

**GSD Holding
Anonim Şirketi**

Condensed Consolidated Interim Financial Information
As at and For the Six-Month Period Ended
30 June 2016
Together With Auditors' Report on Review of
Condensed Consolidated Interim Financial Information

19 August 2016

This report includes 2 pages of auditors' review report and 61 pages of condensed consolidated financial information together with explanatory notes.

GSD Holding Anonim Şirketi

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Independent Auditors' Report on Review of Interim Financial Information

To Board of Directors of GSD Holding A.Ş.,

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of GSD Holding A.Ş. ("the Company") as at 30 June 2016, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the interim financial statements ('the condensed consolidated interim financial information'). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

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



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at and for the six-month period ended 30 June 2016 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

Other Matter

The consolidated financial statements of the Company as at and for the year ended 31 December 2015 and as at and for the six-month period ended 30 June 2015 were audited and reviewed by another auditor who expressed an unmodified opinion/conclusion on those statements on 10 March 2016 and 19 August 2015, respectively.

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
A member of KPMG International Cooperative

Orhan Akova
Partner

19 August 2016
Istanbul, Turkey

GSD Holding Anonim Şirketi

Condensed Consolidated Interim Statement of Financial Position As at 30 June 2016

(Currency: Thousands of Turkish Lira ("TL") unless otherwise stated)

	Notes	30 June 2016	31 December 2015
Assets			
Cash and balances with the Central Bank	4	5,476	532
Deposits with other banks and financial institutions	4	127,575	90,656
Reserve deposits at the Central Bank	4	15,962	1,013
Trading securities	5	1	311
Available-for-sale investment securities	5	393,618	383,486
Unquoted equity instruments	1,5	677	663
Loans and advances to customers, net	8	205,784	243,737
Factoring receivables, net	8	267,939	255,366
Finance lease receivables, net	8	127	114
Trade receivables, net	7	2,090	31,558
Other receivables, net	17	50,515	43,613
Assets held for sale from continuing operations	20	736	941
Assets held for sale from discontinued operations	20	-	-
Property and equipment	11	264,252	272,611
Intangible assets	12	182	222
Prepaid income tax	15	3,280	2,834
Deferred tax assets	15	1,657	1,905
Inventories	9	1,687	1,716
Prepaid expenses		1,004	778
Other assets	18	5,045	541
Total assets		1,347,607	1,332,597
Liabilities			
Funds borrowed	8	494,026	464,259
Other money market deposits	8	14,250	7,495
Borrowers' funds	8	36,512	9,534
Factoring payables	8	1,315	965
Liabilities arising from finance leases	8	353	504
Derivative liabilities held for trading		903	1,376
Trade payables	7	393	428
Other payables	17	21,573	7,122
Current tax liability	15	1,306	2,520
Deferred income		692	490
Provisions	16,18	3,560	4,086
Deferred tax liabilities	15	1,833	2,401
Other liabilities	18	108	9
Total liabilities		576,824	501,189
Equity			
	19		
Share capital		335,986	335,986
Treasury shares		(31,312)	(27,868)
Share premium		4,944	8,318
Changes in non-controlling interests without loss of control		-	(34)
Remeasurements of the net defined benefit liability (asset)		(250)	2
Fair value reserve		10,106	4,114
Translation reserve		30,274	30,852
Prior years' profits		407,752	234,874
Net profit/loss for the period		(9,464)	220,606
Equity attributable to equity holders of the parent		748,036	806,850
Non-controlling interests		22,747	24,558
Total equity		770,783	831,408
Total liabilities and equity		1,347,607	1,332,597

The accompanying policies and explanatory notes on pages 6 through 61 form an integral part of these consolidated financial statements.

GSD Holding Anonim Şirketi

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Six-Month Period Ended 30 June 2016

(Currency: Thousands of Turkish Lira ("TL") unless otherwise stated)

	<i>Notes</i>	01.01.2016	01.01.2015
CONTINUING OPERATIONS		30.06.2016	30.06.2015
Holding activities income		3	-
Holding activities expense (-)		-	-
Gross profit/(loss) from holding activities		3	-
Marine sector income		12,500	14,996
Marine sector expense (-)		(17,736)	(15,708)
Gross profit/(loss) from marine sector operations		(5,236)	(712)
Gross profit/(loss) from commercial sector operations		(5,233)	(712)
Interest income		40,304	22,591
Service income		3,589	2,414
Revenue from financial activities		43,893	25,005
Interest expense (-)		(16,172)	(9,139)
Service expense (-)		(208)	(110)
Cost of financial activities (-)		(16,380)	(9,249)
Provision income/(expense) arising from financial sector operations, net		(324)	354
Foreign exchange gain/(loss), net		921	9
Net trading income / (loss) from derivative financial instruments		(5,711)	-
Trading income, net		-	1
Other financial sector operations income/(expense), net		(150)	252
Gross profit/(loss) from financial sector operations		22,249	16,372
GROSS PROFIT/(LOSS)		17,016	15,660
Administrative expenses (-)		(20,993)	(18,899)
Other income from operating activities		11,901	25,206
Other expense from operating activities (-)		(10,773)	(27,454)
OPERATING PROFIT/(LOSS)		(2,849)	(5,487)
Income from investment activities		442	3,813
Expense from investment activities (-)		(1,802)	(6)
OPERATING PROFIT/(LOSS) BEFORE FINANCING EXPENSES		(4,209)	(1,680)
Financing income		296	-
Financing expenses (-)		(4,947)	(11,617)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		(8,860)	(13,297)
Tax income/(expense) from continuing operations		(2,206)	181
Current tax income/(expense)	<i>15</i>	(2,603)	2,471
Deferred tax income/(expense)	<i>15</i>	397	(2,290)
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS		(11,066)	(13,116)
Discontinued operations	20		
Profit/(loss) before tax from discontinued operations	20	-	(17,877)
Tax income/(expense) from discontinued operations	20	-	2,530
Current tax income/(expense)	<i>20</i>	-	(707)
Deferred tax income/(expense)	<i>20</i>	-	3,237
Gain or loss relating to the discontinuance, net	20	(409)	204,621
Gain or loss relating to the discontinuance	<i>20</i>	-	224,368
The cost to sell the discontinued operations	<i>20</i>	(430)	(6,563)
Tax expense relating to the discontinuance	<i>20</i>	21	(13,184)
NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	20	(409)	189,274
NET PROFIT/(LOSS)		(11,475)	176,158
Net profit/(loss) (continuing and discontinued operations) attributable to:			
Non-controlling interest	<i>19</i>	(2,011)	(4,286)
Equity holders of the company	<i>19</i>	(9,464)	180,444
Net profit/(loss) (continuing operations) attributable to:			
Non-controlling interest		(2,011)	(2,970)
Equity holders of the company	<i>25</i>	(9,055)	(10,146)
Net profit/(loss) (discontinued operations) attributable to:			
Non-controlling interest		-	(1,316)
Equity holders of the company	<i>25</i>	(409)	190,590
Earnings per share (in full TL per share with a nominal value of full TL 1)			
Earnings per share from continuing operations	<i>25</i>	(0.040)	(0.043)
Earnings per share from discontinued operations	<i>25</i>	(0.002)	0.800

The accompanying policies and explanatory notes on pages 6 through 61 form an integral part of these consolidated financial statements.

GSD Holding Anonim Şirketi

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Six-Month Period Ended 30 June 2016

(Currency: Thousands of Turkish Lira ("TL") unless otherwise stated)

	01.01.2016	01.01.2015
	30.06.2016	30.06.2015
<i>Notes</i>		
NET PERIOD PROFIT / (LOSS)	(11,475)	176,158
<u>Other comprehensive income which will be not reclassified in profit or loss</u>	(274)	(79)
Remeasurements of the net defined benefit liability (asset)	(274)	(79)
<u>Other comprehensive income which will be reclassified in profit or loss</u>	5,251	13,171
Change in currency translation differences	(741)	14,709
Profit/(loss) arising from remeasuring and/or reclassifying available for sale financial assets	5,992	(1,538)
OTHER COMPREHENSIVE INCOME (AFTER TAX)	4,977	13,092
TOTAL COMPREHENSIVE INCOME	(6,498)	189,250
Total comprehensive income attributable to:		
Non-controlling interest	(2,198)	(1,148)
Equity holders of the company	(4,300)	190,398

The accompanying policies and explanatory notes on pages 6 through 61 form an integral part of these consolidated financial statements.

GSD Holding Anonim Şirketi
Condensed Consolidated Interim Statement of Changes in Equity
For the Six-Month Period Ended 30 June 2016
(Currency - Thousands of Turkish Lira (“TL”) unless otherwise stated)

	Notes	Share capital	Inflation adjustment to share capital	Treasury shares	Share premium	Changes in non-controlling interest reserve	Other accumulated comprehensive income and expense which will be not reclassified in profit or loss	Other accumulated comprehensive income and expense which will be reclassified in profit or loss		Accumulated profits	Equity attributable to equity holders of the parent	Non-controlling interest	Total equity
							Revaluation and remeasurement gain/loss	Translation reserve	Fair value reserve				
At 1 January 2015	30	250,000	85,986	(10,737)	7,259	6,329	4,620	12,481	1,400	281,678	639,016	167,233	806,249
Transfers		-	-	-	-	(6,329)	620	-	-	5,709	-	-	-
Transfer to retained earnings		-	-	-	-	(6,329)	620	-	-	5,709	-	-	-
Total comprehensive income		-	-	-	-	-	(73)	11,337	(1,310)	180,444	190,398	(1,148)	189,250
Net profit		-	-	-	-	-	-	-	-	180,444	180,444	(4,286)	176,158
Other comprehensive income		-	-	-	-	-	(73)	11,337	(1,310)	-	9,954	3,138	13,092
Transactions with owners in their capacity as owners recognized in equity		-	-	-	-	(3)	-	25	-	(60,000)	(59,978)	(570)	(60,548)
Dividends		-	-	-	-	-	-	-	-	(60,000)	(60,000)	-	(60,000)
Cash dividend distributed		-	-	-	-	-	-	-	-	(60,000)	(60,000)	-	(60,000)
Increase/decrease arising from changes without resulting loss of control in share ratios of subsidiaries		-	-	-	-	(3)	-	25	-	-	22	(170)	(148)
Transactions with non-controlling interest		-	-	-	-	-	-	-	-	-	-	(400)	(400)
Dividend paid to non-controlling interest by subsidiaries		-	-	-	-	-	-	-	-	-	-	(400)	(400)
Increase/decrease arising from other adjustments		-	-	-	-	-	(5,240)	-	-	5,240	-	(141,148)	(141,148)
At 30 June 2015	30	250,000	85,986	(10,737)	7,259	(3)	(73)	23,843	90	413,071	769,436	24,367	793,803
At 1 January 2016	30	250,000	85,986	(27,868)	8,318	(34)	2	30,852	4,114	455,480	806,850	24,558	831,408
Transfers		-	-	-	-	34	(2)	-	-	(32)	-	-	-
Transfer to retained earnings		-	-	-	-	34	(2)	-	-	(32)	-	-	-
Total comprehensive income		-	-	-	-	-	(250)	(578)	5,992	(9,464)	(4,300)	(2,198)	(6,498)
Net loss		-	-	-	-	-	-	-	-	(9,464)	(9,464)	(2,011)	(11,475)
Other comprehensive income		-	-	-	-	-	(250)	(578)	5,992	-	5,164	(187)	4,977
Transactions with owners in their capacity as owners recognized in equity		-	-	(3,444)	(3,374)	-	-	-	-	(47,696)	(54,514)	387	(54,127)
Dividends		-	-	-	-	-	-	-	-	(54,000)	(54,000)	-	(54,000)
Cash dividend distributed		-	-	-	-	-	-	-	-	(54,000)	(54,000)	-	(54,000)
Increase/decrease arising from treasury share transactions		-	-	(3,444)	(3,374)	-	-	-	-	6,304	(514)	387	(127)
At 30 June 2016	30	250,000	85,986	(31,312)	4,944	-	(250)	30,274	10,106	398,288	748,036	22,747	770,783

The accompanying policies and explanatory notes on pages 6 through 61 form an integral part of these consolidated financial statements.

GSD Holding Anonim Şirketi
Condensed Consolidated Interim Statement of Cash Flows
For the Six-Month Period Ended 30 June 2016
(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

	Notes	01.01.2016- 30.06.2016	01.01.2015- 30.06.2015
Cash flows from operating activities of continuing operations			
Income from holding activities		3	-
Expenses from holding activities		-	-
Marine sector income		12,500	14,996
Marine sector expenses		(10,505)	(9,630)
Interest received from financial sector activities		38,818	22,263
Interest paid for financial sector activities		(17,121)	(9,265)
Service income from financial sector activities		3,589	2,414
Cost of service for financial sector activities		(208)	(110)
Cash receipts from contracts held for dealing or trading purposes		306	959
Cash payments for contracts held for dealing or trading purposes		(1)	(306)
Trading income	5	-	1
Cash receipts from derivative contracts held for dealing or trading purposes		11,727	449
Cash payments for derivative contracts held for dealing or trading purposes		(17,911)	(228)
Cash payments to employees and other parties		(20,380)	(12,141)
Cash received from other operating activities		561	318
Cash paid for other operating activities		(427)	(23)
Interest received from operating activities apart from financial sector activities		1,641	621
Income taxes paid	15	(2,704)	(1,539)
Net cash provided by operating activities before changes in operating assets and liabilities from continuing operations		(112)	8,779
Net cash provided by operating activities before changes in operating assets and liabilities from discontinued operations		-	19,353
Changes in operating assets and liabilities of continuing operations			
Change in reserve deposits at Central Bank	4	(14,949)	696
Change in loans and advances to customers	8	38,941	(29,746)
Change in factoring receivables	8	(12,455)	(40,511)
Change in finance lease receivables	8	13	112
Change in other assets		17,852	(5,441)
Change in payables due to money market transactions	8	6,755	220
Change in borrowers' funds	8	26,901	1,182
Change in factoring payables	8	350	(147)
Change in liabilities arising from finance leases	8	(151)	154
Change in other liabilities		13,114	3,323
Net cash (used in) / provided by operating activities from continuing operations		76,259	(61,379)
Net cash (used in) / provided by operating activities from discontinued operations		-	84,679
Cash flows from investing activities of continuing operations			
Proceeds from disposal of shares of subsidiaries with loss of control	20	-	615,084
Purchases of available for sale securities	5	(5,735)	(332,338)
Proceeds from sale of property held for sale	20	205	585
Purchases of property held for sale	20	-	(1,045)
Proceeds from sale of property and equipment	11	23	53
Purchases of property and equipment	11	(492)	(127)
Purchases of intangible assets	12	(1)	(70)
Interest received from investing activities		435	-
Other cash receipts from/cash payments for investing activities		(430)	(6,563)
Net cash (used in) / provided by investing activities from continuing operations		(5,995)	275,579
Net cash (used in) / provided by investing activities from discontinued operations	20	-	61,171
Cash flows from financing activities of continuing operations			
Cash paid for purchases of treasury shares	19,27,28	(10,459)	-
Cash received from disposal of treasury shares held by subsidiaries		10,332	-
Cash paid for change in non-controlling interest reserve	19	-	(148)
Cash received from funds borrowed		280,474	287,858
Repayments of funds borrowed	5,8	(251,211)	(141,210)
Dividends paid to equity holders		(54,000)	-
Dividends paid to non-controlling interest by subsidiaries		-	(400)
Interest paid for financing activities apart from financial sector activities		(3,271)	(1,324)
Other cash receipts from/cash payments for financing activities		(91)	(30)
Net cash (used in) / provided by financing activities from continuing operations		(28,226)	144,746
Net cash (used in) / provided by financing activities from discontinued operations		-	(103,523)
Continuing Operations			
Effect of net foreign exchange difference on cash and cash equivalents		(159)	(28,471)
Effect of consolidation eliminations between continuing and discontinued operations on cash flows		-	(66,942)
Net (decrease) / increase in cash and cash equivalents		41,879	330,475
Cash and cash equivalents at 1 January		91,093	4,587
Cash and cash equivalents at 30 June	26	132,972	268,120
Discontinued Operations			
Effect of net foreign exchange difference on cash and cash equivalents		-	103
Effect of consolidation eliminations between continuing and discontinued operations on cash flows		-	66,942
Net (decrease) / increase in cash and cash equivalents		-	42,430
Cash and cash equivalents at 1 January		-	385,880
Cash and cash equivalents at 30 June	26	-	495,252

The accompanying policies and explanatory notes on pages 6 through 61 form an integral part of these consolidated financial statements.

GSD Holding Anonim Şirketi
Condensed Consolidated Interim Statement of Cash Flows
For the Six-Month Period Ended 30 June 2016
(Currency - Thousands of Turkish Lira (“TL”) unless otherwise stated)

1. REPORTING ENTITY

General

GSD Holding Anonim Şirketi (the “Company”) was established in Istanbul in 1986. The Company is a holding entity; investing in companies in different sectors, realizing the establishment and participating in the management of these companies.

The registered office address of the Company is Aydınevler Mahallesi, Kaptan Rıfat Sokak, No: 3, 34854, Maltepe, Istanbul, Turkey.

The Company’s shares are quoted on the Istanbul Stock Exchange since 11 November 1999.

The consolidated financial statements of the Company were approved by the Board of Directors on 19 August 2016. The General Assembly and certain regulatory bodies have the power to amend the statutory financial statements after issue.

As at 30 June 2016, the shares of a consolidated subsidiary, namely GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret AŞ. are quoted on the Borsa Istanbul (Stock Exchange) with public ownership of 20.60% (As at 31 December 2015, the shares of consolidated subsidiary, namely GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret AŞ. are quoted on the Borsa Istanbul (Stock Exchange) with public ownership of 20.60%.)

As at 30 June 2016 and 31 December 2015, the composition of shareholders and their respective percentages of ownership can be summarized as follows:

30 June 2016						
(Full TL)	Class (A)	Class (B)	Class (C)	Class (D)	Total	Share (%)
Publicly owned	-	-	-	149,652,849	149,652,849	59.861
M. Turgut Yılmaz ⁽²⁾	393	245	393	63,748,972	63,750,003	25.500
GSD Holding A.Ş. ⁽²⁾	-	-	-	25,000,000	25,000,000	10.000
MTY Delta Denizcilik İç ve Dış Ticaret A.Ş. ⁽¹⁾	-	-	-	11,250,000	11,250,000	4.500
GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. ⁽²⁾	-	-	-	-	-	-
Adeo Turizm Otelcilik Ticaret Limited Şirketi	-	-	-	347,000	347,000	0.139
Other privileged shareholders	-	148	-	-	148	0.000
Share capital	393	393	393	249,998,821	250,000,000	100.000
Inflation adjustment on share capital					85,985,890	
Inflation adjusted share capital					335,985,890	

31 December 2015						
(Full TL)	Class (A)	Class (B)	Class (C)	Class (D)	Total	Share (%)
Publicly owned	-	-	-	149,748,627	149,748,627	59.899
M. Turgut Yılmaz ⁽²⁾	393	243	393	63,748,972	63,750,001	25.500
GSD Holding A.Ş. ⁽²⁾	-	-	-	17,000,000	17,000,000	6.800
MTY Delta Denizcilik İç ve Dış Ticaret A.Ş. ⁽¹⁾	-	-	-	11,250,000	11,250,000	4.500
GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. ⁽²⁾	-	-	-	7,904,222	7,904,222	3.162
Adeo Turizm Otelcilik Ticaret Limited Şirketi	-	-	-	347,000	347,000	0.139
Other privileged shareholders	-	150	-	-	150	0.000
Share capital	393	393	393	249,998,821	250,000,000	100.000
Inflation adjustment on share capital					85,985,890	
Inflation adjusted share capital					335,985,890	

GSD Holding Anonim Şirketi
Condensed Consolidated Interim Statement of Cash Flows
For the Six-Month Period Ended 30 June 2016

(Currency - Thousands of Turkish Lira ("TL") unless otherwise stated)

1. REPORTING ENTITY (continued)

General (continued)

(1) Delta Arsa ve Bina Geliştirme Ticaret A.Ş.'s extraordinary general assembly has been executed at 14 Ekim 2015. By this meeting, company's title change was decided and it is registered at 6 November 2015 in Istanbul Trade Registry.

(2) Chairman of the general assembly of GSD Holding A.Ş. Mehmet Turgut Yılmaz re-bought 1.07 and TL 16,250,000 nominal valued GSD Holding A.Ş. D class share for TL 1.81 and TL 20,549,979.35 at dates 18 March 2015 and 25 May 2015-28 August 2015 respectively at the Stock Exchange. GSD Holding A.Ş. has realized its group (D) share re-buy program approved by General Assembly between 30 June 2015 and 30 June 2016. The percentage of group D shares in it's rate is 10% at the first place increased from full TL 25,000,000 to full TL 31,312,088.73. GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. sold 4.662% of share capital and 11,654,221.74 full TL nominal valued Group (D) shares for full TL 15,411,114.92 at BIST National Market at between 30 June 2015 and 30 June 2016. After all this transactions, Mehmet Turgut Yılmaz's GSD Holding A.Ş. direct share increased from full TL 47,500,000 to full TL 63,750,003, direct share percentage increased from 19.00% to 25.50% and direct and indirect share percentage increased from 21.70% to 28.14%. Re-bought shares deducted from share capital calculation is that Mehmet Turgut Yılmaz's share increased from 22.76% to 31.27%. After all these transactions Mehmet Turgut Yılmaz and people acting together with him have increased the direct share percentages from 28.30% to 40.14%. The percentage when re-bought shares deducted from share capital calculation is increased from 24.79% to 33.49%. As of 30 June 2016, GSD Holding A.Ş. shareholders act together with the rates 25.50% Mehmet Turgut Yılmaz, 4.50% MTY Delta Denizcilik İç ve Dış Ticaret A.Ş. , 10.00% GSD Holding A.Ş. and Adeo Turizm Otelcilik Ticaret Limited Şirketi 0.14% respectively in total 40.14%.

Nature of Activities of the Company and the Consolidated Group Companies

For the purposes of the consolidated financial statements, the Company and its consolidated subsidiaries are referred to as "the Group". The subsidiaries included in consolidation and the effective ownership percentages of the Group as at 30 June 2016 and 31 December 2015 are as follows:

Subsidiaries ^{(1) (3)}	Country of Incorporation	Bist Code	Principal Activities	Effective Shareholding(%)	
				30 June 2016	31 December 2015
GSD Yatırım Bankası A.Ş.	Turkey		Investment Banking	100.00	100.00
GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. ^{(2) (6) (7) (8)}	Turkey		Maritime	77.96	77.96
GSD Faktoring A.Ş. ^{(4) (6)}	Turkey	GSDDE	Factoring	89.55	89.55
Dodo Maritime Ltd. ^{(4) (7) (8)}	Malta		Maritime	77.96	77.96
Cano Maritime Ltd. ^{(5) (7) (8)}	Malta		Maritime	77.96	77.96
Hako Maritime Ltd. ^{(5) (7) (8)}	Malta		Maritime	77.96	77.96
Zeyno Maritime Ltd. ^{(5) (7) (8)}	Malta		Maritime	77.96	77.96

⁽¹⁾ In consequence of the agreement for purchase and sale of shares signed on 29 April 2014 between GSD Holding A.Ş. and Industrial and Commercial Bank of China Limited (ICBC) regarding the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş., the consolidated assets and liabilities and the consolidated income statement items of Tekstil Bankası A.Ş. and Tekstil Yatırım Menkul Değerler A.Ş. have been classified as a discontinued operation in the consolidated IFRS financial statements of GSD Holding A.Ş. starting from 30 June 2014 until 21 May 2015 in accordance with "IFRS 5". When the transaction for the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC was finalized on 22 May 2015, a sale of a subsidiary resulting in loss of control occurred and Tekstil Bankası A.Ş. and Tekstil Yatırım Menkul Değerler A.Ş. therefore GSD Holding A.Ş. has stopped consolidation in IFRS financial statements.

⁽²⁾ The Board of Directors of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Dış Ticaret A.Ş., on 9 June 2014, decided to merge these two companies under GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. by means of the take-over of all of the assets and liabilities GSD Dış Ticaret A.Ş. by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and the dissolution of GSD Dış Ticaret A.Ş. without liquidation and to effectuate the merge based on the financial statements as at 30 June 2014 and in compliance with the 19th and 20th articles of the Corporate Tax Law No:5520, the relevant articles of the Turkish Commercial Code No:6102 and the Capital Markets Law No:6362, the provisions of the Communiqué on Merger and Spin-off (II-23.2) of the Capital Markets Board and other relevant legislations; to obtain a specialized institution report to determine the exchange ratio to be applied in merger; to prepare merger agreement, merger report, merger announcement text and other relevant documents; to make applications to the relevant authorities and carry out all other necessary transactions in this context. On 12 September 2014, the Merger Agreement, regarding the merger of GSD Dış Ticaret A.Ş., the subsidiary of GSD Holding A.Ş., which is the main shareholder of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., under GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. by means of the take-over of all of the assets and liabilities of GSD Dış Ticaret A.Ş., dissolving without liquidation, by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. was signed, the Merger Report, the Merger Announcement Text and the Specialized Agency Report have been prepared and the Board of Directors of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., due to the merger with GSD Dış Ticaret A.Ş. under GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. by means of the take-over of all of the assets and liabilities of GSD Dış Ticaret A.Ş., dissolving without liquidation by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., has resolved to increase the issued capital of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. from full TL 30,000,000 to full TL 52,180,855.64 by full TL 22,180,855.64 by issuing Class (C) shares wholly and since this capital increase arises from a merger transaction requiring a general assembly resolution, to increase the authorized capital ceiling of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. from full TL 50,000,000.00 to full TL 52,180,855.64 together with the capital increase by exceeding the ceiling for once pursuant to the article 6/6 of the Authorized Capital System Communiqué (II-18.1) of the Capital Markets Board; to reserve all the shares to be issued within the scope of this capital increase for the shareholders of GSD Dış Ticaret A.Ş.,

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1. REPORTING ENTITY (continued)

Nature of Activities of the Company and the Consolidated Group Companies (continued)

(2) (continued) other than GSD Denizcilik Gayrimenkul İnşaat ve Ticaret A.Ş. to replace the shares of GSD Dış Ticaret A.Ş. with a nominal value of full TL 9,999,980 owned by them based on the exchange ratio of 2.21809 determined in "the Specialized Agency Report regarding the Merger of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Dış Ticaret A.Ş." dated 12 September 2014 and prepared by KPMG Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., to amend the article 6 titled the Authorized Capital of the Articles of Association of the GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. due to this capital increase; to get the required permissions, assents and approvals and afterwards to apply to the Capital Markets Board of Turkey for the share issuance certificate in relation to the capital increase. The application, together with the required information and documents pursuant to the Communiqué On Merger And Demerger (II-23.2) of the Capital Markets Board was made to the Capital Markets Board of Turkey on 15 September 2014 in order to get approval for the Merger Announcement Text and get assent for the amendments to the articles of the association including share capital increase.

The Capital Markets Board of Turkey, on 5 November 2014, has resolved to approve the Merger Announcement Text prepared regarding the merger under GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. by means of the take-over of all of the assets and liabilities of GSD Dış Ticaret A.Ş. by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., to entitle the shareholders of the GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. to have the right to leave for a price of full TL 1.45 per share pursuant to the article 24/1. of the Capital Markets Law No:6362, to approve the amendments to the article 6 of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. comprising the share capital increase of full TL 22,180,855.64 to be made due to merger and the authorised share capital increase from full TL 50,000,000.00 to full TL 52,180,855.64 depending on the share capital increase, to approve the share issuance certificate regarding the share capital increase of full TL 22,180,855.64 of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. to be made due to the merger and to give the issuance certificate after the application to be made to the Capital Markets Board of Turkey after the general assembly meeting to be held to vote for the merger agreement pursuant to the relevant Communiqué. Since the merger falls within the scope of the significant transactions as per the 23rd article of the Capital Markets Law No:6362 and the 5th article of the Communiqué on the Common Principles on the Significant Transactions and the Right to Leave (II-23.1) published by the Capital Markets Board, the shareholders who attended the Extraordinary General Assembly Meeting of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. held to resolve on the merger and voted against the resolution on this significant transaction and lodged a statement of opposition to the minutes of the general assembly meeting were entitled to have the right to leave by selling their shares to GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. pursuant to the 24th article of the Capital Markets Law No:6362. GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. was obliged to buy these shares at the request of these shareholders for a price of full TL 1.45 per share with a nominal value of full TL 1, which is the average of the weighted average prices of the stock exchange transactions within 30 days prior to 9 June 2014, the date when the mentioned significant transaction was disclosed to public.

The extraordinary general assembly meetings held on 22 December 2014 of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Dış Ticaret A.Ş., the subsidiaries of GSD Holding A.Ş. which are the parties to the merger transaction, have approved the Merger Agreement, regarding the merger of GSD Dış Ticaret A.Ş. into GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. by means of the take-over of all of the assets and liabilities of GSD Dış Ticaret A.Ş., dissolving without liquidation, by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş.. The rights to leave in relation to the shares with a nominal value of full TL 2,194,260 in total for a price of full TL 1.45 per share with a nominal value of full TL 1 have arisen for the shareholders who attended the Extraordinary General Assembly Meeting of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. held on 22 December 2014, voted against the merger agreement and the resolution on this significant transaction which is the merger transaction being the subject of the merger agreement discussed and resolved on by this general assembly and lodged a statement of opposition to the minutes of the general assembly meeting, pursuant to 23rd article of the Capital Markets Law No:6362 and the Communiqué on the Common Principles on the Significant Transactions and the Right to Leave (II-23.1) published by the Capital Markets Board.

The merger of GSD Dış Ticaret A.Ş., a subsidiary of GSD Holding A.Ş., and GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., another subsidiary of GSD Holding A.Ş., under GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. by means of the take-over of all of the assets and liabilities of GSD Dış Ticaret A.Ş., dissolving without liquidation, by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and the share capital increase of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. due to the merger have been registered in trade registry on 31 December 2014 and the issuance of shares within the scope of this share capital increase due to the merger have been completed on 4 February 2015 after getting the issuance certificate from the CMB following the completion and submission of the required application documents. GSD Denizcilik Gayrimenkul İnşaat ve Ticaret A.Ş. has issued Class (C) shares with a nominal value of full TL 22,180,855.64 to effect the capital increase required to be made due to the merger to be reserved for the shareholders of GSD Dış Ticaret A.Ş. other than GSD Denizcilik Gayrimenkul İnşaat ve Ticaret A.Ş. to replace the shares of GSD Dış Ticaret A.Ş. with a nominal value of full TL 9,999,980 owned by them based on the exchange ratio of 2.21809 approved by the general assembly meetings held to resolve on the merger and has given Class (C) shares of GSD Denizcilik Gayrimenkul İnşaat ve Ticaret A.Ş. with a nominal value of full TL 2.21809 to the shareholders of GSD Dış Ticaret A.Ş. other than GSD Denizcilik Gayrimenkul İnşaat ve Ticaret A.Ş. for their each shareholding of GSD Dış Ticaret A.Ş. with a nominal value of full TL 1.00. As a result of the utilization of the rights to leave between 30 December 2014 and 13 January 2015 arising from the merger of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Dış Ticaret A.Ş., GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. has bought back Class (C) shares of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. (GSDDE) with a nominal value of full TL 2,015,845 in total (full TL 1,913,764 in 2014 and full TL 102,081 in 2015) for full TL 2,922,975.25 in total (full TL 2,774,957.80 in 2014 and full TL 148,017.45 in 2015). As a result of the mentioned share capital increase and the share buy-back, the direct shareholding of GSD Holding A.Ş. in GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. has increased from 54.938% to 74.093% and after eliminating reacquired-own-shareholding by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. the direct shareholding of GSD Holding A.Ş. in GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. has increased from 54.938% to 77.070% (31 December 2014: 76.913%), the total direct and indirect shareholding of GSD Holding A.Ş. in GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. has increased from 54.941% to 77.072% (31 December 2014: 76.916%).

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1. REPORTING ENTITY (continued)

Nature of Activities of the Company and the Consolidated Group Companies (continued)

- (3) The indirect shareholding of GSD Holding A.Ş. in Tekstil Bankası A.Ş. and Tekstil Yatırım Menkul Değerler A.Ş. has changed due to the merger of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. with 0.036% shareholding in Tekstil Bankası A.Ş. and GSD Dış Ticaret A.Ş. with 1% shareholding in Tekstil Bankası A.Ş., registered in trade registry on 31 December 2014 and the share buy-back by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. as a result of the utilisation of the rights to leave between 30 December 2014 and 13 January 2015 arising from the merger. Thus, the total direct and indirect shareholdings of GSD Holding A.Ş. in Tekstil Bankası A.Ş. and Tekstil Yatırım Menkul Değerler A.Ş., after eliminating reacquired-own-shareholding by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., has decreased from 76.52% to 76.30% (31 December 2014: 76.30%). When the transaction for the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC was finalized on 22 May 2015, a sale of a subsidiary resulting in loss of control occurred and Tekstil Bankası A.Ş. and Tekstil Yatırım Menkul Değerler A.Ş., a subsidiary of Tekstil Bankası A.Ş. with a 100% percent shareholding ceased to be a subsidiary of GSD Holding A.Ş. and to be consolidated with GSD Holding A.Ş. in IFRS financial statements.
- (4) The indirect shareholding of GSD Holding A.Ş. in GSD Faktoring A.Ş. has changed due to the merger of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. with 1.98% shareholding in GSD Faktoring A.Ş., and GSD Dış Ticaret A.Ş., registered in trade registry on 31 December 2014 and the share buy-back by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. as a result of the utilisation of the rights to leave between 30 December 2014 and 13 January 2015 arising from the merger. Thus, the total direct and indirect shareholdings of GSD Holding A.Ş. in GSD Faktoring A.Ş., after eliminating reacquired-own-shareholding by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., has increased from 89.09% to 89.54% (31 December 2014: 89.53%).
- (5) GSD Dış Ticaret A.Ş. has been taken over by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. dissolving without liquidation and the direct and indirect shareholding of GSD Holding A.Ş. in GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. has changed due to the merger registered in trade registry on 31 December 2014 of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. with 100% shareholding in each of Cano Maritime Ltd. and Dodo Maritime Ltd., and GSD Dış Ticaret A.Ş. with 100% shareholding in each of Hako Maritime Ltd. and Zeyno Maritime Ltd. and the share buy-back by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. as a result of the utilisation of the rights to leave between 30 December 2014 and 13 January 2015 arising from the merger. Thus, the total direct and indirect shareholdings of GSD Holding A.Ş. in Cano Maritime Ltd. and Dodo Maritime Ltd., after eliminating reacquired-own-shareholding by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., has increased from 54.94% to 77.07% (31 December 2014: 76.92%, the consolidated shareholding: 76.91%) and the direct and indirect shareholdings of GSD Holding A.Ş. in Hako Maritime Ltd. and Zeyno Maritime Ltd., after eliminating reacquired-own-shareholding by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., has decreased from 100.00% to 77.07% (31 December 2014: 76.92%, the consolidated shareholding: 76.91%).
- (6) GSD Holding A.Ş. re-bought Group (C) GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. shares within the content of Capital Markets Board of Turkey's disclosure (II-22.1) and article 19/6. 3.863% of Group (C) shares nominal value is 2,015,845.00 owned by GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. re-bought for full TL 2,781,866.10. Value per share full TL 1 nominal was sold for full TL 1.38 per share. The purchase date is 30 June 2015 and it is purchased for 2 days value in Istanbul Stock Exchange. According to the General Assembly of GSD Holding A.Ş.'s 30 June 2015 dated decision, GSD Holding A.Ş. re-bought it's shares from GSD Reklam ve Halkla İlişkiler Hizmetleri A.Ş., GSD Yatırım Bankası A.Ş. and GSD Faktoring A.Ş. Nominal value of the shares are full TL 1,169.36 44.36 and full TL 44.36 respectively purchased for full TL 1,613.72, full TL 61.22 ve full TL 61.22 respectively in out of Stock Exchange at 1 July 2015. Nominal value of the share is full TL 1 pers hare is purchased for full TL 1.38 per share. After all this transactions, GSD Holding A.Ş.'s share percentage in GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. Share has increased from 74.09% to 77.96% (The percentage of the shares bought by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. deducted calculation is 77.07%). Because of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. having 1.98% of GSD Faktoring A.Ş. share capital, after this transactions, GSD Holding A.Ş.'s percentage in GSD Faktoring A.Ş. share increased from 89.54% to 89.55%.
- (7) According to GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş.'s 31 December 2015 dated General Assembly Decision and GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş.'s subsidiaries located at Malta; Dodo Maritime Ltd., Cano Maritime Ltd., Hako Maritime Ltd. ve Zeyno Maritime Ltd.'s 31 December 2015 Extraordinary General Assembly Decisions, GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. receivables from these subsidiaries will be issued as shares and these receivables will be converted to share capital increase as of 31 December 2015. After this transactions current share capital changes as follows; Dodo Maritime Ltd.'s share capital from USD 6,430.50 to USD 5,250,000 Cano Maritime Ltd.'s share capital from USD 6,430.50 to USD 4,250,000, Hako Maritime Ltd.'s share capital from USD 6,420 to USD 3,000,000 and Zeyno Maritime Ltd.'s share capital from USD 6,518.50 to USD 2,000,000.
- (8) According to GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş.'s 29 February 2016 dated General Assembly Decision and GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş.'s subsidiaries located at Malta; Dodo Maritime Ltd., Cano Maritime Ltd., Hako Maritime Ltd. ve Zeyno Maritime Ltd.'s 29 February 2016 Extraordinary General Assembly Decisions, GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. receivables from these subsidiaries will be issued as shares and these receivables will be converted to share capital increase as of 29 February 2016. After this transactions current share capital changes as follows; Dodo Maritime Ltd.'s share capital from USD 5,250,000 to USD 12,000,000, Cano Maritime Ltd.'s share capital from USD 4,250,000 to USD 11,000,000, Hako Maritime Ltd.'s share capital from USD 3,000,000 to USD 9,000,000 and Zeyno Maritime Ltd.'s share capital from USD 2,000,000 to USD 8,000,000.

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1. REPORTING ENTITY (continued)

Nature of Activities of the Company and the Consolidated Group Companies (continued)

Unconsolidated Subsidiaries

The subsidiaries which are not included in consolidation and the ownership percentages of the Group in those subsidiaries as at 30 June 2016 and 31 December 2015 are as follows:

Subsidiaries	Country of Incorporation	Principal Activities	Effective Shareholding and Voting Rights (%)	
			30 June 2016	31 December 2015
GSD Eğitim Vakfı	Turkey	Education Foundation	100.00	100.00
GSD Reklam ve Halkla İlişkiler Hizmetleri A.Ş.	Turkey	Advertising and Public Relations	100.00	100.00
GSD Plan Proje Etüd A.Ş.	Turkey	Plan, Project, Survey	100.00	100.00
GSD Gayrimenkul Yatırım ve Geliştirme A.Ş.	Turkey	Real Property Investment and Development	100.00	100.00
Neco Maritime Ltd.	Malta	Maritime	77.96	77.96

Neco Maritime Ltd. was established by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. at 5 May 2016 with USD 5,000 in Malta. The share capital of the company is 100% owned by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. As of 30 June 2016, Neco Maritime Ltd. was not consolidated because of the company does not have a ship will be used in it's operations and it has a relatively small share capital.

The Company owns more than 50% of the voting rights of the above mentioned subsidiaries. These subsidiaries are not consolidated and are carried at cost net of provision for impairment, if any, and are classified in the "unquoted equity instruments" caption in the consolidated financial statements, since the volume of transactions of the companies are limited and the total assets and revenues of these subsidiaries are immaterial.

2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS

Statement of Compliance

These condensed consolidated interim financial statements as of 30 June 2016 have been prepared in accordance with IAS 34 "Interim Financial Reporting". They do not include all the information required for a complete set of IFRS financial statements, and should be read in conjunction with the financial statements of the Group as at and for the year ended 31 December 2015.

The accompanying condensed consolidated interim financial statements are authorised for issue by the management on 19 August 2016.

The Company and its subsidiaries which were incorporated in Turkey maintain their books of account and prepare their statutory financial statements in accordance with the regulations on accounting and reporting framework and accounting standards which are determined by the provisions of Turkish Banking Law, Finance Leasing, Factoring and Financing Companies Law, Turkish Commercial Code, the regulations of the Public Oversight, Accounting and Auditing Standards Authority of Turkey and the Capital Markets Board of Turkey (CMB) and Tax Legislation. The foreign subsidiaries maintain their books of account and prepare their statutory financial statements in their functional currencies and in accordance with the regulations of the countries in which they operate.

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2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

Functional and Presentation Currency

The Group's functional and presentation currency is TL and the consolidated financial statements including comparative figures for the prior periods are presented in thousands of TL.

Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries are changed as necessary to align them with the policies adopted by the Group.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(ii) Transactions eliminated on consolidation

Intragroup balances and transactions and any unrealised income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The equity and net income attributable to non-controlling interest are shown separately in the consolidated statement of financial position and consolidated statement of profit or loss, respectively.

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency differences arising on translation of foreign currency transactions are recognised in the income statement. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of the available-for-sale equity instruments, which are recognised directly in equity.

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2. BASIS OF PREPARATION CONSOLIDATED FINANCIAL STATEMENTS (continued)

Foreign currency transactions (continued)

Foreign currency translation rates used by the Group as of respective period-ends are as follows:

Date	TL/EURO (full)	TL/US DOLLAR (full)
30 June 2016	3.2044	2.8936
31 December 2015	3.1776	2.9076
30 June 2015	2.9822	2.6863

On disposal of a foreign entity, the accumulated exchange differences kept in equity are recognized in the consolidated statement of profit or loss as a component of the gain or loss on disposal.

The asset and liability items in the statements of financial position of Cano Maritime Limited, Dodo Maritime Limited, Hako Maritime Limited and Zeyno Maritime Limited, the foreign consolidated subsidiaries of the Group, are translated at the relevant end of period exchange rates and the comprehensive income statement items translated at the average exchange rates to be included in the consolidated financial statements of the Group. The differences arising from the translation of the opening net assets of these foreign subsidiaries at a closing exchange rate different from the previous closing exchange rate, the translation of their comprehensive income statement items at the average exchange rates and the translation of the long term receivables of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. from Cano Maritime Limited, Dodo Maritime Limited, Hako Maritime Limited and Zeyno Maritime Limited, for which settlement is neither planned nor likely to occur in the foreseeable future and as such forming a part of its net investment in these foreign subsidiaries, with a closing exchange rate different from the previous closing exchange rate, are accounted for as "foreign currency translation differences" in other comprehensive income of the Group and accumulated in "the translation reserve" under the shareholders' equity in the consolidated statement of financial position of the Group. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation recognised in other comprehensive income and accumulated in the separate component of equity are reclassified from equity to profit or loss (as a reclassification adjustment) when the gain or loss on disposal is recognized.

Comparative information and restatement of prior periods' financial statements

The Company's consolidated financial statements as at 30 June 2016 are prepared comparatively with the prior period financial statements, in order to maintain consistency for the year ended as at 31 December 2015 and prior interim period 1 January – 30 June 2015.

Offsetting

Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheet when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Going Concern

The Group prepares its financial statements in accordance with going concern basis of accounting.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

Summary of significant accounting policies

Standards and interpretations issued but not yet effective

Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, after the new standards and interpretations become in effect.

IFRS 9 Financial Instruments (2014)

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group is in the process of assessing the impact of the standard on consolidated financial position or performance of the Group.

IFRS 15 Revenue from Contracts with Customers

The standard is the result of a joint project and IASB and Financial Accounting Standards Board ("FASB") which replaces existing IFRS and US GAAP guidance and introduces a new control-based revenue recognition model for contracts with customers. In the new standard, total consideration measured will be the amount to which the Group expects to be entitled, rather than fair value and new guidance have been introduced on separating goods and services in a contract and recognising revenue over time. The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted under IFRS. The Group is in the process of assessing the impact of the amendment on consolidated financial position or performance of the Group.

IFRS 16 Leases

On 13 January 2016, IASB published the new leasing standard which will replace IAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease, SIC 15 Operating Leases – Incentives, and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and consequently change IAS 40 Investment Properties. IFRS 16 eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Lessor accounting remains similar to current practice. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted provided that an entity also adopts IFRS 15-Revenue from Contracts with Customers. The Group is in the process of assessing the impact of the amendment on consolidated financial position or performance of the Group.

Amendments to IAS 7 Statement of Cash Flows – Disclosure Initiative

IAS 7 Statement of Cash Flows has been amended as part of the IASB's broader disclosure initiative to improve presentation and disclosure in consolidated financial statements. The amendments will require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendments are effective for periods beginning on or after 1 January 2017, with earlier application permitted. The Group is in the process of assessing the impact of the amendment on consolidated financial position or performance of the Group.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

Summary of significant accounting policies (continued)

Standards and interpretations issued but not yet effective (continued)

Amendments to IAS 12 *Income Taxes*– Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments are effective for annual periods beginning on or after 1 January 2017. The Group is in the process of assessing the impact of the amendment on consolidated financial position or performance of the Group.

Amendments to IFRS 2 – Classification and Measurement of Share-based Payment Transactions

IFRS 2 Share-Based Payment has been amended by IASB to improving consistency and resolve some long-standing ambiguities in share-based payment accounting. The amendments cover three accounting areas: i) measurement of cash-settled share-based payments, ii) classification of share-based payments settled net of tax withholdings; and iii) accounting for modification of a share-based payment from cash-settled to equity-settled. Also, same approach has been adopted for the measurement of cash-settled share-based payments as equity-settled share-based payments. If certain conditions are met, share-based payments settled net of tax withholdings are accounted for as equity-settled share-based payments. The amendments are effective for periods beginning on or after 1 January 2018, with earlier application permitted. The Group is in the process of assessing the impact of the amendment on consolidated financial position or performance of the Group.

Changes in Accounting Policies, Estimates and Errors

If changes in accounting estimates are related to only one period, they are recognised in the period when the changes are applied; if changes in estimates are related to future periods, they are recognised both in the period where the change is applied and in future periods prospectively. The Group does not have any significant changes in accounting policy and accounting estimates in the current period.

Use of Estimates and Judgements

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

Note 6	–	Equity accounted investees
Note 7	–	Trade receivables&payables
Note 11	–	Property and equipment
Note 12	–	Intangible asset
Note 13	–	Goodwill
Note 22	–	Provisions and commitments
Note 23	–	Financial risk management
Note 24	–	Financial investments (Fair value explanations and hedge accounting explanations)

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3. SEGMENT INFORMATION

The Group conducts the majority of its business activities in four business segments as banking, marine, factoring and holding and in two geographical areas as Turkey and Malta International.

Consolidated Statement of Comprehensive Income (01.01.2016-30.06.2016)										
Country of Operation	Turkey	Turkey&Malta International	Turkey	Turkey			Segment Information Combined by Countries			
	(1) Banking	(1) (2) Marine	(1) Factoring	Holding	Inter-segment Eliminations	Group	Turkey	(3) Malta International	Inter-country Eliminations	Group
CONTINUING OPERATIONS										
Revenue	-	12,500	-	301	(298)	12,503	1,493	12,500	(1,490)	12,503
Cost of sales (-)	-	(17,736)	-	(292)	292	(17,736)	(1,449)	(17,736)	1,449	(17,736)
Gross profit/(loss) from financial activities	-	(5,236)	-	9	(6)	(5,233)	44	(5,236)	(41)	(5,233)
Revenue from finance activities	44,320	114	27,026	-	(9,717)	61,743	71,460	-	(9,717)	61,743
Fee, Commission and other service income	3,592	-	-	-	(3)	3,589	3,592	-	(3)	3,589
Foreign exchange income	9,565	1	3,246	-	(7,871)	4,941	12,812	-	(7,871)	4,941
Interest income	17,180	81	23,642	-	(599)	40,304	40,903	-	(599)	40,304
Income from derivative financial instruments	12,866	-	-	-	(1,139)	11,727	12,866	-	(1,139)	11,727
Other financial sector operations income, net	1,117	32	138	-	(105)	1,182	1,287	-	(105)	1,182
Cost of finance activities (-)	(32,443)	(226)	(18,716)	-	11,891	(39,494)	(51,385)	-	11,891	(39,494)
Fee, Commission and other service expense	(78)	-	(131)	-	1	(208)	(209)	-	1	(208)
Foreign exchange expense	(10,457)	-	(3,234)	-	9,671	(4,020)	(13,691)	-	9,671	(4,020)
Interest expense	(3,145)	-	(15,013)	-	1,986	(16,172)	(18,158)	-	1,986	(16,172)
Loss from derivative financial instruments	(17,671)	-	-	-	233	(17,438)	(17,671)	-	233	(17,438)
Other financial sector operations expense net	(1,092)	(226)	(338)	-	-	(1,656)	(1,656)	-	-	(1,656)
Gross profit/(loss) from financial sector operations	11,877	(112)	8,310	-	2,174	22,249	20,075	-	2,174	22,249
GROSS PROFIT/(LOSS)	11,877	(5,348)	8,310	9	2,168	17,016	20,119	(5,236)	2,133	17,016
Administrative expenses (-)	(4,578)	(1,765)	(4,343)	(10,418)	111	(20,993)	(21,104)	(1,192)	1,303	(20,993)
Other income from operating activities	377	1,219	481	21,247	(11,423)	11,901	23,310	14	(11,423)	11,901
Other expense from operating activities (-)	-	(527)	-	(19,256)	9,010	(10,773)	(19,783)	-	9,010	(10,773)
OPERATING PROFIT/(LOSS)	7,676	(6,421)	4,448	(8,418)	(134)	(2,849)	2,542	(6,414)	1,023	(2,849)
Income from investment activities	-	7	-	435	-	442	2,334	-	(1,892)	442
Expense from investment activities (-)	-	-	-	(1,802)	-	(1,802)	(1,802)	-	-	(1,802)
OPERATING PROFIT/(LOSS) BEFORE FINANCING EXPENSES	7,676	(6,414)	4,448	(9,785)	(134)	(4,209)	3,074	(6,414)	(869)	(4,209)
Financing income	-	296	-	-	-	296	296	-	-	296
Financing expenses (-)	(18)	(4,367)	(19)	(677)	134	(4,947)	(1,912)	(5,061)	2,026	(4,947)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	7,658	(10,485)	4,429	(10,462)	-	(8,860)	1,458	(11,475)	1,157	(8,860)

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3. SEGMENT INFORMATION (continued)

Consolidated Statement of Comprehensive Income (continued) (01.01.2016-30.06.2016)										
Country of Operation	Turkey	Turkey&Malta International	Turkey	Turkey			Segment Information Combined by Countries			
	(1) Banking	(1) (2) Marine	(1) Factoring	Holding	Inter-segment Eliminations	Group	Turkey	(3) Malta International	Inter-country Eliminations	Group
Tax income/(expense) from continuing operations	(1,563)	(263)	(1,001)	621	-	(2,206)	(2,206)	-	-	(2,206)
Current tax income/(expense)	(1,348)	(260)	(909)	(86)	-	(2,603)	(2,603)	-	-	(2,603)
Deferred tax income/(expense)	(215)	(3)	(92)	707	-	397	397	-	-	397
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	6,095	(10,748)	3,428	(9,841)	-	(11,066)	(748)	(11,475)	1,157	(11,066)
NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	-	-	-	(409)	-	(409)	(409)	-	-	(409)
NET PROFIT/(LOSS)	6,095	(10,748)	3,428	(10,250)	-	(11,475)	(1,157)	(11,475)	1,157	(11,475)
Net profit/(loss) (continuing and discontinuing operations) attributable to:										
Non-controlling interest	-	(2,369)	358	-	-	(2,011)	(2,011)	-	-	(2,011)
Equity holders of the company	6,095	(8,379)	3,070	(10,250)	-	(9,464)	854	(11,475)	1,157	(9,464)
OTHER COMPREHENSIVE INCOME										
Which will be not classified in profit or loss	(52)	(31)	(164)	(27)	-	(274)	(274)	-	-	(274)
Defined benefit plans re-measurement gains / losses	(52)	(31)	(164)	(27)	-	(274)	(274)	-	-	(274)
Which will be classified in profit or loss	-	(741)	-	5,992	-	5,251	6,169	(918)	-	5,251
Change in currency translation differences	-	(741)	-	-	-	(741)	177	(918)	-	(741)
Profit/(loss) arising from remeasuring and/or reclassifying available for sale financial assets	-	-	-	5,992	-	5,992	5,992	-	-	5,992
OTHER COMPREHENSIVE INCOME (AFTER TAX)	(52)	(772)	(164)	5,965	-	4,977	5,895	(918)	-	4,977
TOTAL COMPREHENSIVE INCOME	6,043	(11,520)	3,264	(4,285)	-	(6,498)	4,738	(12,393)	1,157	(6,498)
Total comprehensive income attributable to:										
Non-controlling interest	-	(2,539)	341	-	-	(2,198)	(2,198)	-	-	(2,198)
Equity holders of the company	6,043	(8,981)	2,923	(4,285)	-	(4,300)	6,936	(12,393)	1,157	(4,300)
CONSOLIDATED BALANCE SHEET (30.06.2016)										
TOTAL ASSETS	280,519	283,726	269,379	621,853	(107,870)	1,347,607	1,253,553	269,739	(175,685)	1,347,607
TOTAL LIABILITIES	177,547	195,511	238,039	73,597	(107,870)	576,824	548,584	203,925	(175,685)	576,824
Other segment information (continued and discontinued operations)										
Capital expenditures	1	3	36	453	-	493	493	-	-	493
Depreciation expense	(16)	(7,241)	(15)	(262)	-	(7,534)	(303)	(7,231)	-	(7,534)
Amortization expense	(14)	(1)	(9)	(17)	-	(41)	(41)	-	-	(41)
Impairment (losses)/reversal income recognized in income statement	(83)	26	(267)	-	-	(324)	(324)	-	-	(324)

(1) The marine segment consists of the relevant amounts of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., the banking segment consists of the relevant amounts of Tekstil Bankası A.Ş. for discontinued operations and GSD Bank for continuing operations.

(2) The main line of business of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. is shipping starting from 2013 and its income and expenses and its finance lease assets in the financial statements arising from the diminishing finance lease activities are disclosed in the marine segment under Gross Profit/(Loss) From Financial Sector Operations and Total Assets, respectively, without being allocated to a separate segment in the above table due to its decreasing materiality.

(3) The vessels of the subsidiaries established in Malta of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. are registered in Malta International Ship Register and operating in international freight forwarding.

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3. SEGMENT INFORMATION (continued)

Consolidated Statement of Comprehensive Income (01.01.2015-30.06.2015)										
Country of Operation	Turkey	Turkey&Malta International	Turkey	Turkey			Segment Information Combined by Countries			
	(1) Banking	(1) (2) Marine	(1) Factoring	Holding	Inter-segment Eliminations	Group	Turkey	(3) Malta International	Inter-country Eliminations	Group
CONTINUING OPERATIONS										
Holding activities income	-	-	-	1,248	(1,248)	-	2,698	-	(2,698)	-
Holding activities expense (-)	-	-	-	(1,220)	1,220	-	(2,628)	-	2,628	-
Gross profit/(loss) from holding activities	-	-	-	28	(28)	-	70	-	(70)	-
Marine sector income	-	14,996	-	-	-	14,996	-	14,996	-	14,996
Marine sector expense (-)	-	(15,708)	-	-	-	(15,708)	-	(15,708)	-	(15,708)
Gross profit/(loss) from marine sector operations	-	(712)	-	-	-	(712)	-	(712)	-	(712)
Gross profit/(loss) from commercial sector operations	-	(712)	-	28	(28)	(712)	70	(712)	(70)	(712)
Interest income	7,640	23	15,003	-	(75)	22,591	22,666	-	(75)	22,591
Service income (net)	2,427	-	-	-	(13)	2,414	2,484	-	(70)	2,414
Revenue from financial activities	10,067	23	15,003	-	(88)	25,005	25,150	-	(145)	25,005
Interest expense (-)	(1,569)	-	(9,368)	-	1,798	(9,139)	(11,009)	-	1,870	(9,139)
Service expense (-)	(33)	-	(84)	-	7	(110)	(118)	-	8	(110)
Cost of financial activities (-)	(1,602)	-	(9,452)	-	1,805	(9,249)	(11,127)	-	1,878	(9,249)
Provision income/(expense) arising from financial sector operations, net	384	(111)	81	-	-	354	354	-	-	354
Foreign exchange gain/(loss), net	(66)	4	65	-	6	9	3	-	6	9
Trading income, net	1	-	-	-	-	1	1	-	-	1
Other financial sector operations income/(expense), net	148	-	223	-	(119)	252	371	-	(119)	252
Gross profit/(loss) from financial sector operations	8,932	(84)	5,920	-	1,604	16,372	14,752	-	1,620	16,372
GROSS PROFIT/(LOSS)	8,932	(796)	5,920	28	1,576	15,660	14,822	(712)	1,550	15,660
Administrative expenses (-)	(4,500)	(2,206)	(3,845)	(8,493)	145	(18,899)	(17,551)	(1,451)	103	(18,899)
Other income from operating activities	25	580	64	25,298	(761)	25,206	25,958	9	(761)	25,206
Other expense from operating activities (-)	-	(209)	-	(27,246)	1	(27,454)	(27,455)	-	1	(27,454)
OPERATING PROFIT/(LOSS)	4,457	(2,631)	2,139	(10,413)	961	(5,487)	(4,226)	(2,154)	893	(5,487)
Income from investment activities	320	3	-	3,490	-	3,813	7,165	-	(3,352)	3,813
Expense from investment activities (-)	(3)	-	(3)	-	-	(6)	(6)	-	-	(6)
OPERATING PROFIT/(LOSS) BEFORE FINANCING EXPENSES	4,774	(2,628)	2,136	(6,923)	961	(1,680)	2,933	(2,154)	(2,459)	(1,680)
Financing expenses (-)	(13)	(12,321)	(5)	(38)	760	(11,617)	(9,665)	(6,064)	4,112	(11,617)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	4,761	(14,949)	2,131	(6,961)	1,721	(13,297)	(6,732)	(8,218)	1,653	(13,297)

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3. SEGMENT INFORMATION (continued)

Consolidated Statement of Comprehensive Income (continued) (01.01.2015-30.06.2015)										
Country of Operation	Turkey	Turkey&Malta International	Turkey	Turkey			Segment Information Combined by Countries			
	(1) Banking	(1) (2) Marine	(1) Factoring	Holding	Inter-segment Eliminations	Group	Turkey	(3) Malta International	Inter-country Eliminations	Group
Tax income/(expense) from continuing operations	(930)	1,237	(463)	337	-	181	181	-	-	181
Current tax income/(expense)	(1,057)	-	(499)	4,027	-	2,471	2,471	-	-	2,471
Deferred tax income/(expense)	127	1,237	36	(3,690)	-	(2,290)	(2,290)	-	-	(2,290)
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	3,831	(13,712)	1,668	(6,624)	1,721	(13,116)	(6,551)	(8,218)	1,653	(13,116)
NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	(14,291)	-	-	204,621	(1,056)	189,274	190,346	-	(1,072)	189,274
NET PROFIT/(LOSS)	(10,460)	(13,712)	1,668	197,997	665	176,158	183,795	(8,218)	581	176,158
Net profit/(loss) (continuing and discontinuing operations) attributable to:										
Non-controlling interest	(3,387)	(1,073)	174	-	-	(4,286)	(4,286)	-	-	(4,286)
Equity holders of the company	(7,073)	(12,639)	1,494	197,997	665	180,444	188,081	(8,218)	581	180,444
OTHER COMPREHENSIVE INCOME										
Which will be not classified in profit or loss	(64)	(27)	(2)	14	-	(79)	(79)	-	-	(79)
Change in property revaluation reserve	-	-	-	-	-	-	-	-	-	-
Which will be classified in profit or loss	(64)	(27)	(2)	14	-	(79)	(79)	-	-	(79)
Change in currency translation differences	(963)	14,709	-	90	(665)	13,171	16,336	(2,500)	(665)	13,171
Profit/(loss) arising from remeasuring and/or reclassifying available for sale financial assets	-	14,709	-	-	-	14,709	17,209	(2,500)	-	14,709
OTHER COMPREHENSIVE INCOME (AFTER TAX)	(963)	-	-	90	(665)	(1,538)	(873)	-	(665)	(1,538)
TOTAL COMPREHENSIVE INCOME	(1,027)	14,682	(2)	104	(665)	13,092	16,257	(2,500)	(665)	13,092
Total comprehensive income attributable to:	(11,487)	970	1,666	198,101	-	189,250	200,052	(10,718)	(84)	189,250
Non-controlling interest										
Equity holders of the company	(3,615)	2,293	174	-	-	(1,148)	(1,148)	-	-	(1,148)
	(7,872)	(1,323)	1,492	198,101	-	190,398	201,200	(10,718)	(84)	190,398
CONSOLIDATED BALANCE SHEET (31.12.2015)										
TOTAL ASSETS	305,501	291,497	255,875	649,611	(169,887)	1,332,597	1,359,035	278,426	(304,864)	1,332,597
TOTAL LIABILITIES	208,572	202,094	227,799	32,611	(169,887)	501,189	531,136	274,917	(304,864)	501,189
Other segment information (continued and discontinued operations)										
(Advances given)/Transfer of advances given for capital expenditures										
Capital expenditures	390	23	80	1,776	-	2,269	2,269	-	-	2,269
Depreciation expense	(920)	(14,298)	(24)	(206)	-	(15,448)	(1,160)	(14,288)	-	(15,448)
Amortization expense	(190)	(1)	(17)	(41)	-	(249)	(249)	-	-	(249)
Impairment (losses)/reversal income recognized in income statement	(8,229)	(206)	(661)	-	-	(9,096)	(9,096)	-	-	(9,096)

(1) The marine segment consists of the relevant amounts of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Dış Ticaret A.Ş., the banking segment consists of the relevant amounts of Tekstil Bankası A.Ş. for discontinued operations and GSD Bank for continuing operations.

(2) The main line of business of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. is shipping starting from 2013 and its income and expenses and its finance lease assets in the financial statements arising from the diminishing finance lease activities are disclosed in the marine segment under Gross Profit/(Loss) From Financial Sector Operations and Total Assets, respectively, without being allocated to a separate segment in the above table due to its decreasing materiality.

(3) The vessels of the subsidiaries established in Malta of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Dış Ticaret A.Ş. are registered in Malta International Ship Register and operating in international freight forwarding.

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4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position:

Continuing Operations	30 June 2016	31 December 2015
Cash on hand	5	2
Balances with the Central Bank	5,471	530
Cash and balances with the Central Bank	5,476	532
Deposits with other banks and financial institutions	127,575	90,656
Required Reserves	15,962	1,013
Cash and cash equivalents in the statement of financial position	149,013	92,201

5. MARKETABLE SECURITIES

a) Trading Securities

	30 June 2016		31 December 2015	
	Amount	Effective interest rate (%)	Amount	Effective interest rate (%)
Debt instruments				
Mutual Funds	1	-	-	-
Turkish government bonds (TL)	-	-	311	10.78
Total	1		311	

The movement in trading securities (including loaned securities) is summarized as follows:

	30 June 2016	31 December 2015
At 1 January	311	962
Additions	1	306
Disposals (sales and redemptions)	(306)	(959)
Interest received due to redemptions	(10)	(41)
Profit / (loss)	5	43
Closing balance at the end of period	1	311

Carrying values of trading securities pledged under repurchase agreements and related liabilities:

	30 June 2016	31 December 2015
Trading securities subject to repo transactions	-	227
Related liability - other money market deposits	-	220

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5. MARKETABLE SECURITIES (continued)

b) Available For Sale Securities (continued)

	30 June 2016		31 December 2015	
	Amount	Effective interest rate (%)	Amount	Effective interest rate (%)
Debt instruments				
Turkish corporate bonds FC	20,818	4.20-5.05	14,320	5.29-5.96
Other				
Common stocks	372,800	-	369,166	-
Total	393,618		383,486	

30 June 2016	Carrying Value	Paid Capital	GSD Holding A.Ş.'s Shareholding		
			Direct (%)	Indirect (%)	Total (%)
Shareholdings in available for sale securities					
Silopi Elektrik Üretim A.Ş.	372,640	202,050	15.00	0.00	15.00
Borsa İstanbul A.Ş.	160	423,234	-	0.04	0.04
Toplam	372,800				

31 December 2015	Carrying Value	Paid Capital	GSD Holding A.Ş.'s Shareholding		
			Direct (%)	Indirect (%)	Total (%)
Shareholdings in available for sale securities					
Silopi Elektrik Üretim A.Ş.	369,006	202,050	15.00	0.00	15.00
Borsa İstanbul A.Ş.	160	423,234	-	0.04	0.04
Toplam	369,166				

The movement in available for sale securities (including loaned securities) is summarized as follows:

	30 June 2016	31 December 2015
At 1 January	383,486	160
Additions	5,735	346,814
Disposals (sales and redemptions)	-	(9,248)
Interest received due to redemptions	(374)	(136)
Foreign exchange difference	(1,802)	31,454
Change in fair value and other gains/losses, net ^(*)	6,573	5,426
Exclusion from consolidation due to the disposal of subsidiaries	-	9,016
Closing balance at the end of period	393,618	383,486

(*) Consist of interest rediscount changes

c) Held to maturity securities

As at 30 June 2016 and 31 December 2015, the Group has no held to maturity investment security.

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5. MARKETABLE SECURITIES (continued)

d) Marketable securities given as a guarantee

As at 30 June 2016 and 31 December 2015, the carrying values and nominal amounts of the government securities held with the Central Bank and Borsa Istanbul Takas ve Saklama Bankası Anonim Şirketi (Istanbul Settlement and Custody Bank Inc.) as a guarantee for stock exchange transactions and money market operations are as follows:

	30 June 2016		31 December 2015	
	Carrying value	Nominal amount	Carrying value	Nominal amount
Trading securities	-	-	41	40
Total	-	-	41	40

e) Unquoted equity instruments

The unconsolidated subsidiaries and other unquoted equity instruments which are classified in the "unquoted equity instruments" caption in the consolidated financial statements as at 30 June 2016 and 31 December 2015 are as follows:

	30 June 2016	31 December 2015
GSD Eğitim Vakfı	377	377
GSD Reklam ve Halkla İlişkiler Hizmetleri A.Ş.	106	106
GSD Gayrimenkul Yatırım ve Geliştirme A.Ş.	90	90
GSD Plan Proje Etüd A.Ş.	90	90
Neco Maritime Limited	14	-
Total	677	663

Neco Maritime A.Ş was established by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş and company paid USD 5,000 capital as at 5 May 2016. Gsd Denizcilik has 100% equity share in Neco Maritime. Neco Maritime Ltd as of 30.06.2016 due to has small and insignificant capital, company has not added in consolidated financial statements.

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6. EQUITY ACCOUNTED INVESTEEES

None.

7. TRADE RECEIVABLES AND PAYABLES

a) Short Term Trade Receivables

	30 June 2016	31 December 2015
Trade receivables from maritime activities	2,086	2,479
Costumers	4	29,079
Doubtful trade receivables from foreign trade	1,980	1,981
Provision for doubtful trade receivables	(1,980)	(1,981)
Toplam	2,090	31,558

Movement in the provision for doubtful trade receivables:

	30 June 2016	31 December 2015
Allowance at the beginning of year	1,981	1,981
Provision for doubtful receivables	-	-
Recoveries	(1)	-
Provision net of recoveries	(1)	-
Allowance at the end of period	1,980	1,981

b) Trade Payables

	30 June 2016	31December 2015
Export debts	225	225
Vendors	120	42
Trade payables from maritime activities	48	161
Total	393	428

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8. RECEIVABLES AND PAYABLES FROM FINANCE ACTIVITIES

a) Loans and Advances to Customers

	30 June 2016					
	Amount			Effective interest rate (%)		
	Turkish Lira	Foreign Currency	Foreign Currency Indexed	Turkish Lira	Foreign Currency	Foreign Currency Indexed
Corporate loans	183,667	-	19,247	12.48-19.50	-	5.50-6.50
Total	183,667	-	19,247			
Loans in arrears	11,792	-	-	-	-	-
Less: Allowance for impairment on loans and advances to customers	(8,922)	-	-	-	-	-
Total, net	186,537		19,247			
	31 December 2015					
	Amount			Effective interest rate (%)		
	Turkish Lira	Foreign Currency	Foreign Currency Indexed	Turkish Lira	Foreign Currency	Foreign Currency Indexed
Corporate loans	232,057	-	9,653	12.48-19,00	-	5.50-6.50
Total	232,057	-	9,653			
Loans in arrears	16,531	-	-	-	-	-
Less: Allowance for impairment on loans and advances to customers	(14,504)	-	-	-	-	-
Total, net	234,084	-	9,653			

Movements in the allowance for impairment:

	Continuing Operations	
	30 June 2016	31 December 2015
Allowance at the beginning of the year	14,504	12,980
Recoveries	(997)	(1,471)
Allowance for impairment	1,079	2,995
Allowance net of recoveries	82	1,524
Loans written off during the period ^(*)	(5,664)	-
Allowance at the end of the period	8,922	14,504

^(*) GSD Yatırım Bankası A.Ş. sold non-performing loans amounting to TL 5,664 to asset management company with revenue sharing condition at 21 April 2016.

All loans and advance are fixed rates as at 30 June 2016 and 31 December 2015.

Group has not accrued interest for non performing loans. As of 30 June 2016, unaccrued interest loan amount is TL 11,792 (31 Aralık 2015: TL 16,531).

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8. RECEIVABLES AND PAYABLES FROM FINANCE ACTIVITIES (continued)

Factoring Receivables and Payables

	30 June 2016					
	Amount			Effective interest rate (%)		
	Turkish Lira	Foreign Currency Indexed	Foreign Currency	Turkish Lira	Foreign Currency Indexed	Foreign Currency
Factoring receivables	266,038	-	1,525	15.50-41.45	-	5.76
Doubtful factoring receivables	2,983	-	-	-	-	-
Total factoring receivables	269,021	-	1,525			
Less: Provision for doubtful factoring receivables	(2,607)	-	-	-	-	-
Factoring receivables, net	266,414	-	1,525			
Factoring payables	1,278	-	37			

	31 December 2015					
	Amount			Effective interest rate (%)		
	Turkish Lira	Foreign Currency Indexed	Foreign Currency	Turkish Lira	Foreign Currency Indexed	Foreign Currency
Factoring receivables	252,241	184	2,308	12.00-35.00	6.00-7.00	5.21-7.01
Doubtful factoring receivables	6,134	-	-	-	-	-
Total factoring receivables	258,375	184	2,308			
Less: Provision for doubtful factoring receivables	(5,501)	-	-	-	-	-
Factoring receivables, net	252,874	184	2,308			
Factoring payables	919	-	46			

Movement in the allowance for doubtful factoring receivables:

	30 June 2016	31 December 2015
Allowance at the beginning of year	5,501	4,840
Recoveries	(57)	(302)
Allowance for doubtful factoring receivables	324	963
Allowance net of recoveries	267	661
Loans written off during the period ^(*)	(3,161)	-
Allowance at the end of period	2,607	5,501

^(*) GSD Faktoring A.Ş. sold non-performing loans amounting to TL 3,161 to asset management company with revenue sharing condition as of 20 June 2016.

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8. RECEIVABLES AND PAYABLES FROM FINANCE ACTIVITIES (continued)

Finance Lease Receivables, Net

	30 June 2016	31 December 2015
Invoiced lease receivables	132	92
Not later than 1 year	-	29
Later than 1 year but not later than 5 years	-	-
Doubtful finance lease receivables	2,625	2,651
Finance lease receivables, gross	2,757	2,772
Less: Unearned interest income	(5)	(7)
Less: Allowance for doubtful finance lease receivables	(2,625)	(2,651)
Finance lease receivables, net	127	114

The aging of net finance lease receivables is as follows:

	30 June 2016	31 December 2015
Not later than 1 year	127	114
Finance lease receivables, net	127	114

As of 30 June 2016, there is no lease agreement therefore interest is not calculated. (31 December 2015: financial lease contracts have fixed interest rates 3.06% for Euro).

Movement in the allowance for doubtful finance lease receivables is as follows:

	30 June 2016	31 December 2015
Allowance at the beginning of year	2,651	2,445
Allowance for doubtful lease receivables	-	206
Recoveries	(26)	-
Allowance net of recoveries	(26)	206
Finance lease receivables written off during the period	-	-
Allowance at the end of period	2,625	2,651

a) Funds Borrowed

	30 June 2016				31 December 2015			
	Amount		Effective interest rate (%)		Amount		Effective interest rate (%)	
	Turkish Lira	Foreign Currency	Turkish Lira	Foreign Currency	Turkish Lira	Foreign Currency	Turkish Lira	Foreign Currency
Short term	284,995	15,762			258,516	7,393		
Fixed interest	222,976	15,762	10.25-14.45	3.00-3.25	229,787	7,393	11.25-14.25	2.90-3.30
Floating interest	62,019	-	12.40	-	28,729	-	13.25	-
Medium/long Term	-	193,269			-	198,350		
Fixed interest	-	65,595	-	3.75-5.50	-	64,215	-	3.75-5.50
Floating interest	-	127,674	-	3.41-5.65	-	134,135	-	3.13-5.28
Total	284,995	209,031			258,516	205,743		

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8. RECEIVABLES AND PAYABLES FROM FINANCE ACTIVITIES (continued)

Repayment schedule of borrowings initially recognized as medium/long term borrowings is as follows:

	30 June 2016		31 December 2015	
	Fixed rate	Floating rate	Fixed rate	Floating rate
Less than 1 year	36,207	12,066	11,995	12,130
Up to 2 year	29,388	11,622	52,220	11,679
Up to 3 year	-	11,623	-	11,679
Up to 4 year	-	26,995	-	11,679
More than 5 year	-	65,368	-	86,968
Total	65,595	127,674	64,215	134,135

b) Other money market deposits

	30 June 2016				31 December 2015			
	Amount		Effective interest rate (%)		Amount		Effective interest rate (%)	
	Turkish Lira	Foreign currency	Turkish Lira	Foreign currency	Turkish Lira	Foreign currency	Turkish Lira	Foreign currency
Liabilities from money market transactions	14,250	-	11.40-12.50	-	7,495	-	9,0714,55	-
Total	14,250	-			7,495	-		

c) Borrowers' funds

	30 June 2016				31 December 2015			
	Amount		Effective Interest rate (%)		Amount		Effective Interest rate (%)	
	Turkish Lira	Foreign currency	Turkish Lira	Foreign currency	Turkish Lira	Foreign currency	Turkish Lira	Foreign currency
Demand	483	322	-	-	845	19	-	-
Time	6,343	29,364	10.00-13.50	1.25-2.50	6,485	2,185	8.00-12.25	1.25-2.00
Total	6,826	29,686			7,330	2,204		

d) Liabilities arising from finance leases

Payable from short term financial lease activities

	30 June 2016	31 December 2015
Advances taken due to finance leases	231	469
Payables related to leased assets	122	35
Total	353	504

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9. INVENTORIES

	30 June 2016	31 December 2015
Ship mineral oil	1,687	1,716
Total	1,687	1,716

10. LEASE OPERATIONS

Cano Dodo Maritime Limited and Maritime Limited have their own M/V Cano and M/V Dododry bulk cargo ships which they received from the date of completion of construction on May 7, 2013, Hako Maritime Limited has its own M/V Hako dry bulk cargo ship, after the receipt of completed construction on June 23, 2014, starting from June 26, 2014, Zeyno Maritime Limited has its own M/V Zeyno dry bulk cargo ship, made on September 29, 2014 after receiving completed starting from October 2, 2014 are all rented in the form of time charter lease. These technical management of the ships performed under the contract to a company abroad by Cano Maritime Limited, Dodo Maritime Limited, Hako Maritime Limited and Zeyno Maritime Limited. Dodo Maritime Limited, Hako Maritime Limited and Zeyno Maritime Limited gained the ship principal installments of financing used bank loans while intake ship in rent and interest amount until the part is in with transfer to the relevant bank, Dodo Maritime Limited has taken interest on the blocked amount until the due date.

11. PROPERTY AND EQUIPMENT

Continuing Operations	Buildings	Office and Vehicle Equipment	Leasehold Improvements	Ships	Motor Vehicles	Total
At 1 January 2016, net carrying amount	2	712	901	270,546	450	272,611
Additions	-	435	24	-	33	492
Disposals, net	-	(16)	-	-	-	(16)
Foreign currency translation differences	-	-	-	(1,301)	-	(1,301)
Depreciation charge for the period	-	(139)	(112)	(7,231)	(52)	(7,534)
At 30 June 2016, net carrying amount	2	992	813	262,014	431	264,252
At 30 June 2016						
Cost	2	5,608	1,148	208,118	536	215,412
Foreign currency translation differences	-	-	-	88,335	-	88,335
Accumulated depreciation ^(*)	-	(4,616)	(335)	(34,439)	(105)	(39,495)
Net carrying amount	2	992	813	262,014	431	264,252

^(*)Accumulated depreciation contains the foreign currency translation differences relating to the accumulated depreciation.

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11. PROPERTY AND EQUIPMENT (continued)

Continuing Operations	Buildings	Office and Vehicle Equipment	Leasehold Improvements	Ships	Motor Vehicles	Total
At 1 January 2015, net carrying amount	9	348	107	227,198	71	227,733
Additions	-	518	871	-	473	1,862
Disposals, net	(7)	(2)	(1)	-	(60)	(70)
Foreign currency translation differences	-	-	-	57,636	-	57,636
Depreciation charge for the period	-	(152)	(76)	(14,288)	(34)	(14,550)
At 31 December 2015, net carrying amount	2	712	901	270,546	450	272,611
At 31 December 2015						
Cost	2	5,191	1,124	208,118	526	214,961
Foreign currency translation differences	-	-	-	89,769	-	89,769
Accumulated depreciation ^(*)	-	(4,479)	(223)	(27,341)	(76)	(32,119)
Net carrying amount	2	712	901	270,546	450	272,611

^(*)Accumulated depreciation contains the foreign currency translation differences relating to the accumulated depreciation.

As of 31.12.2015, when calculating impairments, each vessel is considered as single units generating cash. In accordance with IAS 36, use value, which is obtained from discounted cash flow method, is utilized as base since it is higher when compared to fair values deducted selling costs as recoverable amount. Due to the fact that, as of 30.06.2016 and 31.12.2015, The Group did not make any provisions for impairment of cargo vessels owned by GSD Denizcilik Gayrimenul İnşaat Sanayi ve Ticaret A.Ş.'s 4 subsidiaries established in Malta since use values of 4 vessels are higher than their carrying amounts. It had been started to calculate discounted cash flows which are used to determine the recoverable amount by examining the incomes for lease agreements of current ships and past actualizations and for lease agreements which is considered to made recently within the scope of current market conditions based on the latest budgeting of the technical management company. For the future periods, it had been worked to predict cash flows that can be realized in the depreciation process by considering the situation freight market and all factors related to the recent development in this situation and using expectations and assumptions of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., about the markets' next way, level and timing and it had been reduced on reporting date with a discount rate which proper for the structure of the market and GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. The amount deducted from the costs is used as cash flow for calculation of the usage value while finding depreciable amount as residual value. Selection of the period of implementation of fixed or variable based leases or position of the ships when the leasing period end are the main factors that could lead to different outcomes than expected assumptions of calculations. The realization of the assumptions depends on lots of scale factors that is lead to the World dry cargo shipping market. The Group management believes that any changes that might be reasonable in any of these basic assumptions would not lead to exceed the total recoverable amount of the total carrying value of the cash-generating unit.

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12. INTANGIBLE ASSETS

Continuing Operations	Patents and Licenses
At 1 January 2016 net carrying amount	222
Additions	1
Disposals, net	-
Amortization charge for the period	(41)
At 30 June 2016 net carrying amount	182
At 30 June 2016	
Cost	2,225
Accumulated amortization	(2,043)
Net carrying amount	182

Continuing Operations	Patents and Licenses
At 1 January 2015 net carrying amount	197
Additions	116
Disposals, net	-
Transfer from continuing operations to discontinued operations	(91)
Amortization charge for the period	
At 31 December 2015 net carrying amount	222
At 31 December 2015	
Cost	2,224
Accumulated amortization	(2,002)
Net carrying amount	222

13. GOODWILL

None.

14. BORROWING COSTS

In the Group's consolidated financial statements, the amount of TL 3,235 borrowing cost used in building process of 2 new cargo ships form of TL 912 of 2013 and TL 2,323 of 2014. These advances given until cargo ship delivery are classified as prepaid expenses and after delivery are reclassified fixed assets are capitalized within the context of IAS 23 Borrowing Costs.

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15. TAXATION

The Group is subject to taxation in accordance with the tax procedures and the legislation effective in Turkey. In Turkey, the corporation tax rate for the fiscal period ended 30 June 2016 is 20% (31 December 2015: 20%). Corporate tax returns are required to be filed within the first twenty-five days of the fourth month following the reporting date and paid in one installment until the end of the fourth month. The tax legislation provides for a temporary tax of 20% (31 December 2015: 20%) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the period.

Tax losses carried forward

Corporate tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years, As at 30 June 2016 and 31 December 2015, the breakdown of the corporate tax losses in terms of their final years of utilization is as follows:

30 June 2016	Expiry years of the tax losses carried forward							Recognized deferred tax asset	Unrecognized deferred tax asset
	2016	2017	2018	2019	2020	2021	Toplam		
Group company									
GSD Holding A.Ş. (*)	-	-	-	-	-	3,273	3,273	655	-
Total	-	-	-	-	-	3,273	3,273	655	-

(*)Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax credits and unused tax losses can be utilized.

Withholding tax on dividend distributions

The 15% withholding tax applies to dividends distributed by resident corporations to resident or non-resident real persons, those who are not liable to or exempt from income and corporation tax, non-resident corporations (excluding those that acquire dividend through a registered office or permanent representative in Turkey). Dividend distributions by resident corporations to resident corporations are not subject to a withholding tax, Furthermore, in the event the profit is not distributed or included in capital, no withholding tax shall be applicable.

Investment allowance

Effective from 24 April 2003, investment allowances provided a deduction from the corporate tax base of 40% of the cost of the purchases or production of the new fixed assets subject to depreciation and exceeding TL 10 (31 December 2013: TL 10) and directly related with the production of goods and services. Investment allowance that arose prior to 24 April 2003 was subject to 19.8% withholding tax unless they were converted to the new application at the will of companies. All investment allowances were carried forward with indexed amounts. With respect to the new legislation effective from 1 January 2006, these unused investment allowances could be used until 31 December 2008 and investment allowances ceased to apply to the new investments to be made beginning from 1 January 2006, but continued to apply to the investments started before 1 January 2006. Afterwards, a decision rendered by the Constitutional Court of Turkey cancelling the clause of this legislation limiting the deduction period of the unused investment allowances has again made effective the deductibility of the unused investment allowances after 31 December 2008. According to the decision mentioned above, investment allowances transferred to 2006 due to lack of profit and investment allowances gained by the investments that are commenced before 1 January 2006 and continued after that date constituting economic and technical integrity will not be only used in 2006, 2007 and 2008, but also in the following years. An amendment to the Income Tax Law promulgated in Official Gazette no 6009 dated 1 August 2010 limited the amount of investment allowance to be utilised to 25% of earnings for the year, but the Constitutional

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15. TAXATION (continued)

Investment allowance (continued)

Court of Turkey has cancelled this amendment providing 25% utilization of investment allowance and has again made effective utilization of investment allowance up to 100% of tax base by means of a decision dated 9 February 2012, being effective starting from the tax returns to be filed for the fiscal period as at 31 December 2011. Therefore, the consolidated financial statements of the Group as at 31 December 2013 are prepared based on 100% utilization of investment allowance by GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş., the only Group company benefiting from investment allowance, GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş., has sued for the utilization of the investment allowance relating to 75% of the earnings which could not be utilised in the corporate tax return filed for the year 2010 reserving the right to sue and has been entitled to utilise it by adjusting the corporate tax return for the year 2010 via offsetting the investment allowance not utilized previously against the corporate tax of TL 641 paid during the year 2014 and to take back the paid amount by the decision of the tax court notified on 27 March 2014. The amounts that have been taken back in cash and by offsetting until 31 December 2014 amounted to TL 396 and TL 245, respectively, totalling TL 641.

As at 30 June 2016 and 31 December 2015, the Group has the following unused investment allowances:

Unused investment allowances				
Group company	30 June 2016		31 December 2015	
	Subject to 19.8% withholding tax	Subject to 0% withholding tax	Subject to 19.8% withholding tax	Subject to 0% withholding tax
GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş.	94,652	-	96,149	-
Total	94,652	-	96,149	-

Transfer pricing

According to the article 13 titled “the disguised profit distribution by way of transfer pricing” of the Corporate Tax Law, if prices or considerations imposed for purchase or sale of goods or services between the company and its related parties are not consistent with the arm’s length principle, the profit hence from is regarded as fully or partially distributed in a disguised way by way of transfer pricing. The arm’s length principle implies that transfer prices or considerations applied in purchase or sale of goods or services between related parties should be in accordance with prices which would have been agreed between unrelated parties. Corporations are required to determine the price or consideration applied in the transactions with related parties by choosing the method most appropriate to the nature of the transaction among the comparable uncontrolled price method, the cost plus method, the resale minus method or the other methods determined by them. The income fully or partially distributed in a disguised way through transfer pricing is considered as dividend distributed by the resident corporations and the amount transferred back to the head office by the non-resident corporations as of the last day of the fiscal period in which the conditions stipulated in this article are realized, with respect to the application of Corporate and Income Tax Laws. The former assessments of tax are adjusted accordingly for the taxpayers being a party to these transactions provided that the tax to be charged to the corporation making the disguised profit distribution is finalized and paid before this adjustment is made.

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15. TAXATION (continued)

Current Tax Liability

The prepaid income taxes are netted off against the corporate income taxes payable as follows:

Continuing Operations	30 June 2016	31 December 2015
Corporate income taxes payable	2,626	18,212
Prepaid income taxes	(1,320)	(15,692)
Income taxes payable, net	1,306	2,520

Income tax benefit / (expense)

Consolidated income tax benefit /(expense)						
	30 June 2016			30 June 2015		
	Consolidated income statement	Consolidated other comprehensive income	Consolidated statement of comprehensive income	Consolidated income statement	Consolidated other comprehensive income	Consolidated statement of comprehensive income
Continuing Operations						
Current income tax benefit/(expense)	(2,603)	(44)	(2,647)	2,471	-	2,471
Deferred income tax benefit /(expense)	397	(77)	320	(2,290)	(4,293)	(6,583)
Total	(2,206)	(121)	(2,327)	181	(4,293)	(4,112)

Consolidated income tax benefit /(expense)						
	30 June 2016			30 June 2015		
	Consolidated income statement	Consolidated other comprehensive income	Consolidated statement of comprehensive income	Consolidated income statement	Consolidated other comprehensive income	Consolidated statement of comprehensive income
Discontinued Operations						
Current income tax benefit/(expense)	21	-	21	(13,891)	402	(13,489)
Deferred income tax benefit /(expense)	-	-	-	3,237	4	3,241
Total	21	-	21	(10,654)	406	(10,248)

Continuing Operations	31 December 2015	Recognised in Period	(Taken Back) / Paid in Period	30 June 2016
Prepaid Income Tax				
Taken back from 2015's overpaid corporate tax	2,834	(65)	-	2,769
Taken back from previous years' overpaid corporate tax	-	-	511	511
Prepaid Income Tax	2,834	(65)	511	3,280

Continuing Operations	31 December 2014	Recognised in Period	(Taken Back) / Paid in Period	31 December 2015
Prepaid Income Tax				
Taken back from 2014's overpaid corporate tax	10	-	(10)	-
Taken back from previous years' overpaid corporate tax	-	2,834	-	2,834
Prepaid Income Tax	10	2,834	(10)	2,834

Corporate tax liability regarding foreign subsidiaries of the Group

The net profits of Cano Maritime Limited and Dodo Maritime Limited, established on 26 March 2013, Hako Maritime Limited, established on 1 April 2013, Zeyno Maritime Limited, established on 22 April 2013 and Neco Maritime Limited, established 5 May 2016 all domiciled in Malta, are subject to 0% corporate tax in Malta. The current or prior period profits of Cano Maritime Limited, Dodo Maritime Limited, Hako Maritime Limited and Zeyno Maritime Limited are subject to 20% corporate tax in Turkey to be taxed in the current period profit of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., in the period when they are recognized as profit by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., 100% shareholder of these companies, having been received through dividend distribution in cash or by bonus issue or through share capital increase by bonus issue.

Turkish tax legislation, does not permit a parent company present tax purpose financial statements on a consolidated basis over corporate tax declaration and payment arrangements. Therefore, corporate tax provisions of the companies in the scope of consolidation are calculated separately.

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15. TAXATION (continued)

Corporate tax liability regarding foreign subsidiaries of the Group (continued)

Deferred tax assets or liabilities of the consolidated assets and liabilities with the values shown in the financial statements of the temporary differences arising between the tax base and amounts considered in the calculation is determined by calculating the tax effects of the balance sheet method.

The Group takes into account developments in the sectors in which it operates, taxable profit estimates in future periods, the overall economic and political situation of the country of Turkey and its affiliates and/or the general international economic factors such as the political situation may affect the Group in the financial statements of the deferred tax assets.

As at 30 June 2016 and 31 December 2015, the Group's unconsolidated allocated over tax losses and unused in the financial statements and the separation of deferred tax assets, are given in the table above as titled 'Unused Tax losses and Expiry Years' under the group company separation issue. Calculated deferred tax assets and deferred tax liabilities are shown net in the financial statements of different companies subject to consolidation. However, consolidated net deferred tax assets and liabilities in the consolidated without offsetting assets and liabilities are shown separately in the financial statements arising from different companies that are subject to consolidation in the financial statements.

Deferred tax assets and liabilities as at 30 June 2016 and 31 December 2015 are as follows:

	30 June 2016	31 December 2015
Deferred tax liabilities		
Valuation differences of securities	2,643	2,667
Valuation and depreciation differences of fixed assets	64	70
Derivative financial instruments	-	3
Other	14	1
Gross deferred tax liabilities	2,721	2,741
Deferred tax assets		
Provisions arising from financial sector operations	1,067	1,130
Tax-losses carried forward	655	-
Provision for employee termination benefits obligation	318	329
Provision for employee unused paid vacation obligation	220	243
Derivative financial instruments	181	278
Provision for employee bonus	94	165
Valuation differences of securities	-	83
Other	10	17
Gross deferred tax assets	2,545	2,245
Deferred tax assets, net	(176)	(496)

	Continuing Operations		Discontinued Operations	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Deferred tax assets, net at 1 January	(496)	8,746	-	9,722
Deferred tax recognized in profit or loss	397	(2,985)	-	3,237
Deferred income tax recognized in consolidated other comprehensive income	(77)	(6,257)	-	4
Out of consolidation due to the sale of subsidiaries	-	-	-	(12,963)
Deferred tax assets, net at the end of period	(176)	(496)	-	-

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16. EMPLOYEE BENEFITS

Employee bonus provision is as follows:

Continuing Operations	30 June 2016	31 December 2015
Bonus provision	847	1,219
Total	847	1,219

The movement in employee bonus provision is as follows:

	30 June 2016	31 December 2015
At 1 January	1,219	1,124
Provision reversed during the period	(372)	(37)
Provision set during the period	-	132
Closing balance at the end of period	847	1,219

Long Term Employee Benefits and Vacation Liability

	30 June 2016	31 December 2015
Employee Benefits	1,591	1,641
Vacation Pay Liability	1,101	1,214
Total	2,692	2,855

IAS No 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans, The reserve has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. Accordingly, the following actuarial assumptions were used in the calculation of the employee termination benefits obligation.

	30 June 2016	31 December 2015
Discount rate (%)	10.80	10.80
Expected rates of salary/limit increases	6.00	6.00

In accordance with existing social legislation, the Company and its subsidiaries incorporated in Turkey are required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. In Turkey, such payments are calculated on the basis of 30 days' pay (limited to a maximum of TL 4,093 (full) and TL 3,828 (full) as at 30 June 2016 and 31 December 2015, respectively) per year of employment at the rate of pay applicable at the date of retirement or termination.

The Group, except to the extent that another IFRS requires or permits their inclusion in the cost of an asset, has recognized service cost and net interest on the net defined benefit liability (asset) in the consolidated income statement and remeasurements of the net defined benefit liability (asset) in the consolidated comprehensive income statement, which are the components of defined benefit cost.

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16. EMPLOYEE BENEFITS (continued)

The movement in provision for employee termination benefits obligation is as follows:

	Continuing Operations	
	30 June 2016	31 December 2015
At 1 January	1,641	1,772
Actuarial losses/(gains)	343	11
Interest cost on the provision	55	82
Provision reversed due to being paid	(686)	(354)
Provision reversed without being paid	(13)	(61)
Service cost	251	191
Closing balance at the end of period	1,591	1,641

The movement in provision for vacation pay liability is as follows:

	Continuing Operations	
	30 June 2016	31 December 2015
At 1 January	1,214	1,218
Provision reversed during the period	(131)	(111)
Provision set during the period	18	107
Closing balance at the end of period	1,101	1,214

17. OTHER RECEIVABLES AND PAYABLES

Other Receivables, Current

	30 June 2016	31 December 2015
Transitory receivables (*)	11,357	5,286
Deposits and guarantees given	6	5
Other	38,363	38,320
Total	49,726	43,611

(*) The credit balance counterpart of "Transitory receivables in Other Receivables" is "Transfer orders in Other Payables".

Other Receivables, Non Current

	30 June 2016	31 December 2015
Collaterals given	2	2
Other	787	-
Total	789	2

Collaterals given in other receivables

	30 June 2016	31 December 2015
Other collaterals given	8	7
Total	8	7

Other Payables, Short Term Liability

	30 June 2016	31 December 2015
Transfer Orders	11,664	5,648
Taxes and funds payable other than on income	9,671	1,272
Payables to merchants related to credit cards	13	-
Other	225	202
Total	21,573	7,122

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18. OTHER ASSETS AND LIABILITIES

Other Assets

	30 June 2016	31 December 2015
Deferred VAT	751	524
Work and personnel advances given	2	-
Other	4,292	17
Total	5,045	541

Other Short Term Liabilities

	30 June 2016	31 December 2015
Other	108	9
Total	108	9

19. SHARE CAPITAL/ TREASURY SHARES

Share Capital

As at 30 June 2016 and 31 December 2015, the nominal values and number of shares of the issued capital of the Company are as follows in terms of share groups:

	30 June 2016			31 December 2015		
	Total number of shares	Nominal value per share (full TL)	Total nominal value (full TL)	Total number of shares	Nominal value per share (full TL)	Total nominal value (full TL)
Share group						
A (bearer shares)	39,280	0.01	392.80	39,280	0.01	392.80
B (bearer shares)	39,280	0.01	392.80	39,280	0.01	392.80
C (bearer shares)	39,280	0.01	392.80	39,280	0.01	392.80
D (bearer shares)	24,999,882,160	0.01	249,998,821.60	24,999,882,160	0.01	249,998,821.60
Total	25,000,000,000		250,000,000.00	25,000,000,000		250,000,000.00

Privileges

The Company's Board of Directors consists of 9 members which are selected by the general assembly according to Turkish Commercial Code, 5 members of the board of directors, 2 of whom are required to meet the criteria stipulated by the Corporate Governance Principles for independent board members, are selected from the candidates nominated by Class (A) shareholders, 2 members of the board of directors are selected from the candidates nominated by Class (B) shareholders and 2 members of the board of directors are selected from the candidates nominated by Class (C) shareholders by the general assembly. The cancellation of privileges given to Class (A) shareholders is possible only with a quorum for meeting and decision of 60% of the Class (A) shareholders, the quorum for decision being independent from the numbers of shareholders who attend the assembly, The cancellation of privileges given to Class (B) shareholders is possible only with a quorum for meeting and decision of 60% of the Class (B) shareholders, the quorum for decision being independent of the numbers of shareholders who attend the assembly, The cancellation of privileges given to Class (C) shareholders is possible only with a quorum for meeting and decision of 60% of the Class (C) shareholders, the quorum for decision being independent of the numbers of shareholders who attend the assembly.

Authorised Share Capital

The Company, being in the authorised share capital system, can increase its share capital until it reaches the authorised share capital by means of a resolution of the board of directors without a resolution of general assembly being also required. The authorised share capital can be exceeded by means of a share capital increase through bonus issue one time only, but can not be exceeded by means of a share capital increase in cash. The authorised share capital of the Company is TL 1,000,000 being effective until 31 December 2017.

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19. SHARE CAPITAL/ TREASURY SHARES (continued)

Treasury Shares

As at 30 June 2016 and 31 December 2015, the carrying and nominal values and ownership percentages of the treasury shares, which consist of the shares of the GSD Holding A.Ş. that are owned by GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş., are as follows:

The owner of the treasury shares	30 June 2016			31 December 2015		
	Carrying value	Nominal value	Nominal %	Carrying value	Nominal value	Nominal %
GSD Holding A.Ş.	31,312	25,000	10.000%	20,853	17,000	6.800%
Buyback shares	31,312	25,000	10.000%	20,853	17,000	6.800%
GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş	-	-	-	7,015	7,904	3.162%
Capital adjustments due to cross-ownership	-	-	-	7,015	7,904	3.162%
Total	31,312	25,000	10.00%	27,868	24,904	9.962%

Profit Appropriation and Dividend Distribution

The Company's statutory retained earnings consist of the extra-ordinary reserves and the first and second legal reserves. Publicly held companies make their profit appropriation in accordance with CMB regulations and the Turkish Commercial Code as follows:

The legal reserves consist of the first and the second legal reserves in accordance with the Turkish Commercial Code, 5% of statutory profits are appropriated as the first legal reserve until the total reserve reaches a maximum of 20% of the entity's share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the entity's share capital by the corporations with the exception of holding companies. The first and second legal reserves are not available for distribution unless they exceed 50% of the share capital with the exception of holding companies, but may be used to absorb losses in the event that the general reserve is exhausted.

According to the regulations of Capital Markets Board (CMB) of Turkey, there is no minimum required profit distribution for the exchange-traded companies and the net distributable profit of an exchange-traded company preparing consolidated financial statements is calculated by taking into regard its net profit arising from its financial statements in accordance with International Financial Reporting Standards as much as the total of the items that may be distributed as dividend arising from its statutory financial statements based on its books of account. Dividend to be distributed by an exchange-traded company from its net distributable profits arising from its financial statements in accordance with International Financial Reporting Standards is required to be met by the total of its net distributable profit after offsetting its prior year losses, if any, and other items that may be distributed as dividend arising from its statutory financial statements based on its books of account.

The exchange-traded companies in Turkey distribute their profits by the resolution of their general assemblies in accordance with the relevant legislations and within the guidelines stated in their profit distribution policies determined by their general assemblies. The profit distribution policies of the exchange-traded companies must contain at least whether any profit will be distributed or not and if it will be distributed, the profit distribution rate determined for shareholders and other profit-sharing persons; method of payment of the dividend; time of payment of the dividend providing that the dividend distribution process will start latest by the end of the accounting period during which the general assembly meeting was held; whether advance dividend will be distributed or not and, if it will be distributed, the related principles in respect of this. The Company adopted a policy of not distributing cash or bonus dividend and distributing retained earnings by way of share capital increases through bonus issue by capitalization of internal resources within the regulatory framework of CMB and re-evaluating this policy every year, pursuant to its profit distribution policy explained below:

Dividends are distributed to all outstanding shares as of the distribution date equally in proportion to their ownership percentage in share capital regardless of the issue and acquisition dates of these shares, The rights arising from the dividend privilege are reserved. In the capital increases of public companies, bonus shares are distributed to outstanding shares as of the date of share capital increase.

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19. SHARE CAPITAL/ TREASURY SHARES (continued)

Profit Distribution Policy

According to 2014 Ordinary General Assembly of the Company has resolved on 25 June 2015 that the profit distribution policy of Company for the year 2015 and the subsequent years pursuant to the Corporate Governance Principles is the distribution of profits as bonus shares by means of share capital increases from internal resources through the capitalisation of profits, to the extent that the criteria stipulated by the regulatory framework of CMB in relation to share capital increases through bonus issue are met, in order to finance the growth by way of retention of earnings in equity through the accumulation of profits in extraordinary reserves by considering the growth plans, investing activities and existing financial structures of the associated companies and subsidiaries and this policy is to be re-evaluated every year by taking into account the regulations of the Capital Markets Board regarding profit distribution and the liquidity position of the Company.

Within the scope of the Corporate Governance Principles of the Ordinary General Assembly of GSD Holding A.Ş. dated 26 May 2016, the profit distribution policy of the Company for 2016 and the following years shall be made in accordance with "the Capital Markets Board's criteria for free capital increase regulations in order to finance the growth of retained profits by taking into consideration the growth plans of the subsidiaries and affiliates and their investment activities and existing financing structures to distribute the profits as bonus shares in the capital reserves to be collected from the internal sources or directly from the reserves" and to reassess this policy every year by taking into consideration the liquidity situation of the Company and the arrangements related to the profit distribution of the Capital Markets Board.

Pursuant to the article 16/8, of the Communiqué on Shares (VII-128,1) promulgated by the Capital Markets Board of Turkey (the CMB), without prejudice to statutory obligations with respect to share capital increase, the applications of publicly traded companies to the CMB for share capital increases by capitalisation of internal resources excluding period profit which will result in the adjusted share price dropping below full TL 2, the share price being calculated as the average of the weighted average trading prices in stock exchange within 30 days prior to the disclosure of share capital increase to the public, are not put into process by the CMB.

Appointments of Group Companies

On the Ordinary General Assembly Meeting for the year 2015 of GSD Holding A.Ş. held on 26 May 2016 it was decided for Company's Board of Directors to be authorized regarding the distribution of a total of full TL 200,000,000 premium to the Company shareholders as lots by doing a capital increase through bonus issues which will be counterbalanced from the premium from the full TL 198,864,597.06 and TL 198,865 to the Special Funds Account on the equities on official records and from the amount transferred to the Reserves on Retained Earnings account on the equities on consolidated IFRS statement of financial position and from the rest of the net profit of year 2015 as amount of full TL 1,135,402.84 and TL 1,135 by reservation of respectively full TL 5,213,540.54 and TL 5,214 first Type contingency reserves from the full TL 303,135,407.80 net profit of year 2015 and TL 220,606 net consolidated IFRS profit of the legal record of the company; the distribution of the amount of TL 15,392 from the consolidated IFRS financial statements of full TL 60,000,000.00 amount of cash profit from the consolidated IFRS net profit of year 2015 and the amount of TL 44,608 from the Profits of Previous Years and all to be counterbalanced from the Company's official records to the Company shareholders; the distribution of full TL 6,000,000.00 amount of cash profit to the Company's Members of the Board to be recognized as an expense on period income pursuant to the IFRS regulations of all IFRS financial statements which will be counterbalanced wholly from the net profit of year 2015; determination of the way to be used regarding the distribution of the profit that is to be distributed to the Members of the Board; the determination of the date of the distribution of profit margin, which will be 30 June 2016 latest.

GSD Holding A.Ş. Board of Directors decided cash dividend payout date to be the 24 June 2016 so that the cash dividend payouts were made on 24 June 2016 for non-public shares and on 28 June 2016 with 2 days of value-date for the public shares.

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19. SHARE CAPITAL/ TREASURY SHARES (continued)

Appointments of Group Companies’ (continued)

In the Ordinary General Assembly Meeting for the year 2014 of GSD Holding A.Ş. held on 25 June 2015; it was decided for Company’s Board of Directors to be authorized regarding the separation of TL 5,750 of net profit of year 2014 on the legal records of the Company by separating TL 288 type one contingency reserve, from the remainder TL 5,462 amount and by separating TL 288 type one contingency reserve from the TL 2,197 from the consolidated IFRS net profit of year 2014 and to separate the remainder TL 1,909 amount as excess reserve; distribution of TL 60,000 worth of cash profit to the GSD Holding A.Ş. shareholders from the Company’s consolidated IFRS financial statements as a whole from Profits from Previous Years and TL 3,186 amount from excess reserves from year 2003, TL 21,482 amount from excess reserves from year 2005, TL 842 amount from excess reserves from year 2006, 10,066 amount from excess reserves from year 2007 and TL 24,424 amount from excess reserves from year 2008, the distribution of TL 6,000 amount of cash profit to the Company’s Members of the Board to be recognized as an expense on period income pursuant to the IFRS regulations of all IFRS financial statements which will be counterbalanced as follows; TL 319 amount from excess reserves from year 2003, TL 2,148 amount from excess reserves from year 2005, TL 84 amount from excess reserves from year 2006, TL 1,007 amount from excess reserves from year 2007 and TL 2,442 amount from excess reserves from year 2008, determination of the way to be used regarding the distribution of the profit that is to be distributed to the Members of the Board; the determination of the date of the distribution of profit margin, which will be 31 July 2015 latest, GSD Holding A.Ş. Board of Directors decided cash premium payment date as 29 July 2015 thus for the non-public shares the date would be 29 July 2015 and for public shares the date would be with 2 days of value-date the 31 July 2015 for the cash premium payment date.

In the Ordinary General Assembly Meeting for the year 2015 dated 23 March 2016 of GSD Faktoring A.Ş. it was decided TL 1,000 amount of distributable net profit of year 2015 to be separated as first premium and the rest to be second type as legal reserve and excess reserve. (Ordinary General Assembly Meeting of GSD Faktoring A.Ş. dated 23 March 2015 it was decided for premium worth of TL 4,000 to be distributed to the shareholders as TL 2,165 from the net distributable profit of year 2015 and TL 1,835 from excess reserves. Following that decision, TL 400 amount of total of TL 4,000 cash premium paid by GSD Faktoring A.Ş. was paid to the non-controlling interests.)

On the Ordinary General Assembly Meeting for the year 2015 dated 30 March 2016 of GSD Yatırım Bankası A.Ş., it was decided that TL 2,500 amount from the net distributable premium for the year 2015 to be separated as first premium and the rest as excess reserves.

The Ordinary General Assembly Meeting for the year 2015 dated 26 May 2016 of GSD Denizcilik Gayrimenkul İnşaat San. Ve Tic. A.Ş. decided the net distributable premium of year 2015 on legal records to be separated as excess reserves and net loss of year 2015 on the consolidated IFRS financial statements to be offset the profits from previous years and the rest to be transferred to the losses of previous years.

Retained earnings

	30 June 2016	31 December 2015
Extraordinary reserves (historical)(*)	35,294	12,696
Extraordinary reserves (arising from the first application of inflation accounting)	68,925	68,925
Inflation adjustment on extraordinary reserves	23,082	23,082
Legal reserves	6,304	6,304
Inflation adjustment on legal reserves	5,868	5,868
Transaction costs of equity transactions	(901)	(901)
IFRS adjustments	26,227	96,789
Retained earnings	164,799	212,763

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19. SHARE CAPITAL/ TREASURY SHARES (continued)

Retained earnings (continued)

The items that may be distributed as dividend to shareholders of the Company arising from its statutory financial statements based on its books of account

	30 June 2016	31 December 2015
Net profit/loss for the period	1,750	303,135
Extraordinary reserves (historical)	198,865	-
Special Funds ^(*)	35,294	12,696
Extraordinary reserves (arising from the first application of inflation accounting) ^(*)	68,925	68,925
Inflation adjustment on extraordinary reserves	23,082	23,082
The items that may be distributed as dividend in statutory financial statements	327,916	407,838

(*)By the GSD Holding A.Ş. Board of Directors it was decided that as the amount that is to be transferred first on 8 April 2016 and onwards has changed, on the date of 26 May 2016, 75% of full TL 204,108,851.27 amount of profit calculated in accordance with the tax legislation regarding the vendition of Tekstil Bankası A.Ş. shares which constitutes the 75.50% of the Company's capital to ICBC on 22 May 2015 to be hold without any other transaction to other accounts or without decommissioning except the addition to the capital following the fifth year after the sales for it to be benefited from the corporation tax exemption as per the 5/1-e article of Corporate Tax Legislation numbered 5520 by reducing the 75% worth of full TL 322,593.16 amount sustained on year 2016 and full TL 4,921,661.05 amount sustained on year 2015 that are expenses related to this profit to be transferred to the Special Funds Account located in the capital on the Company's legal records and to the Reserves on Retained Earnings account on capital on the consolidated IFRS statement of financial position from the full TL 303,135,407.80 amount of net profit from 2015 on Company's legal records and TL 220,606 from the consolidated IFRS net profit respectively as full TL 198,864,597.06 and TL 198,865 as net amounts.

By the GSD Holding A.Ş.'s General Assembly Meeting of year 2015 dated 26 May 2016 it was decided that the amounts of full TL 198,864,597.06 and 198,865 TL amount respectively from the full TL 303,135,407.80 net profit from year 2015 and TL 220,606 from consolidated IFRS net profit from year 2015, from the Special Funds Account on capital on legal records and to Reserves on Retained Earnings Account the amount of full TL 1,135,402.94 and 1,135 TL to be offset from the remainder part of the net profit of the year 2015, by doing so, making a capital increase through bonus issues that would be offset from premium, and the total of full TL 200,000,000 premium to be distributed to the shareholders of the Company as shares.

Regarding the capital increase through bonus issues that was decided to be done from premium of year 2015 on the 26 May 2016 dated Ordinary General Assembly Meeting for year 2015 of GSD Holding A.Ş. an application was made to the Capital Market Board on 23 June 2016. Due to the fact that the aforementioned capital increase through bonus issues was firstly transferred to Special Funds Account to be able to benefit from the corporation tax exemption for the resources to be added to the capital it was evaluated as capital increase through domestic funding rather than profit sharing as shares and for that reason it was found unwarrantable as per the 8th bend of the 16th article of Share Notification of Capital Markets Board's VII-128,1 and this was notified by CMB on 30 June 2016. Regarding the subject, GSD Holding A.Ş. concluded series of meetings with CMB, CMB on 12 July 2016 that the Special Funds Account that is to be the source of the capital increase through bonus issues is subject to be evaluated against the CMB's VII-128,1 Notification and upon that GSD Holding A.Ş. asked on 23 June 2016 to CMB to reevaluate the capital increase application.

The restatement effects of the inflation adjustment on the credit balance accounts which are transferred to another account or withdrawn from the company as dividend shall be subject to corporate tax without being included in the current net income for the year during which the transfer or withdrawal is made, but the restatement effects of the inflation adjustment on the equity accounts can be capitalised or transferred to the accumulated deficit account to set off the prior year losses arising from the first application of inflation accounting without being subject to corporate tax, according to the Temporary Clause 25 and the Repeated Clause 298 of the Tax Procedural Law of Turkey. The Tax Procedural Law Communiqué numbered 328 excepts the transfers or withdrawals made from the restatement effects of the inflation adjustment on the nonmonetary credit balance accounts which are profit reserves, special funds (such as fixed asset replacement fund), advances and deposits and progress payments arising from construction contracts, from corporate tax in this regard.

Pursuant to the section under the heading of 19. Profit Distribution belonging to the Circular numbered 17 relating to the Tax Procedural Law of Turkey, prior year income not existing before the first inflation adjustment and arising from the first inflation adjustment, which are transferred to another account or withdrawn from the company as dividend shall be subject to corporate tax without being included in the current net income for the year during which the transfer or withdrawal is made.

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19. SHARE CAPITAL/ TREASURY SHARES (continued)

Changes in Non-Controlling Interests Without Loss of Control

According to "IFRS 10 – Consolidated Financial Statements", "Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners)." In order to meet the requirement of this standard, the difference between the change in the Group's share in its subsidiaries' equity items except reserves resulting from the accumulation of other comprehensive income items in equity arising from the change in the Group's ownership interest in that subsidiary that do not result in a loss of control and the fair value of the consideration paid or received to effect such a change are not recognised in the consolidated comprehensive income statement, but directly classified in "Changes in non-controlling interests without loss of control" balance of the previous year-end, to "Retained Earnings".

The Group, has transferred 31 December 2015 balance of "Non-controlling Interest Variance Fund", which was tracked under equity and amounting to TL 34, to "Retained Profits/(Losses) under shareholder's equity as of 30 June 2016.

The Movement in Changes in Non-Controlling Interests Without Loss of Control:

	30 June 2016	31 December 2015
Opening Balance	(34)	6.329
Beginning balance of the fund transferred to retained earnings	34	(6.329)
Effect of the share buy-back by GSD Holding A.Ş from GSD Denizcilik Gayrimenkul İnş, San, ve Tic, A.Ş ⁽⁴⁾	-	(31)
Effect of the share buy-back by GSD Denizcilik Gayrimenkul İnş, San, ve Tic, A.Ş, as a result of the utilisation of the rights to leave in 2015 arising from the merger with GSD Dış Tic, A.Ş, registered in trade registry on 31 December 2014 ^{(1) (2) (3)}	-	(3)
The Changes in Non-Controlling Interests Without Loss of Control	-	(34)

(1) The merger of GSD Dış Ticaret A.Ş., a subsidiary of GSD Holding A.Ş., and GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., another subsidiary of GSD Holding A.Ş., under GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. by means of the take-over of all of the assets and liabilities of GSD Dış Ticaret A.Ş., dissolving without liquidation, by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and the share capital increase of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. made due to the merger have been registered in trade registry on 31 December 2014 and due to the share capital increase required to be made within the scope of the merger transaction and the share buy-back by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. as a result of the utilization of the rights to leave between 30 December 2014 and 13 January 2015 arising from the merger of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and GSD Dış Ticaret A.Ş., the direct shareholding of GSD Holding A.Ş. in GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. has increased from 54.938% to 74.093% and after eliminating reacquired-own-shareholding by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., the direct shareholding of GSD Holding A.Ş. in GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. has increased from 54.938% to 77.070% (31 December 2014: 76.913%), the total direct and indirect shareholding of GSD Holding A.Ş. in GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. has increased from 54.941% to 77.072% (31 December 2014: 76.916%).

(2) The indirect shareholding of GSD Holding A.Ş. in Tekstil Bankası A.Ş. and Tekstil Yatırım Menkul Değerler A.Ş. has changed due to the merger of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. with 0.036% shareholding in Tekstil Bankası A.Ş. and GSD Dış Ticaret A.Ş. with 1% shareholding in Tekstil Bankası A.Ş., registered in trade registry on 31 December 2014 and the share buy-back by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. as a result of the utilisation of the rights to leave between 30 December 2014 and 13 January 2015 arising from the merger. Thus, the total direct and indirect shareholdings of GSD Holding A.Ş. in Tekstil Bankası A.Ş. and Tekstil Yatırım Menkul Değerler A.Ş., after eliminating reacquired-own-shareholding by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., has decreased from 76.52% to 76.30% (31 December 2014: 76.30%).

(3) The indirect shareholding of GSD Holding A.Ş. in GSD Faktoring A.Ş. has changed due to the merger of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. with 1.98% shareholding in GSD Faktoring A.Ş., and GSD Dış Ticaret A.Ş., registered in trade registry on 31 December 2014 and the share buy-back by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. as a result of the utilisation of the rights to leave between 30 December 2014 and 13 January 2015 arising from the merger. Thus, the total direct and indirect shareholdings of GSD Holding A.Ş. in GSD Faktoring A.Ş., after eliminating reacquired-own-shareholding by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş., has increased from 89.09% to 89.54% (31 December 2014: 89.53%).

(4) Shares of Group (C) GSD Denizcilik Gayrimenkul İnşaat San. Ve Tic. A.Ş. which consists up to 3,863% of the capital nominal valued at full TL 2,015,845.00 owned by GSD Holding A.Ş., GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş were purchased on 30 June 2015 with 2 value date on Borsa İstanbul Toptan Satışlar Pazarı as per with the 19/6th article of Withdrawn Share Notification of CMB, with 1.38 full TL price for full TL 1 nominal valued share and in total for 2,781,866.10. In accordance with the decision taken by GSD Holding A.Ş. Company Board of Directors on 30 June 2015, nominal valued (C) group shares of GSD Denizcilik Gayrimenkul İnşaat San. Ve Tic. A.Ş. owned by GSD Reklam ve Halkla İlişkiler Hizmetleri A.Ş., GSD Yatırım Bankası A.Ş. and GSD Faktoring A.Ş. with full TL 1,169.36, full TL 44.36 and full TL 44.36 respectively was purchased outside of the stock market on 1 July 2015 with full TL 1.38 price for each full TL 1 nominal valued share for full TL 1,613.72, full TL 61.22 and full TL 61.22 on cash respectively. After those transactions, the shares of GSD Denizcilik Gayrimenkul İnşaat San. Ve Tic. A.Ş. owned directly by GSD Holding A.Ş. increased from 74.09% (with the calculation made including the decrease of shares repurchased by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. from the capital from 77.07%) to 77.96% and did not have any indirect shares left, due to the fact that GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. has the 1.98% shares on the capital of GSD Faktoring A.Ş., as a result of aforementioned transactions, indirect share ratio of GSD Holding A.Ş. on GSD Faktoring A.Ş.'s capital increased by 0.01% and the total shares both direct and indirect increased from 89.54% to 89.55%.

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19. SHARE CAPITAL/ TREASURY SHARES (continued)

The items that may be distributed as dividend to shareholders of the Company arising from its statutory financial statements based on its books of account (continued)

Non-controlling interests

The movement in non-controlling interests classified into the subsidiaries that has non-controlling interests

	GSD Denizcilik Gayrimenkul İnş. San.ve Tic.A.Ş.	GSD Faktoring A.Ş.	Consolidated
1 January 2016	21,622	2,936	24,558
Non-controlling interest in net profit/(loss) in the income statement	(2,369)	358	(2,011)
Non-controlling interest in profit/(loss) from foreign currency translation in other comprehensive income	(163)	-	(163)
Non-controlling interest in profit/(loss) from remeasurements of the net defined benefit liability (asset) in other comprehensive income	(7)	(17)	(24)
Non-controlling interest in profit/(loss) from treasury share	387	-	387
30 June 2016	19,470	3,277	22,747

The movement in non-controlling interests classified into the subsidiaries that has non-controlling interests

	Tekstil Bank A.Ş.	GSD Denizcilik Gayrimenkul İnş. San.ve Tic.A.Ş.	GSD Faktoring A.Ş.	Consolidated
1 January 2015	144,763	19,478	2,992	167,233
Non-controlling interest in net profit/(loss) in the income statement	(2,908)	(5,574)	372	(8,110)
Non-controlling interest in profit/(loss) from financial asset remeasurement and reclassification in other comprehensive income	(228)	-	-	(228)
Non-controlling interest in profit/(loss) from foreign currency translation in other comprehensive income	-	5,146	-	5,146
Non-controlling interest in profit/(loss) from remeasurements of the net defined benefit liability (asset) in other comprehensive income	-	(7)	(5)	(12)
Non-controlling interest in profit/(loss) from treasury share	-	299	-	299
Minority share in parent company's dividend paid to minority.	-	550	-	550
Dividends paid	-	17	(417)	(400)
Equity effect of change in shareholding of non-controlling interest (Equity effect of the acquisition of shares of GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. by GSD Holding A.Ş. in BIST)	-	(111)	(3)	(114)
Equity effect of change in shareholding of non-controlling interest (Effect of the merger of GSD Dış Tic. A.Ş. and GSD Denizcilik G.Menkul İnş. San. ve Tic. A.Ş. under GSD Denizcilik G.Menkul İnş. San. ve Tic. A.Ş. and the share buyback by GSD Denizcilik G.Menkul İnş. San. ve Tic. A.Ş.)	-	(167)	(3)	(170)
Indirect effect due to sale of subsidiaries and participation	(4)	1,991	-	1,987
Direct effect due to sale of subsidiaries and participation	(141,623)	-	-	(141,623)
31 December 2015	-	21,622	2,936	24,558

Summarised financial information for the subsidiaries that has non-controlling interests (*)

	GSD Denizcilik Gayrimenkul İnş. San.ve Tic.A.Ş.	GSD Faktoring A.Ş.
30 June 2016		
Current Asset	20,418	269,124
Non- Current Asset	264,270	255
Total Asset	284,688	269,379
Short term liability	50,013	237,600
Long term liability	145,498	439
Total liability	195,511	238,039
Equity	89,177	31,340
Total Liability	284,688	269,379
30.06.2016		
Net period profit/(loss)	(8,994)	3,428
Other comprehensive income	(486)	(164)
Total comprehensive income	(9,480)	3,264

Summarised financial information for the subsidiaries that has non-controlling interests (*)

	(**)Tekstil Bankası A.Ş.	GSD Denizcilik Gayrimenkul İnş. San.ve Tic.A.Ş.	GSD Faktoring A.Ş.
31 December 2015			
Current Asset	No information	28,675	255,581
Non- Current Asset	No information	272,076	294
Total Asset	3,072,961	300,751	255,875
Short term liability	No information	27,443	227,253
Long term liability	No information	174,651	546
Total liability	2,475,380	202,094	227,799
Equity	597,581	98,657	28,076
Total Liability	3,072,961	300,751	255,875
30.06.2015			
Net period profit/(loss)	(14,275)	(7,495)	1,668
Other comprehensive income	(963)	10,896	(2)
Total comprehensive income	(15,238)	3,401	1,666

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19. SHARE CAPITAL/ TREASURY SHARES (continued)

The items that may be distributed as dividend to shareholders of the Company arising from its statutory financial statements based on its books of account (continued)

Non-controlling interests (continued)

(*) Extracted from IFRS financial statements consolidated in the Group’s financial statements after consolidation adjustments except intra-group eliminations.

(**) The figures for Tekstil Bankası A.Ş. on the table as at 30 June 2015 are given as at 21 May 2015. The disclosures on the classification of Tekstil Bankası A.Ş. as a discontinued operation in the consolidated IFRS financial statements of GSD Holding A.Ş. starting from 30 June 2014 until 21 May 2015 in accordance with “the standard IFRS 5” as a result of the signing of an agreement on 29 April 2014 for the sale of 75.50 % shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to ICBC and its deconsolidation as a result of the closing of the transaction on 22 May 2015, is presented in Note 20 Assets Held For Sale

20. ASSETS HELD FOR SALE

Assets held for sale the purpose of sale are consist of the real estate properties obtained by the Group in exchange for “Receivables from Financial Activities”. In accordance with the related regulations banks have to dispose of the properties that they are obliged to obtain arisen from their receivables within three years starting from the day of obtaining it. From the real estate properties obtained by the banks due to their receivables, on the condition that they would not exceed the boundary specified in Banking Law and the value and the proportion they needed for banking and with the permission of Supervision Agency, the ones allocated for their own usage are not evaluated within the scope of aforementioned regulation.

	30 June 2016	31 December 2015
Assets held for sale	736	941
Total	736	941

Assets held for sale

	30 June 2016	31 December 2015
Cost	736	941
Total	736	941

There is no impairment to assets held for sale as at 30 June 2016 (31 December 2015: None).

Continuing Operations	30 June 2016	31 December 2015
Opening balance at 1 January	941	281
Additions	-	1,045
Disposals	(205)	(385)
Closing balance at the end of period	736	941

There is no obligation for the group of assets classified as held for sale.

2016 effects regarding the calculation of partnership net profit on sale resulted with the loss of control and the classification of the stopped actions within the scope of the sale of 75.50% share owned by GSD Holding A.Ş. on Tekstil Bankası A.Ş. to ICBC

Pursuant to the 29 April 2014 dated share purchase and sale contract, 75.50% of the TL 282 –TL 213 amount of tax paid in 2016 to ICBC Turkey Bank A.Ş. through retrospective reconciliation, which has a contract currency provision of USD 72,018.27 and 50% of TL 435 – TL 217 – private credit provision calculated on 22 May 2016 regarding to some credits opened prior to transaction closure, which has a contract currency provision of USD 75,653.62 was paid to the ICBC from the money held on Deposit Account on 30 March 2016 and 23 May 2016, respectively, TL 430 total share sale expense abided on 2016 and TL 21 corporate tax income calculated related to this expense are recognised in the article of “Period Profit/(Loss) of Discontinuing Operations” on consolidated IFRS Statement of Profit or Loss for the period of 1 January 2016-30 June 2016 of GSD Holding A.Ş.

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20. ASSETS HELD FOR SALE (continued)

2016 effects regarding the calculation of partnership net profit on sale resulted with the loss of control and the classification of the stopped actions within the scope of the sale of 75.50% share owned by GSD Holding A.Ş. on Tekstil Bankası A.Ş. to ICBC (continued)

It was decided by GSD Holding A.Ş. Board of Directors that due to the fact that the amount that should be transferred on 8 April 2016 and onwards has changed, on 24 May 2016, 75% which has a worth of TL 204,109 of the profit calculated with the related tax regulation about the sale to ICBC on 22 May 2015 of the shares of Tekstil Bankası A.Ş. which had a percentage of 75.50% on Company's capital, by subtraction of 75% of TL 4,922 abided in 2015 and TL 322 abided in 2016 from the expenses regarding this profit, to be held at hand until the end of fifth year following the sales without being transferred to another account and without being pulled from operation so that it can benefit from the Corporate Tax Exemption specified by the 5/1-e article of 5520 Numbered Corporate Tax Law, so that it could be transferred from the net profit of year 2015 of TL 303,135 on legal records of the Company and from consolidated IFRS net profit for the year 2015 to the Special Funds Account in the capital and on the legal records of the Company and to the Reserves on Retained Earnings Account on the capital on consolidated IFRS statement of financial position with a net worth of TL 198,865.

By the Ordinary General Assembly Meeting for the year 2015 of GSD Holding A.Ş held on 26 May 2016, it was decided that a total of TL 200,000 premium to be distributed to the shareholders of the Company by doing a capital increase through bonus issues that would be counterbalanced wholly from the premium as follows; TL 198,865 amount from the net profit of 2015 on the legal records of the Company which corresponds to TL 303,135 and 220,606 from consolidated IFRS net profit for year 2015, from the amount that has been transferred to the Special Funds Account on capital on legal records and consolidated IFRS statement of financial position and TL 1,135 amount from the rest of the net profit from year 2015.

DISCONTINUED OPERATIONS CONSOLIDATED INCOME STATEMENT (01.01.2015-31.12.2015)	Before Consolidation Elimination	Consolidation Elimination	After Consolidation Elimination
Profit/(loss) before tax from discontinued operations	(14,133)	(1,737)	(15,870)
Tax income/(expense) from discontinued operations	2,530	-	2,530
Current tax income/(expense)	(707)	-	(707)
Deferred tax income/(expense)	3,237	-	3,237
Gain or loss relating to the discontinuance, net	204,892	-	204,892
Gain or loss relating to the discontinuance	224,733	-	224,733
The cost to sell the discontinued operations	(6,562)	-	(6,562)
Tax expense relating to the discontinuance	(13,279)	-	(13,279)
NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	193,289	(1,737)	191,552
DISCONTINUED OPERATIONS CONSOLIDATED COMPREHENSIVE INCOME STATEMENT (01.01.2015-31.12.2015)	Before Consolidation Elimination	Consolidation Elimination	After Consolidation Elimination
NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	193,289	(2,387)	190,902
OTHER COMPREHENSIVE INCOME			
Profit/(loss) arising from remeasuring and/or reclassifying available for sale financial assets	(1,628)	-	(1,628)
OTHER COMPREHENSIVE INCOME (NET OF TAX)	(1,628)	-	(1,628)
TOTAL COMPREHENSIVE INCOME			
Net profit/(loss) from discontinued operations	191,661	(2,387)	189,274
Non-controlling interest	(1,149)		(1,149)
Equity holders of the company	192,810	(2,387)	190,423

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20. ASSETS HELD FOR SALE (continued)

2016 effects regarding the calculation of partnership net profit on sale resulted with the loss of control and the classification of the stopped actions within the scope of the sale of 75.50% share owned by GSD Holding A.Ş. on Tekstil Bankası A.Ş. to ICBC (continued)

DISCONTINUED OPERATIONS CONSOLIDATED INCOME STATEMENT (01.01.2016-30.06.2016)	Before Consolidation Elimination	Consolidation Elimination	After Consolidation Elimination
Profit/(loss) before tax from discontinued operations	-	-	-
Tax income/(expense) from discontinued operations	-	-	-
Current tax income/(expense)	-	-	-
Deferred tax income/(expense)	-	-	-
Gain or loss relating to the discontinuance, net	(409)	-	(409)
Gain or loss relating to the discontinuance	-	-	-
The cost to sell the discontinued operations	(430)	-	(430)
Tax expense relating to the discontinuance	21	-	21
NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	(409)	-	(409)
DISCONTINUED OPERATIONS CONSOLIDATED COMPREHENSIVE INCOME STATEMENT (01.01.2016-30.06.2016)	Before Consolidation Elimination	Consolidation Elimination	After Consolidation Elimination
NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	(409)	-	(409)
OTHER COMPREHENSIVE INCOME			
Profit/(loss) arising from remeasuring and/or reclassifying available for sale financial assets	-	-	-
OTHER COMPREHENSIVE INCOME (NET OF TAX)	-	-	-
TOTAL COMPREHENSIVE INCOME			
Net profit/(loss) from discontinued operations	(409)	-	(409)
Non-controlling interest	-	-	-
Equity holders of the company	(409)	-	(409)

21. RELATED PARTY DISCLOSURES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making the financial and operating decisions. For the purpose of these consolidated financial statements, unconsolidated subsidiaries and other companies of the shareholders are referred to as related parties. Related parties also include individuals that are principle owners, management and members of the Board of Directors and their families.

In the course of conducting its business, the Group conducted various business transactions with related parties on commercial terms and at rates which approximate market rates:

	30 June 2016				31 December 2015			
	GSD Group	Neco Maritime	Delta Group	Shareholders	GSD Group	Delta Group	Shareholders	
	Continuing Operations				Continuing Operations			
Given Cash loans	-	-	-	715	-	-	595	
Deposits-Borrowers' funds	-	-	-	9	142	-	10	
Other receivables	-	787	-	-	-	-	-	
	30 June 2016				30 June 2015			
	GSD Group	Delta Group	Share- holders	Key Executives	GSD Group	Delta Group	Share- holders	Key Executives
	Continuing Operations				Continuing Operations			
Interest income	7	-	50	-	-	-	74	-
Interest expense	-	-	-	-	-	-	154	-
Rent expense	-	-	1,014	-	-	-	1,108	-
Commission income	-	-	-	-	-	-	1	-
	Discontinued Operations				Discontinued Operations			
Interest income	-	-	-	-	-	-	-	1
Interest expense	-	-	-	-	5	1	125	337
Rent expense	-	-	-	-	-	-	269	-

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21. RELATED PARTY DISCLOSURES (continued)

In the above table, the balances related with the shareholders belong to the Chairman of the Board of Directors of the Company. Mehmet Turgut Yılmaz and Delta Group is under the control of Mehmet Turgut Yılmaz, The balances related with GSD Group belong to unconsolidated group companies and its foundation.

In the above table containing related party balances, the rent expense under the shareholders column comprise the amounts paid to Mehmet Turgut Yılmaz for office building rent by group companies; donation expense comprise the donations made to GSD Education Foundation by group companies; the balances of related party transactions under the headings of cash loans, non-cash loans, deposits, borrowers' funds, derivative financial instruments, interest income, interest expense and commission income arise from the banking transactions made between the Group banks and the related parties on market terms. The comparable price method is used in the determination of rent expense arising from related party transactions.

The executive and non-executive members of the Board of Directors and the management received remuneration and fees totalling TL 9,879 for continuing operations for the six-month period ended 30 June 2016 (30 June 2015: TL 9,298 for continuing operations, TL 1,661 for discontinued operations).

22. PROVISIONS AND COMMITMENTS

Provision for litigation

There is no provision for litigations that is required to be set or disclosed for continuing operations as at 30 June 2016 and 31 December 2015.

Other Short term Provisions

	30 June 2016	31 December 2015
Non cash loan provisions	13	12
Other short term liabilities	8	-
Total	21	12

Non cash loan provisions movement table:

	30 June 2016	31 December 2015
Opening Balance	12	12
Provision set during / (reversed) the period	1	-
Closing balance at the end of period	13	12

Commitments

In the normal course of business, the Group undertakes various commitments and incurs certain contingent liabilities that are not presented in the consolidated financial statements including:

	30 June 2016	31 December 2015
Letters of guarantee	671,924	508,980
Total non-cash loans	671,924	508,980
Other commitments	27	25
Total non-cash loans and off-balance sheet commitments	671,951	509,005

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23. FINANCIAL RISK MANAGEMENT

The Company’s risk management program focuses on minimising the negative effects of the ambiguities in financial markets on the Company’s financial statements. The Company is mostly exposed to ,market risk (currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk in relation with financial investments, Group uses derivative instruments in order to protect financial risk.

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23. FINANCIAL RISK MANAGEMENT (continued)

Foreign currency position table ^(**) (Unless indicated, original currency)	30 June 2016				31 December 2015			
	TL	Thousand USD	Thousand Euro	Other (TL)	TL	Thousand USD	Thousand Euro	Other (TL)
1. Trade Receivables	2,086	721	-	-	31,555	10,369	-	-
2a. Monetary Financial Assets (Cash and Bank)	187,893	59,157	5,215	5	113,078	34,147	2,673	13
2b. Non-Monetary Financial Assets	372,640	128,781	-	-	369,006	121,252	-	-
3. Other	7,403	2,553	4	-	2,262	742	-	-
4. Current Asset (1+2+3)	570,022	191,212	5,219	5	515,901	166,510	2,673	13
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets (Cash and Bank)	-	-	-	-	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-	-	-	-
7. Other	262,014	90,549	-	-	270,546	88,899	-	-
8. Non Current Assets (5+6+7)	262,014	90,549	-	-	270,546	88,899	-	-
9. Total Assets (4+8)	832,036	281,761	5,219	5	786,447	255,409	2,673	13
10. Trade Payables	48	17	-	-	161	53	-	-
11. Financial Liabilities	93,899	26,960	4,951	23	34,047	8,757	2,152	33
12a. Monetary Other Financial Liabilities	12	-	3	-	-	-	1	-
12b. Non Monetary Other Financial Liabilities	647	221	2	-	411	131	4	-
13. Short Term Liability (10+11+12)	94,606	27,198	4,956	23	34,619	8,941	2,157	33
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	144,996	50,109	-	-	174,225	57,249	-	-
16 a. Monetary Other Financial Liabilities	-	-	-	-	-	-	-	-
16 b. Non Monetary Other Financial Liabilities	-	-	-	-	-	-	-	-
17. Long Term Liability (14+15+16)	144,996	50,109	-	-	174,225	57,249	-	-
18. Total Liability (13+17)	239,602	77,307	4,956	23	208,844	66,190	2,157	33
19. Net Asset/(Liability) Position of Off Balance Sheet Foreign Currency Derivative Instruments(19a-19b)	111,982	38,700	-	-	137,093	45,047	-	-
19a. Amount of Liability Characteristic Off Balance Sheet Derivative Instruments	111,982	38,700	-	-	137,093	45,047	-	-
19b. Amount of Liability Characteristic Off Balance Sheet Derivative Instruments	-	-	-	-	-	-	-	-
20. Net financial position (9-18+19)	704,416	243,154	263	(18)	714,696	234,266	516	(20)
21. Position of Net Monetary Units of Foreign Currency Assets / (Liabilities) (=1+2a+5+6a-10-11-12a-14-15-16a)	(48,976)	(17,208)	261	(18)	(63,800)	(21,543)	520	(20)
22. Total Fair value of Financial Instruments used for Currency Hedge	(903)	-	-	(903)	(1,376)	-	-	(1,376)
23. Amount of hedged Foreign Currency Assets ^(*)	-	-	-	-	-	-	-	-
24. Amount of hedged Foreign Currency Liabilities ^(*)	111,982	38,700	-	-	137,093	45,047	-	-
25. Export	-	-	-	-	-	-	-	-
26. Import	-	-	-	-	-	-	-	-

(*) Hedge accounting has not been applied in accordance with IFRS

(**) Continuing and discontinued operations are explained together the foreign currency position table

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23. FINANCIAL RISK MANAGEMENT (continued)

According to a regulation of the Capital Markets Board of Turkey dated 9 September 2009, the exchange-traded companies except financial institutions and investment trusts can give a collateral, pledge, mortgage and guarantee only in favor of their own judicial entities and their consolidated subsidiaries and other third parties can be a beneficiary of a collateral, pledge, mortgage and guarantee given by exchange-traded companies only if it is provided with the sole aim of conducting ordinary business activities.

As of 30 June 2016, group collateral and pledge position are as follows:

Continuing Operations Collaterals, pledges, mortgages and guarantees given by the Group	30 June 2016				
	TL	US Dollars	Euro	Others	Total
A. Collaterals, pledges, mortgages and guarantees given by the Group Companies in favor of their own judicial entities	10	130,506	-	-	130,516
1. Letters of guarantee given by the Group Company	-	-	-	-	-
2. Letters of guarantee given by the Non-Group Banks as collateral against cash loans	-	-	-	-	-
3. Other letters of guarantee given by the Non-Group Banks	2	122	-	-	124
4. Marketable Securities	-	-	-	-	-
5. Cash	8	2,421	-	-	2,429
6. Mortgage given as collateral against cash loans ^(***)	-	100,141	-	-	100,141
7. Subsidiary share pledge given as collateral against cash loans ^(***)	-	27,822	-	-	27,822
8. Other	-	-	-	-	-
B. Collaterals, pledges, mortgages and guarantees given by the Group in favor of consolidated Group Companies	210,654	348,770	278	-	559,702
1. Guarantees given as collateral against cash loans ^(*)	210,441	320,948	278	-	531,667
2. Guarantees given as collateral against derivative contracts ^(*)	-	-	-	-	-
3. Letters of guarantee given as collateral against cash loans	-	-	-	-	-
4. Other non-cash loans	213	-	-	-	213
5. Mortgage given as collateral against cash loans ^(***)	-	27,822	-	-	27,822
6. Subsidiary share pledge given as collateral against cash loans	-	-	-	-	-
7. Other	-	-	-	-	-
C. Collaterals, pledges, mortgages and guarantees given by the Group while conducting ordinary business activities in favor of non-Group entities	472,242	198,079	1,603	-	671,924
1. Non-cash loans	472,242	198,079	1,603	-	671,924
2. Other	-	-	-	-	-
D. Collaterals, pledges, mortgages and guarantees given by the Group in favor of the associates and joint ventures with direct shareholdings pursuant to the Article 12/2, of the Communiqué on the Corporate Governance	-	-	-	-	-
E. Other collaterals, pledges, mortgages and guarantees given by the Group	-	-	-	-	-
1. Collaterals, pledges, mortgages and guarantees given by the Group in favor of the main shareholder ^(**)	-	-	-	-	-
2. Collaterals, pledges, mortgages and guarantees given by the Group in favor of Group Companies other than those covered under the classes B and C	-	-	-	-	-
3. Collaterals, pledges, mortgages and guarantees given by the Group in favor of non-Group entities other than those covered under the class C	-	-	-	-	-
Total	682,906	677,355	1,881	-	1,362,142

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23. FINANCIAL RISK MANAGEMENT (continued)

Continuing Operations Collaterals, pledges, mortgages and guarantees given by the Group	31 December 2016				
	TL	US Dollars	Euro	Others	Total
A. Collaterals, pledges, mortgages and guarantees given by the Group Companies in favor of their own judicial entities	7	136,910	-	-	136,917
1. Letters of guarantee given by the Group Company	-	-	-	-	-
2. Letters of guarantee given by the Non-Group Banks as collateral against cash loans	-	-	-	-	-
3. Other letters of guarantee given by the Non-Group Banks	-	122	-	-	122
4. Marketable Securities	-	-	-	-	-
5. Cash	7	2,650	-	-	2,657
6. Mortgage given as collateral against cash loans ^(***)	-	104,639	-	-	104,639
7. Subsidiary share pledge given as collateral against cash loans ^(***)	-	29,499	-	-	29,499
8. Other	-	-	-	-	-
B. Collaterals, pledges, mortgages and guarantees given by the Group in favor of consolidated Group Companies	207,650	362,173	1,012	-	570,835
1. Guarantees given as collateral against cash loans ^(*)	207,535	303,598	1,012	-	512,145
2. Guarantees given as collateral against derivative contracts ^(*)	-	-	-	-	-
3. Letters of guarantee given as collateral against cash loans	-	-	-	-	-
4. Other non-cash loans	115	-	-	-	115
5. Mortgage given as collateral against cash loans ^(***)	-	29,499	-	-	29,499
6. Bank deposit pledge given as collateral against cash loans	-	29,076	-	-	29,076
7. Other	-	-	-	-	-
C. Collaterals, pledges, mortgages and guarantees given by the Group while conducting ordinary business activities in favor of non-Group entities	448,387	59,004	1,589	-	508,980
1. Non-cash loans	448,387	59,004	1,589	-	508,980
2. Other	-	-	-	-	-
D. Collaterals, pledges, mortgages and guarantees given by the Group in favor of the associates and joint ventures with direct shareholdings pursuant to the Article 12/2, of the Communiqué on the Corporate Governance	-	-	-	-	-
E. Other collaterals, pledges, mortgages and guarantees given by the Group	-	-	-	-	-
1. Collaterals, pledges, mortgages and guarantees given by the Group in favor of the main shareholder ^(**)	-	-	-	-	-
2. Collaterals, pledges, mortgages and guarantees given by the Group in favor of Group Companies other than those covered under the classes B and C	-	-	-	-	-
3. Collaterals, pledges, mortgages and guarantees given by the Group in favor of non-Group entities other than those covered under the class C	-	-	-	-	-
Total	656,044	558,087	2,601	-	1,216,732

^(*)Guarantees given as collateral against cash loans and derivative contracts indicate the total risk exposure arising from guarantees given by the Company as collateral against outstanding cash loans and derivative contracts of its consolidated subsidiaries. The Company has no income or consideration arising from such guarantees it has given in favor of its consolidated subsidiaries.

^(**) Collaterals, pledges, mortgages and guarantees given by the Group in favor of the main shareholder indicate the total risk exposure arising from the non-cash loans given by the Group Banks in favor of Mehmet Turgut Yılmaz, the chairman of the Board of Directors of the Company, and Delta Group Companies which are under his control.

^(***)The dry bulk cargo ships named M/V Cano, M/V Dodo, M/V Hako and M/V Zeyno owned by Cano Maritime Limited, Dodo Maritime Limited, Hako Maritime Limited and Zeyno Maritime Limited, respectively, and the 100% shares of Cano Maritime Limited owned by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. are mortgaged and pledged, respectively, against the bank loans obtained to finance the ship purchase in favour of the creditor banks.

The line of "E. Total amount of other given TRIKs in the group " in the table asserted above refers to the ratio of other given TRIs by the Group to the Group's equity is 0% as of 30 June 2016 (31 December 2015: 0%).

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24. FAIR VALUES

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction.

The table below gives a comparison of the carrying amounts and fair values of the Group's financial instruments that are not carried at fair values in the consolidated financial statements.

	30 June 2016		31 December 2015	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans and advances to customers	205,784	205,784	243,737	243,737
Factoring receivables	267,939	267,939	255,366	255,366
Finance lease receivables	127	127	114	114
Total	205,911	205,911	243,851	243,851
Financial liabilities				
Funds borrowed	494,026	494,026	464,259	464,259
Other money market deposits	14,250	14,250	7,495	7,495
Borrowers' funds	36,512	36,512	9,534	9,534
Factoring payables	1,315	1,315	965	965
Liabilities arising from finance leases	353	353	504	504
Total	494,026	494,026	464,259	464,259

The following methods and assumptions were used to estimate the fair values of the financial instruments:

- Fair values of certain financial assets and liabilities carried at cost or amortized cost, including cash and cash equivalents, balances with the Central Bank, deposits with banks and other financial institutions, other money market placements, factoring receivables and payables, demand deposits and reserve deposits at the central bank are considered to approximate their respective carrying values due to their short-term nature.
- Fair values of other financial instruments are determined by using estimation techniques that include taking reference to the current market value of another instrument with similar characteristics or by discounting the expected future cash flows at prevailing interest rates.

Fair Value Hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed debt instruments.

Level 2 - 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). This level includes the OTC derivative contracts. The sources of input parameters like LIBOR yield curve or counterparty credit risk are Bloomberg and Reuters.

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

As of 30 June 2016, in fair value hierarchy, available for sale financial instruments amounted TL 20,818 (31 December 2015: TL 14,320) presented at fair value and explained in note 5 is defined as level 2 and held as cost amount are not taken into account. As of 30 June 2016, in fair value hierarchy, available for sale financial instruments amounted TL 1 (31 December 2015: TL 311) presented at fair value and explained in note 5 is defined as level 1 and held as cost value are not taken into account.

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25. EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit for the period by the weighted average number of ordinary shares outstanding during the period adjusted, for "Bonus Shares" when they are issued to shareholders without any consideration as explained below, subsequent to the date of financial statements, but before their authorization.

In Turkey, companies can increase their share capital by making a prorata distribution of shares ("Bonus Shares") to existing shareholders without consideration for amounts resolved to be transferred to share capital from retained earnings and restatement differences. For the purpose of the EPS calculation such Bonus Shares are regarded as stock dividends. Dividend payments made in the form of free shares are regarded similarly. Accordingly the weighted average number of shares used in EPS calculation is derived by giving retroactive effect to the issue of such shares.

The following reflects the data used in the basic earnings per share computations:

Continuing Operations	30 June 2016	30 June 2015
Net profit/(loss)	(9,055)	(10,146)
The weighted average number of shares with a nominal value of full TL 1	225,077,645	238,345,778
Basic earnings per share with a nominal value of full TL 1	(0.040)	(0.043)
Diluted earnings per share with a nominal value of full TL 1	(0.040)	(0.043)
Discontinued Operations	30 June 2016	30 June 2015
Net profit/(loss)	(409)	190,590
The weighted average number of shares with a nominal value of full TL 1	225,077,645	238,345,778
Basic earnings per share with a nominal value of full TL 1	(0.002)	0.800
Diluted earnings per share with a nominal value of full TL 1	(0.002)	0.800

26. CASH FLOWS

Cash and cash equivalents in the statement of cash flows:

As of 30 June 2015 at the end of the six month interim period consolidated cash flows, cash and cash equivalents at beginning of period related to discontinued operations in the statement under cash and cash equivalents related to continuing operations in the consolidated financial statements as of 31 December 2014.

Continuing Operations	30 June 2016	30 June 2015
Cash on hand and balances with the Central Bank	5,476	113
Banks and financial institutions	127,575	268,007
Reserve requirements	15,962	-
Cash and cash equivalents in the statement of financial position	149,013	268,120
Less: Required reserve	(15,962)	-
Less: Accrued interest	(79)	-
Cash and cash equivalents in the statement of cash flows	132,972	268,120
Discontinued Operations	30 June 2016	30 June 2015
Cash on hand and balances with the Central Bank	-	266,868
Banks and financial institutions	-	228,514
Reserve requirements	-	119,536
Cash and cash equivalents in the statement of financial position	-	614,918
Less: Required reserve	-	(119,536)
Less: Accrued interest	-	(130)
Cash and cash equivalents in the statement of cash flows	-	495,252

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27. SUBSEQUENT EVENTS

GSD Holding A.Ş.'s Unearned Capital Increase by Bonus Issue Application of that has not completed yet to Capital Markets Board

According to the Board of Directors of GSD Holding., after the date of 8 April 2016 the amount to be transferred has been change and in May 24 the rate of the Company's capital Textile Bank is 75.50%, Textile Bank sold their shares to ICBC on 22 May 2015. The share selling income is calculated according to the tax legislation, the calculation result of income is TL 204,108,851 for portion of 75%. The incurred expenses related to this income is TL 4,921,661 in 2015 and TL 322,593 in 2016. According to the 5520 No. Corporate Tax Law 5/1-e, to benefit from corporate tax exemption in accordance with subparagraph, until the end of the fifth year following the year the sale was made, retiring from the business of the company to be transferred to another account without the capital increase. The Company's net statutory profit in 2015 is TL 303,135,408. From the statutory profit of TL 198,864,597 transferred to the Private Found Account in equity. The Company's consolidated IFRS net profit in 2015 is TL 220,606 and from the consolidated IFRS net profit of TL 198,865 transferred to the Reserves On Retained Earning Account in equity.

By the GSD Holding A.Ş.'s General Assembly Meeting of year 2015 dated 26 May 2016 it was decided that the amounts of full TL 198,864,597 and TL 198,865 amount respectively from the full TL 303,135,407.80 net profit from year 2015 and TL 220,606 from consolidated IFRS net profit from year 2015, from the Special Funds Account on capital on legal records and to Reserves on Retained Earnings Account the amount of full TL 1,135,403 and TL 1,135 to be offset from the remainder part of the net profit of the year 2015, by doing so, making a capital increase through bonus issues that would be offset from premium, and the total of full TL 200,000,000 premium to be distributed to the shareholders of the Company as shares.

Regarding the capital increase through bonus issues that was decided to be done from premium of year 2015 on the 26 May 2016 dated Ordinary General Assembly Meeting for year 2015 of GSD Holding A.Ş. an application was made to the Capital Market Board on 23 June 2016. Due to the fact that the aforementioned capital increase through bonus issues was firstly transferred to Special Funds Account to be able to benefit from the corporation tax exemption for the resources to be added to the capital it was evaluated as capital increase through domestic funding rather than profit sharing as shares and for that reason it was found unwarrantable as per the 8th bend of the 16th article of Share Notification of Capital Markets Board's VII-128.1 and this was notified by CMB on 30 June 2016. Regarding the subject, GSD Holding A.Ş. concluded series of meetings with CMB, CMB on 12 July 2016 that the Special Funds Account that is to be the source of the capital increase through bonus issues is subject to be evaluated against the CMB's VII-128.1 Notification and upon that GSD Holding A.Ş. asked on 23 June 2016 to CMB to reevaluate the capital increase application.

GSD Holding A.Ş. Share Repurchase in addition to the Share Repurchase Program defined by GSD Holding A.Ş. before within the scope of the announcements from CMB dated 21.07.2016 and 25.07.2016

Within the scope of the 21.07.2016 and 25.07.2016 dated announcements of CMB and pursuant to the 26 July 2016 dated decision of GSD Holding A.Ş. Board of Directors, repurchase of Group (D) GSD Holding A.Ş. shares which has a ratio on the capital for 5.500% and has a nominal value of full TL 13,750,000 was made with a total of full TL 13,583,991.05 price and with full TL 0.93 - full TL 1.01 price range for each TL 1 nominal valued share with two days of value-date between the dates of 28 July 2016 and 22 August 2016 in Borsa İstanbul Yıldız Pazar by GSD Holding A.Ş..

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27. SUBSEQUENT EVENTS

GSD Holding A.Ş.'s application that is still concluded about Capital Increase through bonus issue that will be covered from 2015 part of 2016 profit

Within the context of Capital Markets Board of Turkey's 21.07.2016 ve 25.07.2016 dated announcements, movement of addition to share recalling that already completed before by GSD Holding A.Ş. between the dates 28.07.2016-22.08.2016;

The company holds GSD Holding A.Ş. share	Buy/(Sales) Transactions				Accumulated Situation			Transaction Explanations			
	Transaction Cost	Carried Value	Nominal Value	Nominal %	Carried Value	Nominal Value	Nominal %	Type of Transaction	Transaction Market	Transaction Date	Effective Date
Recalled shares					31,312	25,000	10.000%	-	-	-	-
GSD Holding A.Ş.	7,396	7,396	7,500	3.000%	38,708	32,500	13.000%	Buying	ISE	26.07.16	28.07.16
GSD Holding A.Ş.	2,097	2,097	2,100	0.840%	40,805	34,600	13.840%	Buying	ISE	27.07.16	29.07.16
GSD Holding A.Ş.	400	400	400	0.160%	41,205	35,000	14.000%	Buying	ISE	28.07.16	01.08.16
GSD Holding A.Ş.	982	982	1,000	0.400%	42,187	36,000	14.400%	Buying	ISE	29.07.16	02.08.16
GSD Holding A.Ş.	599	599	600	0.240%	42,786	36,600	14.640%	Buying	ISE	01.08.16	03.08.16
GSD Holding A.Ş.	99	99	100	0.040%	42,885	36,700	14.680%	Buying	ISE	02.08.16	04.08.16
GSD Holding A.Ş.	198	198	200	0.080%	43,083	36,900	14.760%	Buying	ISE	04.08.16	08.08.16
GSD Holding A.Ş.	980	980	1,000	0.400%	44,063	37,900	15.160%	Buying	ISE	17.08.16	19.08.16
GSD Holding A.Ş.	833	833	850	0.340%	44,896	38,750	15.500%	Buying	ISE	18.08.16	22.08.16
Total	13,584	13,584	13,750	5.500%	44,896	38,750	15.500%				

Within the context of Capital Markets Board of Turkey's 21.07.2016 ve 25.07.2016 dated announcements, share recalled by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. from GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş.

Within the context of Capital Markets Board of Turkey's 21.07.2016 ve 25.07.2016 dated announcements and GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş.'s Board of Directors Decision, the dates between 26 July 2016 and 5 August 2016, at BIST main market in total full TL 2,515,000 nominal valued that is 4.820% in capital group (C) shares recalled by GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. with TL 0,84 - full TL 1.00 price range and full TL 2,306,000 in total. The effective date is the same day of recall.

Within the context of Capital Markets Board of Turkey's 21.07.2016 ve 25.07.2016 dated announcements, movement of share recall completed by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. between the dates 26.07.2016-05.08.2016;

The company holds GSD Denizcilik Gayr, İnş.San.ve Tic. A.Ş.	Buy/(Sales) Transactions				Accumulated Situation			Transaction Explanations			
	Transaction Cost	Carried Value	Nominal Value	Nominal %	Carried Value	Nominal Value	Nominal %	Type of Transaction	Transaction Market	Transaction Date	Effective Date
Recalled shares					-	-	-	-	-	-	-
GSD Denizcilik	313	313	360	0.690%	313	360	0.690%	Buying	ISE	26.07.16	26.07.16
GSD Denizcilik	752	752	820	1.572%	1,065	1,180	2.262%	Buying	ISE	27.07.16	27.07.16
GSD Denizcilik	612	612	675	1.294%	1,677	1,855	3.556%	Buying	ISE	28.07.16	28.07.16
GSD Denizcilik	334	334	360	0.690%	2,011	2,215	4.246%	Buying	ISE	29.07.16	29.07.16
GSD Denizcilik	97	97	100	0.192%	2,108	2,315	4.438%	Buying	ISE	01.08.16	01.08.16
GSD Denizcilik	69	69	70	0.134%	2,177	2,385	4.572%	Buying	ISE	02.08.16	02.08.16
GSD Denizcilik	99	99	100	0.192%	2,276	2,485	4.764%	Buying	ISE	03.08.16	03.08.16
GSD Denizcilik	30	30	30	0.058%	2,306	2,515	4.822%	Buying	ISE	05.08.16	05.08.16
Toplam	2,306	2,306	2,515	4.822%	2,306	2,515	4.822%				

As a result of these transactions, shares, recalled by GSD Denizcilik Gayrimenkul İnş. San. Ve Tic. A.Ş., are deducted from the capital and the share of GSD Holding A.Ş. in the GSD Denizcilik Gayrimenkul İnş. San. ve Tic. A.Ş. has increased from 77.958% to 81.906%. Hence, GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. has 1.98% share in the capital of GSD Factoring A.Ş.; GSD Holding A.Ş.'s indirect share percent which is in the capital of GSD Factoring A.Ş. increased by 0.08%. And, total of indirect and direct shares increased from 89.55% to 89.63%, as a result of the specified transactions.

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27. SUBSEQUENT EVENTS (continued)

GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş by establishing subsidiaries in Malta and to be registered on behalf of the Subsidiary Second Hand Ship Purchase Agreement Signing

GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş’s investment with 100% equity share in order to be registered on behalf of a subsidiary to be established in Malta, GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş with K/S Danred V company which is located in Denmark among the Jiangmen Nanyang Engineering Co. Ltd.’s shipyard which is located in China, a purchase agreement of 32,500 DWT capacity dry cargo ship with Valletta/Malta registry signed on 29 April 2016. For this purpose, the GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş established the Neco Maritime Limited with 100% equity and USD 5,000 capital on 5 May 2016. The purchase process of this ship is completed at the value of USD 7,395,000 and it is received on 2 August 2016. Neco Maritime Ltd is obtaining rental income by renting the dry cargo Ship named Olivia (owned on 2 August 2016) with time chartering contract since 5 August 2016.

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28. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR ISSUES MUST BE EXPLAINED TO MAKE THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE

The purchase of shares of GSD Holding A.Ş. by GSD Holding A.Ş. in Borsa İstanbul (BIST) and the sale of shares of GSD Holding A.Ş. by GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş. in Borsa İstanbul (BIST) in 2015

GSD Holding A.Ş. bought back the Class (D) shares of GSD Holding A.Ş. with a nominal value of full TL 17,000,000 and a percentage in share capital of full TL 6.8% for 20,853,088.73 for an unrevised price of full TL 1.10-1.55 per share with a nominal value of full TL 1 on the National Market of Borsa İstanbul on 30 June 2015 and 31 December 2015 to be settled 2 business day later within the framework of the Share Buy-Back Program of GSD Holding A.Ş. prepared by the Board of Directors of GSD Holding A.Ş. by means of the resolution dated 29 May 2015 and approved by the Annual General Assembly of GSD Holding A.Ş. held on 25 June 2015 in connection with the year 2014. GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. sold the Class (D) of GSD Holding A.Ş. with a nominal value of full TL 3,750,000 and a percentage in share capital of 1.5% for full TL 5,079,500.00 for an unrevised price of full TL 1.24-1.55 per share with a nominal value of full TL 1 on the National Market of Borsa İstanbul on 30 June 2015 and 31 December 2015 to be settled 2 business day later within the framework of the Resolution of the Board of Directors of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. dated 25 June 2015 in relation to the sale of the Class (D) shares of GSD Holding A.Ş. owned by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. with a nominal value of full TL 11,654,221.74 and a percentage in share capital of 4.662% on the Wholesale Market of Borsa İstanbul (BIST) pursuant to the Article 19/6 of the Communiqué on Bought Back Shares (II-22.1) of the Capital Markets Board of Turkey. As a result of these transactions between the dates of 30 June 2015 and 31 December 2015, the buy-backed shares with a percentage in share capital of TL 250 million, respectively, increased from total of full TL 11,654,221.74 and 4.662% to TL 24,904,221.74 and 9.962%. While the part that is owned by GSD Holding A.Ş. is increased from zero to 6.8%, the part that is owned by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. is decreased from 4.662% to 3.162%.

Movement table in 2015 of Company's and other Group Companies included in consolidated those are owning GSD Holding shares, respectively, "Shares Purchased Back" and "Mutual Subsidiary Adjustments" titled enquiry units.

The company holds GSD Holding A.Ş. share	Buy/(Sales) Transactions				Accumulated Situation			Transaction Explanations			
	Transaction Cost	Carried Value	Nominal Value	Nominal %	Carried Value	Nominal Value	Nominal %	Type of Transaction	Transaction Market	Transaction Date	Effective Date
Recalled shares											
GSD Holding A.Ş.	1,938	1,938	1,250	0.500%	1,938	1,250	0.500%	Buying	ISE	30.06.15	02.07.15
GSD Holding A.Ş.	552	552	477	0.191%	2,490	1,727	0.691%	Buying	ISE	02.10.15	06.10.15
GSD Holding A.Ş.	568	568	473	0.189%	3,058	2,200	0.880%	Buying	ISE	27.10.15	02.11.15
GSD Holding A.Ş.	1,019	1,019	800	0.320%	4,077	3,000	1.200%	Buying	ISE	10.11.15	12.11.15
GSD Holding A.Ş.	1,135	1,135	900	0.360%	5,212	3,900	1.560%	Buying	ISE	11.11.15	13.11.15
GSD Holding A.Ş.	1,241	1,241	1,000	0.400%	6,453	4,900	1.960%	Buying	ISE	12.11.15	16.11.15
GSD Holding A.Ş.	1,261	1,261	1,000	0.400%	7,714	5,900	2.360%	Buying	ISE	13.11.15	17.11.15
GSD Holding A.Ş.	1,267	1,267	1,000	0.400%	8,981	6,900	2.760%	Buying	ISE	16.11.15	18.11.15
GSD Holding A.Ş.	1,280	1,280	1,000	0.400%	10,261	7,900	3.160%	Buying	ISE	17.11.15	19.11.15
GSD Holding A.Ş.	1,547	1,547	1,300	0.520%	11,808	9,200	3.680%	Buying	ISE	18.11.15	20.11.15
GSD Holding A.Ş.	1,547	1,547	1,300	0.520%	13,355	10,500	4.200%	Buying	ISE	19.11.15	23.11.15
GSD Holding A.Ş.	1,560	1,560	1,300	0.520%	14,915	11,800	4.720%	Buying	ISE	20.11.15	24.11.15
GSD Holding A.Ş.	826	826	700	0.280%	15,741	12,500	5.000%	Buying	ISE	23.11.15	25.11.15
GSD Holding A.Ş.	1,118	1,118	1,000	0.400%	16,859	13,500	5.400%	Buying	ISE	24.11.15	26.11.15
GSD Holding A.Ş.	1,305	1,305	1,150	0.460%	18,164	14,650	5.860%	Buying	ISE	25.11.15	27.11.15
GSD Holding A.Ş.	1,150	1,150	1,000	0.400%	19,314	15,650	6.260%	Buying	ISE	26.11.15	30.11.15
GSD Holding A.Ş.	855	855	750	0.300%	20,169	16,400	6.560%	Buying	ISE	27.11.15	01.12.15
GSD Holding A.Ş.	684	684	600	0.240%	20,853	17,000	6.800%	Buying	ISE	03.12.15	07.12.15
Total	20,853	20,853	17,000	6.800%	20,853	17,000	6.800%				
Mutual Subsidiary Adjustments					10,737	11,654	4.662%				
GSD Denizcilik	(1,938)	(1,132)	(1,250)	(0.500%)	9,605	10,404	4.162%	Sales	ISE	30.06.15	02.07.15
GSD Denizcilik	(638)	(500)	(500)	(0.200%)	9,105	9,904	3.962%	Sales	ISE	10.11.15	12.11.15
GSD Denizcilik	(756)	(622)	(600)	(0.240%)	8,483	9,304	3.722%	Sales	ISE	11.11.15	13.11.15
GSD Denizcilik	(992)	(874)	(800)	(0.320%)	7,609	8,504	3.402%	Sales	ISE	12.11.15	16.11.15
GSD Denizcilik	(756)	(594)	(600)	(0.240%)	7,015	7,904	3.162%	Sales	ISE	13.11.15	17.11.15
Total	(5,080)	(3,722)	(3,750)	(1.500%)	7,015	7,904	3.162%				
Total	15,773	17,131	13,250	5.300%	27,868	24,904	9.962%				

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Purchase of GSD Holding A.Ş. shares on BIST by GSD Holding A.Ş. and the sale of GSD Holding A.Ş. shares on BIST by GSD Denizcilik Gayrimenkul İnşaat San. Ve Tic. A.Ş. during the first half of year 2016

Within the scope of the GSD Holding A.Ş. Share Repurchase Program approved by the Ordinary General Assembly for year 2014 gathered on the 25 June 2015 of the Company and prepared by the 29 May 2015 dated decision by GSD Holding A.Ş. Board of Directors, between the dates of 19 April 2016 and 25 May 2016, on Borsa İstanbul Yıldız Pazar, Group (D) GSD Holding A.Ş. shares which consists 3.20% of the capital in full TL 8,000,000 nominal valued capital in total was conducted by GSD Holding A.Ş. with two days of value-date with a total of full TL 10,459,000 amount, between full TL 1.27 - full TL 1.34 for each full TL 1 nominal valued share. Within the scope of the transaction regarding the sale of Group (D) GSD Holding A.Ş. shares which consists the 4.662% of the full TL 11,654,221.74 nominal valued capital owned by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. in Borsa İstanbul pursuant to the 16/6th article of Withdrawn Share Notification (II-22,1) of CMB, decided by the Board of Directors of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. on 25 June 2015, between the dates of 19 April 2016 and 25 May 2016, on Borsa İstanbul Yıldız Pazar, Group (D) GSD Holding A.Ş. shares which consists 3.162% of the capital in full TL 7,904,221,744 nominal valued capital in total was conducted by GSD Holding A.Ş. with two days of value-date with a total of 10,331,614.92 full TL amount, between full TL 1.27 - full TL 1.34 for each full TL 1 nominal valued share. As a result of those transactions carried out between the dates of 19 April 2016 and 25 May 2016, regarding the shares of GSD Holding A.Ş., nominal value of repurchased shares including affiliate companies and the ratio in full TL 250 million capital increased respectively as fallows; total of full TL 24,904,221.74 and 9.962% to full TL 25,000,000.00 and 10.000% and the ratio of the part owned by GSD Holding A.Ş. to the capital increased from 6.8% to 10.000%, while the ratio of the part owned by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. to the capital decreased from 3.162% to zero.

Thus, as the GSD Holding A.Ş. Share Repurchase Program started on the 25 June 2015 reached the maximum share amount and ratio subject to the repurchase within the scope of the program, it was completed on the 25 May 2015. Within the scope of this program, full TL 31,312,088.73 part of the whole full TL 60,000,000.00 funds that were reserved by GSD Holding A.Ş. for repurchase has been used and all were counterbalanced from capital liabilities. Besides, GSD Holding A.Ş. also incorporated cash premiums by paying itself for the shares that were repurchased on following days with following amounts; full TL 300,000 on 31 July 2015 and full TL 6,000,000 on 28 June 2016. Affiliate company of GSD Holding A.Ş., GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş.'s profit on sale of shares of GSD Holding A.Ş. total of TL 1,358 for year 2015 classified in the consolidated IFRS income statements on their own financial statements were classified at the amount of TL 1,059 on the "Premiums/Allowances Related to Shares" account on equity on 31 December 2015 dated consolidated IFRS statement of financial position while TL 299 of it were separated as non-controlling interest. Likewise, profit on sale of shares of GSD Holding A.Ş. total of TL 1,754 for year 2016 classified in the consolidated IFRS income statements on their own financial statements were classified at the amount of TL 1,367 on the "Premiums/Allowances Related to Shares" account on equity on 30 June 2016 dated consolidated IFRS statement of financial position while TL 387 of it were separated as non-controlling interest and apart from that the correction of consolidation worth total of TL 1,563 related to the profit on sale of shares of GSD Holding A.Ş. rooted from the fact that the sale cost of GSD Holding A.Ş. is lower by TL 1,563 compared to the GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. on the consolidation of the financial statements of GSD Holding A.Ş. was classified as "Premiums/Allowances Related to Shares" on equities on the consolidated IFRS statement of financial position dated 30 June 2016 of GSD Holding A.Ş.

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Process chart for 01.01.2016-30.06.2016 period for equity articles named respectively “Repurchased Shares” and “Capital Adjustments due to Cross-Ownership” including GSD Holding A.Ş. shares owned by company and also other GSD Group companies included in the consolidation:

The company holds GSD Holding A.Ş. share	Transaction Cost	Buy/(Sales) Transactions			Accumulated Situation			Transaction Explanations			
		Carried Value	Nominal Value	Nominal %	Carried Value	Nominal Value	Nominal %	Type of Transaction	Transaction Market	Transaction Date	Effective Date
Recalled shares					20,853	17,000	6.800%	-	-	-	-
GSD Holding A.Ş.,	1,937	1,937	1,450	0.580%	22,790	18,450	7.380%	Buying	ISE	19.04.16	21.04.16
GSD Holding A.Ş.,	1,245	1,245	950	0.380%	24,035	19,400	7.760%	Buying	ISE	21.04.16	25.04.16
GSD Holding A.Ş.,	1,452	1,452	1,100	0.440%	25,487	20,500	8.200%	Buying	ISE	11.05.16	13.05.16
GSD Holding A.Ş.,	1,848	1,848	1,400	0.560%	27,335	21,900	8.760%	Buying	ISE	12.05.16	16.05.16
GSD Holding A.Ş.,	1,344	1,344	1,050	0.420%	28,679	22,950	9.180%	Buying	ISE	23.05.16	25.05.16
GSD Holding A.Ş.,	1,333	1,333	1,050	0.420%	30,012	24,000	9.600%	Buying	ISE	24.05.16	26.05.16
GSD Holding A.Ş.,	1,300	1,300	1,000	0.400%	31,312	25,000	10.000%	Buying	ISE	25.05.16	27.05.16
GSD Holding A.Ş.,	1,848	1,848	1,400	0.560%	27,335	21,900	8.760%	Buying	ISE	12.05.16	16.05.16
Total	10,459	10,459	8,000	0.320%	31,312	25,000	10.000%				
Mutual Subsidiary Adjustments(*)					7,015	7,904	3.162%				
GSD Denizcilik	(1,937)	(1,578)	(1,454)	(0.582%)	5,437	6,450	2.580%	Buying	ISE	19.04.16	21.04.16
GSD Denizcilik	(1,245)	(1,031)	(950)	(0.380%)	4,406	5,500	2.200%	Buying	ISE	21.04.16	25.04.16
GSD Denizcilik	(1,452)	(1,194)	(1,100)	(0.440%)	3,212	4,400	1.760%	Buying	ISE	11.05.16	13.05.16
GSD Denizcilik	(1,848)	(1,519)	(1,400)	(0.560%)	1,693	3,000	1.200%	Buying	ISE	12.05.16	16.05.16
GSD Denizcilik	(1,344)	(1,140)	(1,050)	(0.420%)	553	1,950	0.780%	Buying	ISE	23.05.16	25.05.16
GSD Denizcilik	(1,207)	(1,031)	(950)	(0.380%)	(478)	1,000	0.400%	Buying	ISE	24.05.16	26.05.16
GSD Denizcilik	(1,300)	(1,085)	(1,000)	(0.400%)	(1,563)	-	-	Buying	ISE	25.05.16	27.05.16
GSD Denizcilik	-	1,563	-	-	1,563	-	-	Cons. Adjust.	-	-	-
Total	(15,411)	(10,737)	(11,654)	(4.662%)	-	-	-				
Total	15,901	20,575	13,346	(5.338%)	31,312	25,000	10.000%				

(*)It was registered on trade registry on 31 December 2014 that affiliate company of GSD Holding A.Ş., GSD Dış Ticaret A.Ş. ended without liquidation, taken over by another affiliate company of GSD Holding A.Ş., GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. and the merge of those two companies under the body of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş.

Mehmet Turgut Yılmaz and other shareholders that act in concert with him as from 30 June 2016

Chairman of the Executive Board of GSD Holding A.Ş., Mehmet Turgut Yılmaz purchased B Group share of GSD Holding A.Ş. valued at full TL 1.92 nominal at the rate of full TL 2.10 price on 17 March 2016 outside of the stock market, within the scope of the Share Repurchase Program approved by 25 June 2015 dated Ordinary General Assembly of GSD Holding A.Ş., between the dates of 19 April 2016 and 25 May 2016, purchased Group D shares of GSD Holding A.Ş. with the ratio of 3.20% on full TL 8,000,000 nominal valued capital with a price of full TL 10,459,000 on BIST, with two days of value-date, GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. sold its share of (D) Group GSD Holding A.Ş. which has a ratio of 3.162% on the full TL 7,904,221,744 nominal valued capital on BIST between the dates of 19 April 2016 and 25 May 2016 for a price of full TL 10,331,614.92.

After those transactions, direct share total of Mehmet Turgut Yılmaz on GSD Holding A.Ş. capital increased from full TL 63,750,001 to full TL 63,750,003, direct share ratio is at 25.50%, total ratio of direct and indirect shares at 28.14%, which with the calculation of the capital with the deduction of repurchased shares 31.27%, and the ones' shares on the total capital of GSD Holding A.Ş. who were acting in concert with him were 40.14%, which with the calculation of the capital with the deduction of repurchased shares 33.49%. As from 30 June 2016, regarding the shares of GSD Holding A.Ş., 25.50% of Mehmet Turgut Yılmaz, 4.50% of MTY Delta Denizcilik İç ve Dış Ticaret A.Ş., 10.000% of GSD Holding A.Ş. and 0.14% Adeo Turizm Otelcilik Limited Şirketi, which in total adds up to 40.14%, act in unison.

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Effects on 2016 regarding the sale of shares owned by GSD Holding A.Ş. on Teksil Bankası A.Ş. of 75.50% to ICBC

Change of the title of Tekstil Bankası A.Ş. to ICBC Turkey Bank A.Ş. registered to the Istanbul Trade Registry on the 13 November 2015. Pursuant to the 29 April 2014 dated share purchase sale contract, 75.50% of the tax – full TL 281,736.19– paid by using negotiation on the year 2016, which is full TL 212,710.82 with a contractual currency provision of USD 72,018.27 and 50% of full TL 434,826.75 special credit that was calculated as from the 22 May 2016 related to some credits opened before the closure of the transaction by ICBC Turkey Bank A.Ş. which is full TL 217,413.38 with a contractual currency provision of USD 75,653.62 was paid to ICBC from the money held at Escrow Account on 30 March 2016 and 23 May 2016 respectively. In accordance with the 29 April 2014 dated share purchase sale contract, regarding the sale of the share owned by GSD Holding A.Ş. on Teksil Bankası A.Ş. (new title is ICBC Turkey Bank A.Ş.) which consists up to 75.50% of the shares to Industrial and Commercial Bank of China Limited (ICBC), USD 9,852,328.11 of balance was collected on the 24 May 2016 after the deduction of the expenses that should be covered by GSD Holding A.Ş. pursuant to the same contract's undertaking provisions from the remaining sale price of USD 10,000,000 held in the Escrow Account.

Effects on 2016 regarding the purchase of 15% shares of Silopi Elektrik Üretim A.Ş. by GSD Holding A.Ş. from Park Holding A.Ş.

GSD Holding A.Ş. board evaluated that GSD Holding A.Ş. does not have “significant impact” defined as “participation power on the decision of the policies regarding the invested company's finance and transaction” on the International Accounting Standard 28 (IAS 28) named “Investments on Affiliates and Joint Ventures” on Silopi Elektrik Üretim A.Ş. and that the purchase of 15% of Silopi Elektrik Üretim A.Ş. from Park Holding on 29 June 2015 to be counted as equity share obtainment that could not be counted as affiliation within the scope of International Financial Reporting Standards and classified aforementioned shares starting from the consolidated IFRS statement of financial position report dated 30 June 2015 of the Group as “Available for sale financial assets”, within the scope of this classification, on the 30 June 2016 and 31 December 2015 dated consolidated IFRS statement of financial position the 15% share of Silopi Elektrik Üretim A.Ş. was subjected to exchange rate valuation over 125 million USD which is the price of the purchase of the shares, while taking into consideration the right to sell at a fair value that could be defined within the scope of the contract being no fewer than share purchase price of 125 million USD and the positive/(negative) currency differences (01.01.2016-30.06.2016: TL 1,750, year 2015: TL 31,112) that was calculated within the related period was written to the statement of profit and loss as income/(expense) and the income rediscount that is calculated with the ratio of the lowest premium guarantee expressed in the contract as USD 3,750,000 with number of days in the related period and the number of days within the related year (for example, as from 31 December 2015, from the transaction closure on 29 June 2015 to 31 December 2015) was classified in the article of “Reevaluation and/or Classification profit/loss of Available for sale financial assets” that is cumulatively monitored on equities with the currency differences that is created until the time of payment (01.01.2016-30.06.2016: TL 5,384, Year 2015: TL 5,556) and evaluation income was written on Other Comprehensive Income.

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Capital Increase through turning the Receivables to Shares of Maritime Companies established in Malta of Group on 31 December 2015

GSD Denizcilik Gayrimenkul İnşaat San. Ve Tic. A.Ş. Board of Directors decided on 31 December 2015 that;

Within the scope of the “Shipbuilding Agreement” of GSD Denizcilik Gayrimenkul İnşaat San. Ve Tic. A.Ş. dated 10 April 2012, payments made to Hyundai Mipo Dockyard Co. Ltd., within the scope of 27 March 2013 dated “Novation Agreement” and “Tripartite Agreement”, part of the receivables from the affiliate companies composed of the debt of Dodo Maritime Ltd and Cano Maritime Ltd to GSD Denizcilik Gayrimenkul İnşaat San. Ve Tic. A.Ş., which is USD 5,243,569.50 from Dodo Maritime Ltd. And USD 4,243,569.50 from Cano Maritime Ltd. to be changed to capital share on the capital increase that those affiliate companies, and with that purpose, “Contribution Agreements” to be signed to enable those receivables to be put as capital on increases and to perform other businesses and transaction that is to be needed;

Within the scope of “Shipbuilding Agreements” dated respectively 5 February 2013 and 19 April 2013 for each and every vessel, the payments made to the Yangzhou Dayang Shipbuilding Co. Ltd., the receivables from the affiliate companies of Hako Maritime Ltd. And Zeyno Maritime Ltd occurred by incurrance of debts within the scope of 8 April 2014 and 29 July 2014 dated “Novation Agreement” and “Tripartite Agreement” of GSD Dış Ticaret A.Ş. which was taken over and later merged with GSD Denizcilik Gayrimenkul İnşaat San. Ve Tic. A.Ş. with the transaction that was registered on trade registry on the 31 December 2014 to be transformed into capital shares on capital increases that would be done by those affiliate companies on the amounts of; USD 2,993,580 for Hako Maritime Ltd and USD 1,993,481.50 from Zeyno Maritime Ltd, the “Contribution Agreements” to be signed with those companies for those receivables to be put as capital on the increases that would be made and to perform other businesses and transactions that is to be needed.

By four maritime affiliate companies founded on Malta of GSD Denizcilik Gayrimenkul İnşaat San. Ve Tic. A.Ş., the share that has an equal nominal value with the aforementioned receivables to be put out dedicated to GSD Denizcilik Gayrimenkul İnşaat San. Ve Tic. A.Ş., and as a result of the capital increase made on 31 December 2015 through those receivables transformation to capital share, the capital of Dodo Maritime Ltd. Increased from USD 6,430.50 to USD 5,250,000, the capital of Cano Maritime Ltd. increased from USD 6,430.50 to USD 4,250,000, the capital of Hako Maritime Ltd. increased from USD 6,420 to USD 3,000,000 and the capital of Zeyno Maritime Ltd. increased from USD 6,518.50 to USD 2,000,000.

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Capital Increase through turning the Receivables to Shares of Maritime Companies established in Malta of Group on 29 February 2016

GSD Denizcilik Gayrimenkul İnşaat San. Ve Tic. A.Ş. Board of Directors decided on 29 February 2016 that;

Within the scope of the "Shipbuilding Agreement" of GSD Denizcilik Gayrimenkul İnşaat San. Ve Tic. A.Ş. dated 10 April 2012, payments made to Hyundai Mipo Dockyard Co. Ltd., within the scope of 27 March 2013 dated "Novation Agreement" and "Tripartite Agreement", part of the receivables from the affiliate companies composed of the debt of Dodo Maritime Ltd and Cano Maritime Ltd to GSD Denizcilik Gayrimenkul İnşaat San. Ve Tic. A.Ş., which is USD 6,750,000 from Dodo Maritime Ltd. and USD 7,750,000 from Cano Maritime Ltd. to be changed to capital share on the capital increase that those affiliate companies, and with that purpose, "Contribution Agreements" to be signed to enable those receivables to be put as capital on increases and to perform other businesses and transaction that is to be needed;

Within the scope of "Shipbuilding Agreements" dated respectively 5 February 2013 and 19 April 2013 for each and every vessel, the payments made to the Yangzhou Dayang Shipbuilding Co. Ltd., the receivables from the affiliate companies of Hako Maritime Ltd. And Zeyno Maritime Ltd occurred by incurrance of debts within the scope of 8 April 2014 and 29 July 2014 dated "Novation Agreement" and "Tripartite Agreement" of GSD Dış Ticaret A.Ş. which was taken over and later merged with GSD Denizcilik Gayrimenkul İnşaat San. Ve Tic. A.Ş. with the transaction that was registered on trade registry on the 31 December 2014 to be transformed into capital shares on capital increases that would be done by those affiliate companies on the amounts of; USD 6,000,000 for Hako Maritime Ltd and USD 6,000,000 from Zeyno Maritime Ltd, the "Contribution Agreements" to be signed with those companies for those receivables to be put as capital on the increases that would be made and to perform other businesses and transactions that is to be needed.

By four maritime affiliate companies founded on Malta of GSD Denizcilik Gayrimenkul İnşaat San.ve Tic. A.Ş., the share that has an equal nominal value with the aforementioned receivables to be put out dedicated to GSD Denizcilik Gayrimenkul İnşaat San. Ve Tic. A.Ş., and as a result of the capital increase made on the 29 February 2016 through those receivables transformation to capital share, the capital of Dodo Maritime Ltd. Increased from USD 5,250,000 to USD 12,000,000, the capital of Cano Maritime Ltd. Increased from USD 4,250,000 to USD 11,000,000, the capital of Hako Maritime Ltd. Increased from USD 3,000,000 to USD 9,000,000 and the capital of Zeyno Maritime Ltd. Increased from USD 2,000,000 to USD 8,000,000.