Altın Yunus Annual Report 2013

ÇEŞME
altın yunus
RESORT & THERMAL HOTEL

Yaşar
for a better life

ÇEŞME altın yunus
RESORT & THERMAL HOTEL

For those unforgettable moments that you'll forever recall fondly...

With its unrivaled location in İzmir's Çeşme county, its magnificent scenery, and its excellent staff, Altın Yunus has been providing its guests an enjoyable experience and beautiful memories all year round since 1974.

Informed by a concept that blends comfort, good health, entertainment, and repose, Altın Yunus gives its guests an unforgettable holiday experience while satisfying their expectations at the highest level.

All for a better life...

Reporting Period
01.01.2013 - 31.12.2013

Trade Name
Altın Yunus Çeşme Turistik Tesisler A.Ş.

Trade Registration
İzmir 35041 K-581

Contact Information

Headquarters
Şehit Fethibey Caddesi No: 120 Alsancak - İzmir
Tel: +90 232 482 22 00 Fax: +90 232 484 17 89

Hotel
Kalem Burnu Mevkii Boyalık Çeşme - İzmir
Tel: +90 232 723 12 50 Fax: +90 232 723 22 53

Branch (Hotel)
Altın Yunus Mahallesi 3215 Sokak No: 38
Çeşme - İzmir

Altın Yunus Apart
Altın Yunus Mahallesi 3402 Sokak No: 2
Çeşme - İzmir

Website
www.altinyunus.com.tr

Authorized Capital
TL 25,000,000

Paid-in Capital
TL 16,756,740

A perfect blend of quality, comfort, entertainment, and pleasure

Offering an unmatched holiday experience with a high-quality, friendly service approach, Altın Yunus has enjoyed a leading position in the Turkish hospitality sector in terms of scale and quality ever since it opened its doors in 1974.

First

Altın Yunus was the first 5-star holiday village capable of accommodating 1,100 guests in Turkish and the Middle East.

Unique location & exceptional comfort

Located on one of the finest coves in the vicinity of Çeşme about an hour's drive west of İzmir, Altın Yunus assures its guests of quality, comfort, entertainment, and enjoyment during every season of the year. Altın Yunus boasts a natural sandy beach of its own. Measuring 250 meters in length, the beach flies a Blue Flag and fully complies with all international standards. The Bio Venus Spa located within the hotel provides guests with health and beauty treatment opportunities during their stay. Altın Yunus is distinguished by a unique architectural mélange of modern comfort, nostalgic charm, and a natural environment all in perfect balance.

With its competent human resources, unique natural location, and stunning scenery, Altın Yunus assures both its leisure- and its business-travel guests of quality, comfort, entertainment, and enjoyment during every season of the year.

With a bed capacity of 1,100, Altın Yunus was the first 5-star luxury holiday village in Turkey and the Middle East. Altın Yunus occupies 140,000 m² of grounds on Kalem Burnu (Kalem Point) in the Boyalık district of Çeşme township, 80 kilometers west of İzmir, the pearl of the Aegean. Turkey's and the Middle East's first 5-star luxury holiday village in terms of its scale and quality, Altın Yunus is an outstanding leader of the Turkish tourism industry.

The training ground of the Turkish tourism industry

Since the day it opened its doors, Altın Yunus has had a deserved reputation as the training ground of the Turkish tourism industry. As the "alma mater" of countless hospitality professionals and entrepreneurs, it has contributed enormously to a sector in which competent, hospitable, and friendly personnel are crucially important.

Quality determines satisfaction.

Altın Yunus perfectly blends the grace of traditional Turkish hospitality with thoroughly professional management and internationally recognized tourism industry quality standards. All of the hotel's operations have received ISO 9001:2008 Quality Management System certification.

Altın Yunus responds to its guests' wishes and expectations in the most effective way possible and it regards this approach as the keystone in the sustainability of its business model. Seeking to elevate the guest experience to ever higher levels while also taking market conditions into account, Altın Yunus focuses on being a brand which:

- pays attention to guests' wishes and suggestions,
- takes a customer-focused approach in the constant development and renewal of its services,
- makes itself easily accessible through a variety of channels,
- pleases and surprises guests by transcending their expectations.

Constantly renewing its services in line with its guests' wishes and needs, Altın Yunus closely monitors and measures customer satisfaction and seeks to increase it.

Total Overnight Stays

145,109

In 2013 Altın Yunus booked a total of 145,109 overnight stays.

Bed Capacity

1,100

Altın Yunus was the first 5-star luxury holiday village in Turkey and the Middle East capable of accommodating 1,100 people.

Yacht Capacity

200

Capable of simultaneously accommodating 200 yachts, the Altın Yunus Marina is one of the finest marinas in the entire Aegean.

Beach

250

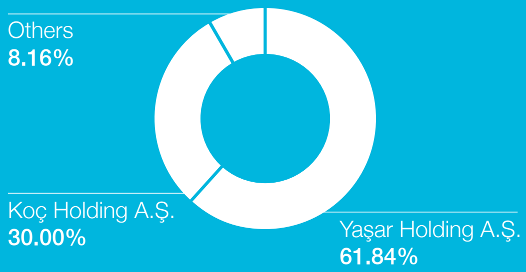
Altın Yunus has a 250-meter blue-flag sandy beach.

Shared Values

Since the day it was founded, Altın Yunus has:

- Contributed to the progress and well-being of its employees, suppliers, and business partners through the added value which it creates.
- Served as a training-ground and school supplying the Turkish tourism industry with entrepreneurs, managers, and personnel.
- Adhered to a service quality model by which other its peers' performance is benchmarked.

Altın Yunus Shareholder Structure



Shareholder	% Share	Value (TL)
Yaşar Holding A.Ş.	61.84	10,362,754.91
Koç Holding A.Ş.	30.00	5,027,022.00
Others	8.16	1,366,963.09
Total	**100.00**	**16,756,740.00**

The Company's shares are traded on the Second National Market of Borsa İstanbul (BIST) under the AYCES symbol.

The Company's capital consists entirely of bearer shares, each one of which entitles a shareholder (or their proxy) present at a general meeting to a single vote.

One of Turkey's leading corporate groups...

7,400

The Yaşar Group provides goods and services through 20 companies, 19 factories and plants, 2 charitable foundations, and about 7,400 employees.

The Yaşar Group

"Durmuş Yaşar Establishment", a shop in İzmir's Şeritçiler Çarşısı district which Durmuş Yaşar opened in 1927 and from which he sold naval stores and paints, went on to become the core of what is today the Yaşar Group, one of Turkey's leading corporate groups.

Well-known brands in different sectors

With 20 companies, 19 factories and plants, 2 charitable foundations, and about 7,400 employees, the Yaşar Group is the owner of brands that rank among the leaders of their respective business lines:

- Food & beverages
- Coatings
- Agricultural production
- Paper
- Tourism
- Foreign trade
- Energy

The Group's principal business lines consist of food & beverages and of coatings. The group's two leading brands are Pınar (food & beverages) and Dyo (coatings). Both enjoy top-level rankings as Turkey's "best-known consumer brands".

Food & Beverages Division

The most beloved flavors
The most wholesome products
The most advanced technology

- Pınar Süt
- Pınar Et
- Pınar Su
- Çamlı Yem Besicilik
- Yaşar Birleşik Pazarlama
- Pınar Foods GmbH
- HDF FZCO

Coatings Division

Technological leadership
Strong brands and distribution network

- Dyo Boya Fabrikaları
- Dyo Matbaa Mürekkepleri
- Kemipex Joint-Stock Co
- S.C. Dyo Balkan SRL
- Mediterranean Trade for Paints Co (MTP Co)

A corporate group that has authored many firsts

Keeping a close watch on developments in technology and maintaining an innovative approach, the Yaşar Group continues to author firsts in the business lines in which it is active.

The Yaşar Group launched Turkey's

- First national paints brand
- First 1,100 bed capacity hotel
- First privately-owned dairy plant conforming to international standards
- First privately-owned composite fertilizer plant
- First privately-owned paper plant
- First bottled mineral water supplied in non-returnable packaging
- First privately-owned integrated meat processing & packing plant
- Turkey's first aquaculture facility and production

In keeping with its environmental and social awareness approaches

Yaşar Holding strives to minimize the environmental impact of all of its economic and commercial activities. All Yaşar Group companies comply with all laws and regulations related to protecting the environment and to reducing pollution caused by business activities.

The Yaşar Group also involves itself in a variety of corporate social responsibility projects that support education, sport, culture, and art.

Regarding social responsibilities towards stakeholders as being one and the same as its economic responsibilities as a company, the Yaşar Group voluntarily joined the United Nations Global Compact network on 12 November 2007. In compliance with the requirements of that membership, the Company published communications on progress for 2009 and 2010 and sustainability reports for 2011 and 2012.

In 2012 the "CEO Statement of Support on behalf of Women's Empowerment Principles" was signed. In 2013, commitments were made to abide by gender policies which are set out in the "Declaration of Workplace Equality " and which are consistent with being a good corporate citizen such as increasing the number of women in the workforce and improving working conditions.

The communications on progress and the sustainability reports that the Group published in compliance with the Global Compact may be found on the Yaşar Holding corporate website at www.yasar.com.tr.

Six companies traded in the Borsa İstanbul

Six of Yaşar Holding's subsidiaries are traded on the Borsa İstanbul: Pınar Süt, Pınar Et, Pınar Su, Dyo Boya, Viking Kağıt, and Altın Yunus Çeşme.

The Yaşar Group's mission

To provide trusted-brand, superior-quality products and services that add value to consumers lives.

Tissue Paper Division

Eco-friendly production
Innovative products

- Viking Kağıt

Trade & Service Division

Committed to superior service

- Altın Yunus Çeşme
- Bintur
- Yaşar Dış Ticaret
- YADEX International GmbH
- Desa Enerji

Foundations

A responsible corporate citizen

- Yaşar Education and Culture Foundation
- Selçuk Yaşar Sports and Education Foundation

For Altın Yunus the guest is everything.

In its 40th year of operation, Altın Yunus continues to successfully provide its guests with hospitality services conforming to the highest standards of quality and focused on unconditional customer satisfaction.

goal

As one of the most esteemed Turkish and regional tourism destinations, Altın Yunus is committed to sustaining its long-term viability and to making a difference in people's lives by providing them with a pleasurable service experience.

Distinguished shareholders,

The expansionist monetary policies adhered to immediately after the global financial crisis of 2008 demonstrably prevented that crisis from growing deeper. With global economic activity returning to a semblance of normalcy in 2013, the world's central banks began talking about gradually putting an end to such policies. The first step in this direction was taken by the US Federal Reserve Bank but even its initial signals that it might be winding up its "asset purchases" led to market volatilities at the global level and caused developing countries' currencies in particular to depreciate. The expectation at this time is that the economic landscape of 2014 will be shaped by these developments but that low interest rates will remain in effect for yet some more time even though markets are being supplied with rather less liquidity.

Despite worldwide economic and political volatilities in 2013, the Turkish tourism industry remained on its upward course of growth and development.

Turkey was the only country in its region to increase the number of foreign tourist arrivals in 2013: percentage-wise, there were year-on improvements in visitor numbers in the 10-20% range almost everywhere. Overall last year Turkey's tourism industry revenues amounted to USD 32.3 billion, which corresponds to a year-on rise of 11.4%. Looking at the Turkish Aegean however, which is where our hotel is located, the rate of growth in revenues was only in the 2-3% range. The number of tourists coming to İzmir from European countries other than France and Germany topped 500 thousand in 2013.

One of the most significant developments for our sector last year was the wave of cancellations and a decline in additional bookings prompted by social strife in several of Turkey's biggest cities. The announcement of an international-class travel agency's going into receivership at the beginning of June also led to a substantial reduction in overnight stays and even to a number of flight cancellations.

Although it embarked upon 2013 with good prospects, our sector experienced occupancy rates below expectations owing to the developments that I have just briefly outlined. This was especially true during the summer high season.

Last year the number of beds available in our region increased by 17% and topped 26 thousand. Even meteorological conditions suffered from abnormalities in 2013: Çeşme for example experienced 62 of the windiest and coolest days recorded in the most recent ten years.

A successful performance in the face of volatile market conditions

In its 40th year of operation, Altın Yunus continues to successfully provide its guests with hospitality services conforming to the highest standards of quality and focused on unconditional customer satisfaction. Rooted as they are in traditional Turkish hospitality, Altın Yunus's service standards are what make it possible for its guests to experience precious moments while having fun in a relaxing environment.

As one of the cornerstones of the Turkish tourism industry, Altın Yunus last year maintained the solid domestic and international market growth that it achieved in 2012 and this impacted favorably on its performance.

In 2013 Altın Yunus booked a total of 145,109 stays and achieved an overall overnight occupancy rate of 49%.

Offering accommodations on an "all-inclusive" basis, a concept greatly appreciated by its guests, Altın Yunus registered a year-on rise of 11.5% in its net sales, which reached TL 22.9 million. Based on our findings, the "all-inclusive" concept generated about 49.5% of Altın Yunus's total revenues in 2013.

Achieved under conditions of severe market volatility, this financial performance is not only evidence of the validity of Altın Yunus's strategy but also provides the underpinnings needed for its sustainable growth in the future as well.

The customer is all.

For Altın Yunus the customer–which is to say the guest–is all. The customer is the reason for its existence and the bedrock of its future. This straightforward premise is what has made it possible for Altın Yunus to protect and burnish its brand value and reputation among consumers under market conditions of every kind in the course of four decades.

Altın Yunus owes its unassailable sectoral position to its ability to constantly improve and renew its service standards and processes based on the feedback–both positive and negative–that it solicits and receives from its guests.

Altın Yunus's customer satisfaction rate increased from 86.34% in 2012 to 89.48% in 2013.

The Çeşme-Alaçatı region has become an increasingly more important center of attraction in recent years. This has contributed significantly to Altın Yunus's success by enhancing its brand recognition and bringing it into contact with ever more customers.

An ability to offer guests both "all-inclusive" and "half-board" accommodation plans gives Altın Yunus a substantial competitive advantage over other hospitality providers in the area while its focus on being an establishment that caters to families plays a significant role in improving both market share and guest satisfaction.

In 2012 we renovated our "Marin Plus" rooms. That project was followed up in 2012 with the renovation of our "Marin" rooms. Both investments have contributed substantially both to occupancy rates and customer satisfaction.

Another factor that contributed to customer satisfaction is the fast and convenient online reservation systems that we make accessible to guests through our business partners.

Our success also rests on the efforts of travel agencies and tour operators with which we work.

In 2013 Altın Yunus continued to develop and maintain strong relationships with travel agencies and tour operators in all segments.

Altın Yunus is giving greater importance to efforts to enhance its brand awareness and increase customer demand while never sacrificing its principle of maintaining long-term relationships with suppliers and business partners and sharing its success with them.

Our region's potential is strong.

We believe that new accommodation, thermal spa, surfing, and training facilities opened in recent years in and around Çeşme and Alaçatı have contributed to both the visibility and the appeal of our region.

We have been observing a steady, year-round increase in interest shown in the thermal spa and health tourism assets of our region by Balkan and Middle Eastern countries. At the same time, the Turkish tourism ministry is also involved in a number of projects and promotional activities aimed at drawing attention to the İzmir region as a whole.

Activities such as these and others will expand opportunities to accommodate ever-greater numbers of guests not just at Altın Yunus but throughout the region in 2014 and the years that follow. That will further increase the economic value that we create for our stakeholders through the collaborative system in which we work with our suppliers and business partners.

As one of the most esteemed Turkish and regional tourism destinations, Altın Yunus is committed to sustaining its long-term viability and to making a difference in people's lives by providing them with a pleasurable service experience.

As I bring these brief remarks to a close, I acknowledge the debt of gratitude we owe to all of our employees, shareholders, and other stakeholders for the support and confidence that made our 2013 results possible.

İdil Yiğitbaşı
Chairperson of the Board of Directors

Altın Yunus owes its unassailable sectoral position to its ability to constantly improve and renew its service standards and processes based on the feedback–both positive and negative–that it solicits and receives from its guests.

Board of Directors, Senior Management, Committees

İdil Yiğitbaşı
Chairperson

Mehmet Kahya
Deputy Chairperson
(Independent Director)

Davut Ökütçü
Independent Director

İbrahim Tamer Haşimoğlu
Director

Mehmet Aktaş
Director

Hasan Girenes
Director

Tayfun Başkurt
Director

The Board of Directors and Terms of Office*

Name	Title	Term of Office
İdil Yiğitbaşı	Chairperson	29 May 2013 - One year
Mehmet Kahya	Deputy Chairperson (Independent Director)	29 May 2013 - One year
Davut Ökütçü	Independent Director	29 May 2013 - One year
İbrahim Tamer Haşimoğlu	Director	29 May 2013 - One year
Mehmet Aktaş	Director	29 May 2013 - One year
Hasan Girenes	Director	29 May 2013 - One year
Tayfun Başkurt	Director	29 May 2013 - One year

Senior Management*

Name	Position
Tayfun Başkurt	General Manager
Cüneyt Günlüsoy	Financial Affairs Manager

Audit Committee

Name	Position
Mehmet Kahya	Head of the Committee
Davut Ökütçü	Member

Corporate Governance Committee

Name	Position
Mehmet Kahya	Head of the Committee
Mehmet Aktaş	Member

Early Detection of Risk Committee

Name	Position
Davut Ökütçü	Head of the Committee
Mehmet Kahya	Member

* Background information about members of the Board of Directors and senior managers is provided on page 25 of this report.

Limits of Authority:
Both the chairperson and the members of the Board of Directors possess all of the authorities set forth in the applicable articles of the Turkish Commercial Code as well as in articles 11 and 12 of the Company's articles of association.

11.4% rise in tourism revenues...

824

Per capita tourist expenditures amounted to USD 824 in 2013.

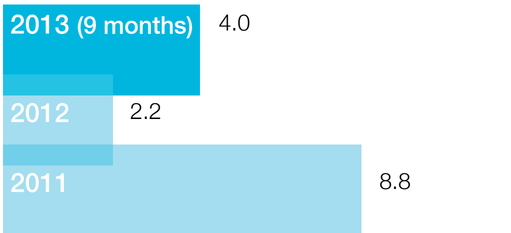
The Turkish economy and the sector in 2013

Total tourism revenues rose by 11.4% in 2013 and reached USD 32,310,424,000 in value.

4%

The Turkish economy grew by 4% in the first three quarters of 2013.

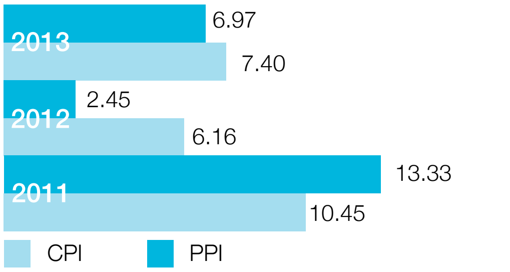
GDP Growth Rate - Fixed Prices (%)



The Turkish economy grew by 4% as of the third quarter of 2013.

Having grown by 2.2% in 2012, the Turkish economy achieved a 4% rate of growth in the first nine months of 2013.

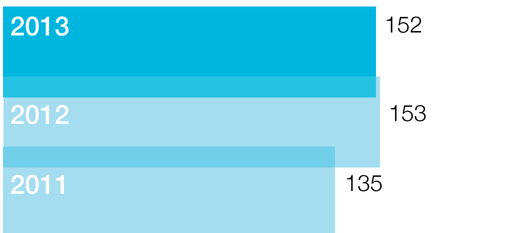
Inflation (%)



Inflation appears to be on a rising trend.

At end-2013 Turkey's 2003 base-year consumer price index was 7.40% higher than what it had been twelve months earlier while the producer price index, which had declined by 2.4% in 2012, rose to 6.97% in the year to end-2013.

Exports (USD billion)



Imports (USD billion)

Exports make a net contribution to growth of zero.

According to TurkStat-published provisional figures for 2013, Turkey's exports last year amounted to USD 151.9 billion in value while its imports weighed in at USD 251.7 billion. The resulting USD 99.8 billion foreign trade deficit was 18.7% bigger than what it had been the year before while the ratio of the country's exports to imports fell from 64.5% in 2012 to 60.3% in 2013.

The Tourism Industry in Turkey

Among the more significant developments witnessed in the tourism industry in Turkey in 2013 were increased use of online tourism portals, the proliferation of alternatives to seaside tourism, and the greater importance of congress & meeting tourism along with sport and health tourism.

Despite adverse economic developments and regional instabilities in both Europe and the Mediterranean basin during the most recent three years, Turkey's tourism industry once again registered positive growth in 2013.

Turkey was the only country in its region to increase the number of foreign tourist arrivals in 2013; but while there were year-on percentage-wise improvements of around 10-20% in visitor numbers, such growth in the İzmir region was only in the 2-3% range. The number of tourists coming to İzmir from European countries other than France and Germany topped 500 thousand in 2013.

Throughout the year the Ministry of Culture and Tourism concentrated on international efforts to publicize the diversity of tourism opportunities available in Turkey while also supporting projects focusing on the country's historical, cultural, and regional assets. Greater attention was given to alternative areas such as congress, golf, faith, spa and health, winter sports, cultural, and yacht tourism as well as the unique attractions of individual cities while also seeking to appeal to higher-income groups.

Another project supported by the ministry is the system of early-reservation campaigns that was introduced in 2009. The fundamental goal of this system is to encourage more people to go on holidays by providing attractive terms and conditions that make it easier to pay for them. This is being done both to stimulate domestic tourism and to correct widespread perceptions that only foreign tourists get better deals when they travel in Turkey.

Tourism revenues were up by 11.4%.
International tourism revenues rose by 11.4% in 2013 and reached USD 32,310,424,000 in value. Of that total, 78.9% was from foreign visitors and 21.1% was from Turkish citizens residing abroad and visiting the country on holiday. USD 24,836,789,000 of that figure represents personal expenditures while package-tour outlays account for only USD 7,473,635,000.

The average expenditure per person was USD 824.
Per capita tourist expenditures amounted to USD 824 in 2013. However this figure masks a huge disparity between foreign nationals and Turkish citizens living abroad: the former spent an average of USD 749 each while the latter spent USD 1,252.

There was a 7.6% rise in visitor departures.
There was a 7.6% year-on rise in visitor departures in 2013. The total number leaving Turkey was 39,226,226,000 of which 33,827,474,000 (86.2%) were foreign nationals and 5,398,752,000 (13.8%) were non-resident Turkish citizens.

There was a 14.4% rise in tourism expenditures.
Total tourism expenditures increased by 14.4% year-on in 2013 and reached USD 5,253,565,000 of which USD 4,286,397,000 represents personal expenditures and package-tour outlays account for USD 967,168,000.

There was a 29.7% rise in the number of Turkish citizens going abroad.
The number of Turkish traveling abroad increased by 29.7% year-on in 2013 and reached 7,525,869,000. They spent an average of USD 698 per person.

The Çeşme region

According to figures published by the Çeşme County Tourism Directorate, there was a year-on decline of 12% in the number of domestic tourist arrivals but a 26% increase in the number of foreign-national arrivals.

A similar pattern may be seen in overnight stays by arrivals in Çeşme county last year: domestic tourists spent 26% fewer nights and foreign tourists spent 72% more.

Tourism Revenues: 2001-2013

Year	Total (USD thousand)	Total (USD thousand)
2001	10,450,728	-
2002	12,420,519	18.8
2003	13,854,868	11.5
2004	17,076,609	23.3
2005	20,322,111	19.0
2006	18,593,950	-8.5
2007	20,942,501	12.6
2008	25,415,067	21.4
2009	25,064,481	-1.4
2010	24,930,996	-0.5
2011	28,115,694	12.8
2012	29,351,446	4.4
2013	32,310,424	11.4

Despite adverse economic developments and regional instabilities in both Europe and the Mediterranean basin during the most recent three years, Turkey's tourism industry once again registered positive growth in 2013.

For all of our stakeholders...

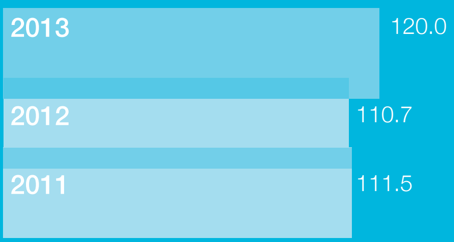
22.9

Net sales amounted TL 22.9 million.

In 2013, Altın Yunus:

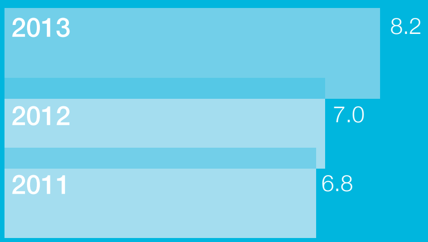
- registered a 11.5% rate of growth in its turnover,
- increased customer satisfaction through greater emphasis on customer-focused activities
- carried out TL 4.3 million worth of investments to renovate the hotel's physical conditions and technological infrastructure

Total Assets (TL million)



Altın Yunus's total assets at end-2013 were 8.4% higher than they were twelve months earlier and amounted to TL 120 million.

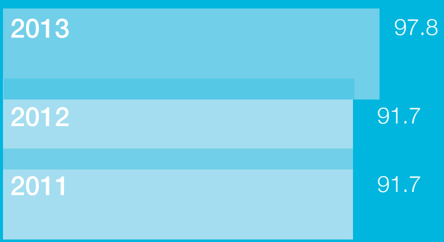
Gross Sales Profit (TL million)



The Company's gross sales profit was up by 16.3% year-on in 2013 and stood at TL 8.2 million.

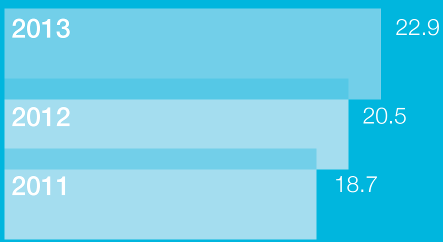
Altın Yunus's gross profit performance was even better last year: in the twelve months to end-2013, its profit increased by 16.3% to TL 8.2 million while its earnings before interest, taxes, depreciation, and amortization amounted to TL 4.5 million.

Shareholders' Equity (TL million)



A robustly-capitalized firm, Altın Yunus's shareholders' equity amounted to TL 97.8 million at year-end 2013.

Net Sales (TL million)



In the twelve months to end-2013, Altın Yunus's net sales grew by 11.5% and reached TL 22.9 million.

Ratios

	2012	2013
Gross Profit Margin	34.1%	35.6%
Current Ratio	0.6	0.4
Acid Test Ratio	0.6	0.4
Financial Leverage Ratio	0.2	0.2
Debt/Equity	0.2	0.2

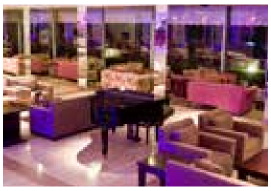
49.5%

The "all-inclusive" segment contributed a 49.5% share of total revenues in 2013.

Altın Yunus once again continued to develop and maintain strong relationships with travel agencies in all segments in 2013. In line with its goal of maintaining long-term relationships with business partners, the Company concentrated especially on brand awareness and customer demand enhancement.

49.1%

Altın Yunus achieved an overall overnight occupancy rate of 49.1% in 2013.



Altın Yunus successfully maintained its healthy growth in both its domestic and international markets.

Having racked up five consecutive years of positive growth, the Turkish tourism industry suffered from stagnation in 2013 owing mainly to worldwide economic constraints and political confrontations. In order to better contend with this situation, Altın Yunus made ongoing product and service improvements and innovations based on both positive and negative feedback from guests. In this way, the Company successfully maintained the solid domestic and international market growth that it achieved in 2012 in 2013 as well.

Owing to a spate of social turbulence in several of Turkey's biggest cities last year, the sector suffered from both cancellations and a decline in additional bookings. In addition, the bankruptcy of a major international travel agency in June led to a substantial reduction in overnight stays in Turkey and one airline operating charters in and out of the country to Asian and European destinations even found it necessary to cancel some of its flights.

The Turkish tourism industry embarked upon 2013 with good prospects and high hopes. Based on official statistics as well as anecdotal evidence however, it is clear that social confrontations, an agency bankruptcy, and one airline's flight cancellations conspired to depress occupancy rates, which languished during the summer high-season months of June, July, and August.

There were 22,280 available beds available in the Çeşme region in 2012. In 2013 this number increased by 17% and reached 26,084. Last year however Çeşme also experienced 62 of the windiest and coolest days recorded in a decade.

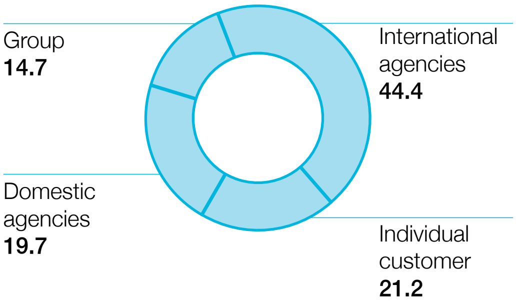
Despite all such adversities however, Altın Yunus booked a total of 145,109 overnight stays in 2013. Offering guests both "half-board" and "all-inclusive" accommodation plans, the hotel increased its net sales by 11.5% to TL 22.9 million in the twelve months to end-2013

Analysis of 2013 overnight stays by segment

Of the total number of overnight stays in 2013, 64,366 (16%) were booked through foreign agencies. Domestic agencies and private individuals accounted for 28,624 and 30,857 of bookings respectively while 21,262 consisted of closed-group bookings.

As measured on a Turkish-lira basis, the Company's turnover from international books was up by 43% year-on and corresponded to TL 5.9 million; domestic guests supplied TL 17.0 million worth of turnover.

Breakdown of Overnight Stays (%)



Number of Overnight Stays

Occupancy Rate (%)

The TL 5.9 million in turnover secured on international bookings was 43% higher than that of the previous year.

Strong relationships with travel agencies and tour operators

In 2013 Altın Yunus continued to bolster its strong relationships with travel agencies and tour operators in all segments. In line with its goal of maintaining long-term relationships with business partners, the Company concentrated especially on brand awareness and customer demand enhancement.

The hotel continued to work closely with the call centers of agencies active in the domestic market and regular checks were made of their Altın Yunus bookings. Agencies' websites were also checked regularly to ensure that those viewing them were provided with correct, up-to-date information about the hotel. Visits to the hotel were arranged for the info-groups that agencies send out during the pre-season spring months. Through such visits, agency personnel were given a chance to become acquainted with Altın Yunus during their stay, thus ensuring that they would provide their clients with correct information about the hotel and send it increasingly more guests.

49.1% occupancy rate

Seeking to serve its guest not just during the summer high season but all year long, Altın Yunus's successfully deployed marketing and sales strategies gave the hotel an average occupancy rate of 49.1%.

Developments in the "all-inclusive" concept

Altın Yunus introduced its "all-inclusive package" concept in 2010. As a result of successive refinements of the system and improvements in its implementation, demand for this form of booking continued to grow in 2013. Last year 49.5% of the hotel's net revenues were earned on "all-inclusive" bookings. This is clear evidence that the concept has significantly boosted the Company's turnover; it also suggests that the demand for this product will continue to grow in the future as well.

Investments in 2013

The Company spent a total of TL 4,311,747 on investments in 2013. These consisted mainly of: renovations in Marina rooms, in the banquet area, and in the main restaurant, the last of which was to allow guests to be served under more spacious conditions; Marina dispositions; miscellaneous operations, technical materials, and fixtures.

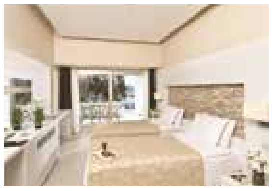
Developments in supplier relations

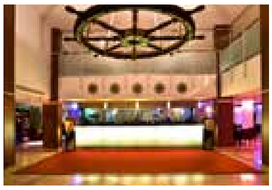
Besides improving its overnight occupancy performance and sales figures, Altın Yunus also seeks to increase its profitability by taking advantage of cost advantages in its procurements.

In addition to its ongoing efforts in this direction in previous years, at the beginning of the 2013 season Altın Yunus secured procurement advantages for itself by negotiating price and discount guarantees in advance on a number of heavily-used items. The company will be expanding the scope of this practice in the years ahead as well.

Developments in information technologies

Recent developments in technology both in Turkey and around the world have made it increasingly easier for people to book travel and accommodation arrangements online and by means of mobile apps. Keeping a close watch on trends in the tourism industry and proactively taking advantage of them, Altın Yunus has added new online reservation websites to the ones with which it began working a few years ago. The company has a strong presence in both domestic and international sales channels and manages a portfolio of about 16,000 email addresses. Information about all campaigns conducted during the year is sent out by email whose timings are statistically determined. Responses to and the results of such mailings are analyzed and the information is used as input for future ones.





For our guests...

140,000

Occupying 140 thousand m² of grounds, Altın Yunus is one of Turkey's biggest tourist facilities.

Seeking to achieve 100% guest satisfaction, Altın Yunus continued to concentrate on quality-focused efforts to help make guests feel special.

9

Altın Yunus has nine pools, two of which are thermal.

Altın Yunus: An enchanting holiday paradise

Seeking to achieve 100% guest satisfaction, Altın Yunus continued to concentrate on quality-focused efforts to help make guests feel special.

Altın Yunus solicits and receives feedback from its guests in a variety of ways. Such feedback is analyzed in detail and the results of such analyses are used as input for activities aimed at further enhancing customer satisfaction. Regarding customer satisfaction as the keystone of its competitive strength, Altın Yunus intends to further expand its efforts to quantify the degree to which its guests enjoy their stay at the hotel.

The Pearl of the Aegean

Occupying 140 thousand m² of grounds, Altın Yunus is one of Turkey's biggest tourist facilities and the first 5-star luxury holiday village in Turkey and the Middle East capable of accommodating 1,100 people.

Having hosted numerous Turkish and foreign dignitaries and served as a venue for a wide range of national and international events, Altın Yunus has made many contributions to the promotion of Turkey as a tourism destination.

Distances to Altın Yunus

	km
Ilıca	2
Çeşme	3
Alaçatı	4
Dalyan	8
Ildır	20
İzmir	80
Adnan Menderes International Airport	90
Ephesus	155
Kuşadası	170

Room Capacities of Altın Yunus

	# Rooms
Standard Sea	158
Standard Garden	161
Dolphin Suite	17
Golden Suite	2
Ocean Suite	6
Marin	45
Marin Plus	34
Altın Yunus Apart	42
Total	**465**

Altın Yunus has been awarded ISO 9001:2008 Quality Management System certification. The resort is located in the Turkish Aegean on Kalem Burnu (Kalem Point) in the Boyalık district of Çeşme township in the province of İzmir.

The resort offers
- 423 Standard (Main Building), Marina rooms, and 42 apart rooms Marina Plus rooms:
- five restaurants, five bars, and nine conference halls,
- a 250-meter blue-flag sandy beach,
- nine pools including two containing water from the local thermal springs.

Altın Yunus Marina

Turkey's first privately-owned yacht harbor, the Altın Yunus Marina offers numerous opportunities for active summer living amidst the relaxing charm of the Turkish Aegean.

Capable of accommodating up to 200 yachts at a time, the Altın Yunus Marina is one of the finest facilities of its kind anywhere in the Aegean.

An international reputation for outstanding service and a choice location combined with all the advantages of a great holiday complex like Altın Yunus make the Altın Yunus Marina one of the most attractive marinas in the Aegean.

Renovation work has been completed on the Marina rooms.

The Marina room renovation project that was begun in 2012 was completed in 2013 and all rooms are now available for guests.

Swimming Pool Capacities of Altın Yunus

Location/Type	m^2
Main Building Outdoor Pool	238
Beach Pool I	222
Beach Pool II	55
Kids' Pool	26
Indoor Pool	135
Cold Water Pool	22
Thermal Indoor Pool	60
Thermal Outdoor Pool	49
Main Building Indoor Pool	48

Hermais and the Dolphin

In ancient times there used to be a little fishing village where our hotel is now located in Çeşme. In that village there lived a boy by the name of Hermais.

One day when Hermais and his friends were having a swim in the sea, a violent storm suddenly blew up, driving higher and higher waves before it. Fleeing to shore to save their lives, the boys then returned home. All but one, that is: for Hermais wasn't among them. Days turned into weeks and then months into years but of Hermais there was never any word.

But then many years later, a fisherman returning to the village from the sea reported excitedly what he had seen: Hermais riding happily on the back of a dolphin and hurtling through the wind and waves.

Hermais, it turned out, had been rescued from the storm and befriended by a dolphin, who raised the boy. Many more years passed and one day Hermais died. The dolphin carried the lifeless body back and deposited it on the shore. Unable to return to the sea, the creature perished there too, next to Hermais.

In ancient times the local folk are said to have immortalized this friendship with a golden statue of a boy riding a dolphin. A copy of that statue is on display at the Altın Yunus hotel and a figure symbolizing it is the central device of our logo and the source of our name "Altın Yunus", which means of course "The Golden Dolphin".

8

Eight locations scattered around the resort offer a wide range of refreshment and dining experiences.

Eight different venues located in different parts of the hotel give Altın Yunus's guests a rich selection of refreshment, food, and dining options and a chance to try out new cuisines and flavors.

250

Altın Yunus is fronted by a 250-meter blue-flag sandy beach.

Different cuisines and richly appointed menus...

Eight locations scattered around Altın Yunus tempt guests to indulge in refreshment and dining experiences with specialties selected from the world's best cuisines and richly appointed menus.

Baküs Restaurant & Bar
Baküs Restaurant & Bar promises guests an unforgettable evening of relaxation in refreshing sea breezes and an entrancing view. Sitting beneath a grape arbor in flickering candle-light as they listen to live music, patrons sip wine chosen from among a vast collection.

Yunus Seafood Restaurant
Fresh fish, hot and cold appetizers that appeal to every pleasurable sense, and that indispensable accompaniment of seafood dining in the Turkish Aegean–rakı–are all set against the backdrop of the marina's spectacular views amidst the soothing melodies of classical Turkish music.

Lobby Bar & Patisserie
A long-standing tradition at Altın Yunus as venerable as the hotel itself is the Lobby Bar & Patisserie, where guests can enjoy freshly made desserts and pastries while sipping their choice of coffee just about any time of day or night–but especially at sunset.

Petunia Restaurant
Altın Yunus's main restaurant, Petunia, offers outstanding international cuisine that exceeds guests' expectations as they dine with the spectacular panorama of Ilıca cove stretching out before them.

The Terrace section of the Petunia Restaurant was enclosed last year to allow the restaurant to serve more guests in both summer and winter. Guests are also being given a wider range of choices with the addition of new show buffets and a selection of pasta dishes and items from the grill.

Magnolia Restaurant & Bar
The Magnolia Restaurant & Bar is now serving guests with a new concept and menus as both an à la carte restaurant and a bistro/café. À la carte service is provided in winter only at The Magnolia Restaurant & Bar, offering guests a tempting selection of meat dishes and an outstanding wine list.

Relax Café
Located within Bio Venus, the aptly named Relax Café invites guests to partake of healthful living with its specially designed menu and health bar.

Beach Snack Bar
Situated within Altın Yunus's blue-flag beach, the Beach Snack Bar serves guests with a completely renewed kitchen and menu and with exotic cocktail options.

Pool Bar
At the Pool Bar, Altın Yunus guests sip tropical cocktails and try out tasty offerings while enjoying the entertainment and soaking up the sun.

Spa tourism and Altın Yunus

Because of a climate and geography which make the summer high season relatively short, spa (thermal water) tourism has a position of premier importance in the Çeşme peninsula. Spa tourism is a segment on which Altın Yunus focuses much attention as a way of increasing its occupancy performance, especially during off-season.

Thalassotherapy, which was first introduced in Turkey in 1998 when Altın Yunus opened its thalassotherapy pool, has made great strides since then with the introduction of innovations from abroad. That progress is what has made the Altın Yunus Bio Venus Spa unit what it is today. The thermal waters at Altın Yunus and around the Çeşme peninsula have therapeutic properties the likes of which are not to be found anywhere else in the world.

In response to growing interest in spa tourism, Altın Yunus renovated its Fitness Center in 2013 in order to maximize customer satisfaction with the hotel's spa tourism services.

Therapeutic properties of the thermal waters at Altın Yunus and in the vicinity of Çeşme

The thermal waters at Altın Yunus Çeşme and Şifne are the result of seawater being naturally heated and sterilized by geothermal energy. This is the water that is used for therapeutic purposes. The therapeutic value of the local thermal water is said to be unique and have much greater potency.

Aegean seawater typically contains 3.7% magnesium, 30.4% sodium, 1.16% calcium, and 1.1% potassium salts.

An uncompromising commitment to service quality

Adhering to a customer-focused, high-quality service approach in everything that it does from procurements to product and service presentation, Altın Yunus takes pains to maximize guests' satisfaction in the fulfillment of their needs and expectations in the most reliable and sustainable way possible.

All food- and hygiene-related practices at Altın Yunus are subject to verification under the hotel's ISO 9001:2008 Quality Management System certification.

In 2014 and the years that follow Altın Yunus will continue to focus on:

- Making further improvements in its service quality
- Increasing its occupancy and profitability performance
- Strengthening its presence on all applicable internet platforms
- Proactively monitoring and effectively responding to guests' suggestions, comments, and criticisms
- Maximizing guest satisfaction.

Awards and recognitions

- "Best National-Agenda-Linked Press Advertisement" Kırmızı (Red) Press Best Advertisement Awards
- Bronze Medal (25th Turkey Kristal Elma Competition of Creativity, Regional Awards: Press).

Plans for the future…

In 2014 and the near and medium term, Altın Yunus will be focusing on:

- taking its service quality to even higher levels,
- increasing both its occupancy and its profitability performance,
- strengthening its presence on online platforms,
- keeping a close watch on guests' suggestions, comments, and criticisms and using such feedback to make improvements,
- raising customer satisfaction levels.

For our suppliers...

ethical

Altın Yunus prefers to work with suppliers who are as committed to business principles and a sense of responsibility as it is itself.

Altın Yunus's suppliers number among Turkey's most highly-respected firms.

Suppliers: A crucial dimension of Altın Yunus's business model

Recognizing that suppliers are of vital importance to the sustainability of any business model, Altın Yunus knows that the only way it can fulfill its promise to constantly raise the level of its guests' satisfaction is to work only with suppliers who are as committed to business principles and a sense of responsibility as it is itself.

When identifying its suppliers, Altın Yunus prefers those who share not just business objectives but also ethical values which are compatible with its own.

Altın Yunus's suppliers number among Turkey's most highly-respected firms. In order to ensure that its guests are provided with superior-quality, reliable service in line with its own corporate values, Altın Yunus specifies procurements criteria with which it strictly complies at all times.

When making procurements, Altın Yunus gives attention primarily to the following criteria:

- Appropriate price
- Timely delivery
- Cold chain maintenance in the case of perishable foods
- Acceptable storage conditions
- Satisfactory references as a supplier
- Flexible return policy
- Sufficient capacity and after-sales service competencies.

Altın Yunus procures non-hotel services such as landscaping, security, entertainment etc only from firms which have a proven track record in their respective line of business. The company regards it as being essential that the domestic and foreign firms with which it works be able to present evidence of their competency and sustainability, to submit references from others with which they have worked, and to fulfill their obligations with respect to government agencies and organizations.

For our employees...

Altın Yunus has installed infrastructure that makes it possible for personnel training to be conducted in an electronic environment.

181

Altın Yunus had an average of 181 personnel on its payroll in 2013.

Personnel training

A total of 1,683 hours of professional, technical, and personal development training were provided to Altın Yunus employees during 2013. Average training time per person was 8.5 hours.

Altın Yunus has installed infrastructure that makes it possible for personnel training to be conducted in an electronic environment. Personnel training is carried out under a variety of headings.

In 2013 the Company's human resources processes and practices were reviewed and analyzed based on their current circumstances and compared with those of competitors. Action plans were formulated to address issues identified by the current situation analysis.

The analysis of competitors' practices indicated that the Company's own are among the best in the sector.

Hiring

During 2013 a total of 262 people were hired into various positions at the hotel. Newly-hired personnel were provided with orientation, occupational health & safety, and on-the-job training specific to their positions on a regular basis. All personnel undergo a physical examination prior to being hired and they are also given regular checkups thereafter. Any employee who is identified as having a health problem is directed to the most appropriate nearby medical facility and the progress of their treatment is closely monitored.

Occupational health & safety

The hotel has been obtaining its occupational health & safety (OHS) services from a specialized consultant since 2010. An OHS officer is on duty at the workplace as required by OHS laws and regulations.

Mandatory OHS risk analyses have been performed and action plans have been formulated as necessary to deal with them. These plans are now being implemented starting with the risks that have been identified as being the most serious.

Medical personnel are duly employed at the hotel in order to provide first-aid and emergency care and treatment to guests as well as employees.

Employee satisfaction

An annual survey is conducted to determine employee satisfaction levels at the hotel. The most recent survey found an overall employee satisfaction rating of 76%. An action team was set up to plan and carry out actions aimed at dealing with the issues identified by the survey.

Relations with educational and training organizations

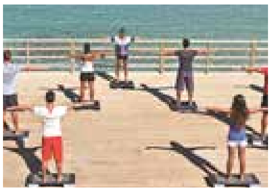
Visits were made to nearby tourism-training lycees in Balçova, Alaçatı, and Çeşme during 2013 during which students were informed about Altın Yunus and told about traineeship and employment opportunities at the hotel.

Last year Altın Yunus representatives took part in "Career Days" events at Balıkesir University (February) and at the Tourism & Hotel Management College of Adnan Menderes University (November). The Altın Yunus team attracted strong interest and attention on the part both of students and the schools' administrators.

During the 2013 summer season, 20 lycee and Turem students and 30 university students worked as trainees at the hotel

1,683

Altın Yunus personnel received a total of 1,683 hours of training in 2013.



For the environment and the community...

award

Environment Award for contributions to environmental protection and sustainability

Altın Yunus reduced carbon emissions at its facilities by 20% by making more active use of geothermal energy.

Environment & sustainability activities

Waste water discharged from facilities is treated and then reused to water the hotel's gardens and nearby wooded areas.

Facilities' carbon emissions were reduced by 20% thanks to more active use of geothermal energy.

Improvements in water quality resulted in savings in chemical and energy use.

Altın Yunus ceased using fuel oil and converted to liquefied natural gas in 2006. By reducing its need for fossil fuels, this changeover also reduced carbon emissions as well.

During the renovation of the Marina rooms, balconies, windows, and doors were fitted with insulated glazing and frames. This helped reduce energy use, as did the installation of insulating tiles in the ceilings of lower-floor corridors.

Environmental and social responsibility

The Company took part in a campaign conducted by the Konak municipality by contributing 250 kgs of blue plastic caps from PET containers used at the hotel. The proceeds from recycling this plastic are used to purchase wheelchairs for needy disabled persons.

Altın Yunus took part in a program to give the physically handicapped a chance to go sea diving and a program for autistic children; it also contributed to the "2nd İzmir Employment Summit".

The hotel provides food aid to the Çeşme animal shelter for strays.

As in previous years, Altın Yunus provided tourism-training institutions with support related to the food and beverage-related equipment used for training purposes.

2013 awards and recognitions

- National Britannia Gold Certificate in Food and Water Safety
- Environment Award for contributions to environmental protection and sustainability
- Certificates of appreciation from the Çeşme Municipality and the Çeşme Animal Protection Society for the Company's support of the Çeşme animal shelter.
- Certificate of appreciation from Konak Municipality in recognition of Altın Yunus's environmental awareness and concern for the handicapped.
- Certificate of appreciation from the Alaçatı Tourism Training Center in recognition of the support given by Altın Yunus to tourism vocational schools.

Corporate Governance Practices and Financial Information

Corporate Governance

Financial Information

Management

BOARD OF DIRECTORS

İdil Yiğitbaşı
Chairperson

İdil Yiğitbaşı received a bachelor's degree in business administration from Boğaziçi University in 1986 and a master's degree in the same subject from Indiana University in 1989. She started her career in finance at the Yaşar Group in 1986, and subsequently held senior management positions particularly in strategy and marketing in various Group companies involved mainly in the food industry. Having served as the Vice Chairperson of Yaşar Holding from 2003 until 2009, Ms. Yiğitbaşı has been appointed as the Chairperson of Yaşar Holding in April 2009, a position she still holds. İdil Yiğitbaşı has been holding seats on the boards of directors of Yaşar Group companies for the last ten years.

Mehmet Kahya
Vice Chairperson (Independent Director)

Mehmet Kahya double majored in chemical engineering and economics at Yale University (1973), and received his master's degree with majors in finance, marketing and operations research from the Kellogg Graduate School of Management in 1975. Having served in senior management positions including as a board member, managing director, vice chairperson, CEO and executive committee member in various leading private sector firms and holding companies in Turkey, Mr. Kahya serves as an independent member on the Boards of Directors of Yaşar Holding, Altın Yunus, Dyo, Viking Kağıt, Çimsa, Sasa, Yünsa, and Farplas.

Davut Ökütçü
Independent Director

Davut Ökütçü received his bachelor's degree in chemical engineering from Robert College in 1969 and his master's degree in industrial engineering from Syracuse University in the U.S. in 1971. He started his career as an Industrial Engineer at Bozkurt Mensucat under Koç Holding, where he held various positions including Planning Manager, Investments Coordinator, Operations Manager, Assistant General Manager, General Manager and an Executive Director on the Board of Directors. He has been appointed as the Vice President of Koç Holding Energy, Trade and Construction Division in 1990, and CEO of Ramerica International Inc. (USA) in 1991. He functioned as the Vice President of Consumer Products Division and held seats on the boards of Maret, Bozkurt Tarım ve Gıda, Koç Ece, Bozkurt Mensucat Sanayii and BAT Tütüncülük from 1996 until his retirement in 2003. Ökütçü served as an independent member on the boards of directors of Arçelik and Marmaris Altın Yunus in 2012.

İbrahim Tamer Haşimoğlu
Director

İbrahim Tamer Haşimoğlu received his bachelor's degree in mechanical engineering from İstanbul Technical University in 1988 and his master's degree in international management from İstanbul University, Institute of Business Economics in 1989. He began his career in 1989 as a trainee at the Koç Holding Planning Group and then worked as a specialist, manager and coordinator. Named the Deputy President of Koç Holding Strategic Planning Group in 2004, Mr. Haşimoğlu served as the President of Koç Holding Strategic Planning from 2004 to 2011. He has been serving as President of Tourism, Food and Retailing Group of Koç Holding since April 2011 and holds a seat on the Board of Directors of Altın Yunus Çeşme since 2011.

Dr. Mehmet Aktaş
Director

Mehmet Aktaş received a bachelor's degree in economics from Ankara University, Faculty of Political Sciences in 1983, a master's degree in economics from Vanderbilt University in 1992 and a doctorate degree in finance from 9 Eylül University in 2003. After working in the public sector from 1984 to 1995, he joined the Yaşar Group in 1995, where he held various positions mainly in strategy, budget, and corporate finance. Mr. Aktaş was appointed as Chief Executive Officer of Yaşar Holding in July 2007 and has been serving as a member of the Yaşar Holding Board of Directors and as Chief Executive Officer since April 2009. He has been holding seats on the boards of directors of Yaşar Group companies.

Hasan Girenes
Director

Hasan Girenes received his bachelor's degree from Ege University, Faculty of Agriculture in 1983 and completed his master's degree at the same university in 1998. He joined the Yaşar Group in 1985 as a Production Engineer at Pınar Yem, where he subsequently held the positions of Production Manager and Technical Manager. From 1998, Mr. Girenes served as the General Manager of Pınar Yem, Çamlı Besicilik, Çamlı Damızlık, and Pınar Deniz Ürünleri companies. He was appointed as Vice President of Agribusiness in 2001 and he has been serving as the President of Yaşar Holding Agriculture Livestock Breeding and Fishery Division since 2009. Mr. Girenes is an assembly member of EBSO (Aegean Region Chamber of Industry), board member of the Turkish Milk Board, Chairman of the Board of Union of Seafood Producers and Farmers of İzmir, and a member of the Yaşar University Board of Trustees. He has been holding seats on the boards of directors of Yaşar Group companies.

Management

Tayfun Başkurt
Director

Tayfun Başkurt received his bachelor's degree in business administration from the Maryland University in Belgium in 1985. He began his professional life in 1981 at Pullman Etap Hotel in İzmir, where he worked in various positions until 1995. Mr. Başkurt was the General Manager of Cesars Hotel from 1995 to 1997 and of Martı Resort Deluxe and Martı La Perla hotels from 1997 to 2005. While serving in his latest position, he also held a seat on the board of directors of Martı Group (2000-2003), a seat on the executive committee (2003-2005), and the position of Project and Investment Coordinator (2005). Mr. Başkurt was the Chairman of the Board of SKAL International Marmaris (2003-2005) and the President of the Association of Tourist Hoteliers in Southeast Aegean (2004-2005). Besides serving in the position of Altın Yunus General Manager since 2005, Mr. Başkurt has also been functioning as Yaşar Holding Tourism Coordinator since 01 March 2011.

Members of the Board of Directors of our company, which is affiliated to the Yaşar Group, may hold seats on the boards of directors of other Group companies, and there may be various transactions by and between these companies that may be considered under the scope of Article 395/1 of the Turkish Commercial Code. However, the parties to such transactions are Group companies only, and necessary permissions are obtained at the general assembly meeting of each relevant company.

SENIOR MANAGEMENT

Tayfun Başkurt
General Manager

Please see above for Tayfun Başkurt's résumé.

Cüneyt Günlüsoy
Financial Affairs Manager

Cüneyt Günlüsoy got his bachelor's degree in business administration from Anadolu University, Faculty of Business Administration in 1989. He worked as a Sales Representative at Vepa Group and Accounting Executive at Koruma Tarım in 1993. After joining the Yaşar Group as an Accounting Executive at Yaşar Holding Central Accounting Department in 1993, he was appointed as Cost Accounting and Budget Control Supervisor at Pınar Deniz Ürünleri in 1997. He was assigned with the position of Accounting Manager at Bintur in 1999, where he also functioned as Finance and Budget Control Manager. He has been appointed as Financial Affairs Manager at Altın Yunus in 2006. Mr. Günlüsoy holds certified accountant and financial advisor license.

Risk Management, Internal Control System and Internal Audit Activities

RISK MANAGEMENT

The scope of Enterprise Risk Management activities to be implemented at companies under the Yaşar Group organization and their operating procedures and principles are set out within the frame of a Regulation. In addition, the framework of risk management activities, risk management duties and responsibilities, processes, reports, confidence procedures and risk management terminology have been created.

The Company began implementing “Enterprise Risk Management” as a systematic process whereby risks are defined, analyzed, controlled and monitored. This method is capable of minimizing the costs incurred in relation to contingencies that result negatively, as well as their impact upon the Company’s asset values.

Risk Management Policy of the Company

The Company’s Board of Directors has adopted risk management strategies that will minimize the impact and probability of risks, which might affect the stakeholders in the Company and particularly the shareholders; accordingly, the Board of Directors makes sure that necessary actions are taken.

Activities of the Early Detection of Risk Committee

The Early Detection of Risk Committee performs activities for the purposes of early detection of risk and creation of an efficient risk management system.

The Committee oversees the conduct of enterprise risk management activities, which are aimed at the creation of the prioritized risk inventory within the frame of risk management policies and procedures, determination of appropriate risk strategies, taking of necessary actions and monitoring the outcomes. The Committee also provides the necessary guidance in these aspects.

Future Risks Regarding Sales, Productivity, Income Generation Capacity, Profitability, Debt/Equity Ratio and Similar Matters

Under the risk management policy and procedures adopted across the Group, work is underway to create the risk inventory for all of the Company’s activities and to take necessary actions.

Along the line,

- the Company’s risk exposure is classified under the headings of strategic, operational, financial, external and compliance risks, and analyzed according to their impact and probability,
- existing controls for material risks are reviewed with respect to their design and implementation, and optimum strategies and actions are identified,
- results of the action taken are followed up, and
- results and possible developments are reported to related units and assessed.

INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT ACTIVITIES

A control is described as any implementation aimed at eliminating an event that will adversely affect the achievement of the Company’s goals, or at mitigating their impact and probability. The internal control system is composed of the definitions of standards for business processes, policies and procedures, job descriptions, and authorization structures. In this frame, the management has set up all control systems, including those that prevent/identify and improve, for efficient and productive conduct of the Company’s business.

The internal control systems established at the Company are intended to ensure the efficiency and effectiveness of operations, reliability of the financial reporting system, compliance with legal regulations, and they seek to provide assurance in these aspects. These control systems also protect the Company’s assets, reputation and profitability.

The oversight of the Company’s accounting system, public disclosure of financial information, independent audit and the operation and efficiency of the internal control system is basically fulfilled by the Audit Committee set up by the Company’s board of directors. When fulfilling this function, the Audit Committee makes use of the findings of the bodies performing certification under the Group Audit and Risk Management Coordinator, independent audit and certified accountancy.

Under the internal audit activities, the Company evaluates the effectiveness of the existing risk management system, and the adequacy, effectiveness and efficiency of the internal control system, and also makes proposals for their improvement. In addition, the processes of determining and implementing the necessary actions for relevant determinations and proposals are monitored closely.

Legal Disclosures

Information on the Extraordinary General Assembly Meeting during the Reporting Period, If Applicable

During 2013, an Extraordinary General Assembly meeting was convened on 26 March 2013. The decisions passed in the Annual General Assembly meeting held on 29 May 2013 have been enforced.

Affiliated Companies Report

The conclusion part of the report that is prepared by the Company's Board of Directors and that discloses our relations with the controlling company and affiliated companies pursuant to Article 199 of the Turkish Commercial Code is quoted below.

Pursuant to Article 199 of the Turkish Commercial Code no. 6102 that went into force on 01 July 2013, the Company's Board of Directors is obliged to issue a report on the Company's relations with the controlling company and the companies affiliated to the controlling company during the past operating year within the first three months of the current operating year, and to incorporate the conclusion part of the said report in its annual report.

Necessary disclosures on the transactions our company carried out with the associated parties are covered in the present report. In this report, the Company's Board of Directors concluded that in all transactions the Company carried out during 2013 with its controlling company or with its affiliates, an appropriate counter-performance was provided in each transaction according to the conditions and state known to us at the time the transaction and/or the action was realized/taken or avoided; that there were no actions taken or avoided which might potentially cause loss to the Company, and that there are no transactions or actions that would require equalization within this scope.

Donations and Grants

The Company may, from time to time, make donations and grants to foundations, associations, universities and similar institutions, which are founded with social motives, subject to the principles set out by the Capital Markets Board.

During 2013, the Company's donations and grants to various organizations and institutions amounted to TL 5.860.

Lawsuits Filed Against the Company with a Potential Impact on the Company's Financial Standing and Activities and Possible Results

The related disclosure is presented in note 26 to financial statements for the period 01 January 2013 - 31 December 2013.

Disclosure of Administrative or Judicial Sanctions Against the Company or the Members of the Governing Body on Account of Practices Violating the Provisions of Legislation

There are no administrative or judicial sanctions imposed against the Company or the members of the governing body on account of any practice violating the provisions of legislation.

Changes in the Articles of Incorporation during the Reporting Period

Based on the T.R. Prime Ministry Capital Markets Board preliminary permission no. 29833736-110.03.02-1689-5567 dated 23 May 2013 and the T.R. Ministry of Customs and Trade General Directorate of Domestic Trade permission no. 67300147-431-02-3096-656251-5972-4178 dated 24 May 2013, it has been unanimously agreed at the Annual General Assembly meeting convened on 29 May 2013 to amend "Article 2 -Company Name", "Article 3 - Purpose and Scope", "Article 4 - Head Office and Branches of the Company", "Article 5 - Duration", "Article 6 - Registered Capital", "Article 7 - Board of Directors", "Article 8 - Term of the Board of Directors", "Article 9 - Meetings of the Board of Directors", "Article 10 - Management and Representation of the Company", "Article 11 - Duties of the Members of the Board of Directors", "Article 12 - Remuneration of the Board of Directors", "Article 13 - Auditors", "Article 15 - General Assembly", "Article 16 - Place of Meeting", "Article 17 - Presence of the Ministry Representative in Meetings", "Article 18 - Meeting Quorum", "Article 19 - Votes", "Article 20 - Proxy Assignment", "Article 21 - Announcements", "Article 22 - Voting Manner", "Article 23 - Amendment of the Articles of Association", "Article 24 - Annual Reports", "Article 25 - Annual Accounts", "Article 26 - Issuance of Bonds and Commercial Papers", "Article 27 - Distribution of Profit", "Article 28 - Dividend Distribution Timing", "Article 29 - Legal Reserves", "Article 31 - Legal Provisions", "Article 32 - Jurisdiction", and "Provisional Article", and to delete "Article 14 - Duties of Auditors", and "Article 30 - Printing the Articles of Incorporation" of the Company's articles of incorporation.

Financial Rights Provided to the Members of the Board of Directors and Senior Executives

Financial rights provided to the chairperson, members of the Board of Directors and Senior Executives are determined within the frame of the Remuneration Policy posted on our website. Financial rights provided to the chairperson, members of the Board of Directors and Senior Executives in the twelve months that ended on 31 December 2013 are determined within the frame of the Remuneration Policy posted on our website. In the twelve months that ended on 31 December 2013, remunerations and similar payments made to the members of the Board of Directors and senior executives amounted to TL 662,885.

Disclosures Concerning Special Audit and Public Audit Conducted During the Fiscal Year

During 2013, regular audits have been performed by various public agencies, after which no material notices have been served on our party.

The Company's Shareholders' Equity

The shareholders' equity worth TL 97,832,379 as at 31 December 2013 indicates that the issued capital of TL 16,756,740 has been very well maintained.

Agenda

1. Opening and electing the Presiding Committee,
2. Authorizing the Presiding Committee to sign the minutes of the General Assembly Meeting minutes,
3. Reading, deliberating and approving the Annual Report 2013 by the Company's Board of Directors,
4. Reading and deliberating the Independent Auditor's Report for 2013 fiscal year,
5. Reading, deliberating and approving the financial statements for 2013 fiscal year,
6. Acquitting the Company's directors of their fiduciary responsibilities for 2013 operations,
7. Laying down the Independent Audit Firm designated by the Board of Directors for the approval of the General Assembly pursuant to the Turkish Commercial Code and the Capital Markets Board requirements,
8. Determining the number of Board directors and their terms of office; making elections in accordance with the number of Board directors so determined; designating independent Board members,
9. Determining the rights provided to the Board directors such as compensation and attendance fees, bonuses and premiums pursuant to Article 408 of the Turkish Commercial Code,
10. Informing shareholders, pursuant to Article 12 of the Corporate Governance Communiqué no. II-17.1 issued by the Capital Markets Board, about guarantees, pledges, mortgages and sureties that have been granted by the Company in favor of third parties and about any income and benefits that may have been derived,
11. Informing shareholders about any donations that were made during the year and laying down the donation limit set under the Capital Market legislation for the approval of the General Assembly,
12. Laying down the Company's Dividend Policy for the approval of the General Assembly,
13. Deliberating and voting on matters pertaining to the year's profits,
14. Authorizing the Company directors to engage in the transactions as per Articles 395 and 396 of the Turkish Commercial Code,
15. Wishes and comments.

Corporate Governance Principles Compliance Report

1. Statement of Compliance with Corporate Governance Principles:

During the operating period ended 31 December 2013, ALTIN YUNUS ÇEŞME TURİSTİK TESİSLER A.Ş. ("the Company") achieved compliance with the entirety of the mandatory articles of the Corporate Governance Principles appended to the "Communiqué Serial: IV No: 56 on the Determination and Implementation of Corporate Governance Principles" issued by the Capital Markets Board of Turkey (CMB). While it is intended to achieve full compliance also with the optional Corporate Governance Principles, that is yet to be attained for a number of reasons including the difficulties faced in practice in some of the principles, and only partial correspondence of some principles with the existing structure of the market and the Company. While work is ongoing on principles that are not enforced yet, they are planned to be put into implementation following the completion of administrative, legal and technical infrastructural work that will contribute to the effective management of our company.

Justifications related to matters not yet implemented are presented under the following headings, and it is considered that the said matters do not lead to any conflicts of interest under the current circumstances.

During 2013, various improvements were carried out in relation to Corporate Governance. In keeping with the requirement introduced by the New Turkish Commercial Code, the Early Detection of Risk Committee that operated under the Corporate Governance Committee was organized as a separate committee. The head and the member of the Committee were elected from among independent Board directors. In addition, an upper limit was set for donations to be made during 2013 at the 2012 Annual General Assembly meeting. Furthermore, the Company's website and annual report have been reviewed and revised as necessary to achieve full compliance with the Turkish Commercial Code no 6102, other applicable legislation and the Corporate Governance Principles.

Our company will continue to monitor the changes in legislation and implementations regarding compliance with the principles and to carry out the necessary work also in the future.

PART I: SHAREHOLDERS

2. Investor Relations Department

The duties (1) of managing the exercise of shareholders' rights and maintaining communication between shareholders and the Board of Directors and (2) of conducting procedures pertaining thereto in compliance with CMB corporate governance principles are fulfilled by the Office of the Capital Markets Coordinator.

Information about the Shareholder Relations Unit is provided below.

Capital Markets Coordinator: Senem Demirkan
Investor Relations Specialist: Gökhan Kavur
Tel : +90 232 482 2200
Fax : +90 232 489 1562
Email : investorrelations@altinyunus.com.tr

Capital Markets Coordinator Senem Demirkan is in possession of all certifications issued by CMB and is also responsible for coordinating matters involved (1) in the fulfillment of company obligations arising from capital markets laws and regulations and (2) in corporate governance practices. Investor Relations Specialist Gökhan Kavur holds a Capital Market Activities Advanced Level and Corporate Governance Rating Licenses.

Capital Markets Coordinator Senem Demirkan is in possession of all certifications issued by CMB and is also responsible for coordinating matters involved (1) in the fulfillment of company obligations arising from capital markets laws and regulations and (2) in corporate governance practices. Investor Relations Specialist Gökhan Kavur holds a Capital Market Activities Advanced Level License.

The duties of the Investor Relations Department are listed below:

- Ensure that records pertaining to shareholders are maintained in a reliable, secure, and up-to-date manner.
- Respond to shareholders' written requests for all information about the Company except that which has not been publicly disclosed or is confidential and/or in the nature of a trade secret.
- Ensure that General Assembly meetings are conducted in accordance with the requirements of current laws and regulations and of the Company's articles of incorporation and other bylaws.
- Communicate with other units of the Company and ensure that documents which shareholders may find useful at General Assembly meetings are prepared.
- Ensure that records are kept of the results of voting at General Assembly meetings.
- Supervise all issues related to public disclosures as required by law and the Company's public disclosure policy.
- Ensure that investor relations activities are properly conducted.

Having obtained the views of other units when necessary and in coordination with such units, the Shareholder Relations Department is responsible for providing shareholders and potential investors with information about the Company's activities, financial standing, and strategies, with the stipulations that it may not divulge any information which is confidential and/or in the nature of a trade secret and that it must not do so in any way that might lead to information asymmetry and for managing communication moving on both directions between shareholders and company managers.

During the reporting period, the unit responded to more than 50 questions by telephone or email. Maximum attention is paid to achieving compliance with the legislation in fulfilling investor requests.

3. Shareholders' exercise of their right to obtain information

The fundamental principle in shareholders exercising their right to obtain information is that there should be no discrimination among shareholders. All information and documents that shareholders may need to exercise their shareholders' rights in a sound manner are made equally available to all shareholders on the Company's corporate website. During 2013, utmost care was paid, under the supervision of the Investor Relations Department, to respond to requests for information received from shareholders within the framework of the requirements of capital market laws and regulations and without delay.

Such requests for information are generally about such issues as General Assembly meeting dates, information on financial statements that are disclosed, developments in the sector and profit distribution. All requests for information, except in the case of information that was in the nature of a trade secret and information that it was deemed to be in the Company's interest to keep confidential, were responded to without making any distinctions among shareholders and in line with any statements that may previously have been made within the framework of capital market laws and regulations. Information and disclosures that might affect the exercise of shareholders' rights are announced in the "Investor Relations" section on the Company website, and there have been no information or disclosures during the reporting period, other than those disclosed under the Capital Market legislation. While the request to have a special auditor appointed is not an individual right provided for under the Company's articles of incorporation, no such request was received during 2013.

4. General Assembly Meetings:

The 2012 annual General Assembly meeting took place during 2013 on 29 May 2013. Pursuant to "Article 18 - Meeting Quorum" of the Company's articles of incorporation, quorum at annual and extraordinary General Assembly meetings is governed by the provisions of the Turkish Commercial Code. At the 2012 annual General Assembly meeting, 93.42% of the Company's capital was represented. During the meeting, no attending shareholders or their proxies advanced any motions and all questions that were raised were responded to by the Presiding Committee. Shareholders did not propose any agenda items during the said General Assembly meeting, either.

No stakeholders other than the shareholders or media representatives attended the meeting. Invitations to the meetings were made by the Board of Directors. In addition to shareholders, representatives of the independent auditors were also sent written invitations to attend the meetings.

The Company's General Assembly meeting announcements are promulgated under "Article 21 - Announcements" of the Company's articles of incorporation, and in accordance with the relevant provisions of the Turkish Commercial Code and with other regulations, communiqués, Capital Markets Board requirements to be published under the said Code, as well as other applicable legislation. The announcement was published in the Turkish Trade Registry Gazette twenty-one days (not including the meeting dates) in advance. The announcement was also published on the corporate website and in a local newspaper. Shareholders whose addresses were on record with the Company were sent letters in which they were informed about the meeting date, location, and agenda. Prior to the General Assembly meetings, the meeting date, place and agenda, the profit distribution proposal that the Board of Directors intends to submit to General Assembly as well as the identity of independent auditors selected by the Board of Directors are publicly disclosed in material disclosures.

The Company's annual report is made available to shareholders at the Company's headquarters and on its corporate website as of twenty-one days before a meeting date. During General Assembly meetings, issues on the agenda are explained impartially and in detail so as to be clear and intelligible. Shareholders are given equal opportunities to express their thoughts and to ask questions and a healthy climate of debate is created.

Minutes of General Assembly meetings are kept available for shareholders at all times at the Company headquarters. In addition, the minutes of the Company's General Assembly meetings for the past eight years are also accessible in the Investor Relations section of the Company website at www.altinyunus.com.tr.

At the Company's General Assembly meetings, information is presented to the shareholders on the amount and recipients of the donations and grants made during the reporting period, and the changes in the relevant policy. This matter is addressed as a separate agenda item.

Moreover, an extraordinary General Assembly meeting was convened on 26 March 2013. At the extraordinary General Assembly meeting, 62.5% of the Company's capital was represented. During the meeting, no shareholders electronically or physically attending the meeting or their proxies advanced any motions, and all questions that were raised were responded to during the General Assembly meeting by the Presiding Committee. During the meeting, shareholders did not propose any additional agenda items, either.

5. Voting Rights and Minority Rights:

Article 7 of the Company's articles of incorporation provide the privilege to nominate candidates to the Board of Directors to shareholders of preferred stock:

"Should the Board of Directors be constituted of five members, two of them shall be elected from among the nominees indicated by Group A shareholders, and one member each shall be elected from among the nominees indicated by Group B, Group C and Group D shareholders. In case the Board consists of seven members, three of them shall be elected from among the nominees indicated by Group A shareholders, two members shall be elected from among the nominees indicated by Group B shareholders, and one member each shall be elected from among the nominees indicated by Group C and Group D shareholders.

The Board of Directors may, upon its sole discretion, elect a managing director. However, the Chairperson of the Board of Directors and the managing director shall be designated from among members representing Group A. Three-fourths majority shall be mandatory in the election of the Chairperson of the Board of Directors and of the managing director."

The Company's articles of incorporation contain no provisions preventing non-shareholders to vote by proxy as an appointed representative.

There are no other companies in which the Company has a cross-ownership. Minority rights are not represented on the Board of Directors.

Corporate Governance Principles Compliance Report

6. Entitlement to Dividends:

Shareholders of preferred stock do not have any privileges applicable to dividends. The company's general policy with respect to dividends is to distribute its net profit having taken into account the Company's financial position, investments that are to be made and other funding requirements, the sector's current circumstances, the economic environment, and the requirements of capital market and tax laws and regulations. However the actual amounts of profit to be distributed are determined every year taking all of the issues cited above into consideration The Company's Dividend Policy formulated in line with the Capital Markets legislation has been laid down for the approval of the 2012 Annual General Assembly meeting and publicly disclosed. Our Dividend Policy is publicly disclosed also via our website. The Dividend Policy has also been incorporated in the Company's annual report.

No dividends were paid in 2012 as the Company did not post a profit in 2012.

7. Transfer of shares

Transfers of bearer shares are subject to the related provisions of the Turkish Commercial Code.

The Company's articles of incorporation contain the following provision concerning the transfer of registered shares:

"Transfer of registered shares shall be subject to the approval of the Company. The Company may refuse approval and propose to the shareholder wishing to transfer the registered shares to acquire the shares subject to transfer on account of itself or other shareholders or third parties at the actual value on the date of application."

PART II: PUBLIC DISCLOSURES AND TRANSPARENCY

8. Company disclosure policy

In all matters pertaining to its public disclosures, the Company complies with the requirements of the Capital Markets legislation and of Borsa İstanbul regulations.

The "Disclosure Policy" prepared for the purpose of keeping the public informed, which is approved by the Board of Directors and which was presented for the information of shareholders at the 2008 annual General Assembly meeting, is publicly disclosed on the Company's corporate website (www.altinyunus.com.tr). The Disclosure Policy was updated and presented for the information of shareholders at the 2011 General Assembly meeting. The Board of Directors has both the authority and the responsibility for formulating, supervising, reviewing, developing and executing the Company's disclosure policy. The Corporate Governance Committee and the Investor Relations Department provide information and make recommendations to the Board of Directors concerning the Company's disclosure policy.

The chairperson of the Board of Directors and the general manager as well as other officers whom the board or the general manager deem to be appropriate may make public statements to the written and visual media and to data distributors. Questions which those involved in capital markets ask the Company are responded to in writing or verbally by the Investor Relations Department.

Principles governing the disclosure of forward-looking information are defined in the Company's disclosure policy.

9. The Company's Corporate Website and its Content:

The Company's corporate website (www.altinyunus.com.tr) contains all the matters as required by Corporate Governance Principles. The company's website is available in both Turkish and English. The company continuously improves and upgrades the services provided by its website, which is actively used.

10. Annual Report:

The Company's annual reports contain all the information specified in the Corporate Governance Principles; however, remuneration of the board of directors and senior executives and other benefits provided to them are disclosed not on an individual basis, but as a cumulative amount.

PART III: STAKEHOLDERS

11. Disclosure to Stakeholders:

Stakeholders are kept informed about all matters concerning the Company other than those which are in the nature of a trade secret through CMB material disclosures within the framework of CMB regulations, Turkish Commercial Code, Competition Law, tax laws, and Turkish Code of Obligations.

Stakeholders are able to convey any transaction they consider to be illegitimate or unethical to the Corporate Governance Committee or the Audit Committee via Yaşar Group Ethics Committee. The Audit Committee reviews the complains received regarding the Company's accounting and internal control system and independent audit, and handles the notifications of company employees in relation to the Company's accounting and independent audit, observing the confidentiality principle.

Furthermore, the communication mechanism is established with the Corporate Governance Committee and the Audit Committee also via the processes that provide stakeholder participation in management as discussed under Article 12 hereinbelow.

12. Stakeholder Participation in Management:

Employee participation in management is provided through systematic meetings and suggestion systems, which are founded on the process-oriented management system and Total Quality philosophy, which aim at improvement and increased efficiency, and which give consideration to the demands and opinions of employees. Our customers are involved in the management through dealer meetings, customer satisfaction system and employee opinion surveys. The feedback from stakeholders are sought in this framework concerning material decisions that bear consequences for them.

Stakeholder participation in management is provided by way of conveyance of suggestions at the general assembly meetings and communication of feedback and proposals by agencies and tour operators, which sell the rooms of Company-owned facilities, to the Company. In order to guarantee customer satisfaction with the services offered by our Company, job descriptions have been formulated for all employees; in addition, necessary guidelines have been prepared and shared with our employees. Customers may submit any requests or complaints that they may have about hotel services to any level of the Company's management and also send them to the Company via the internet.

Following congresses, conferences and similar events organized at the hotel, visits are paid and customers are asked to fill in questionnaires; in addition, any feedback gathered by sales representatives during customer visits are given due consideration. Customer complaints are addressed and resolved by relevant departments, while suggestions are taken into consideration.

Employee opinion surveys serve to gather the employees' views about changes in implementations which will be made in relation to working conditions, working environment, and rights provided to employees. The action committee formed of employee representatives carries out its activities during the year for conducting the improvement works in relation to the said processes.

13. Human Resources Policy:

The fundamental mission of the Company's human resources policy is to ensure the management of human resources who are innovative, who are committed to the principle of total quality, and who contribute towards the Company's competitive advantage by easily adapting to change and development at the Company. The Company received no complaints about discrimination as at 2013.

The Company's basic human resources policies are set forth clearly in the Company's Personnel Regulations, which are issued to all non-contract employees against their individual signature. In addition to basic policies, these regulations also contain information about working hours, hiring principles and processes, termination, and discipline. Human resources policies and practices pertaining to employees who are covered by collective bargaining agreements are spelled out in such agreements. Job descriptions are devised for all of the Company employees. Performance and rewarding criteria for the white-collar employees are disclosed in the White Collar Employee Regulation, while the rewarding criteria for our blue-collar workers are described in the Collective Bargaining Agreement. There is a job description for every position across every department at the Company, and employees are familiar with these descriptions. Furthermore, the Company's "Core Competencies" and position-based competencies have also been determined, and introduced to all the employees. Employees at bands 1, 2, and 3 are subject to the performance appraisal system. Employees under the system are familiar with the implementation principles of the system, and training programs are offered to employees every year regarding the revisions to the performance appraisal system.

Basic human resources policies

a) Staffing at the Company is determined according to the criteria of business economics. All employees agree that honorable employment is only possible through productive work.

b) The Company conducts intramural and extramural training programs within the framework of plans that are devised for each level in order to ensure the progression of its employees.

c) The Company is mindful of equality of opportunity in all promotions and appointments throughout its organization. As a matter of principle, appointments are made from among the Company's own personnel.

d) By means of a career planning system in which progression plans are implemented, employees who have potential are provided with the broadest possible opportunities for advancement.

e) Employees' performance is evaluated on the basis of their fulfillment of targets and their competencies.

f) Job descriptions and performance standards are documented for positions at every level from the highest to the lowest and these serve as the basis for employee evaluations.

g) Employee opinion surveys are conducted regularly every year, at which time employees are asked for their views about such issues as working conditions, management, social activities, compensation, training, performance evaluation, career planning, participatory management, and company satisfaction. Improvements are made in line with the feedback that is received in this way.

h) A safe workplace and safe working conditions are a matter to which the Company gives great importance. Under the Company's occupational health and safety regulations, all legally mandated measures are taken to prevent occupational risks, ensure health and safety, and eliminate risk and accident factors. An ongoing effort to make improvements is carried out through regularly conducted safety meetings.

i) Our management style is ".... [to] maintain our existence as a company that acts fully respectful of the laws and ethical rules, and embrace total quality philosophy and participatory management".

Corporate Governance Principles Compliance Report

j) An essential principle at the Company is that all employees will be treated equally and without making any discrimination among them with respect to language, race, color, sex, political beliefs or philosophy, creed, religion, sect, or similar reasons. Due measures have been taken to protect this fundamental constitutional right of employees.

There are no union stewards at the Company.

All employees are kept informed about company procedures, organizational changes, changes in rights and benefits, and other practices and decisions that may affect them by means of regulations and announcements prepared within the framework of the Company's prescribed announcement regulations as well as via the Company intranet and bulletin boards.

14. Rules of Ethics and Social Responsibility:

In order to fulfill its responsibilities related to public health and the nature, Altın Yunus Çeşme has made it a principle to continually oversee and improve its environmental performance, while integrating with its manufacturers, suppliers and employees in the conduct of its activities.

The Company supports education by collaborating with organizations such as Yaşar University and Yaşar Education and Culture Foundation.

The Company conducts its activities within the framework of values which are adhered to by the Yaşar Group companies and whose approach to the production of goods and services involves compliance with laws and the rules of ethics, concerns itself with national problems without becoming involved in politics, and values the environment and nature. These values are known to all company employees. In addition, within the framework of its corporate governance approach, work is underway for the formulation of the Company's own rules of ethics. There are no rules of ethics of the Company which are publicly disclosed.

PART IV: BOARD OF DIRECTORS

15. Structure and Formation of the Board of Directors:

Members of the Company's Board of Directors are identified below:

Name	Position	Independent Director or Not	Executive Director or Not	Term of Office
İdil Yiğitbaşı	Chairperson	Non-independent Board Director	Non-executive	1 year
Mehmet Kahya	Deputy Chairperson	Independent Board Director	Non-executive	1 year
Davut Ökütçü	Director	Independent Board Director	Non-executive	1 year
İbrahim Tamer Haşimoğlu	Director	Non-independent Board Director	Non-executive	1 year
Mehmet Aktaş	Director	Non-independent Board Director	Non-executive	1 year
Hasan Girenes	Director	Non-independent Board Director	Non-executive	1 year
Tayfun Başkurt	Director	Non-independent Board Director	Executive	1 year

Tayfun Başkurt serves as the Company's General Manager. The engagement of company directors in the activities set forth in Articles 395 and 396 of the Turkish Commercial Code is subject to the approval of the General Assembly of shareholders. With the exception of those activities, there are no other limitations imposed on what Board directors may do. Members of the Board of Directors of our company, which is affiliated to the Yaşar Group, may hold seats on the boards of directors of other Group companies, and there may be various transactions by and between these companies that may be considered under the scope of Article 395/1 of the Turkish Commercial Code. However, the parties to such transactions are Group companies only, and necessary permissions are obtained at the general assembly meeting of each relevant company.

Résumés of the Board directors are published in the Company's annual report and corporate website. In accordance with the Capital Market legislation, independent Board directors have submitted their declarations of independence to the Corporate Governance Committee that acts as the Nomination Committee.

Two independent director candidates were presented for 2013 to the Corporate Governance Committee that acts as the Nomination Committee. The declarations of independence and résumés of these individuals have been discussed in the Corporate Governance Committee meeting of 07 May 2013 and in the meetings of the Board of Directors, and it has been decided to nominate all of them as independent directors. No situations arose that prejudiced independence as at 2013 operating period.

16. Operating Principles of the Board of Directors:

The operating principles of the Board of Directors are spelled out as follows in Article 19 of the Company's articles of incorporation:

"Shareholders or their proxies present at an ordinary or extraordinary General Assembly meeting shall have one vote for each share they hold."

Details about the Board of Directors' operating principles and its activities during the 2013 reporting period are given below.

The agenda for the Board of Directors meetings are set by the Chairperson of the Board, in consultation with the other Board directors and the General Manager.

During the reporting period, the Board of Directors convened thirty-three times. The Board of Directors shall convene upon a summons in the form of a written request made by its chairperson or by any director. The meeting agenda is sent out to the directors by registered airmail at least two weeks in advance of the meeting date. All directors are usually present at meetings. There were no unresolved disputes over issues during the 2013 reporting period. The questions raised during the meetings are not entered into record. No board directors have preferential voting or veto rights. There have been no related party transactions that have been submitted for the approval of independent Board directors within the context of a material transaction nature during the operating period.

Board of Directors meetings are convened with a majority of the full membership, and decisions are passed by a simple majority of those present in the meeting.

17. Number, Structure and Independence of the Committees Established by the Board of Directors:

The Audit Committee and the Corporate Governance Committee have been set up at the Company. The Corporate Governance Committee fulfills the duties of the Nomination Committee, Early Detection of Risk Committee and the Remuneration Committee. When performing their activities, the committees under the Board of Directors adhere to the operating principles that are posted also on the Company website.

The Audit Committee is headed by Mehmet Kahya and its other member is Davut Ökütçü. Both members are non-executive and independent Board directors. The Audit Committee meets at least on a quarterly basis and holds at least four meetings in one year. Within the scope of the Committee's activities, information has been obtained on operations and internal control systems from company executives and findings related to the audit from independent auditors. The Audit Committee is responsible for the Company's bookkeeping system, for the public disclosure of financial information, and for supervising the operation and effectiveness of independent auditing and of the internal control system; for selecting the independent auditors, initiating the independent auditing process, and supervising the independent auditors' activities; for reporting to the Board of Directors about the authenticity and veracity of publicly disclosed yearly and intermediary financial statements.

The Corporate Governance Committee is headed by Mehmet Kahya, who is a non-executive and independent Board director, and its other member is Mehmet Aktaş, a non-executive Board director. The Corporate Governance Committee meets at least on a quarterly basis and holds at least four meetings in one year. The Corporate Governance Committee is responsible for identifying whether or not corporate governance principles are being complied with at the Company as well as for identifying any problems arising from less than full compliance with those principles; for making recommendations to the Board of Directors on taking measures to achieve improvements; and for coordinating activities pertaining to relations with shareholders

Within the scope of the duties of the Nomination Committee, the Corporate Governance Committee works to create a transparent system to deal with the matters of identifying, evaluating, training, and rewarding candidates suitable for board membership and to establish policies and strategies applicable to that system. In addition, the Committee evaluates the nominations for independent Board membership including the management and shareholders, taking into consideration whether the candidate bears the independence criteria or not, and reports its relevant assessment to the Board of Directors for approval.

Within the scope of the duties of the Remuneration Committee, the Corporate Governance Committee formulates its proposals regarding the principles for compensating the Board directors and senior executives, in view of the long-term goals of the Company.

The Early Detection of Risk Committee performs activities to early detect the risks that may endanger the existence, development and continuity of the Company, to implement the necessary measures for the risks identified, and to manage the risk. The Committee is headed by Davut Ökütçü, who is a non-executive and independent Board director, and its other member is Mehmet Kahya, a non-executive and independent Board director.

According to the Corporate Governance Principles, both members of the Audit Committee and the heads of the Early Detection of Risk and Corporate Governance Committees must be independent Board directors. Since there are two independent members on the Company's Board of Directors, the same member serves on more than one committee under the Board of Directors.

18. Risk Management and Internal Control Mechanism:

The Board of Directors essentially supervises risk management and internal control activities through the Early Detection of Risk Committee. In its fulfillment of these functions, the Early Detection of Risk Committee makes use of the findings of the bodies performing certification under the Group Audit and Risk Management Coordinator, independent audit and certified accountancy.

19. Strategic Goals of the Company:

The Board of Directors sets the Corporate Strategy and Goals in line with the Company's vision and growth and profitability expectations.
The principles that will steer these strategies are determined by the senior management and the extent at which the goals are achieved are assessed in the monthly meetings, along with the activities and past performance.

20. Financial Rights:

The rights provided to the Board directors are decided at the General Assembly meetings and are publicly disclosed through the minutes of the meetings issued. The Remuneration Policy that describes the remuneration system and implementations for the Company's Board directors and senior executives is available on the Company website. The company's annual reports do not present the rights provided to senior executives on an individual basis, but state a cumulative amount. The company does not lend money, extend credit, or make available loans under the name personal loans via a third party to any of its directors or executives, nor does it provide guarantee in their favor.

Independent Auditor's Report on the Annual Report

To the Board of Directors of

Altın Yunus Çeşme Turistik Tesisler A.Ş.

1. As part of our audit, we have assessed whether the financial information and the assessment and explanations of the Board of Directors presented in the annual report of Altın Yunus Çeşme Turistik Tesisler A.Ş. ("the Company") prepared as of 31 December 2013 are consistent with the audited financial statements as of the same date.

2. Management is responsible for the preparation of the annual report in accordance with "the Communique on Determining the Minimum Contents of Company Annual Reports".

3. Our responsibility is to express an opinion on whether the financial information provided in the annual report is consistent with the audited financial statements on which we have expressed our opinion dated 3 March 2014.

   Our assessment is made in accordance with the principles and procedures for the preparation and issuing of annual reports in accordance with Turkish Commercial Code No. 6102 ("TCC"). Those principles and procedures require that an audit is planned and performed to obtain reasonable assurance whether the financial information provided in the annual report are free from material misstatement regarding the consistency of such information with the audited financial statements and the information obtained during the audit.

   We believe that the assessment we have made is sufficient and appropriate to provide a basis for our opinion.

4. Based on our opinion, the financial information and the assessment and explanations of the Board of Director's in the accompanying annual report of Altın Yunus Çeşme Turistik Tesisler A.Ş. are consistent with the audited financial statements as at 31 December 2013.

Yöntem Yeminli Mali Müşavirlik ve Bağımsız Denetim A.Ş.
a member of Nexia International

Atila Yılmaz DÖLARSLAN, YMM
Partner

İzmir, 3 March 2014

Independent Auditor's Report

To the Board of Directors of

Altın Yunus Çeşme Turistik Tesisler A.Ş.

1. We have audited the accompanying balance sheet of Altın Yunus Çeşme Turistik Tesisler A.Ş. (the Company) as at 31 December 2013 and the related statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and explanatory notes.

Management's responsibility for the financial statements

2. The Company's management is responsible for the preparation and fair presentation of these financial statements in accordance with the Turkish Accounting Standards ("TAS") published by the Public Oversight Accounting and Auditing Standards Authority ("POA") and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to error and/or fraud.

Independent auditor's responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. Our audit was conducted in accordance with standards on auditing issued by the Capital Markets Board of Turkey. Those standards require that ethical requirements are complied with and that the audit is planned and performed to obtain reasonable assurance whether the financial statements are free from material misstatement.

   An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error and/or fraud. In making those risk assessments; the Company's internal control system is taken into consideration. Our purpose, however, is not to express an opinion on the effectiveness of internal control system, but to design procedures that are appropriate for the circumstances in order to identify the relation between the financial statements prepared by the Company and its internal control system. An audit includes also evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's management, as well as evaluating the overall presentation of the financial statements.

   We believe that the audit evidence we have obtained during our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

4. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Altın Yunus Çeşme Turistik Tesisler A.Ş. as at 31 December 2013 and their financial performance and cash flows for the year then ended in accordance with the Turkish Accounting Standards (Note 2).

Other Matter

5. The financial statements of the Company as of and for the year ended 31 December 2012, were audited by another audit firm. This audit firm issued an unqualified audit opinion on 14 March 2013 related to the financial statements as of and for the year ended 31 December 2012.

Independent Auditor's Report

Reports on independent auditor's responsibilities arising from other regulatory requirements

6. In accordance with Article 402 of the Turkish Commercial Code ("TCC"); the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit, additionally, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2013 is not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.

7. Pursuant to Article 378 of Turkish Commercial Code no. 6102, Board of Directors of publicly traded companies are required to form an expert committee, and to run and to develop the necessary system for the purposes of: early identification of causes that jeopardize the existence, development and continuity of the Company; applying the necessary measures and remedies in this regard; and, managing the related risks. According to subparagraph 4, Article 398 of the code, the auditor is required to prepare a separate report explaining whether the Board of Directors has established the system and authorized committee stipulated under Article 378 to identify risks that threaten or may threaten the Company and to provide risk management, and, if such a system exists, the report, the principles of which shall be announced by the POA, shall describe the structure of the system and the practices of the committee. This report shall be submitted to the Board of Directors along with the auditor's report. Our audit does not include evaluating the operational efficiency and adequacy of the operations carried out by the management of the Company in order to manage these risks. As of the balance sheet date, POA has not announced the principles of this report yet so no separate report has been drawn up relating to it. On the other hand, the Company formed the mentioned committee on 25 May 2012 and it is comprised of two members. The committee has met two times since its formation to the reporting date for the purposes of early identification of risks that jeopardize the existence of the Company and its development, applying the necessary measures and remedies in this regard, and managing the risks, and has submitted the relevant reports to the Board of Directors.

Yöntem Yeminli Mali Müşavirlik ve Bağımsız Denetim A.Ş.
a member of Nexia International

Atila Yılmaz DÖLARSLAN, YMM
Partner

İzmir, 3 March 2014

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Altın Yunus Çeşme Turistik Tesisler A.Ş.

Statements of Financial Position (Balance Sheets) at 31 December 2013 and 2012

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)
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	Notes	31 December 2013	31 December 2012
ASSETS			
Current Assets		**4.647.044**	**4.375.955**
Cash and Cash Equivalents	6	1.116.904	1.364.506
Trade Receivables		2.980.184	2.496.597
- Due from Related Parties	7	69.282	8.057
- Other Trade Receivables	8	2.910.902	2.488.540
Other Receivables		17.244	16.885
- Other Receivables	10	17.244	16.885
Inventories	11	345.979	321.684
Prepaid Expenses	13	114.343	91.193
Current Income Tax Assets		3.041	4.975
Other Current Assets	30	69.349	80.115
Non-Current Assets		**115.389.402**	**106.355.010**
Financial Assets	4	153.111	44.287
Property, Plant and Equipment	15	115.196.079	106.047.710
Intangible Assets	18	39.000	6.900
Prepaid Expenses		1.212	256.113
TOTAL ASSETS		**120.036.446**	**110.730.965**

The financial statements at 31 December 2013 and for the year then ended have been approved for issue by the Board of Directors of Altın Yunus Çeşme Turistik Tesisler A.Ş. on 3 March 2014.

The accompanying notes are an integral part of these financial statements.

Altın Yunus Çeşme Turistik Tesisler A.Ş.

Statements of Financial Position (Balance Sheets) at 31 December 2013 and 2012

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)
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	Notes	31 December 2013	31 December 2012
LIABILITIES			
Current liabilities		**10.425.248**	**7.062.531**
Short Term Borrowings	25	1.900.000	-
Short-Term Portion of Long-Term Borrowings	25	2.615.214	2.145.009
Trade Payables		2.852.129	1.864.603
- Due to Related Parties	7	1.594.358	934.514
- Other Trade Payables	8	1.257.771	930.089
Payables for Employee Benefits	28	120.303	96.879
Other Payables		244.489	172.757
- Other Payables	10	244.489	172.757
Deferred Income	13	2.572.207	2.556.502
Short Term Provisions		120.392	129.588
- Provisions for Employee Benefits	28	100.000	100.000
- Other Short-term Provisions	26	20.392	29.588
Other Current Liabilities		514	97.193
Non-Current Liabilities		**11.778.819**	**11.957.946**
Long-Term Borrowings	25	2.517.021	4.031.496
Long Term Provisions		661.173	672.181
- Provisions for Employee Termination Benefits	28	661.173	672.181
Deferred Income Tax Liabilities	41	8.600.625	7.254.269
TOTAL LIABILITIES		**22.204.067**	**19.020.477**
EQUITY		**97.832.379**	**91.710.488**
Share Capital	31	16.756.740	16.756.740
Adjustment to Share Capital	31	7.916.580	7.916.580
Share Premium	31	119.489	119.489
Other Comprehensive Income/Expense not to be Reclassified to Profit and Loss		85.840.673	80.231.105
- Revaluation of Property, Plant and Equipment	15	86.148.415	80.419.162
- Actuarial Gain/Loss Arising from Defined Benefit Plans		(307.742)	(188.057)
Other Comprehensive Income/Expense to be Reclassified to Profit and Loss		87.059	-
- Fair Value Reserves of Available for Sale Investments		87.059	-
Restricted Reserves	31	123.920	123.920
Accumulated Losses		(12.079.400)	(14.835.437)
Profit/Loss for the Year		(932.682)	1.398.091
TOTAL LIABILITIES AND EQUITY		**120.036.446**	**110.730.965**

The accompanying notes are an integral part of these financial statements.

Altın Yunus Çeşme Turistik Tesisler A.Ş.

Statements of Income and Other Comprehensive Income for the Periods 1 January - 31 December 2013 and 2012

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)
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	Notes	1 January - 31 December 2013	1 January - 31 December 2012
PROFIT AND LOSS			
Revenue	32	22.888.132	20.527.443
Cost of Sales (-)	32	(14.737.005)	(13.520.412)
GROSS PROFIT		**8.151.127**	**7.007.031**
General Administrative Expenses (-)	34	(6.115.901)	(6.072.297)
Marketing Expenses (-)	34	(812.101)	(728.776)
Other Operating Income	35	418.418	438.781
Other Operating Expenses (-)	35	(659.139)	(340.208)
OPERATING PROFIT		**982.405**	**(304.532)**
Income from Investment Activities	36	14.890	86.100
Expense from Investment Activities (-)	36	(114.324)	-
PROFIT BEFORE FINANCIAL EXPENSE		**882.970**	**390.632**
Financial Income	38	93.125	486.385
Financial Expense (-)	38	(1.686.968)	(633.573)
(LOSS)/PROFIT BEFORE TAXATION ON INCOME		**(710.873)**	**243.444**
Taxes on Income		(221.809)	1.154.647
- Current Income Tax Expense	41	-	-
- Deferred Tax Income	41	(221.809)	1.154.647
NET (LOSS)/PROFIT FOR THE YEAR		**(932.682)**	**1.398.091**
(Loss)/Earnings per share		**(0,06)**	**0,08**
OTHER COMPREHENSIVE INCOME:			
Other Comprehensive Income/Expense not to be reclassified to Profit or Loss		**6.967.514**	**(96.202)**
Increase in Revaluation Reserve		8.222.470	-
Actuarial loss arising from defined benefit plans		(149.606)	(120.252)
Taxes for other comprehensive income/expense not to be reclassified to profit or loss		(1.105.350)	24.050
- Deferred tax (liabilities)/assets		(1.105.350)	24.050
Other Comprehensive Income/Expense to be reclassified to Profit or Loss		**87.059**	**-**
Fair Value Reserves of Available for Sale Investments		108.824	-
Taxes for other comprehensive income/expense to be reclassified to profit or loss		(21.765)	-
- Deferred tax (liabilities)		(21.765)	-
OTHER COMPREHENSIVE INCOME/(LOSS)		**7.054.573**	**(96.202)**
TOTAL COMPREHENSIVE INCOME		**6.121.891**	**1.301.889**

The accompanying notes are an integral part of these financial statements.

Altın Yunus Çeşme Turistik Tesisler A.Ş.

Statements of Cash Flows for the Years Ended at 31 December 2013 and 2012

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)
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	Notes	1 January - 31 December 2013	1 January - 31 December 2012
A. CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/Profit for the year		**(932.682)**	**1.398.091**
Adjustments related to reconciliation of net (loss)/profit for the year		**6.265.677**	**2.132.541**
Adjustment to taxation on (income)/expense		221.809	(1.154.647)
Depreciation and amortization	29	3.235.133	2.893.345
Provision for employment termination benefits	34	194.028	162.675
Interest income	38	(20.417)	(34.890)
Interest expense	38	363.912	375.108
Adjustments related to provision for illegal occupation ("Ecrimisil")	26	1.193.121	116.153
Adjustments related to provision for doubtful receivables	35	-	102.754
Gain on sales of property, plant and equipment	36	99.434	(86.100)
Unrealized foreign exchange (gain) loss/on borrowings		978.657	(241.857)
Changes in working capital		**819.921**	**799.025**
Adjustments related to decrease/(increase) in inventories	11	(24.295)	22.131
Adjustments related to increase in trade receivables	8	(422.362)	(684.078)
Adjustments related to (increase)/decrease in trade receivables from related parties	7	(61.225)	(8.057)
Adjustments related to (increase)/decrease in other receivables and other current assets		244.092	(149.476)
Adjustments related to increase in trade payables	8	327.682	33.799
Adjustments related to increase/(decrease) in trade payables to related parties	7	659.844	481.587
Adjustments related to increase in other current liabilities		96.185	1.103.119
Cash used in operating activities		**(1.508.399)**	**(1.591.803)**
Paid illegal occupation	26	(1.202.317)	(1.416.646)
Employment termination benefits paid	28	(354.642)	(198.431)
Other cash inflows/(outflows)		48.560	23.274
Net Cash generated from operating activities		**4.644.517**	**2.737.854**
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment, and intangible assets	15	(4.311.747)	(2.836.211)
Proceeds from sales of property, plant and equipment		19.181	86.824
Interest received	38	20.417	34.890
Net cash used in investing activities		**(4.272.149)**	**(2.714.497)**
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Cash outflows related to financial liabilities		(2.316.922)	(1.226.988)
Increase in financial liabilities		2.100.000	-
Interest paid		(403.048)	(245.835)
Net cash used in financing activities		**(619.970)**	**(1.472.823)**
Net decrease in cash and cash equivalents before foreign currency translation differences		**(247.602)**	**(1.449.466)**
D. EFFECT OF CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS	**-**	**(34)**	
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(247.602)**	**(1.449.500)**
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD		**1.364.506**	**2.814.006**
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	**6**	**1.116.904**	**1.364.506**

The accompanying notes are an integral part of these financial statements.

Altın Yunus Çeşme Turistik Tesisler A.Ş.

Statements of Changes in Equity for the Years Ended 31 December 2013 and 2012

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				Other Comprehensive Income/Expense not to be reclassified to Profit or Loss	
	Share Capital	**Adjustment to Share Capital**	**Share Premium**	**Revaluation Reserve**	**Actuarial gain/ (loss) arising from For Sale defined benefit plans**
PREVIOUS PERIOD					
Amounts as of 1 January 2012 (opening) - as previously reported	**16.756.740**	**7.916.580**	**119.489**	**81.703.468**	**-**
Adjustments related to accounting policy changes (Note 2)	-	-	-	-	(91.855)
Amounts as of 1 January 2012 (opening) - restated	**16.756.740**	**7.916.580**	**119.489**	**81.703.468**	**(91.855)**
Transfer of loss for prior year to accumulated losses	-	-	-	-	-
Total Comprehensive Income/Loss	-	-	-	-	(96.202)
Depreciation transfer - net (Note 15)	-	-	-	(1.284.306)	-
Amounts as of 31 December 2012 (closing)	**16.756.740**	**7.916.580**	**119.489**	**80.419.162**	**(188.057)**
CURRENT PERIOD					
Amounts as of 1 January 2013 (opening) - as previously reported	16.756.740	7.916.580	119.489	80.419.162	-
Adjustments related to accounting policy changes (Note 2)	-	-	-	-	(188.057)
Amounts as of 1 January 2013 (opening) - restated	16.756.740	7.916.580	119.489	80.419.162	(188.057)
Transfer of loss for prior year to accumulated losses	-	-	-	-	-
Total Comprehensive Income/Loss	-	-	-	7.087.199	(119.685)
Depreciation transfer - net (Note 15)	-	-	-	(1.357.946)	-
31 December 2013	**16.756.740**	**7.916.580**	**119.489**	**86.148.415**	**(307.742)**

The accompanying notes are an integral part of these financial statements.

Other Comprehensive Income/Expense that can be reclassified to Profit and Loss		Accumulated Losses		
Fair Value Reserve For Available Investments	**Restricted Reserves**	**Accumulated Losses**	**Net Profit/Loss For the year**	**Total Equity**
-	**123.920**	**(15.534.577)**	**(677.021)**	**90.408.599**
-	-	91.855	-	-
-	**123.920**	**(15.442.722)**	**(677.021)**	**90.408.599**
-	-	(677.021)	677.021	-
-	-	-	1.398.091	1.301.889
-	-	1.284.306	-	-
-	**123.920**	**(14.835.437)**	**1.398.091**	**91.710.488**
-	123.920	(14.927.292)	1.301.889	91.710.488
-	-	91.855	96.202	-
-	123.920	(14.835.437)	1.398.091	91.710.488
-	-	1.398.091	(1.398.091)	-
87.059	-	-	(932.682)	6.121.891
-	-	1.357.946	-	-
87.059	**123.920**	**(12.079.400)**	**(932.682)**	**97.832.379**

Altın Yunus Çeşme Turistik Tesisler A.Ş.

Notes to the Financial Statements for the Period Between 1 January - 31 December 2013

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NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Altın Yunus Çeşme Turistik Tesisler A.Ş. ("the Company" or "Hotel") is engaged in giving hotel services in Çeşme/İzmir, Altın Yunus Hotel, providing accommodation services, conference-seminar organisations and health and beauty programs to resident and foreign guests. Sales of the hotel are mainly performed by domestic and foreign tour companies. Operations of the Company, fluctuates according to seasonality of tourism sector. Accommodation capacity of the hotel is 465 (2012: 465).

The Company is subject to the regulations of the Capital Markets Board ("CMB") and its shares have been traded on the Borsa Istanbul ("BIST"). The ultimate parent of the Company is Yaşar Holding A.Ş ("Yaşar Holding") with 62% shares of the Company (2012: 62%). As of 31 December 2013, the shares traded on the BIST constitute 8% (2012: 8%) of total share capital (Note 31).

The Company is registered in Turkey and the address of the Company and Hotel are as follows:

Company center :

Şehit Fethibey Caddesi No:120

Alsancak/İzmir

Hotel center

Altın Yunus Çeşme Turistik Tesisler A.Ş.

Boyalık Mevkii, 35948

Çeşme- İzmir

NOTE 2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation of Financial Statements

2.1.1 Preparation of Financial Statements and Accounting Standards

The accompanying financial statements are prepared in accordance with Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to Article 5 of the Communiqué, financial statements are prepared in accordance with the Turkish Accounting Standards issued by Public Oversight Accounting and Auditing Standards Authority ("POAASA"). TAS contains Turkish Accounting Standards, Turkish Financial Reporting Standards ("TFRS") and its addendum and interpretations ("IFRIC").

The financial statements of the Company are prepared as per the CMB announcement of 7 June 2013 relating to financial statements presentations. Comparative figures are reclassified, where necessary, to conform to changes in the presentation of the current year's financial statements.

In accordance with the CMB resolution issued on 17 March 2005, listed companies operating in Turkey are not subject to inflation accounting effective from 1 January 2005. Therefore, the financial statements of the Company have been prepared accordingly.

The Company maintains its books of accounts and prepares its statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance and principles issued by CMB. These financial statements have been prepared under historical cost conventions except for financial assets, financial liabilities, land, buildings and land improvements, machinery and equipments which are carried at fair value. The financial statements are based on the statutory records, which are maintained under historical cost conventions, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with TAS.

The Company's functional and reporting currency is Turkish Lira ("TL").

2.2 Changes in accounting policies, comparative information and correction of prior year financial statements

2.2.1 Amendments in Turkish Financial Reporting Standards

a) New standards, amendments and interpretations issued and effective for the financial year beginning 1 January 2013 and are adopted by the Company:

- Amendment to TAS 1, "Financial statement presentation" regarding other comprehensive income, 1 July 2012, The main change resulting from these amendments is a requirement for entities to group items presented in "other comprehensive income" ("OCI") on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.
- Amendment to TAS 19 (amendment), "Employee benefits", is effective for annual periods beginning on or after 1 January 2013. These amendments eliminate the corridor approach and calculate finance costs on a net funding basis. Actuarial gains and losses arising from the calculations of provision for employment termination benefits will be classified under other comprehensive income without having an effect on the net profit/loss for the year. The Company is yet to assess IAS 19's full impact.

Altın Yunus Çeşme Turistik Tesisler A.Ş.

Notes to the Financial Statements for the Period Between 1 January - 31 December 2013

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- As a result of the retrospective application of these changes; the actuarial gains and losses reported in the general administrative expenses in the comprehensive income statement as of 1 January 2012 and 2013 amounting to 91.855TL and 188.057 TL, respectively, has been reclassified to actuarial gains and losses in the comprehensive income and balance sheet. The related balances in both comprehensive income and balance sheet have been restated.
- TFRS 12, "Disclosures of interests in other entities", is effective for annual periods beginning on or after 1 January 2013. The standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.
- TFRS 13, "Fair value measurement" is effective for annual periods beginning on or after 1 January 2013. This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRS.
- Amendment to IFRSs/TFRSs 10, 11 and 12 on transition guidance¸; is effective for annual periods beginning on or after 1 January 2013. These amendments provide additional transition relief to TFRSs 10, 11 and 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative.
- TAS 28, "Associates and joint ventures", is effective for annual periods beginning on or after 1 January 2013. The standard includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11 "Joint arrangements".

b) The New standards, amendments and interpretations issued and effective as of 1 January 2013 have not been presented since they are not relevant to the operations of the Group or have insignificant impact on the financial statements.

c) Standards and amendments to existing standards that are not yet effective and have not been early adopted by the Company:

- TAS 32 (amendment), "Financial instruments: Presentation", on offsetting financial assets and financial liabilities", is effective for annual periods beginning on or after 1 January 2014. The amendment updates the application guidance in TAS 32, 'Financial instruments: Presentation', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.
- TFRS 9 'Financial instruments' - classification and measurement; is effective for annual periods beginning on or after 1 January 2015. This standard on classification and measurement of financial assets and financial liabilities will replace TAS 39, "Financial instruments: Recognition and measurement".
- TAS 36 (amendment), "Impairment of assets" on recoverable amount disclosures is effective for annual periods beginning on or after 1 January 2014. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

TAS 39 (amendment), "Financial instruments: Recognition and Measurement", is effective for annual periods beginning on or after 1 January 2014. These amendments address on novation of derivatives and hedge accounting and will allow hedge accounting to continue in a situation where a derivative is novated to effect clearing with a central counterparty as result of laws or regulation, if specific conditions are met.

Company will determine the effects of these amendments above on the financial statements and will apply after effective date. The amendments do not have significant impact on the Company's financial statements.

2.2.2 Comparative information and the restatement of prior year financial statements

The Company's financial statements are prepared comparatively in order to enable the identification of financial position and performance trends. The Company prepared the balance sheet as of 31 December 2013 comparing to the balance sheet as of 31 December 2012, the comprehensive income, equity movement and cash flows for the year ended 31 December 2013 comparing to the comprehensive income, equity movement and cash flows for the year ended 31 December 2012.

The financial statements of the Company are prepared as per the CMB announcement of 7 June 2013 relating to financial statements presentations. Comparative figures are reclassified, where necessary, to conform to changes in the presentation of the current year's financial statements.
The reclassifications performed in the balance sheet of the Company as of 31 December 2012 are presented below:

- The prepaid expenses amounting to 91.193 TL were previously reported in other current assets. They are reclassified to prepaid expenses.
- The prepaid taxes amounting to 4.975 TL was previously reported in other current assets. They are reclassified to current income tax assets.
- The financial liabilities amounting to 2.145.009 TL were previously reported in financial liabilities. They are reclassified to short-term portion of long-term borrowings.
- The deposits taken and taxes and funds payable amounting to 82.000 TL and 90.757 TL, respectively was previously reported in other current liabilities. They are reclassified to other liabilities to non-related parties.
- The payables to personnel and social security premium deductions amounting to 96.879 TL were previously reported in other current liabilities. They are reclassified to payables for employee benefits.
- The advances received amounting to 2.556.502 TL was previously reported in other current liabilities. They are reclassified to deferred income.
- The top management bonus amounting to 100.000 TL was previously reported in short term provisions. They are reclassified to provisions for employee benefits.
- The provision amounting to 672.181 TL was previously reported in termination benefit. They are reclassified to long term provisions for employee termination benefits.

Altın Yunus Çeşme Turistik Tesisler A.Ş.

Notes to the Financial Statements for the Period Between 1 January - 31 December 2013

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)
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The reclassifications performed in the profit and loss statement and comprehensive income statements as of and for the year ended 31 December 2012 are presented below:

- The tangible assets sales income amounting to 86.100 TL was previously reported in other operating income.
- They are reclassified to income from investment activities.

Parallel to the reclassifications mentioned above the cash flow statement as of 31 December 2012 has been restated as well.

2.3 Summary of Significant Accounting Policies

Significant accounting policies followed in the preparation of the financial statements are summarised below:

2.3.1 Revenue recognition

Revenues are recognised on an accrual basis at the time overnight stay or the other services given is realised, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company at the fair value of considerations received or receivable. Net sales represent the invoiced value of service given except sales tax less sales returns and discounts (Note 32). At each balance sheet date any expenditure incurred but not yet invoiced is estimated and accrued.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and when specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Rent income is recognised evenly on an accrual basis.

2.3.2 Inventories

Inventories are valued at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. Cost elements included in inventories comprise total purchase costs. The costs of inventories are determined on the weighted average basis (Note 11).

2.3.3 Property, plant and equipment

The Company's land and land improvements, buildings are stated at fair value, based on valuations by external independent valuer at 1 July 2013, namely Elit Gayrimenkul Değerleme A.Ş. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Property, plant and equipment, except for land and land improvements, buildings, machinery and equipment, acquired before 1 January 2005 are carried at cost, in the equivalent purchasing power of TL as at 31 December 2004 and items acquired after 1 January 2005 are carried at cost, less the subsequent depreciation and impairment loss, if any, as of 31 December 2013 (Note 15).

Increases in the carrying amount arising on the revaluation of property, plant and equipment are credited to the revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against that reserve; all other decreases are charged to the statement of comprehensive income. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the statement of comprehensive income) and depreciation based on the asset's original cost is transferred from the revaluation reserve to the accumulated losses. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the relevant asset, and the net amount is restated to the revalued amount of the asset.

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Depreciation is provided on the restated or revalued amounts of property, plant and equipment on a straight-line basis (Note 15). Land is not depreciated as it is deemed to have an indefinite life. The estimated useful lives of property, plant and equipments are as follows:

Buildings and land improvements	5-25 years
Machinery and equipments	2-20 years
Motor vehicles	5 years
Furniture and fixtures	2-12 years

Property, plant and equipment are capitalised and depreciated when they are fully commissioned and in a physical state to meet their designed production capacity. Residual values of property, plant and equipment are deemed as negligible. The advances given for the property, plant and equipment purchases are classified under other non-current assets until the related asset is capitalised. The assets' recoverable amounts and useful lives are reviewed, and adjusted prospectively, if applicable, at each balance sheet date. Where the carrying amount of an asset is greater than its recoverable amount, an impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount (Notes 2.3.5). If the property, plant and equipments that are impaired, are revalued, the impairment is charged to the revaluation reserves to the extent that the amount offsetting previous increases of the same asset charged in the revaluation reserves and all other decreases are recognised in the statement of comprehensive income (Note 21.a).

Gains or losses on disposals of property, plant and equipment are determined by reference to their carrying amounts and are included in the related income and expense accounts, as appropriate (Note 36). On the disposal of revalued assets, amounts in the revaluation reserve relating to that asset are transferred to the retained earnings.

Repairs and maintenance are charged to the statements of comprehensive income during the financial period in which they are incurred. Subsequent costs are included in the asset's carrying value or recognised as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The Company derecognises the carrying amounts of the replaced parts related to renovations regardless of whether the replaced parts were depreciated separately. Subsequent costs included in the asset's carrying value or recognise as separate asset, are depreciated based on their useful lives.

2.3.4 Intangible assets

Intangible assets have finite useful lives and comprise of acquired rights, information systems and software. Intangible assets acquired before 1 January 2005 are carried at cost in the equivalent purchasing power of TL as at 31 December 2004 and items acquired after 1 January 2005 are carried at cost, less accumulated amortisation and permanent impairment losses if any. Residual values of intangible assets are deemed as negligible. Intangible assets are recorded at acquisition cost and amortised on a straight-line basis over their estimated useful lives for a period of five years from the date of acquisition. Gains or losses on disposals or impairments of intangible assets with respect to their amounts are included in related income and expense accounts. Residual values of intangible assets are deemed as negligible. Intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable

2.3.5 Impairment of assets

i. Impairment of non-financial assets

At each reporting date, the Company assesses whether there is an impairment indication for the assets, except for the deferred income tax asset (Note 40). When an indication of impairment exists, the Company estimates the recoverable amounts of such assets. The recoverable amounts of intangible assets not yet available for use to be measured annually. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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Assets are allocated to cash generating units for the purpose of impairment testing, which is undertaken on the lowest level. An impairment loss is recognized for the amount by which the carrying amount of the asset or any cash-generating unit of that asset exceeds its recoverable amount, which is the higher of an asset's net selling price or value in use. Impairment losses are accounted for in the statement of comprehensive income. Impairment losses can be reversed to the extent that increased carrying amount of an asset shall not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years provided that increases in the recoverable amount of the asset can be associated with events that occur subsequent to the period in which the impairment loss was recognized.

ii. Impairment on financial assets

The criteria that the Company uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor,
- A breach of contract, such as a default or delinquency in interest or principal payments,
- For economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider,
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation,
- Observable data indicating that there is a measurable decrease in the estimated future cash flows.

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

2.3.6 Borrowing and borrowing cost

Borrowings are recognised initially at the proceeds received, net of any transaction costs incurred. In subsequent periods, borrowings are restated at amortised cost using the effective yield method. Any difference between proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings. Borrowing costs are expensed as incurred (Note 38). If the borrowings mature within 12 months, then they are classified in current liabilities, otherwise they are classified in non-current liabilities (Note 25).

A qualifying asset is an asset that takes a substantial period of time to get ready for its intended use or sale. According to IAS 23 (Revised), borrowing costs of qualifying assets having capitalisation date 1 January 2009 or later, can be capitalised, based on borrowing cost of qualifying asset, directly or as an asset acquisition or with an extent to associate directly with production, these borrowing costs should be capitalised as a part of cost of related asset.

2.3.7 Financial assets

The Company classifies its financial assets in the following categories: financial assets (at fair value through profit or loss, loans and receivables, available-for-sale and held-to-maturity financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

a) Loans and receivables

Loans and receivables constitute non-derivative financial instruments, which are not quoted in active markets and have fixed or scheduled payments. Loans and receivables arise, without held-for-sale intention, from the Company's supply of goods, service or direct fund to any debtor. If the maturity of these instruments are less than 12 months, these loans and receivables are classified in current assets and if more than 12 months, classified in non-current assets. The loans and receivables are included in trade receivables and other receivables in the balance sheet. Loans are recognised initially at the proceeds received, net of any transaction costs incurred. In subsequent periods, loans and receivables are stated at amortised cost using the effective yield method less any impairment, if any.

b) Available-for-sale financial assets

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale financial assets (Note 5). These are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the balance sheet date or unless they will need to be sold to raise operating capital, in which case they are included in current assets. The Company management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

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2.3.8 Foreign currency transaction and balances

Transactions in foreign currencies during the year have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into TL at the exchange rates prevailing at the balance sheet dates. The exchange differences that were recorded are recognized in the statement of comprehensive income.

2.3.9 Earnings/(loss) per share

Earnings/(losses) per share indicated in the statements of comprehensive income are determined by dividing net loss for the year by the weighted average number of shares that have been outstanding during the year concerned (Note 42).

Companies can increase their share capital by making a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings. For the purpose of losses per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issues without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and for each earlier year.

2.3.10 Subsequent events

Subsequent events, announcements related to net profit or even declared after other selective financial information has been publicly announced, include all events that take place between the balance sheet date and the date when balance sheet was authorized for issue.

In the case that events require a correction to be made occur subsequent to the balance sheet date, the Company makes the necessary corrections to the financial statements. Moreover, the events that occur subsequent to the balance sheet date and that do not require a correction to be made are disclosed in accompanying notes, where the decisions of the users of financial statements are affected.

2.3.11 Provisions, contingent assets and liabilities

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company are treated as contingent assets or liabilities. The Company does not recognise contingent assets and liabilities. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable. (Note 26).

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are not recognized for future operating losses.

2.3.12 Accounting policies, errors and changes in accounting estimates

Significant changes in accounting policies and accounting errors are applied on a retrospective basis as if a prior period error had never occurred or the policy had always been applied. The effect of change in accounting estimate would be recognized prospectively by including it in the statement of comprehensive income within the period of the change, if the change affects that period only; or period of the change and future periods, if the change affects both.

2.3.13 Leases

(1) The Company as the lessee

Finance leases

Leases of property, plant and equipment, where the Company has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other liabilities. The interest element of the finance cost is charged to the statement of comprehensive income over the lease period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the lease term.

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(2) The Company as the lessor

Operating leases

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income is recognized in the statement of comprehensive income on a straight-line basis over the lease term.

2.3.14 Related parties

For the purpose of the financial statements, shareholders having control, joint control or significant influence over the Company, Yaşar family members who are the ultimate parent of the Company, Yaşar Group Companies, fellow subsidiaries, key management personnel and board members and their close family members, together with companies controlled, jointly controlled or significantly influenced by them are considered as and referred to as related parties (Note 7).

2.3.15 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Key management that takes strategic decisions. The Company has only one reporting segment due to the fact that it operates in tourism sector and in only one geographic area; and the Company's key management takes strategic decisions by considering all operations of the Company. For this reason, segment reporting is not applicable.

2.3.16 Taxes on income

Income tax expense for the period comprises current and deferred income tax. The current income tax liability includes the taxes payable calculated on the taxable portion of the period income with tax rates enacted on the balance sheet date (Note 41).

Deferred income tax assets and liabilities are provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes with the enacted tax rates as of the balance sheet date (Note 41). Deferred income tax income or expense is recognized in the statement of comprehensive income, except to the extent that it relates to items recognized directly in equity. In case, when the tax is related to items recognized directly in equity, the tax is also recognized in equity.

Deferred income tax assets or liabilities are reflected to the financial statements to the extent that they will provide an increase or decrease in the taxes payable for the future periods where the temporary differences will be reversed. Deferred income tax liabilities are recognized for all taxable temporary differences, where deferred income tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. To the extent that deferred income tax assets will not be utilized, the related amounts have been deducted accordingly.

Deferred income tax assets and deferred income tax liabilities related to income taxes levied by the same taxation authority are offset accordingly, if current tax assets can be offset against current tax liabilities (Note 41).

2.3.17 Employee benefits/employment termination benefits

Provision for employment termination benefits represents the present value of the estimated total provision of the future probable obligation of the Company arising from the retirement of the employees calculated in accordance with the Turkish Labour Law. In accordance with existing social legislation and Turkish Labor Law in Turkey, the Company are required to make lump-sum termination indemnities to each employee whose employment is terminated due to retirement or for reasons other than resignation or misconduct and who has completed at least one year of service. Provision is made for the present value of the defined benefit obligation calculated using the projected unit credit method (Note 28). All actuarial gains and losses are recognised in the statement of comprehensive income.

2.3.18 Statement of cash flows

For the purpose of cash flows, cash flows are classified into three categories as operating, investing and financing activities. Cash flows from operating activities are those resulting from the Company's production and sales activities. Cash flows from investment activities indicate cash inflows and outflows resulting from property, plant and equipments and financial investments. Cash flows from financing activities indicate the resources used in financing activities and the repayment of these resources. Cash and cash equivalents comprise of cash in hand accounts and bank deposits with a predetermined sales price at fixed future dates of less than or equal to 3 months.

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2.3.19 Share capital and dividends

Ordinary shares are classified as equity. Dividends payable on ordinary shares are recognised as an appropriation of the profit in the period they are declared. Dividends payable on shares are recognised as an appropriation of the profit in the period in which they are declared.

2.4 Critical accounting estimates and judgments

Preparation of financial statements requires the use of estimates and assumptions that may affect the amount of assets and liabilities recognized as of the balance sheet date, disclosures of contingent assets and liabilities and the amount of revenue and expenses reported. Although these estimates and assumptions rely on the Company management's best knowledge about current events and transactions, actual outcomes may differ from those estimates and assumptions. Significant estimates of the Company management are as follows:

(i) Revaluation of land, buildings and land improvements

As of 31 December 2013, land and land improvements, buildings were stated at fair value less subsequent depreciation of land improvements, buildings, machinery and equipment, based on valuations performed by external independent valuer namely Elit Gayrimenkul Değerleme A.Ş. at 1 July 2013 (Note 15). The carrying values of land, land improvements, buildings and machinery and equipment do not necessarily reflect the amounts that would result from the outcome of a sales transaction between independent parties and the impact of differences will be reflected in the financial statements during the financial period in which they are incurred.

The carrying values of land, land improvements and buildings do not necessarily reflect the amounts that would result from the outcome of a sales transaction between independent parties. The effects of such transactions would be recognised in the financial statements on a prospective basis.

(ii) Income taxes

There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business and significant judgment is required in determining the provision for income taxes. The Company recognizes tax liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. In this respect, the Company did not recognise deferred income tax assets arising from tax losses carried forward and other deductible differences as their the future utilisation is not virtually certain (Note 41). Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax provisions in the period in which such determination is made.

2.5 Comparative information

The Company prepared its financial statements on a comparative basis with the preceding financial period, which enables determination of trends in financial position and performance. The Company prepared its balance sheet at 31 December 2013 on a comparative basis with balance sheet at 31 December 2012; and statements of comprehensive income, cash flows and changes in equity for the period of 1 January - 31 December 2013 on a comparative basis with financial statements for the period of 1 January - 31 December 2012.

2.6 Offsetting

All items with significant amounts and nature, even with similar characteristics, are presented separately in the financial statements. Insignificant amounts are grouped and presented by means of items having similar substance and function. When the nature of transactions and events necessitate offsetting, presentation of these transactions and events over their net amounts or recognition of the assets after deducting the related impairment are not considered as a violation of the rule of non-offsetting. As a result of the transactions in the normal course of business, revenue other than sales are presented as net if the nature of the transaction or the event qualify for offsetting.

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NOTE 3 - BUSINESS COMBINATIONS

None (2012: None).

NOTE 4 - INTEREST IN OTHER ENTITIES

Available-for-sale investments:

	31 December 2013		31 December 2012	
	Shareholding rate (%)	**Amount (TL)**	**Shareholding rate (%)**	**Amount (TL)**
Çeşme Otelcileri Termal Enerji ve Turizm Ticaret A.Ş. ("Çetaş")	20,00	42.287	20,00	42.287
İzmir Kongre A.Ş.	1,00	2.000	1,00	2.000
Desa Enerji Elektrik Üretimi Otoprodüktör Grubu A.Ş. ("Desa Enerji")	0,25	108.824	0,25	-
		153.111		**44.287**

Other available-for-sale investments of the Company are stated at their costs less impairment losses, if any, since they are not traded in active markets and their fair values could not be calculated reliably.

As of 31 December 2013, available-for-sale investments Çetaş and İzmir Kongre A.Ş. are the companies, which aim to develop the tourism sector in the region the Company operates. Since the Company doesn't have significant influence on the operations of Çetaş, it was not accounted for using the equity method.

NOTE 5 - SEGMENT REPORTING

Please see note 2.3.15.

NOTE 6 - CASH AND CASH EQUIVALENTS

	31 December 2013	**31 December 2012**
Cash on hand	29.606	18.518
Banks	694.151	994.167
- Demand deposits	94.151	994.167
- TL	94.151	100.194
- Foreign currency	-	893.973
- Time deposits	600.000	-
- TL	600.000	-
- Foreign currency	-	-
Other cash and cash equivalents	393.147	351.821
	1.116.904	**1.364.506**

Other cash and cash equivalents includes the credit cards slips held blocked at banks with an average term of 45 days (2012: 45 days). As of 31 December 2013, TL time deposits matures at 2 January 2014 and the effective weighted average interest rate of 8,65% per annum ("p.a.") Based on the independent data with respect to the credit risk assessment of the banks at which the Company has deposits, are sufficient in terms of credit quality of the banks. The fair values of cash and cash equivalents approximate carrying values, including accrued income at the respective balance sheet dates.

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NOTE 7 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Summary of the due from and due to related parties balances as of 31 December 2013 and 2012 and significant intercompany transactions were as follows:

a) Due from related parties

	31 December 2013	31 December 2012
Trade receivables from related parties:		
DYO Boya Fabrikaları A.Ş.	34.306	-
Bintur		17.603
DYO Matbaa Mürekkepleri Sanayi ve Ticaret A.Ş. ("DYO Matbaa")	15.960	8.057
Hedef A.Ş.	1.413	-
	69.282	**8.057**

	31 December 2013	31 December 2012
b) Due to related parties:		
YBP	828.415	477.554
Yaşar Holding	606.308	383.734
Pınar Su A.Ş.	63.842	-
Desa Enerji	58.894	54.594
Çamlı Yem Besicilik A.Ş.	22.524	-
Other	14.375	18.632
	1.594.358	**934.514**

Trade payables to Yaşar Holding are related to administrative service purchases, trade payables to Desa Enerji are related to electricity purchases and payables to YBP is related to purchase of goods. Since the impact of unincurred finance cost on trade payables due to related parties is not material, trade payables due to related parties are measured at undiscounted invoice amounts.

c) Transactions with related parties

	1 January - 31 December 2013	1 January - 31 December 2012
i) Product purchases:		
YBP	1.096.179	1.006.590
Desa Enerji	874.701	846.231
Pınar Su Sanayi ve Ticaret A.Ş. ("Pınar Su")	96.649	73.443
Çamlı Yem Besicilik Sanayi ve Ticaret A.Ş. ("Çamlı Yem")	69.463	115.384
Hedef Ziraat Ticaret A.Ş. ("Hedef Ziraat")	20.760	39.694
Other	164	373
	2.157.916	**2.081.715**

Purchase of goods from YBP consists of food and beverages that are used by the Company in service sales and purchase of goods from Desa Enerji consists of electricity purchases.

	1 January - 31 December 2013	1 January - 31 December 2012
ii) Service purchases:		
Yaşar Holding	642.613	589.446
Bintur	34.258	40.812
Other	18.954	8.891
	695.825	**639.149**

Service purchases from Yaşar Holding are composed of consultancy charges.

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	1 January - 31 December 2013	1 January - 31 December 2012
iii) Service sales:		
Bintur	860.610	1.060.947
DYO Boya Fabrikaları Sanayi ve Ticaret A.Ş. ("DYO Boya")	91.129	53.220
Yaşar Üniversitesi	82.508	-
Hedef Ziraat	30.150	28.861
Yaşar Holding	27.494	20.357
Çamlı Yem	9.729	15.650
Pınar Süt Mamulleri Sanayii A.Ş. ("Pınar Süt")	4.712	60.944
Pınar Su	-	29.314
Other	21.536	20.274
	1.127.868	**1.289.567**

Service sales to related parties are composed of accommodation, hosting and meeting organizations.

iv) Finance and other operating expenses:

YBP	85.510	32.381
Yaşar Holding	40.047	20.404
YDT	25.126	32.381
Other	23.798	-
	174.481	**85.166**

Finance expense resulted from transactions with related parties are mainly composed of bail commission charges for the loans obtained by YBP and YDT with the guarantee of the Company for the period between 1 January - 31 December 2013. The bail commission and finance procurement rates used in the intercompany charges are both 0,50% p.a. (2012: 0,50% p.a.).

	1 January - 31 December 2013	1 January - 31 December 2012
v) Purchase of property, plant and equipment:		
Dyo Boya	44.222	1.185
Yaşar Holding	16.710	-
YBP	1.008	-
Pınar Süt	-	3.557
	61.940	**4.742**

vi) Key management compensation:

Key management includes general manager, finance director and members of Board of Directors and key management compensation is as follows:

Short-term employee benefits	540.072	482.748
Performance premium	100.000	100.000
Other long term benefits	22.813	20.889
	662.885	**603.637**

Key management compensation consists of salary and travel payments; employment termination benefits and vacation pays made to the key management and their provisions for the period in which they incurred.

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d) Other issues related with related parties

Based on the loan agreement undersigned on 1 August 2011 between the Company and a domestic financial institution, the Company obtained a loan amounting to EUR3.000.000 and YBP and YDT have undersigned this loan agreement as the guarantors of this borrowing obtained. The bails received from Bintur as of 31 December 2013 are related with general loan agreements consisting of the credit line of USD1.500.000, equivalent of TL3.201.450 (2012: USD1.500.000 equivalent of TL2.673.900).

NOTE 8 - TRADE RECEIVABLES AND PAYABLES

	31 December 2013	31 December 2012
a) Trade receivables		
Cheques and notes receivable	2.166.637	2.036.990
Customer current accounts	1.113.795	869.640
	3.280.432	**2.906.630**
Less: Provision for impairment of receivables	(369.530)	(418.090)
	2.910.902	**2.488.540**

Customer current accounts mainly consist of receivables from travel agencies.

The agings of trade receivables as of 31 December 2013 and 2012 are as follows;

Overdue	584.228	198.927
0-30 days due	244.743	505.886
31-60 days due	-	50.949
61-90 days due	25.000	42.778
91-180 days due	1.006.931	490.000
181-360 days due	1.050.000	1.200.000
	2.910.902	**2.488.540**

The aging of overdue receivables as of 31 December 2013 and 2012 are as follows:

0-30 days	306.987	91.568
31-60 days due	109.044	-
61-90 days due	112.892	74.666
91-180 days due	55.305	32.693
	584.228	**198.927**

The aging of overdue trade receivables and credit risk analysis as of 31 December 2013 and 2012 are disclosed in Note 49.a in detail.

Movements in the provision for impairment of receivables can be analysed as follows:

	2013	2012
1 January	**(418.090)**	**(338.610)**
Charge to the statement of comprehensive income (Note 35.b)	-	(102.754)
Collections during the year (Note 35.a)	48.560	23.274
31 December	**(369.530)**	**(418.090)**

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The receivables of the Company is mainly composed of sales to tourism agents, individual customers, groups and rent revenues. Taking into account of sector and region specific competitive conditions, there is no formal structure which enables to obtain guarantees or mortgages from tourism agents or individual customers in order to mitigate the collection risk of trade receivables. By carrying out business with reliable agents, collecting cash from individual customers before overnight stays and taking advance payments from domestic agents based on agreements, the Company manages the collection risk. The Company management does not expect any collection risk regarding those receivables considering its past experience and collections at subsequent periods.

	31 December 2013	31 December 2012
b) Trade payables:		
Supplier current accounts	1.257.771	930.089
	1.257.771	**930.089**

Trade payables are mature within one month (2012: one month). TL796.267 (2012: TL328.661) of trade payables are overdue for one month on average as of 31 December 2013 (2012: one month).

NOTE 9 - RECEIVABLES AND PAYABLES FROM FINANCE SECTOR OPERATIONS

None (2012: None).

NOTE 10 - OTHER RECEIVABLES AND PAYABLES

	31 December 2013	31 December 2012
a) Short-term other receivables		
Personnel advances	13.737	13.918
Deposits and guarantees given	3.507	2.967
	17.244	**16.885**
b) Short-term other payables		
Deposits and guarantees received	152.000	82.000
Taxes and funds payable	89.548	89.736
Other	2.941	1.021
	244.489	**172.757**

NOTE 11 - INVENTORIES

	31 December 2013	31 December 2012
Hotel inventory	309.972	292.043
Other	36.007	29.641
	345.979	**321.684**

Hotel inventory, mainly includes food and beverages used in the hotel kitchen. Inventories are carried at their costs. The cost of materials recognised as expense during the year included in cost of service given is amounting to TL4.108.551 (2012: TL3.811.738) (Note 29).

NOTE 12 - BIOLOGICAL ASSETS

None (2012: None).

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NOTE 13 - PREPAID EXPENSES AND DEFERRED INCOME

	31 December 2013	31 December 2012
a) Short-term prepaid expenses		
Prepaid expenses	85.528	91.193
Advances given	28.815	-
	114.343	**91.193**
b) Deferred income		
Advances received	2.520.897	2.506.519
Other	51.310	49.983
	2.572.207	**2.556.502**

NOTE 14 - INVESTMENT PROPERTY

None (2012: None).

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment for the period 1 January - 31 December 2013 were as follows:

	1 January 2013	Additions	Disposals	Transfers	Revaluation	31December 2013
Revalued/cost						
Lands	53.305.000	193.500	-	-	3.394.821	56.893.321
Buildings and land improvements	52.330.782	228.555	(135.810)	2.305.908	1.674.307	56.403.743
Machinery and equipment	8.282.373	34.750	(201.153)	-	-	8.115.970
Motor vehicles	200.795	-	-	-	-	200.795
Furniture and fixtures	8.110.922	874.821	(396.292)	636.365	-	9.225.815
Construction in progress	-	2.942.273	-	(2.942.273)	-	-
	122.229.872	**4.273.900**	**(733.256)**	**-**	**5.069.128**	**130.839.644**
Accumulated depreciation						
Buildings and land improvements	(2.092.116)	(2.335.161)	21.158	-	3.153.342	(1.252.777)
Machinery and equipment	(7.619.352)	(82.333)	200.764	-	-	(7.500.921)
Motor vehicles	(151.417)	(29.309)	-	-	-	(180.726)
Furniture and fixtures	(6.319.277)	(782.583)	392.719	-	-	(6.709.141)
	(16.182.162)	**(3.229.386)**	**614.641**	**-**	**3.153.342**	**(15.643.565)**
Net book value	**106.047.710**					**115.196.079**

The Company eliminated the accumulated depreciation against the gross carrying amount of the relevant asset, in line with IAS 16 "Property, plant and equipment" and accordingly revised the movements of property, plant and equipment for the comparative period, accordingly.

Additions to the property, plant and equipment within the year 2013 mainly consist of room renovation and beach investments. Disposal from the property, plant and equipment within the year 2013 mainly consist of sales of furniture and fully depreciated equipment.

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Movements of property, plant and equipment for the period 1 January - 31 December 2012 were as follows:

	1 January 2012	Additions	Disposals	Transfers	31 December 2012
Valuation/cost:					
Lands	53.275.000	30.000	-	-	53.305.000
Buildings and land improvements	50.895.000	155.113	-	1.280.669	52.330.782
Machinery and equipment	11.006.945	18.885	(2.862.803)	119.346	8.282.373
Motor vehicles	209.130	35.460	(43.795)	-	200.795
Furniture and fixtures	7.408.313	656.678	(494.129)	540.060	8.110.922
Construction in progress	-	1.940.075	-	(1.940.075)	-
	122.794.388	**2.836.211**	**(3.400.727)**	**-**	**122.229.872**
Accumulated depreciation:					
Buildings and land improvements	-	(2.092.116)	-	-	(2.092.116)
Machinery and equipment	(10.406.632)	(74.558)	2.861.838	-	(7.619.352)
Motor vehicles	(168.528)	(26.354)	43.465	-	(151.417)
Furniture and fixture	(6.114.441)	(699.536)	494.700	-	(6.319.277)
	(16.689.601)	**(2.892.564)**	**3.400.003**	**-**	**(16.182.162)**
Net book value	**106.104.787**				**106.047.710**

Additions to the property, plant and equipment within the year 2012 mainly consist of machinery investment related with lift unit and water purifying equipment. Disposal from the property, plant and equipment within the year 2012 mainly consist of lift unit and machineries related with cleaning and catering.

TL1.728.543 (2012: TL1.328.770) of the current year depreciation and amortization charges have been allocated to cost of sales, TL1.609 (2012:TL640) to marketing expenses (Note 34.a) and TL1.504.982 (2012:TL1.563.935) to general and administrative expenses (Note 34.b).

Movements in revaluation reserve related to land, buildings and land improvements were as follows:

	2013	2012
1 January	**80.419.162**	**81.703.468**
Increase in revaluation reserve arising from revaluation of land, buildings and land improvements	8.222.470	-
Deferred income tax calculated on increase in revaluation fund	(1.135.271)	-
Depreciation transferred from revaluation reserve to accumulated losses-net	(1.357.946)	(1.284.306)
31 December	**86.148.415**	**80.419.162**

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The movements of land, buildings and land improvements with their cost values for the years ended 31 December 2013 and 2012 were as follows:

31 December 2013:	**Land**	**Buildings and land improvements**
Cost	1.267.819	58.082.132
Less: Accumulated amortisation	-	(39.948.578)
Net book value	**1.267.819**	**18.133.554**

31 December 2012:	**Land**	**Buildings and land improvements**
Cost	1.074.319	55.683.478
Less: Accumulated amortisation	-	(39.239.957)
Net book value	**1.074.319**	**16.443.521**

NOTE 16 - RIGHTS TO INTERESTS ARISING FROM DECOMMISSIONING, RESTORATION AND ENVIRONMENTAL REHABILITATION FUNDS

None (2012: None).

NOTE 17 - MEMBER SHARES IN COOPERATIVES AND SIMILAR FINANCIAL INSTRUMENTS

None (2012: None).

NOTE 18 - INTANGIBLE ASSETS

The movements of intangible assets for the period 1 January-31 December 2013 were as follows:

	1 January 2013	**Additions**	**Disposals**	**31 December 2013**
Rights and other intangible assets	473.761	37.847	-	511.608
Less: Accumulated amortisation	(466.861)	(5.747)	(472.608)	
Net book value	**6.900**			**39.000**

The movements of intangible assets for the period 1 January-31 December 2012 were as follows:

	1 January 2012	**Additions**	**Disposals**	**31 December 2012**
Rights and other intangible assets	495.856	-	(22.095)	473.761
Less: Accumulated amortisation	(488.175)	(781)	22.095	(466.861)
Net book value	**7.681**		**6.900**	

NOTE 19 - GOODWILL

None (2012: None).

NOTE 20 - EXPLORATION FOR AND EVALUATION OF MINERAL RESOURCES

None (2012: None).

NOTE 21 - LEASING

None (2012: None).

NOTE 22 - SERVICE CONCESSION AGREEMENTS

None (2012: None).

NOTE 23 - IMPAIRMENT IN ASSETS

None (2012: None).

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NOTE 24 - GOVERNMENT GRANTS AND INCENTIVES

None (2012: None).

NOTE 25 - BORROWINGS AND BORROWING COSTS

	31 December 2013	31 December 2012
Short-term borrowings	1.900.000	-
Short-term portion of long-term bank borrowings	2.615.214	2.145.009
Short-term financial liabilities	**4.515.214**	**2.145.009**
Long-term financial liabilities	**2.517.021**	**4.031.496**
Total financial liabilities	**7.032.235**	**6.176.505**

	31 December 2013			31 December 2012		
	Effective weighted average interest rate p.a%	Original currency	TL equivalent	Effective weighted average interest rate p.a%	Original currency	TL equivalent
Short-term bank borrowings:						
TL borrowings	9,25	1.900.000	1.900.000	-	-	-
Short-term portion of long-term bank borrowings:						
EUR borrowings	4,59	890.589	2.615.214	4,82	912.110	2.145.009
Total short-term borrowings			**4.515.214**			**2.145.009**
EUR borrowings	4,59	857.150	2.517.021	4,82	1.714.290	4.031.496
Total long-term bank borrowings			**2.517.021**			**4.031.496**

As of 31 December 2013 and 2012, EUR denominated bank borrowing is comprised of amounting to EUR 3.000.000 with a maturity date of 3 August 2015 and includes the interest accruals with semi-annually fixed interest rate of Euribor + % 4,25.

As of 31 December 2013, the redemption schedule of long-term bank borrowings is as follows:

	31 December 2013	31 December 2012
2014	-	2.015.748
2015	2.517.021	2.015.748
	2.517.021	**4.031.496**

The carrying amounts and fair values of bank borrowings are as follows:

Carrying amount	7.032.235	6.176.505
Fair value	7.088.493	6.229.147

The fair values are based on cash flows discounted using the rates based on the borrowing rates of 4,41% p.a. for EUR denominated bank borrowings as of 31 December 2013 (2012: 4,48% p.a. for EUR denominated bank borrowings).

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The carrying amounts of the bank borrowings with floating and fixed rates of the Company as of 31 December 2013 and 2012 which were classified in terms of periods remaining to contractual repricing dates are as follows:

	Up to 3 months	Total
- 31 December 2013:		
Bank borrowings with floating rates	5.132.235	5.132.235
Bank borrowings with fixed rates	1.900.000	1.900.000
	7.032.235	**7.032.235**
- 31 December 2012:		
Bank borrowings with floating rates	6.176.505	6.176.505
	6.176.505	**6.176.505**

According to the interest rate sensitivity analysis performed at 31 December 2013, if interest rates on bank borrowings had been 1% higher while all other variables being constant, net profit for the year would be TL31.500 lower (2012: net profit for the year would be TL37.511 lower) as a result of additional interest expense that would be incurred on bank borrowings with floating rates.

NOTE 26 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

	31 December 2013	31 December 2012
a) Short-term provisions:		
Illegal occupation (Ecrimisil) provision	20.392	29.588
	20.392	**29.588**

Short-term payables consists of a penalty for illegal occupation against the Company by T.C. Çeşme Mal Müdürlüğü due to the utilisation of coast as marina and beach for the period between September 2008 and December 2011 and all illegal occupation (Ecrimisil) payable to government authorities was paid in the year 2012. The Company signed pre-authoriazation contract with T.C. Çeşme Mal Müdürlüğü related to using aformentioned lands.

Movement of provision for illegal occupation is as follows:

	2013	2012
1 January	**29.588**	**1.330.081**
Illegal occupation (Ecrimisil) provision	1.193.121	116.153
Illegal occupation paid	(1.202.317)	(1.416.646)
31 December	**20.392**	**29.588**

b) Guarantees given:

	31 December 2013	31 December 2012
Guarantee notes given	-	365.433
Guarantee letters given	709.865	79.544
	709.865	**444.977**

As of 31 December 2013, the guarantee notes were given by the Company for various service purchases and promotion activities.

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The collaterals, pledges and mortgages ("CPM") position of the Company as of 31 December 2013 and 2012 were as follows:

	31 December 2013			31 December 2012		
	Currency	Amount	TL equivalent	Currency	Amount	TL equivalent
CPM provided by the Company:						
A. Total amount of CPM given for the Company's own legal personality			709.865			444.977
	TL	*709.865*	*709.865*	*TL*	*79.544*	*79.544*
	USD	-	-	*USD*	*205.000*	*365.433*
	EUR	-	-	*EUR*	-	-
	Other	-	-	*Other*	-	-
B. Total amount of CPM given on behalf of fully consolidated companies	-	-	-	-	-	-
C. Total amount of CPM given for continuation of its economic activities on behalf of third parties	-	-	-	-	-	-
D. Total amount of other CPM						
i. Total amount of CPM given to behalf of the majority shareholder	-	-	-	-	-	-
ii. Total amount of CPMs given to on behalf of other group companies which are not in scope of B and C.	-	-	-	-	-	-
iii. Total amount of CPMs given on behalf of third parties which are not in scope of C.	-	-	-		-	-
TOTAL	**-**	**-**	**709.865**	**-**	**-**	**444.977**
Total amount of other CPM/Equity			%0			%0

	31 December 2013	31 December 2012
c) Guarantees received:		
Bails received	7.653.878	8.731.132
Guarantee notes received	187.462	158.220
Letters of guarantee received	50.000	37.500
Guarantee cheques received	83.250	83.250
	7.974.590	**9.010.102**

The Company has signed a loan agreement for EUR3.000.000 with a local finance institution on 1 August 2011 and Yaşar Birleşik Pazarlama Dağıtım Turizm ve Ticaret A.Ş. ("YBP") and Yaşar Dış Ticaret A.Ş. ("YDT") have given bail to the related loan as guarantors. Bails which the Company received from Bintur are related to the general loan agreements that contain the credit limits USD 1.500.000 equivalent of TL3.201.450 (2012: USD1.500.000 equivalent of TL2.673.900).

The guarantees received by the Company consist of the guarantees received from maintenance and security suppliers.

NOTE 27 - COMMITMENTS

None.

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NOTE 28 - EMPLOYEE BENEFITS

	31 December 2013	31 December 2012
a) Payables for employee benefits		
Social Security Premium payables	112.245	96.223
Personnel payables	8.058	656
	120.303	**96.879**
b) Short term provisions for employee benefits		
Bonus provision related to top management	100.000	100.000
	100.000	**100.000**
c) Long term provisions for employee benefits		
Provision for employment termination benefits	661.173	672.181
	661.173	**672.181**

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men).

The amount payable consists of one month's salary limited to a maximum of TL3.254,44 for each year of service as of 31 December 2013 (2012: TL3.033,98). The liability is not funded, as there is no funding requirement. The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees with certain actuarial assumptions.

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. The maximum amount of TL 3.438,22 which is effective from 1 January 2013 (2012: TL3.129,25) has been taken into consideration in calculating the provision for employment termination benefits of the Company which is calculated once in every six months.

The following actuarial assumptions were used in the calculation of the total liability:

	31 December 2013	31 December 2012
Discount rate (%)	4,09	3,50
Probability of retirement (%)	96,04	96,04

Movements of the provision for employment termination benefits during the years are as follows:

	2013	2012
1 January	**672.181**	**587.685**
Interest costs	76.351	20.569
Actuarial losses	149.606	120.252
Increase during the year	117.677	142.106
Paid during the year	(354.642)	(198.431)
31 December	**661.173**	**672.181**

The total of interest costs and increase during the year amounting to TL194.028 (2012: TL162.675) was included in general administrative expenses. Actuarial losses are included in other comprehensive income/expense.

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NOTE 29 - EXPENSES BY NATURE

	1 January - 31 December 2013	1 January - 31 December 2012
Staff costs	6.524.403	6.085.221
Material	4.108.551	3.811.738
Depreciation and amortization	3.235.133	2.893.345
Energy	1.546.384	1.640.556
Outsourced services	1.806.933	1.591.292
Illegal occupation (Ecrimisil) rent preliminary authorization expense	1.270.735	1.165.622
Consultancy	720.047	674.782
Repair and maintenance	800.821	644.180
Advertisement	611.010	571.465
Employment termination benefits	194.028	282.927
Other	846.962	1.080.609
	21.665.007	**20.321.485**

NOTE 30 - OTHER ASSETS AND LIABILITIES

	31 December 2013	31 December 2012
a) Other current assets:		
Value added tax ("VAT") receivable	69.206	66.890
Other	143	13.225
	69.349	**80.115**

NOTE 31 - SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

The Company adopted the registered share capital system available to companies registered with the CMB and set a limit on its registered share capital representing registered type shares with a nominal value of Kr1. The Company's historical authorized registered share capital at 31 December 2013 and 2012 is as follows:

	31 December 2013	31 December 2012
Registered share capital (historical values)	25.000.000	25.000.000
Authorized and paid-up share capital with a nominal value	16.756.740	16.756.740

In Turkey, companies may exceed registered share capital nonrecurring -except for cash injection- through capital increase from internal sources. Registered share capital may not be exceeded through capital increase by cash injection.

There are 1.675.674.000 units of shares each with a face value of Kr1 each (2012: Kr1 1.675.674.000 units).

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The compositions of the Company's share capital at 31 December 2013 and 2012 were as follows:

		31 December 2013		31 December 2012	
Shareholder	**Group**	**Share Amount**	**Share (%)**	**Share Amount**	**Share (%)**
Yaşar Holding	A-B-C	10.362.754	%62	10.362.754	62%
Koç Holding A.Ş.	A-C-D-E	5.027.022	%30	5.027.022	30%
Public quotation	A-C	1.366.964	%8	1.366.964	8%
Total paid-in capital		**16.756.740**	**%100**	**16.756.740**	**%100**
Adjustment to share capital (*)		7.916.580		7.916.580	
Total adjusted capital		**24.673.320**		**24.673.320**	

(*) "Adjustment to share capital" represents the difference between the amounts of cash and cash equivalents contributions, restated for inflation, to share capital and the amounts before the restatement. Adjustment to share capital can only be added to the capital.

The Company's capital is composed of A type bearer shares, B type registered shares, C type bearer shares, D type registered shares, E type bearer share and E type registered shares.

Board of Directors consisting of five to seven members is elected by the General Board from among the shareholders of the Company or out of the Company execute and manage the operations of the Company in accordance with the provisions of the Turkish Commercial Code. In the case that the Board of Directors consists of five members, two members are elected from A type Shareholder candidates, one member from B type Shareholder candidates, one member from C type Shareholder candidates and one member from D type Shareholder candidates. In the case that the Board of Directors consists of seven members, three members are elected from A type Shareholder candidates, two members from Group B Shareholder candidates, one member from C type Shareholder candidates and one member from D type Shareholder candidates. Managing Director can be selected upon administrative council decision. Moreover, the Chairman of the Board and the Executive Director are selected among shareholders of A type shares.

Type of shares	**31 December 2013 (TL)**	**31 December 2012 (TL)**
A	8.363.992	8.363.992
B	1.903.566	1.903.566
C	4.813.508	4.813.508
D	102.564	102.564
E	1.573.110	1.573.110
	16.756.740	**16.756.740**

Share premiums amounting to TL119.489 (2012: TL119.489) represents the difference between face value and selling price of common stocks offered to the public.

Under the Turkish Commercial Code, Turkish companies are required to set aside first and second level legal reserves out of their profits. Companies are required to set aside 5% of their net profits each year as a first level legal reserve. The ceiling on the first level legal reserves is 20% of the paid-up capital. The reserve requirement ends when the 20% of paid-up capital level has been reached. The second level reserves correspond to 10% of profits actually distributed after the deduction of the first level legal reserves plus minimum obligatory dividend pay-out (5% of the paid-up capital). According to Turkish Commercial, legal reserves unless they exceed 50% of the paid capital can be used to offset losses: Otherwise it is not possible to use other than that.

The aforementioned amounts accounted for under "Restricted Reserves" in accordance with CMB Financial Reporting Standards. At 31 December 2013, the restricted reserves of the Company amount to TL123.920 TL (2012: TL123.920).

In accordance with the announcements of CMB, "Paid-in Capital", "Restricted Reserves" and "Share Premium" shall be carried at their statutory amounts. The valuation differences (e.g. the differences raises from inflation adjustments) shall be classified as follows:

- the difference arising from the "Paid-in Capital" and not been transferred to capital yet, shall be classified under the "Inflation Adjustment to Share Capital";
- the difference due to the inflation adjustment of "Restricted Reserves" and "Share Premium" and the amount has not been utilized in dividend distribution or capital increase yet, shall be classified under "Retained earnings. Other equity items shall be carried at the amounts calculated based on CMB Financial Reporting Standards.

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Based on CMB Communiqué No II-19.1, dated 1 February 2014, there is no mandatory minimum profit distribution requirement for the quoted entities at the stock exchange for profits arising from operations. Regarding the dividend distribution for the current and following years, the entities are to distribute their profits for the current and following years under the scope of their articles of association and their previously publicly declared profit distribution policies.

Unless allocation of legal reserves per TCC and dividends defined in the dividend policy of companies, it cannot be decided to allocate other reserves, to transfer the profit to the retained earnings, and to distribute dividend to members of board of directors, employees, redeemed shareholders and parties other than shareholders. Furthermore, payment of dividend in cash is another requirement for distributing dividend to members of board of directors, employees, redeemed shareholders and parties other than shareholders.

Composition of the equity items as per statutory financial statements of the Company is as follows:

	31 December 2013	31 December 2012
Legal reserves and special funds	457.846	577.334
Extraordinary reserves	2.821.042	2.821.042
Accumulated losses	(14.211.316)	(15.271.685)
Net (loss)/profit for the year	(31.290)	1.060.369
	(10.963.718)	**(10.812.940)**

NOTE 32 - REVENUE AND COST OF SALES

	1 January - 31 December 2013	1 January - 31 December 2012
Service sales	23.844.350	21.462.282
Rent income	1.145.591	1.010.955
Gross sales	24.989.941	22.473.237
Less: Discounts	(2.101.809)	(1.945.794)
Net sales	**22.888.132**	**20.527.443**
Cost of sales	**(14.737.005)**	**(13.520.412)**
Gross profit	**8.151.127**	**7.007.031**

NOTE 33 - CONSTRUCTION CONTRACT ASSETS

None (2012: None).

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NOTE 34 - MARKETING EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES

	1 January - 31 December 2013	1 January - 31 December 2012
a) Marketing expenses:		
Advertisement	611.010	571.465
Staff costs	150.759	108.179
Depreciation and amortization	1.609	640
Other	48.723	48.492
	812.101	**728.776**
b) General administrative expenses:		
Staff costs	1.974.738	1.876.106
Depreciation and amortization	1.504.982	1.563.935
Consultancy	720.047	674.782
Illegal occupation (Ecrimisil) rent preliminary authorization expense	669.367	608.098
Taxes and duties (excluding income tax)	226.927	217.484
Insurance premiums	140.158	154.531
Energy	126.514	129.062
Employment termination benefits	194.028	162.675
Other	559.140	685.624
	6.115.901	**6.072.297**
Total operating expenses	**6.928.002**	**6.801.073**

NOTE 35 - OTHER OPERATING INCOME/EXPENSES

	1 January - 31 December 2013	1 January - 31 December 2012
a) Other operating income:		
Other income from renters	137.940	162.839
Promotions received	132.904	205.653
Reversal of provision for impairment of receivables	48.560	23.274
Foreign exchange gains from operations	9.814	26.785
Other	89.201	20.230
	418.418	**438.781**
b) Other operating expense:		
Due date charges	(113.960)	(18.289)
Other expense from renters	(107.736)	(111.592)
Foreign currency losses from operations	(25.139)	(16.364)
Bad debt expense	-	(102.754)
Other	(412.304)	(91.209)
	(659.139)	**(340.208)**

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NOTE 36 - INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

	1 January - 31 December 2013	1 January - 31 December 2012
a) Income from investment activities:		
Gain on property, plant and equipment sale	14.890	86.100
	14.890	**86.100**
b) Expense from investment activities:		
Loss on property, plant and equipment sale	(114.324)	-
	(114.324)	**-**

NOTE 37 - EXPENSES CLASSIFIED BY CLASS

Please refer to Note 29.

NOTE 38 - FINANCE INCOME/EXPENSES

	1 January - 31 December 2013	1 January - 31 December 2012
Foreign exchange gain	72.708	451.495
Interest income	20.417	34.890
	93.125	**486.385**
Foreign exchange loss	(1.128.333)	(97.385)
Interest expense	(363.912)	(375.108)
Bails expenses	(60.522)	-
Other	(134.201)	(161.080)
	(1.686.968)	**(633.573)**

NOTE 39 - ANALYSIS OF OTHER COMPREHENSIVE INCOME

The analysis of other comprehensive income of the Company at 31 December 2013 and 2012 is as follows:

	1 January - 31 December 2013	1 January - 31 December 2012
Other Comprehensive Income/Expense not to be reclassified to Profit or Loss	**6.967.514**	**(96.202)**
Increase in Revaluation Reserve	8.222.470	-
Actuarial loss arising from defined benefit plans	(149.606)	(120.252)
Taxes for other comprehensive income/expense not to be reclassified to profit or loss	(1.105.350)	24.050
- Deferred tax (liabilities)/assets	(1.105.350)	24.050
Other Comprehensive Income/Expense to be reclassified to Profit or Loss	87.059	-
Fair Value Reserves of Available for Sale Investments	108.824	-
Taxes for other comprehensive income/expense to be reclassified to profit or loss	(21.765)	-
- Deferred tax (liabilities)	(21.765)	-
OTHER COMPREHENSIVE INCOME/(LOSS)	**7.054.573**	**(96.202)**

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NOTE 40 - NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None (2012: None).

NOTE 41 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

Taxation on income for the years ended 31 December 2013 and 2012 are as follows:

	2013	2012
Current corporation tax expense	-	-
Deferred tax income	(221.809)	1.154.647
Total tax income	**(221.809)**	**1.154.647**

Corporation tax is payable at a rate of 20% (2012: 20%) on the total income of the companies registered in Turkey after adjusting for certain disallowable expenses, exempt income (e.g. income from associates exemptions, investment incentive allowance exemptions) and investment and other allowances (e.g. research and development allowance). No further tax is payable unless the profit is distributed (except for withholding tax at the rate of 19,8% (2012: 19,8%), calculated on an exemption amount if an investment allowance is granted in the scope of Income Tax Law temporary article 61).

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15% (2012: 15%). An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporation tax quarterly at the rate of 20% (2012: 20%) on their corporate income. Advance tax is payable by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. If, despite offsetting, there remains an amount for advance tax amount paid, it may be refunded or offset against other liabilities to the government.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 25th of the fourth month following the close of the financial year to which they relate.

Tax returns are open for 5 years from the beginning of the year that follows the date of filing, during which time the tax authorities have the right to examine tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings. Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to 5 years. However, tax losses cannot be carried back to offset profits from previous periods.

In Corporate Tax Law, there are many exemptions for corporations, those related to the Company are explained below:

Dividend income from shares in the capital of another corporation subject to resident taxpaying (except dividends from investment funds participation certificates and investment trusts shares) is exempt from corporate tax.

According to Turkish Corporate Income Tax Law numbered 5520, effective from 21 June 2006, a 75% portion of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and real property, which has remained in assets for more than two full years are exempt from corporate tax. To be entitled to the exemption, the relevant gain is required to be held in a fund account in the liabilities and it must not be withdrawn from the entity for a period of five years. The sales consideration has to be collected up until the end of the second calendar year following the year the sale was realized.

75% of the profits from sale of preferential right certificates and share premiums generated from sale of shares at a price exceeding face values of those shares during incorporations or capital increases of joint stock companies are exempt from corporate tax. Accordingly, the aforementioned gains/(losses) which have been included in trade profit/(loss) have been taken into consideration in calculation of Company's corporate tax.

Apart from the exemptions mentioned in the preceding paragraphs, the deductions granted in 8th article of and Corporate Tax Law, and 40th article of the Income Tax Law, together with other deductions mentioned in 10th article of Corporate Tax Law, has been taken into consideration in calculation of the Company's corporate tax.

Transfer pricing

Corporations should set the prices in accordance with the arm's length principle while entering into transactions regarding the sale or purchase of goods and services with related parties. Under the arm's length principle within the new legislation related parties must set the transfer prices for purchase and sale of goods and services as if they would have been agreed between third parties. Depending on the circumstances, a choice of accepted methods in aforementioned law of arm's length transaction has to be made by corporations for transactions with related parties. Corporations should keep the documentary evidence within the Company representing how arm's length price has been determined and the

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methodology that has been chosen by use of any fiscal records and calculations in case of any request by tax authorities. Besides, corporations must report transactions with related parties in a fiscal period.

If a taxpayer enters into transactions regarding the sale or purchase of goods and services with related parties, where the prices are not set in accordance with the arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. The profit distributed in a disguised manner through transfer pricing completely or partially in the last day of the fiscal period when the circumstances defined in the 13th article occurred, will be assessed as distributed profit share or transferred amount to headquarter for limited taxpayers. After the distributed profit share is considered as net profit share and complemented to gross amount, deemed profit will be subject to corporate tax. Previous taxation processes will be revised accordingly by taxpayer who distributes disguised profit.

In order to make adjustments in this respect, the taxes assessed in the name of the Company distributing dividends in a disguised manner must be finalized and paid.

Reconciliations of taxation on income for the years ended 31 December 2013 and 2012 are as follows:

	2013	2012
Profit/(loss) before taxation income	**(710.873)**	**243.444**
Tax calculated at tax rates applicable to the profit	142.175	(48.689)
Cancellation of deferred tax assets calculated over carry forward tax losses	(302.544)	-
Expenses not deductible for tax purposes	(124.610)	(7.030)
Tax losses carried forward over which deferred income tax assets were recognized	-	834.976
Utilization of tax losses for which no deferred income tax asset was previously recognized	-	295.819
Other	63.170	79.571
Total tax income/(expense)	**(221.809)**	**1.154.647**

Deferred income taxation

The Company calculates deferred income tax assets and liabilities based on temporary differences arising between financial statements prepared in accordance with CMB Financial Reporting Standards and financial statements prepared according to Turkish legislation. Deferred income taxes are calculated on temporary differences that are expected to be realized or settled under the liability method using the enacted tax rate of 20% (2012: 20%).

Details of cumulative temporary differences and the resulting deferred tax assets and liabilities provided at 31 December 2013 and 2012, using enacted tax rates at the balance sheet dates, were as follows:

	Taxable cumulative temporary differences		Deferred income tax assets/ (liabilities)	
	31 December 2013	**31 December 2012**	**31 December 2013**	**31 December 2012**
Revaluation of land, buildings and land improvements	97.260.333	90.735.296	(11.111.918)	(10.316.134)
Restatement differences of tangible and intangible assets	(9.231.809)	(10.233.521)	1.848.391	2.050.741
Fair value difference of available for sale investments	108.824	-	(21.765)	-
Provision for employment termination benefits	(661.173)	(672.181)	132.235	134.436
Tax losses carried forward	(2.662.160)	(4.174.880)	532.432	834.976
Other	(100.000)	(208.560)	20.000	41.712
Deferred income tax assets			2.533.058	3.061.865
Deferred income tax liabilities			(11.133.683)	(10.316.134)
Deferred income tax liabilities-net			**(8.600.625)**	**(7.254.269)**

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The Company recognized deferred income tax assets of TL532.994 (2012: TL834.976) arising from tax losses carried forward as their future utilization is virtually certain and years of expiration of tax losses carried forward over which deferred income tax assets were recognized are as follows:

Expiration years	**31 December 2013**
2014	1.722.993
2015	939.167
	2.662.160

Movements of deferred income tax liabilities was as follows:

	2013	**2012**
1 January	**(7.254.269)**	**(8.432.966)**
Credited to statement of profit and loss	(221.809)	1.154.647
Credited to statement of comprehensive income	(1.127.115)	24.050
Other	2.568	-
31 December	**(8.600.625)**	**(7.254.269)**

NOTE 42 - EARNINGS/(LOSS) PER SHARE

Earnings/(loss) per share declared in the statement of comprehensive income is derived by dividing the profit/(loss) for the current year by the weighted average number of ordinary shares in issue during the year.

Companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of loss per share calculations, this bonus share distribution is regarded as issued shares. Accordingly the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issues without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and for each earlier year.

		1 January - 31 December 2013	**1 January - 31 December 2012**
Profit/(loss) attributable to equity holders of the Company	A	(932.682)	1.398.091
Weighted average number of shares	B	16.756.740	16.756.740
Earnings/(loss) per 100 shares with a KR1 face value	**A/B**	**(0,06)**	**0,08**

There are no differences between basic and diluted earnings/(loss) per share.

NOTE 43 - SHARE-BASED PAYMENT

None (2012: None).

NOTE 44 - INSURANCE CONTRACTS

None (2012: None).

NOTE 45 - EFFECTS OF CHANGES IN FOREIGN CURRENCY RATES

None (2012: None).

NOTE 46 - REPORTING IN HYPERINFLATIONARY ECONOMIES

In accordance with the CMB resolution issued on 17 March 2005, listed companies operating in Turkey are not subject to inflation accounting effective from 1 January 2005. Therefore, the financial statements of the Company have been prepared accordingly.

NOTE 47 - DERIVATIVE FINANCIAL INSTRUMENTS

None (2012: None).

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NOTE 48 - FINANCIAL INSTRUMENTS

None (2012: None).

NOTE 49 - NATURE AND LEVEL OF RISKS DERIVING FROM FINANCIAL INSTRUMENTS

a) Credit risk:

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. The Company manages these risks by restricting the average risk for the other parties (except related parties) on every agreement. The Company manages the credit risk from the direct customers by regularly updating their credit limits. Taking into account of sector and region specific competitive conditions, there is no formal structure which enables to obtain guarantees or mortgages from tourism agents or individual customers in order to mitigate the collection risk of trade receivables (Note 8). The use of credit limits is regularly monitored and financial position of the customers, past experiences, reputation in the market and other factors are considered by the Company in order to evaluate the quality of the credits. The credit risk exposure in terms of financial instruments as of 31 December 2013 and 2012 were as follows:

	Receivables				Bank deposits and other cash equivalents	
	Trade Receivables (1)		Other Receivables			
31 December 2013	**Related parties**	**Third parties**	**Related parties**	**Third parties**		**Total**
Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E) (2)	**69.282**	**2.910.903**	**-**	**17.244**	**1.087.298**	**4.084.727**
- The part of maximum credit risk covered with guarantees	-	-	-	-	-	-
A. Net book value of financial assets not due or not impaired	69.282	2.326.675	-	17.244	1.087.298	3.500.499
B. Net book value of financial assets whose conditions are renegotiated, otherwise will be classified as past due or impaired	-	-	-	-	-	-
C. Net book value of assets past due but not impaired (3)		584.228	-	-	-	584.228
- The part covered by guarantees						
D. Net book value of assets impaired	-	-	-	-	-	-
- Past due (gross book value)	-	369.530	-	-	-	369.530
- Impairment (-)	-	(369.530)	-	-	-	(369.530)
- The part of net value covered with guarantees etc.	-	-	-	-	-	-
- Not due (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The part of net value covered with guarantees etc.	-	-	-	-	-	-
E. Off-balance items exposed to credit risk	-	-	-	-	-	-

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	Receivables				Bank deposits and other cash equivalents	
	Trade Receivables [1]		Other Receivables			
31 December 2012	**Related parties**	**Third parties**	**Related parties**	**Third parties**		**Total**
Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E) [2]	**8.057**	**2.488.540**	-	**16.885**	**1.345.988**	**3.859.470**
- The part of maximum credit risk covered with guarantees	-	-	-	-	-	-
A. Net book value of financial assets not due or not impaired	8.057	2.289.613	-	16.885	1.345.988	3.660.543
B. Net book value of financial assets whose conditions are renegotiated, otherwise will be classified as past due or impaired	-	-	-	-	-	-
C. Net book value of assets past due but not impaired [3]	-	198.927	-	-	-	198.927
- The part covered by guarantees	-	-	-	-	-	-
D. Net book value of assets impaired						
- Past due (gross book value)	-	418.090	-	-	-	418.090
- Impairment (-)	-	(418.090)	-	-	-	(418.090)
- The part of net value covered with guarantees etc.	-	-	-	-	-	-
- Not due (gross book value)						
- Impairment (-)	-	-	-	-	-	-
- The part of net value covered with guarantees etc.	-	-	-	-	-	-
E. Off-balance items exposed to credit risk	-	-	-	-	-	-

[1] Trade receivables of the Company mainly consist of sales made to the tourism agencies, individual customers and groups and rent income.

[2] Factors increasing credit reliability such as guarantees received are not taken into consideration while determination of aforementioned amounts.

[3] Considering the past experiences and collections subsequent to the balance sheet date, the Company management does not foresee any collection problem for overdue receivables and overdue analysis are provided in following tables.

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31 December 2013	**Trade Receivables**		
	Related parties	**Third parties**	**Total**
1-30 days overdue	-	306.987	306.987
1-3 months overdue	-	221.936	221.936
3-12 months overdue	-	55.305	55.305
1-5 years overdue	-	-	-
The amount covered by guarantees	-	-	-
	-	**584.228**	**584.228**

31 December 2012	**Trade Receivables**		
	Related parties	**Third parties**	**Total**
1-30 days overdue	-	91.568	91.568
1-3 months overdue	-	74.666	74.666
3-12 months overdue	-	32.693	32.693
1-5 years overdue	-	-	-
The amount covered by guarantees	-	-	-
	-	**198.927**	**198.927**

b) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The ability to fund the existing and prospective debt requirements is managed by maintaining the availability of fund providers' lines from high quality lenders. In order to maintain liquidity, the Company management closely monitors the collection of trade receivables on time in order to and to prevent any financial burden that may result from late collections and arranges cash and non-cash credit lines with banks for the use of the Company.

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The Company’s liquidity analysis in respect of categories of financial liabilities as of 31 December 2013 and 2012 are as follows:

31 December 2013:	Carrying Value	Total cash outflows per agreement (=I+II+III)	Less than 3 months (I)	3 - 12 months (II)	1 - 5 years (III)
Contractual maturity dates:					
Non-derivative financial liabilities:					
Bank borrowings	7.032.235	7.205.202	1.919.000	2.693.670	2.592.532
Trade payables	2.852.129	2.852.129	2.852.129	-	-
Other payables	244.489	244.489	244.489	-	-
	10.128.853	**10.301.820**	**5.015.618**	**2.693.670**	**2.592.532**

31 December 2012:	Carrying Value	Total cash outflows per agreement (=I+II+III)	Less than 3 months (I)	3 - 12 months (II)	1 - 5 years (III)
Contractual maturity dates:					
Non-derivative financial liabilities:					
Bank borrowings	6.176.505	6.549.838	1.140.998	1.033.979	4.374.861
Trade payables	1.864.603	1.864.603	1.864.603	-	-
	8.041.108	**8.414.441**	**3.005.601**	**1.033.979**	**4.374.861**

c) Market risk:

i) Foreign currency risk

The Company is exposed to foreign exchange risks through the impact of rate changes on translation into TL of foreign currency denominated assets and liabilities. The Company minimizes the risk through balancing foreign currency denominated assets and liabilities. These risks are closely monitored in Audit Committee and Board of Director’s meetings and the foreign currency position of the Company and foreign exchange rates are closely followed up.

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	Foreign Currency Position							
	31 December 2013				31 December 2012			
	TL Equivalent	USD	EUR	Other	TL Equivalent	USD	EUR	Other
1. Trade Receivables	-	-	-	-	-	-	-	-
2a. Monetary Financial Assets (Cash, Bank accounts included)	-	-	-	-	894.855	39.761	350.375	-
2b. Non-Monetary Financial Assets	-	-	-	-	-	-	-	-
3. Other	-	-	-	-	-	-	-	-
4. Current Assets (1+2+3)	**-**	**-**	**-**	**-**	**894.855**	**39.761**	**350.375**	**-**
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-	-	-	-
7. Other	-	-	-	-	-	-	-	-
8. Non-Current Assets (5+6+7)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
9. Total Assets (4+8)	**-**	**-**	**-**	**-**	**894.855**	**39.761**	**350.375**	**-**
10. Trade Payables	-	-	-	-	-	-	-	-
11. Financial Liabilities	(2.615.215)	-	(890.589)	-	(2.145.009)	-	(912.110)	-
12a. Other Monetary Liabilities	-	-	-	-	-	-	-	-
12b. Other Non-Monetary Liabilities	-	-	-	-	-	-	-	-
13. Short-Term Liabilities (10+11+12)	**(2.615.215)**	**-**	**(890.589)**	**-**	**(2.145.009)**	**-**	**(912.110)**	**-**
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	(2.517.021)	-	(857.150)	-	(4.031.496)	-	(1.714.290)	-
16a. Other Monetary Liabilities	-	-	-	-	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-	-	-	-	-
17. Long-Term Liabilities (14+15+16)	**(2.517.021)**	**-**	**(857.150)**	**-**	**(4.031.496)**	**-**	**(1.714.290)**	**-**
18. Total Liabilities (13+17)	**(5.132.236)**	**-**	**(1.747.739)**	**-**	**(6.176.505)**	**-**	**(2.626.400)**	**-**
19. Net Asset/(Liability) Position of Off - Balance Sheet Derivative Instruments (19a-19b)	**-**	**-**	**-**		**-**	**-**	**-**	**-**
19a. Amount of Asset Nature Off-Balance Sheet Derivative Instruments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
19b. Amount of Liability Nature Off-Balance Sheet Derivative Instruments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
20. Net Foreign Currency (Liability)/ Asset Position (9-18+19)	**(5.132.236)**	**-**	**(1.747.739)**	**-**	**(5.281.650)**	**39.761**	**(2.276.025)**	**-**
21.Net Foreign Currency Asset/Liability Position of Monetary Items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	**(5.132.236)**	**-**	**(1.747.739)**		**(5.281.650)**	**39.761**	**(2.276.025)**	**-**
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
23. Amount of foreign currency denominated assets hedged	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
24. Amount of foreign currency denominated liabilities hedged	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25. Export (*)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
26. Import	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(*) The service sales to foreign tourism agencies performed by the Company in 2013 were amounting to TL5.891.552 (2012: TL4.106.724).

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Table of Sensitivity Analysis for Foreign Currency Risk

31 December 2013	**Profit/Loss**		**Equity [*]**	
	Appreciation of foreign currency	**Depreciation of foreign currency**	**Appreciation of foreign currency**	**Depreciation of foreign currency**
Change of USD by 10% against TL:				
1- Asset/liability denominated in USD- net	-	-	-	-
2- The part of USD risk hedged (-)	-	-	-	-
3- USD Effect - net (1+2)	**-**	**-**	**-**	**-**
Change of EUR by 10% against TL:				
4- Asset/liability denominated in EUR - net	513.224	(513.224)	513.224	(513.224)
5- The part of EUR risk hedged (-)	-	-	-	-
6- EUR Effect - net (4+5)	**513.224**	**(513.224)**	**513.224**	**(513.224)**
Change of other currencies by 10% against TL				
7- Asset/liability denominated in other currencies- net	-	-	-	-
8- The part of other currency risk hedged (-)	-	-	-	-
9- Other foreign currency effect - net (7+8)	**-**	**-**	**-**	**-**
TOTAL (3+6+9)	**513.224**	**(513.224)**	**513.224**	**(513.224)**

[*] The Company hedges the foreign exchange liability that is caused by its operations by using derivative instruments.

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Table of Sensitivity Analysis for Foreign Currency Risk

31 December 2012	Profit/Loss		Equity (*)	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TL:				
1- Asset/liability denominated in USD- net	7.088	(7.088)	7.088	(7.088)
2- The part of USD risk hedged (-)	-	-	-	-
3- USD Effect - net (1+2)	**7.088**	**(7.088)**	**7.088**	**(7.088)**
Change of EUR by 10% against TL:				
4- Asset/liability denominated in EUR - net	(535.253)	535.253	(535.253)	535.253
5- The part of EUR risk hedged (-)	-	-	-	-
6- EUR Effect - net (4+5)	**(535.253)**	**535.253**	**(535.253)**	**535.253**
Change of other currencies by 10% against TL				
7- Asset/liability denominated in other currencies- net	-	-	-	-
8- The part of other currency risk hedged (-)	-	-	-	-
9- Other foreign currency effect - net (7+8)	**-**	**-**	**-**	**-**
TOTAL (3+6+9)	**(528.165)**	**528.165**	**(528.165)**	**528.165**

ii) Interest rate risk

The Company is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities.

	Interest Rate Position	
	31 December 2013	31 December 2012
Financial instruments with fixed interest rate		
Financial assets	2.997.428	2.513.482
Financial liabilities	3.096.618	1.947.263
Financial instruments with floating interest rate		
Financial assets	-	-
Financial liabilities	7.032.235	6.176.505

According to the interest rate sensitivity analysis performed as at 31 December 2013, if interest rates on bank borrowings had been 1% higher while all other variables being constant, net profit for the year would be TL31.500 lower (2012: net profit for the year would be TL37.511 lower) as a result of additional interest expense that would be incurred on bank borrowings with floating rates.

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

iii) Price risk

The Company's operational profitability and cash inflows from its operations are affected by competition in the tourism sector and hotel inventory prices. The Company management manages the risk by regularly reviewing the prices and takes action for cost reduction to decrease the pressure of cost on the prices. These risks are monitored through regular meetings held by the Audit Committee and Company's Board of Directors of the Company.

iv) Capital risk management:

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns and benefits for shareholders; and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of debt/equity ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total liabilities (including borrowings, trade payables and due to related parties, other liabilities, as shown in the balance sheet) less cash and cash equivalents.

	31 December 2013	31 December 2012
Total debt	7.032.235	6.176.505
Less: Cash and cash equivalents (Note 6)	(1.116.904)	(1.364.506)
Net debt	5.915.331	4.811.999
Total equity	97.832.379	91.710.488
Debt/equity ratio	**%6**	**%5**

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NOTE 50 - FINANCIAL INSTRUMENTS (FAIR VALUE AND FINANCIAL RISK MANAGEMENT DISCLOSURES)

Classification of financial instruments

The Company’s financial assets and liabilities classified as loans and receivables; and available-for-sale investments. Cash and cash equivalents (Note 6) and trade receivables (Note 8) of the Company are classified as loans and receivables and measured at amortized cost using effective interest method. Available for sales investments are measured at fair value (Note 4). Financial liabilities (Note 25) and trade payables (Note 8) are categorized as financial liabilities and measured at amortized costs using effective interest method.

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company can realize in a current market exchange.

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value:

Financial assets

The fair value of the foreign currency denominated amounts, which are translated by using the exchange rates prevailing at period-end, is considered to approximate their fair value. Cash and cash equivalents are presented at fair values. The fair values of trade receivables are considered to approximate their carrying values due to their short-term nature. Available-for-sale financial assets are recognised at fair value when measurement is possible.

Financial liabilities

Trade payables, payables to related parties and other monetary liabilities are estimated to be presented with their discounted carrying amounts and they are considered to approximate to their fair values and the fair values of balances denominated in foreign currencies, which are translated at year-end exchange rates, are considered to approximate carrying values.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

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The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2013 and 2012.

31 December 2013

	Level 1	Level 2	Level 3 [*]	Total
Assets:				
Available-for-sale investments	-	-	153.111	153.111
Total assets				**153.111**

31 December 2012

	Level 1	Level 2	Level 3 [*]	Total
Assets:				
Available-for-sale investments	-	-	44.287	44.287
Total assets				**44.287**

[*] See Note 4 for Level 3 Financial Instruments.

NOTE 51 - SUBSEQUENT EVENTS

The USD and EUR exchange rates set by Central Bank of Turkey (CBT) on 28 February 2014 at 15.30 are 2,2129 and 3,0477, respectively. The USD and EUR exchange rates as of 31 December 2013 were 2,1343 and 2,9365 respectively.

NOTE 52 - OTHER MATTERS THAT MAY HAVE A MATERIAL EFFECT ON, OR BE EXPLAINED FOR THE CLEAR UNDERSTANDING OF THE FINANCIAL STATEMENTS

None (2012: None).

Information for Investors

Stock Exchange

Altın Yunus Çeşme Turistik Tesisler A.Ş. shares are traded on the Second National Market of the Borsa Istanbul (BIST) under the symbol “AYCES”.

Initial public offering date: 28 August 1987 (first transaction date)

Annual General Assembly Meeting

Pursuant to a resolution passed by the Board of Directors of Altın Yunus Çeşme Turistik Tesisler A.Ş., the Company’s annual General Assembly meeting will take place on 28 March 2014 at 10:30 hours at the following address: Boyalık Mevkii Çeşme/İzmir.

Dividend Policy

Altın Yunus Çeşme Turistik Tesisler A.Ş.’s general policy concerning the distribution of its profits has been publicly disclosed and is accessible in the Turkish and English languages from the “Investor Relations” page of the Company’s corporate website located at www.altinyunus.com.tr.

At a meeting of the Company’s Board of Directors held on 3 March 2014, the board voted to recommend to the general assembly of shareholders that no dividends be paid inasmuch as the Company showed a loss as a result of its 2013 operations.

Investor Relations

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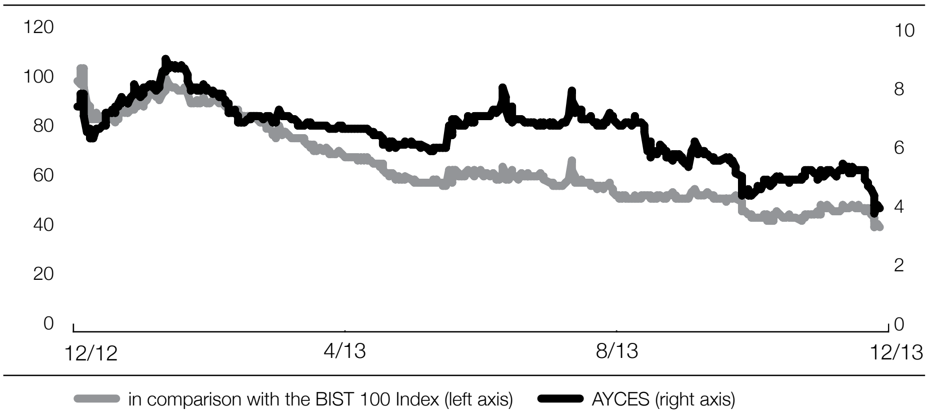
Altın Yunus investor relations web page:

Altın Yunus Share Performance in 2013 (in comparison with the BIST 100 Index)



* Adjusted share prices

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