financial investments	1.860.529	1.381.276	3.241.805
Held to maturity financial investments	269.713	208.265	477.978
Financial assets at fair value through profit or loss ^(*)	363.604	--	363.604
	2.493.846	1.589.541	4.083.387

^(*) As at 30 June 2015, equity securities in Anagold Madencilik Sanayi ve Ticaret A.Ş. which is classified as equity securities at fair value through profit or loss were valued for the consolidated financial statements. These investments are valued periodically by an independent valuation firm by using discounted cash flow method. As at 30 June 2015, an increase in fair value for this investment amounting to TL 103.473 has been recognised under "Gain from investing activities" in profit or loss due to valuation of equity securities at fair value through profit or loss after in the tax effect.

For the six-month period ended 30 June 2014, a decrease in fair value for this investment amounting to TL 14.581 added to dividend income by TL 48.100 has been recognised under "Gain from investing activities" in profit or loss due to valuation of equity securities at fair value through profit or loss after the tax effect.

As of the reporting date, 50 basis point increase/decrease in the discount rate used in the valuation of discounted cash flows of the financial asset at fair value through profit or loss would have decreased/increased the profit before tax by TL 23.781/TL 25.374 (31 December 2014: TL 19.850 /TL 21.095), respectively.

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10 Financial investments (continued)

Available-for-sale financial investments

As at 30 June 2015 and 31 December 2014, available-for-sale financial investments comprised the following:

	30 June 2015	31 December 2014
	<u>Carrying amount</u>	<u>Carrying amount</u>
Financial investments of finance sector companies entities		
Public sector bonds, notes and bills	2.684.004	2.548.760
Private sector bonds, notes and bills	481.071	587.003
Equity securities – listed	123.968	69.484
Total	3.289.043	3.205.247
Financial investments of non-finance sector companies entities		
Private sector bonds, notes and bills	618	1.140
Equity securities – non-listed		
Bursagaz Bursa Şehiriçi		
Doğal Gaz Dağıtım Ticaret ve Taahhüt A.Ş	26.140	26.140
Kayserigaz Kayseri Doğalgaz		
Dağıtım Pazarlama Ticaret A.Ş.	6.292	6.292
Other	3.394	2.986
Total	36.444	36.558
Balance at 31 December	3.325.487	3.241.805

Financial assets measured at cost that are not traded in an active market

As at 30 June 2015, investments in equity securities amounting to TL 35.826 (31 December 2014: TL 35.418) are not traded in stock exchange and have no quoted market price, and therefore their fair value cannot be reliably estimated since there is significant variability in the range of reasonable fair value estimates and the probabilities of the various estimates within the range cannot be assessed reasonably, they are measured at cost less impairment, if any.

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10 Financial investments (continued)

Held to maturity financial investments

At 30 June 2015 and 31 December 2014, held to maturity financial investments comprised the following:

	30 June 2015	31 December 2014
	<u>Carrying amount</u>	<u>Carrying amount</u>
Financial investments of finance sector companies entities		
Private sector bonds, notes and bills	388.444	301.578
Public sector bonds, notes and bills	333.705	176.400
Total	722.149	477.978

11 Trade receivables and payables

Trade receivables

Short-term trade receivables

As at 30 June 2015 and 31 December 2014, short-term trade receivables comprised the following:

	30 June 2015	31 December 2014
Due from related parties	12.436	1.014
Due from third parties	1.883.392	2.229.976
	1.895.828	2.230.990

As at 30 June 2015 and 31 December 2014, short-term trade receivables comprised the following:

	30 June 2015	31 December 2014
Accounts receivables (*)	1.327.184	937.435
Due from customers for contract work(*)	383.261	1.125.307
Doubtful receivables	159.708	153.024
Service concession receivables	91.010	83.891
Post dated cheques received	60.535	37.220
Notes receivables	27.121	39.147
Other trade receivables	7.761	8.456
	2.056.580	2.384.480
Allowances for doubtful trade receivables (-)	(159.708)	(153.024)
Discount on trade receivables (-)	(1.044)	(466)
Total	1.895.828	2.230.990

(*) Account receivables of the Group mainly consist of uncollected portion of invoices billed in accordance with ongoing engineering, procurement and construction projects contracts abroad including excess cost amounting to TL 922.093 at of 30 June 2015 (31 December 2014: TL 1.410.579).

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11 Trade receivables and payables (continued)

Trade receivables (continued)

Short-term trade receivables (continued)

Movements of allowance for doubtful receivables for the six month periods ended 30 June were as follows:

	2015	2014
Balance at 1 January	153.024	163.610
Allowance for the period	9.689	7.731
Reversal of impairment allowances no longer required (-)	--	(65)
Recoveries of amounts previously impaired (-)	(7.898)	(12.216)
Translation difference	4.893	(97)
Total	159.708	158.963

Long-term trade receivables

As at 30 June 2015 and 31 December 2014, long-term trade receivables comprised the following:

	30 June 2015	31 December 2014
Service concession receivables	338.830	322.003
Accounts receivables	21.937	8.151
Total	360.767	330.154

Maturity of the service concession receivables was as follows:

	Receivables subject to redemption	
Redemption year	30 June 2015	31 December 2014
2015	91.010	83.891
2016	39.307	62.309
2017	66.840	59.801
2018	60.639	53.723
2019	54.736	48.016
2020	49.119	42.663
2021	34.318	28.980
2022	20.812	17.001
2023	13.059	9.510
Total	429.840	405.894

Movements of service concession receivables for the six month periods ended at 30 June were as follows:

	2015	2014
At 1 January	405.894	295.993
Additions	33.962	34.774
Redemptions related to current year investments	(33.256)	(29.863)
Fair value gain	28.538	15.546
Correction at current period regarding revenue caps	(4.978)	5.372
Other	(320)	(1.306)
At 30 June	429.840	320.516

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11 Trade receivables and trade payables (continued)

Short-term trade payables

As at 30 June 2015 and 31 December 2014, short-term trade payables comprised the following:

	30 June 2015	31 December 2014
Accounts payables ^(*)	760.698	858.054
Cheques given and payment orders	8.977	16.591
Other trade payables	13.928	11.135
Total	783.603	885.780

^(*)Accounts payables mainly consist of payables to suppliers of material and equipment for the engineering, procurement and construction projects.

Long term trade payables

As at 30 June 2015 and 31 December 2014, long-term trade payables comprised the following:

	30 June 2015	31 December 2014
Accounts payables	37.310	78.167
Total	37.310	78.167

12 Receivables and payables from finance sector activities

Receivables from finance sector activities

As at 30 June 2015 and 31 December 2014, current receivables related to finance sector activities comprised the following:

Receivables related to finance sector activities	30 June 2015	31 December 2014
Loans and receivables from customers	1.648.900	1.193.758
Loans and receivables from banks	320.362	390.563
Non-performing loans and receivables	81.699	116.081
Subtotal	2.050.961	1.700.402
Provision for impairment in value of loans and receivables	(61.154)	(53.382)
Total	1.989.807	1.647.020

As at 30 June 2015 and 31 December 2014, non-current receivables related to finance sector activities comprised the following:

Receivables related to finance sector activities	30 June 2015	31 December 2014
Loans and receivables from customers	2.737.902	2.760.998
Loans and receivables from banks	30.012	11.281
Subtotal	2.767.914	2.772.279
Provision for impairment in value of loans and receivables	(66.309)	(64.706)
Total	2.701.605	2.707.573

For the six month period ended 30 June 2015, impairment expense for loans and receivables was TL 23.799, whereas the reversal and recovery of the provision for impairment in value of loans and receivables of the amount was TL 33.174. (30 June 2014: impairment expense for loans and receivables and reversal and recovery of the provision for impairment in value of loans and receivables amounting to TL 10.255 and TL 31.699, respectively).

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12 Receivables and payables from finance sector activities (continued)

Payables related to finance sector activities

As at 30 June 2015 and 31 December 2014, short term payables related to finance sector activities comprised the following:

Short term payables related to finance sector activities	30 June 2015	31 December 2014
Due to banks	104.369	186.250
<i>Time deposits</i>	<i>102.567</i>	<i>178.390</i>
<i>Current accounts</i>	<i>1.802</i>	<i>7.860</i>
Due to customers	4.915.759	4.482.198
<i>Individual</i>	<i>4.046.419</i>	<i>3.638.180</i>
<i>Private enterprises</i>	<i>587.176</i>	<i>581.533</i>
<i>Public institutions</i>	<i>182.292</i>	<i>160.535</i>
<i>Other</i>	<i>99.872</i>	<i>101.950</i>
Customer accounts (*)	128.924	387.675
Funds from repo transactions	1.093.796	695.995
Total	6.242.848	5.752.118

(*) The Group banking subsidiary in Turkey is not entitled to collect deposits. The customer accounts represent the current balances of loan customers. As at 30 June 2015 there is no time customer account (31 December 2014: None).

As at 30 June 2015 and 31 December 2014, long term payables related to finance sector activities comprised the following:

Long term payables related to finance sector activities	30 June 2015	31 December 2014
Due to customers		
<i>Individual</i>	<i>583.068</i>	<i>446.449</i>
<i>Private enterprises</i>	<i>46.383</i>	<i>25.152</i>
<i>Public institutions</i>	<i>15.474</i>	<i>16.558</i>
Total	644.925	488.159

13 Inventories

According to Group's policy on write-down of inventories, the Group wrote down its inventory due to slow-moving inventories and due to net realisable value method for inventories totaling to TL 85 (30 June 2014: TL 5.555) for six-month period ended 30 June 2015. In addition, an impairment by TL 588 is recognised due to foreign exchange rate increase (30 June 2014: TL 18) for the finished goods of Çalık Alexandria, included in the disposal group held for sale, was recognised in the current period.

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14 Investments in equity-accounted investees

i) Joint ventures

For the six month periods ended 30 June, the movements in investments in joint ventures were as follows:

	2015	2014
Balance at 1 January	106.362	38.375
Share of profit of equity accounted investees	8.274	24.591
Dividend income from associates and jointly controlled entities	(421)	--
Formation of joint venture due to change of control in investment previously classified as available for sale	--	19.600
Capital contribution to share capital increase in joint ventures	2.984	7.230
Currency translation difference	5.429	419
Balance at 30 June	122.628	90.215
Equity accounted investees	160.632	95.788
Liabilities from equity accounted investees	(38.004)	(5.573)
	122.628	90.215

Since the Group’s share of losses in Doğu Aras, exceeds its interest in this joint venture, the Group recognised a liability of TL 38.004 as the Group is obligated to fund Doğu Aras’s operations as at 30 June 2015 (31 December 2014: TL 38.480).

ii) Associates

For the six month periods ended 30 June, the movements in investments in associates were as follows:

	2015	2014
Balance at 1 January	15.601	12.830
Share of profit of equity-accounted investees	66	890
Capital contribution to share capital increase in associates	3.901	--
Currency translation difference	561	--
Balance at 30 June	20.129	13.720

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15 Property, plant and equipment

For the six-month periods ended 30 June, movements in the property, plant and equipment were as follows:

	2015	2014
Net book value at 1 January	1.195.772	1.133.523
Additions (+)	86.020	83.350
Disposals (-)	(2.799)	(2.177)
Currency translation difference	27.083	(4.995)
Depreciation for the period (-)	(53.169)	(54.017)
Recovery of impairment	260	--
Net carrying value at 30 June	1.253.167	1.155.684

16 Intangible assets and goodwill

For the six-month periods ended 30 June, movements in the intangible assets and goodwill were as follows:

	2015	2014
Net book value at 1 January	568.130	542.850
Additions (+)	41.524	9.170
Disposals (-)	(25)	(2.238)
Amortisation for the period (-)	(20.946)	(18.019)
Currency translation difference	(160)	(3.186)
Net carrying value at 30 June	588.523	528.577

17 Investment properties

As at 30 June 2015 and 31 December 2014, investment properties comprised the following:

	30 June 2015	31 December 2014
Investment property under development	255.893	250.119
Investment property in use	107.748	107.829
	363.641	357.948

For the six month periods ended 30 June, movements in investment properties were as follows:

	2015	2014
Balance at 1 January	357.948	303.253
Additions	5.693	7.889
Balance at 30 June	363.641	311.142

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17 Investment properties (continued)

As at 30 June 2015, the Group has not obtained a valuation report related to investment properties and investment properties under construction. However, the Group obtained a valuation report related to investment properties and investment properties under construction as at 31 December 2014.

The Group obtained independent appraisal reports for each item of investment property and measured them at their fair values. Fair value information for all investment property within the scope of IFRS 13 based on fair value hierarchy are as follows:

30 June 2015	Level 1	Level 2	Level 3	Total
Investment properties	--	--	363.641	363.641
Total	--	--	363.641	363.641

31 December 2014	Level 1	Level 2	Level 3	Total
Investment properties	--	--	357.948	357.948
Total	--	--	357.948	357.948

18 Loans and borrowings

As at 30 June 2015 and 31 December 2014, loans and borrowings comprised the following:

Short term loans and borrowings	30 June 2015	31 December 2014
Securities issued	2.480.685	2.996.409
Funds borrowed by the Group's banking subsidiaries	1.825.747	1.336.633
Bank loans	372.818	469.938
Current portion of long term loans and borrowings	292.609	196.710
Current portion of long term bonds issued	19.350	--
Lease obligations	22.053	28.191
Factoring payables	18.951	25.053
Other financial liabilities	45.000	45.010
Total	5.077.213	5.097.944

Long term loans and borrowings	30 June 2015	31 December 2014
Bank loans	822.059	782.968
Funds borrowed by the Group's banking subsidiaries	273.785	225.494
Bonds issued	132.542	--
Subordinated liabilities	45.018	42.303
Lease obligations	34.254	33.011
Deferred lease interest payables	(4.164)	(5.271)
Debt securities issued	20.033	15.137
Total	1.323.527	1.093.642

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18 Loans and borrowings (continued)

As at 30 June 2015, the terms and conditions of outstanding loans and borrowings comprised the following:

30 June 2015					
	Currency	Nominal interest rate (%)	Year of maturity	Nominal value	Carrying value
Secured bank borrowings	TL	8,25-18,30	2017	473.647	210.813
Secured bank borrowings	TL	Revolving	2015	20.800	20.800
Secured bank borrowings	USD	1,70-10,00	2020	966.645	966.646
Secured bank borrowings	EUR	0,75-9,55	2025	287.244	287.614
Unsecured bank borrowings	TL	0,58-14,14	2018	622.970	167.254
Unsecured bank borrowings	USD	0,05-9,55	2016	2.182.136	1.322.768
Unsecured bank borrowings	USD	Spot	2015	15.722	15.722
Unsecured bank borrowings	USD	Revolving	2015	7.026	7.026
Unsecured bank borrowings	EUR	3,53-8,31	2031	950.576	635.113
Unsecured bank borrowings	AUD	2,00	2015	1.130	1.130
Unsecured bank borrowings	CHF	0,5-0,9	2016	14.598	14.598
Unsecured bank borrowings	GBP	1,00	2015	1.503	1.503
Bonds issued	TL	15	2017	153.256	151.892
Debt securities issued	TL	8,51-13,52	2016	2.222.778	2.010.843
Debt securities issued	USD	2,53-4,51	2016	361.736	346.737
Debt securities issued	EUR	2,53-3,03	2016	149.236	143.138
				8.431.003	6.303.597

At 31 December 2014, the terms and conditions of outstanding loans and borrowings were as follows:

31 December 2014					
	Currency	Nominal interest rate (%)	Year of maturity	Nominal value	Carrying value
Secured bank borrowings	TL	8,10-14,65	2015	231.509	214.474
Secured bank borrowings	TL	Revolving	2015	21.465	21.465
Secured bank borrowings	USD	2,44-10,00	2015-2021	926.312	894.714
Secured bank borrowings	EUR	0,82 - 8,25	2015-2025	107.531	105.172
Unsecured bank borrowings	TL	7,75-14,65	2015-2018	194.405	189.415
Unsecured bank borrowings	USD	3,84-8,25	2015-2017	1.221.637	1.221.305
Unsecured bank borrowings	USD	Spot	2015	17.592	17.592
Unsecured bank borrowings	USD	Revolving	2015	9.741	9.741
Unsecured bank borrowings	EUR	0,15-8,25	2015-2031	405.494	405.211
Debt securities issued	TL	10,00- 13,75	2015	2.639.855	2.449.033
Debt securities issued	USD	0,50 – 4,60	2015-2016	382.391	373.372
Debt securities issued	EUR	1,50 – 3,34	2015	192.646	189.141
				6.350.578	6.090.635

There are mortgages on investment properties under construction which belong to Gap İnşaat Yatırım ve Dış Ticaret A.Ş. amounting to TL 311.106 (31 December 2014: TL 443.777) against the bank borrowings used.

There are pledges over the 85 (TL 0,85), 115 (TL 1,15) and 192.780.000 (TL 192.780) shares of YEDAŞ, YEPAŞ and ÇEDAŞ, respectively, which are owned by the Group as a guarantee for the bank borrowings used and will be used by Çalık Holding, ÇEDAŞ, YEDAŞ and YEPAŞ.

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19 Derivatives

The carrying values of derivative instruments held at 30 June 2015 and 31 December 2014, were as follows:

	30 June 2015		31 December 2014	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
Forward transactions	1.817	(4.628)	197	(1.914)
Swap transactions	7.397	(12.002)	464	(596)
Currency options	204	--	361	--
Total	9.418	(16.630)	1.022	(2.510)

All derivatives in a net receivable position (positive fair value) are reported as derivative assets. All derivatives in a net payable position (negative fair value) are reported as derivative liabilities.

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20 Provisions

As at 30 June 2015 and 31 December 2014, provisions comprised the following items:

	30 June 2015	31 December 2014
<u>Short term provisions</u>		
Short term employee benefits	22.754	32.130
Other short term provisions	40.373	27.443
Total short term provisions	63.127	59.573
<u>Long term provisions</u>		
Long term employee benefits	33.711	30.809
Other long term provisions	--	232
Total long term provisions	33.711	31.041
Total provisions	96.838	90.614

As at 30 June 2015 and 31 December 2014, short-term and long term employee benefits comprised the following items:

	30 June 2015	31 December 2014
<u>Short-term</u>		
Vacation pay liability	13.664	11.399
Bonus provisions	8.621	20.265
Other employee benefits	469	466
	22.754	32.130
<u>Long term</u>		
Employee termination benefits	33.711	30.809
	33.711	30.809

As at 30 June 2015 and 31 December 2014, other provisions comprised the following items:

	30 June 2015	31 December 2014
<u>Short-term</u>		
Provisions for expenses	13.293	14.827
Provision for litigations	27.080	12.527
Other current provisions	--	89
	40.373	27.443
<u>Long-term</u>		
Other	--	232
	40.373	232

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20 Provisions (continued)

For the six-month periods ended 30 June, movements in the provisions were as follows:

		Provision for	Recoveries/ payments during the year	Currency translation difference	
2015	1 January	the period			30 June
Provision for litigations	12.527	14.393	(101)	261	27.080
Vacation pay liability	11.399	2.878	(613)	--	13.664
Bonus provisions	20.265	1.998	(13.144)	(498)	8.621
Reserve for severance payments	30.809	3.093	(387)	196	33.711
Other provisions for expenses	14.827	--	(602)	(932)	13.293
Other	787	2	(320)	--	469
	90.614	22.364	(15.167)	(973)	96.838
2014					
Provision for litigations	14.076	1.236	--	--	15.312
Vacation pay liability	10.435	2.420	(558)	--	12.297
Bonus provisions	20.012	2.912	(8.831)	(1.076)	13.017
Reserve for severance payments	26.752	3.610	(3.142)	(243)	26.977
Other provisions for expenses	21.385	5.222	(5.320)	--	21.287
Other	1.066	875	(1.059)	--	882
	93.726	16.275	(18.910)	(1.319)	89.772

The reserve has been calculated by estimating the present value of future probable obligation of the Group arising from the retirement of the employees.

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21 Commitments and contingencies

Guarantee, pledge and mortgages ("GPM") in respect of commitment and contingencies realised in the ordinary course of business were given as at 30 June 2015 are as follows:

30 June 2015	Original currency (TL equivalent)			
	USD	TL	Others	Total
A Total amount of GPMs given in the name of its own legal personality	1.117.622	234.517	346.306	1.698.445
B Total amount of GPMs given in the name of the consolidated subsidiaries and joint ventures	199.034	205.025	16.882	420.941
- Total amount of GPMs given in the name of the consolidated subsidiaries	--	--	--	--
C Total amount of GPMs given to be able to conduct ordinary business transactions to secure payables of third parties	--	--	--	--
D Other GPMs given	2.686	--	--	2.686
Total	1.319.342	439.542	363.188	2.122.072

GPMs in respect of commitment and contingencies realised in the ordinary course of business were given as at 31 December 2014 are as follows:

31 December 2014	Original currency (TL equivalent)			
	USD	TL	Others	Total
A Total amount of GPMs given in the name of its own legal personality	344.637	341.627	120.232	806.496
B Total amount of GPMs given in the name of the consolidated subsidiaries and joint ventures	--	192.780	--	192.780
- Total amount of GPMs given in the name of the consolidated subsidiaries	--	192.780	--	192.780
C Total amount of GPMs given to be able to conduct ordinary business transactions to secure payables of third parties	--	--	--	--
D Other GPMs given	5.000	--	--	5.000
Total	349.637	534.407	120.232	1.004.276

Litigation and claims

As at 30 June 2015, the expected cash outflow amount for the pending claims filed against to the Group is TL 27.080 (31 December 2014: TL 12.527). As at 30 June 2015, the provision for litigation and claims are mainly related to the labor cases against the Group. The Group made a provision for the whole amount related to these claims.

Pending tax audits

In Turkey, the tax and other government authorities (Social Security Institution) have the right to inspect the Group's tax returns and accounting records for the past five fiscal years. The Group has not recorded a provision for any additional taxes for the fiscal years that remained unaudited, as the amount cannot be estimated with any degree of uncertainty. The Group's management believes that no material assessment will arise from any future inspection for unaudited fiscal years.

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21 Commitments and contingencies (continued)

Lease commitments

As at 30 June 2015 and 31 December 2014, non-cancellable operating lease commitments are payable as follows:

Operating lease commitment – Group as lessee and rent commitments	30 June 2015	31 December 2014
Within one year	9.647	10.276
After one year not more than five years	40.870	34.719
More than five years	6.280	5.534
Total	56.797	50.529

22 Taxation

Turkey

Corporate income tax is levied on the statutory corporate income tax base, which is determined by modifying income for certain tax exclusions and allowances.

Corporate income tax is levied at the rate of 20% (31 December 2014: 20%) and advance tax returns are filed on a quarterly basis.

According to the new Corporate Tax Law, 75% (31 December 2014: 75%) of the capital gains arising from the sale of properties and investments owned for at least two years are exempted from corporate tax on the condition that such gains are reflected in the equity with the intention to be utilised in a share capital increase or kept under equity as restricted funds within five years from the date of the sale. The remaining 25% of such capital gains are subject to corporate tax.

There is also a withholding tax on the dividends paid and is accrued only at the time of such payments. According to the amendments in the tax legislations, which became effective from 24 April 2003, dividends that are paid to the shareholders from the profits of the years between 1999 and 2002 are immune from the withholding tax, if such profits are exempted from corporation tax bases of the companies. As per the decision no.2006/10731 of the Council of Ministers published in the Official Gazette no.26237 dated 23 July 2006, certain duty rates included in the articles no.15 and 30 of the new Corporate Tax Law no:5520 revised. Accordingly, the withholding tax rate on the dividend payments other than the ones paid to the non resident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions, was increased from 10% to 15%. In applying the withholding tax rates on dividend payments to the non resident institutions and the individuals the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account.

In Turkey, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes shown in the consolidated financial statements reflects the total amount of taxes calculated on each entity that are included in the consolidation.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for up to five years. Tax losses cannot be carried back.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within four months following the close of the accounting year to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue reassessments based on their findings.

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22 Taxation (continued)

Transfer pricing regulations

In Turkey, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If a tax payer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

Tax applications for foreign subsidiaries and joint ventures of the Group

Republic of Albania

The applicable corporate tax rate in Republic of Albania is 15% (31 December 2014: 15%). Tax base is by modifying accounting income for certain exclusions and allowances in accordance with the related tax legislations. Non-documented expenses, repayments of loans and borrowings which are four times higher than equity, pre-payments, representation and accommodation expenses and fringe benefits over a certain limit are not subject to reduction for tax purposes.

Republic of Kosovo

The applicable corporate tax rate in Republic of Kosovo is 10% (31 December 2014: 10%).

Under Kosovo tax legislation system, tax losses can be carried forward to be offset against future taxable income for up to seven years.

Republic of Iraq

As at 30 June 2015, the applicable corporate tax rate for the subsidiaries and branches operating in Iraq is 15% (31 December 2014: 15%). Tax losses can be carried forward to be offset against future taxable income for up to five years to the extent of the half of the current year profit when the financial profit is reported. As at 30 June 2015, profit generated from Group's operations in Iraq is not subject to corporate tax.

Arab Republic of Egypt

The applicable corporate tax rate for the subsidiaries operating in Egypt is 20% (31 December 2014: 20%). Since the Group is operating in free trade zone of Egypt, the Group is not subject to corporate tax.

United Arab Emirates

As at 30 June 2015, the Group has subsidiaries in the United Arab Emirates located in Dubai. There is no federal corporate tax in United Arab Emirates. However, similar taxes are implemented in different sectors in different emirates. As at 30 June 2015, the Group's subsidiaries operating in Dubai are not subject to corporate tax.

USA

As at 30 June 2015, the applicable corporate tax rate for the subsidiary operating in USA is 40% (31 December 2014: 40%) but additional tax applications up to 12% could be charged.

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22 Taxation (continued)

Tax applications for foreign subsidiaries and joint ventures of the Group (continued)

Georgia

According to Georgian law, the corporate income tax rate was reduced to 15% from 20% beginning from 1 January 2008.

Libya

The corporate tax rate is 20 percent. In addition to the 20 percent tax rate, a Jihad tax is levied (4 percent of profits).

Turkmenistan

According to Turkmenistan law, while the corporate tax rate is 8% for local companies, it is 20% for branches of foreign companies and for local companies which have foreign partner. Parent company of branches located in Turkmenistan is tax-exempt due to income generated from construction projects outside Turkey is tax exempt in Turkey. Besides, revenue arising from sales of machinery and equipment which are exported from Turkey and included in construction cost in those countries are subject to corporate tax in Turkey.

Uzbekistan

According to Uzbekistan law, while the corporate tax rate is 9% for local companies, it is applied as 10% for Uzbekistan branches of foreign companies.

Tax recognised in profit or loss

Income tax expense for the six month period ended 30 June comprised the following items:

	2015	2014
Current corporation and income taxes	59.388	43.274
Deferred tax expense/(benefit)	(24.221)	7.938
Total income tax expense	35.167	51.212

Taxes payable on income

Taxes payable on income as of 30 June 2015 and 31 December 2014 comprised the following:

	30 June 2015	31 December 2014
Taxes on income	35.167	125.899
Deferred tax (expense)/benefit	(24.221)	63.077
Corporation taxes paid in advance	(41.511)	(69.444)
Taxes payable on income/(prepaid taxes),net	17.877	(6.622)

As at 30 June 2015, taxes payable on income amounting to TL 29.969 (31 December 2014: TL 10.952) is not offset with prepaid taxes amounting to TL 12.092 (31 December 2014: TL 17.574) since they are related to different tax jurisdictions.

23 Financial instruments – Fair values

Fair value information

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or in its absence, the most advantageous market to which the Group has access at that date.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted market price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

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23 Financial instruments – Fair values (continued)

Fair value information (continued)

The table below shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

30 June 2015	Held-for trading	Designated at fair value	Loans and receivables	Available for-sale	Held to maturity	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value											
Financial investments	--	467.077	--	3.289.043	--	--	3.756.120	3.289.043	--	467.077	3.756.120
Derivatives	9.418	--	--	--	--	--	9.418	--	9.418	--	9.418
Financial assets not measured at fair value											
Financial investments	--	--	--	36.444	722.149	--	758.593	204.667	238.968	317.288	760.923
Trade receivables	--	--	2.256.595	--	--	--	2.256.595	--	--	--	--
Other receivables	--	--	498.044	--	--	--	498.044	--	--	--	--
Cash and cash equivalents	--	--	1.256.269	--	--	--	1.256.269	--	--	--	--
Receivables related to finance sector operations	--	--	4.691.412	--	--	--	4.691.412	--	--	4.660.321 ^(*)	4.660.321
	9.418	467.077	8.702.320	3.325.487	722.149	--	13.226.451				
Financial liabilities measured at fair value											
Derivatives	(16.630)	--	--	--	--	--	(16.630)	--	(16.630)	--	(16.630)
Financial liabilities not measured at fair value											
Loans and borrowings	--	--	--	--	--	(6.400.740)	(6.400.740)	--	--	(6.348.845) ^(*)	(6.348.845)
Trade payables	--	--	--	--	--	(820.913)	(820.913)	--	--	--	--
Payables related to finance sector operations	--	--	--	--	--	(6.887.773)	(6.887.773)	--	--	--	--
Other payables	--	--	--	--	--	(190.146)	(190.146)	--	--	--	--
	(16.630)	--	--	--	--	(14.299.572)	(14.316.202)				

^(*) Calculated for disclosure purpose.

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23 Financial instruments – Fair values (continued)

Fair value information (continued)

31 December 2014	Held-for trading	Designated at fair value	Loans and receivables	Available for-sale	Held to maturity	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value											
Financial investments	--	363.604	--	3.205.247	--	--	3.568.851	3.206.387	--	363.604	3.569.991
Derivatives	1.022	--	--	--	--	--	1.022	--	1.022	--	1.022
Financial assets not measured at fair value											
Financial investments	--	--	--	36.558	477.978	--	514.536	--	--	510.023	510.023
Trade receivables	--	--	2.561.144	--	--	--	2.561.144				
Other receivables	--	--	448.818	--	--	--	448.818				
Cash and cash equivalents	--	--	824.696	--	--	--	824.696				
Receivables related to finance sector operations	--	--	4.354.593	--	--	--	4.354.593	--	--	4.325.456 ^(*)	4.325.456
	1.022	363.604	8.189.251	3.241.805	477.978	--	12.273.660				
Financial liabilities measured at fair value											
Derivatives	(2.510)	--	--	--	--	--	(2.510)	--	(2.510)	--	(2.510)
Financial liabilities not measured at fair value											
Loans and borrowings	--	--	--	--	--	(6.191.586)	(6.191.586)	--	--	(6.140.864) ^(*)	(6.140.864)
Trade payables	--	--	--	--	--	(963.947)	(963.947)	--	--	--	--
Payables related to finance sector operations	--	--	--	--	--	(6.240.277)	(6.240.277)				
Other payables	--	--	--	--	--	(211.574)	(211.574)				
	(2.510)	--	--	--	--	(13.607.384)	(13.609.894)				

^(*) Calculated for disclosure purpose.

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24 Subsequent events

On the Board of Directors decision dated 17 August 2015, the Group decided to issue bonds up to an aggregate nominal value of TL 300.000, a maturity of 5 years, semiannually coupon payment and floating interest rate and applied for the authorisation of issuance certificate to Capital Markets Board of Turkey.