

**NET HOLDİNG ANONİM ŐİRKETİ
AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2014**

NET HOLDİNG ANONİM ŐİRKETİ AND ITS SUBSIDIARIES

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NET HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS AS OF
31 MARCH 2014 AND 31 DECEMBER 2013

(Currency – Turkish Lira unless otherwise expressed.)

		Current Period	Prior Period
		Non- Reviewed	Audited
	Footnote	31.03.2014	31.12.2013
	References		
ASSETS			
Current Assets		231,726,428	250,302,761
Cash and Cash Equivalents	7	114,027,902	139,533,576
Financial Investments	8	2,181,866	2,617,793
Trade Receivables			
- <i>Trade receivables from related parties</i>	10	50,200,445	48,177,369
- <i>Trade receivables from other parties</i>	10	12,734,884	13,756,330
Other Receivables			
- <i>Other receivables from related parties</i>	11	8,165,706	7,905,222
- <i>Other receivables from other parties</i>	11	718,031	689,957
Inventories	13	12,286,185	12,315,601
Prepaid Expenses	14	13,111,248	6,329,359
Assets Relevant to Current Period Taxes	32	3,200,992	4,272,615
Other Current Assets	23	15,099,169	14,704,939
Non - Current Assets		1,290,880,177	1,255,952,327
Financial Investments	8	789,485	689,682
Trade Receivables	10	87,360	-
Other Receivables			
- <i>Other receivables from related parties</i>	11	3,175,210	3,094,735
- <i>Other receivables from other parties</i>	11	737,496	710,253
Investments Evaluated by Equity Pickup Method	15	54,155,007	52,473,674
Investment Properties	16	226,973,639	226,659,458
Tangible Fixed Assets	17	961,558,443	938,442,464
Intangible Fixed Assets	18	563,513	557,702
Prepaid Expenses	14	18,155,160	12,196,208
Deferred Tax Assets	32	24,041,619	20,610,227
Other Non-Current Assets	23	643,245	517,924
TOTAL ASSETS		1,522,606,605	1,506,255,088

The explanatory notes are an integral part of these statements.

NET HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS AS OF
31 MARCH 2014 AND 31 DECEMBER 2013

(Currency – Turkish Lira unless otherwise expressed.)

		Current Period	Prior Period
		Non- Reviewed	Audited
	Footnote References	31.03.2014	31.12.2013
LIABILITIES			
Current Liabilities		276,025,840	232,982,852
Financial Borrowings	9	74,977,604	129,263,187
Current Installment of Long Term Financial Borrowings	9	143,058,483	33,538,408
Trade Payables			
- Trade payables due to related parties	10	2,885	140,527
- Trade payables due to other parties	10	45,448,709	54,532,995
Employee Benefit Liabilities	12	1,290,523	1,142,948
Other Payables			
- Trade payables due to related parties	11	23,249	23,249
- Trade payables due to other parties	11	4,147,059	4,737,567
Deferred Income	14	5,004,878	6,811,653
Current Tax Liabilities	32	169,084	1,582,982
Current Provisions			
- Provision for employee benefits	22	1,517,949	802,882
- Other Current Provisions	20	385,417	406,454
Non-Current Liabilities		301,851,927	405,058,600
Financial Borrowings	9	187,363,942	289,514,143
Trade Payables	10	178,843	-
Other Payables	11	264,303	259,075
Deferred Income	14	25,813	10,158
Non-Current Provisions			
- Provision for employee benefits	22	1,747,748	1,653,807
Deferred Tax Liabilities	32	112,271,278	113,621,417
SHAREHOLDERS' EQUITY		944,728,838	868,213,636
Parent Company's Equity		776,931,125	650,119,544
Paid In Capital	24.1	365,750,000	365,750,000
Inflationary Adjustments of Shareholder's Equity	24.1	56,808,615	56,808,615
Cancellation of Equity Shares (-)	24.1	(240,851,184)	(295,008,440)
Share Premiums / Discounts	24.2	(2,427,928)	8,295,882
Other Comprehensive Income or Expense			
Not to Be Reclassified on Profit or Loss			
- Actuarial gains / (losses) from retirement pay provision	24.7	(446,159)	(457,560)
- Fund of equity fair value	24.4	22,628,027	22,421,014
- Revaluation of Tangible Fixed Assets	24.9	340,446,471	317,700,055
Other Comprehensive Income or Expense			
to Be Reclassified on Profit or Loss			
- Foreign Currency Conversion Differences	24.5	13,954,156	12,552,120
Restricted Reserves	24.3	14,940,318	13,741,895
Retained Earnings / (Losses)	24.8	212,149,247	(1,821,235)
Net Profit / (Loss) for the Period	33	(6,020,438)	150,137,198
Minority Interest	24.6	167,797,713	218,094,092
TOTAL EQUITY		1,522,606,605	1,506,255,088

The explanatory notes are an integral part of these statements.

NET HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIODS ENDED AT 31 MARCH 2014 AND 2013
(Currency – Turkish Lira unless otherwise expressed.)

		Current Period Non- Reviewed	Restated Prior Period Non- Reviewed
	Footnote References	01.01.- 31.03.2014	01.01.- 31.03.2013
OPERATING ACTIVITIES			
Sales	25.1	47,738,309	36,381,698
Cost of Sales (-)	25.2	(32,131,264)	(23,199,901)
GROSS PROFIT / (LOSS)		15,607,045	13,181,797
General Administrative Expenses (-)	26.1	(15,092,900)	(11,176,760)
Marketing, Sales and Distribution Expenses (-)	26.2	(1,911,388)	(1,706,759)
Other Operating Income	28.1	6,302,334	84,187,461
Other Operating Expenses (-)	28.2	(2,235,739)	(1,295,768)
Share of Profit/Loss from Investments Evaluated by Equity Pick-Up Method	15	109,804	51,042
OPERATING PROFIT/ (LOSS)		2,779,156	83,241,013
Investment Activities Income	29.1	1,117,574	398,967
Investment Activities Expenses (-)	29.2	(79,030)	(256,301)
OPERATING ACTIVITY PROFIT / (LOSS) BEFORE FINANCIAL INCOME / (EXPENSE)		3,817,700	83,383,679
Financial Income	30.1	4,401,593	5,463,796
Financial Expenses (-)	30.2	(19,335,152)	(12,838,542)
OPERATING ACTIVITY PROFIT / (LOSS) BEFORE TAXATION		(11,115,859)	76,008,933
Operating Activity Tax Income / (Expense)		4,622,559	(1,917,824)
Current Tax (Expense) / Income	32	(169,084)	(2,524,310)
Deferred Tax (Expense) / Income	32	4,791,643	606,486
INCOME / (LOSS) FOR THE PERIOD		(6,493,300)	74,091,109
DISCONTINUED OPERATIONS PROFIT / (LOSS)		-	(17,064)
INCOME / (LOSS) FOR THE PERIOD		(6,493,300)	74,074,045
Distribution of Income / (Loss) for the Period			
Minority Interests	24.6	(472,862)	(461,257)
Parent Company's Share	33	(6,020,438)	74,535,302
Earnings Per Share		(0.016461)	0.203787
Earnings per share from operating activities		(0.016461)	0.203834
Earnings per share from discontinued operations		0.000000	(0.000047)

The explanatory notes are an integral part of these statements.

NET HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE PERIODS ENDED AT 31 MARCH 2014 AND 2013

(Currency – Turkish Lira unless otherwise expressed.)

	Current Period Non- Reviewed	Restated Prior Period Non-Reviewed
	01.01.- 31.03.2014	01.01.- 31.03.2013
PROFIT / (LOSS) FOR THE PERIOD	(6,493,300)	74,074,045
<i>OTHER COMPREHENSIVE INCOME / (LOSS)</i>		
Not to Be Reclassified on Profit or Loss	219,881	97,216
Actuarial gain / (loss) from retirement pay provision	16,085	(3,631)
Shares in Other Comprehensive Income of Equity Method Participations	207,013	100,121
Taxes in Other Comprehensive Income Not to Be Classified to Profit or Loss		
- Period Tax Expense / Income		
- Deferred Tax Expense / Income	(3,217)	726
To be Reclassified to Profit or Loss	1,402,036	653,293
Change in Foreign Currency Conversion Differences	1,402,036	653,293
OTHER COMPREHENSIVE INCOME / (EXPENSE)	1,621,917	750,509
TOTAL COMPREHENSIVE INCOME / (EXPENSE)	(4,871,383)	74,824,554
Distribution of Total Comprehensive Income / (Expense)		
Minority Interest	(471,395)	(460,504)
Parent Company's Shares	(4,399,988)	75,285,058

The explanatory notes are an integral part of these statements.

NET HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED AT 31 MARCH 2014 AND 2013
(Currency - Turkish Lira unless otherwise expressed)

					Other Comprehensive Retained Earnings Not to be Reclassified to Profit or Loss	Other Comprehensive Retained Earnings to be Reclassified Under Profit or Loss			Retained Earnings					
	Paid In Capital	Adjustment of Shareholders' Equity	Cancellation of Equity Shares	Share Premiums	Actuarial profit/ loss of the retirement pay provision	Revaluation Reserve for the Tangible Fixed Assets	Subsidiaries Revaluation Fund	Foreign Currency Conversion Differences	Restricted Reserves	Retained Earnings	Net Profit/ Loss for the Period	Parent Company's Equity	Minority Interest	Total Shareholder's Equity
Balances at 1 January 2013	365,750,000	56,808,615	(289,960,316)	11,168,838	(192,690)	-	21,868,798	6,733,529	4,312,560	9,596,089	-	186,085,423	148,346,809	334,432,232
Cancellation of Equity Shares	-	-	(2,925,284)	-	-	-	-	-	-	-	-	(2,925,284)	-	(2,925,284)
Effect of Changes in Equity Shares of Group Companies														
Capital Shares of Minority	-	-	-	-	-	-	-	-	-	8,723,551	-	8,723,551	(8,723,551)	-
Restricted Reserves	-	-	-	-	-	-	-	-	23,348	-	-	23,348	(23,348)	-
Retained Earnings	-	-	-	9,827	-	-	-	-	-	(33,408,175)	-	(33,398,348)	25,760,945	(7,637,403)
Transfers to legal reserves	-	-	-	-	-	-	-	-	50,027	-	-	50,027	(50,027)	-
Total comprehensive income / (expense) , net	-	-	-	-	(3,658)	-	100,121	653,293	-	-	74,535,302	75,285,058	(460,504)	74,824,554
Balances at 31 March 2013	365,750,000	56,808,615	(292,885,600)	11,178,665	(196,348)	-	21,968,919	7,386,822	4,385,935	(15,088,535)	74,535,302	233,843,775	164,850,324	398,694,099
Balances at 1 January 2014	365,750,000	56,808,615	(295,008,440)	8,295,882	(457,560)	317,700,055	22,421,014	12,552,120	13,741,895	148,315,963	-	650,119,544	218,094,092	868,213,636
Cancellation of Equity Shares	-	-	54,157,256	-	-	-	-	-	-	-	-	54,157,256	-	54,157,256
Effect of Changes in Equity Shares of Group Companies														
Capital Shares of Minority	-	-	-	-	-	-	-	-	-	30,178,298	-	30,178,298	(30,178,298)	-
Retained Earnings	-	-	-	(10,723,810)	-	22,746,416	-	-	-	34,853,409	-	46,876,015	(19,646,686)	27,229,329
Transfer to legal reserves	-	-	-	-	-	-	-	-	1,198,423	(1,198,423)	-	-	-	-
Total comprehensive income / (expense) , net	-	-	-	-	11,401	-	207,013	1,402,036	-	-	(6,020,438)	(4,399,988)	(471,395)	(4,871,383)
Balances at 31 March 2014	365,750,000	56,808,615	(240,851,184)	(2,427,928)	(446,159)	340,446,471	22,628,027	13,954,156	14,940,318	212,149,247	(6,020,438)	776,931,125	167,797,713	944,728,838

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

NET HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE PERIODS ENDED AT 31 MARCH 2014 AND 2013
(Currency - Turkish Lira unless otherwise expressed)

		Current Period	Prior Period
		Non- Reviewed	Non-Reviewed
	Footnote	01.01.-	01.01.-
	References	31.03.2014	31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES		24,498,853	60,273,109
Net profit / (loss) for the period		(6,493,300)	74,074,045
Adjustments to Reconcile Net Profit / (Loss) for the Period			
Amortization and Depreciation Expense	16-17-18	5,782,725	3,516,579
Interest Accruals of Bank Borrowings	9	3,044,624	2,056,969
Adjustment Related to Retirement Pay Provision	22	238,438	194,866
Adjustment of Deferred Tax		(4,791,643)	(606,486)
Adjustment to Other Provisions	20	(21,037)	67,007
Adjustment of Deferred Income	14	30,178	4,224
Adjustment to Investments Subject to Equity Pick-up Method	15	(1,681,333)	(782,571)
Effect of Changing Rate on Mutual Share Capital	24	54,157,256	(2,925,284)
Deferred Tax Effect of Conversion		6,895	3,238
Changes in Operating Assets and Liabilities			
Changes in Trade Receivables	10	1,021,446	(1,457,913)
Changes in Trade Receivables From Related Parties	10	(2,023,076)	(6,650,255)
Changes in Inventories	13	29,416	(130,566)
Changes in Non-Current Assets For Sale	31	-	24,861,527
Changes in Other Receivables	11	(28,074)	(2,905,736)
Changes in Other Receivables From Related Parties	11	(260,484)	(1,022,756)
Changes in Other Current Assets	23	(8,860,989)	(1,435,087)
Changes in Long Term Trade Receivables	10	(87,360)	-
Changes in Long Term Other Receivables	11	(107,718)	(3,542)
Changes in Other Non-Current Assets	23	(125,321)	(22,555,017)
Changes in Trade Payables	10	(9,221,928)	16,786,685
Changes in Other Short Term Liabilities	11	(442,933)	351,963
Changes in Other Payables to Related Parties	11	-	(20,422,013)
Changes in Provision for Payables	22	-	(111,035)
Changes in Other Short Term Liabilities	14	(2,535,784)	1,058,167
Changes in Long Term Trade Payables	10	178,843	367,716
Changes in Long Term Other Payables	11	5,228	(410,433)
Changes in Other Long Term Liabilities	14	15,655	(27,286)
Changes in Retirement Pay	22	(129,879)	(130,912)
Cash Flow From Activities			
Taxes Paid	32	(3,200,992)	(1,492,985)
B. CASH FLOW FROM INVESTING ACTIVITIES		(27,480,536)	(23,871,492)
Cash from Tangible and Intangible Assets with Non-Current Assets and Purchase of Investment Properties	17-18-19	(29,785,265)	(24,673,867)
Financial investments	8	336,124	94,000
Cash from Tangible and Intangible with Non-current Assets and Sale of Investment Real Estates	16-17-18	566,598	55,069
Foreign Currency Conversion Differences	24	1,402,007	653,306
C. CASH FLOW FROM FINANCING ACTIVITIES		(22,523,991)	104,716,118
Changes in Short Term Borrowings	9	52,189,868	11,452,550
Changes in Long Term Borrowings	9	(102,150,201)	100,800,850
Effect of Changes in Equity Shares in Group Companies		27,229,329	(7,637,403)
Increase in Fair Value of Subsidiaries		207,013	100,121
NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS (A+B+C)		(25,505,674)	141,117,735
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (D)		139,533,576	70,440,281
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D)		114,027,902	211,558,016

The accompanying notes form an integral part of these financial statement.