THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (the "FSMA"), who specialises in advising on the acquisition of shares and other securities.

This document comprises a prospectus (the "**Prospectus**") relating to Global Ports Holding PLC (the "**Company**") and has been prepared in accordance with the Prospectus Rules of the Financial Conduct Authority ("**FCA**") made under section 73A of the Financial Services and Markets Act 2000 ("**FSMA**"). The Prospectus has been approved by the FCA in accordance with section 87A of FSMA and made available to the public as required by Rule 3.2 of the Prospectus Rules.

The directors of the Company, whose names appear in Part V of this Prospectus (the "**Directors**"), and the Company accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Directors and the Company (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and this Prospectus does not omit anything likely to affect the import of such information.

Application has been made to the FCA for all of the Shares (as defined below) of the Company, issued and to be issued, to be admitted to the standard listing segment of the Official List maintained by the FCA and to London Stock Exchange plc (the "**London Stock Exchange**") for such Shares to be admitted to trading on the London Stock Exchange's main market for listed securities (together, "**Admission**"). Conditional dealings in the Shares are expected to commence at 8.00 a.m. (London time) on or about 12 May 2017. It is expected that Admission will become effective, and that unconditional dealings in the Shares will commence, at 8.00 a.m. (London time) on or about 17 May 2017. Dealings on the London Stock Exchange before Admission will only be settled if Admission takes place. **All dealings in the Shares prior to the commencement of unconditional dealings will be on a "when issued" basis and of no effect if Admission does not take place and will be at the sole risk of the parties concerned. No application has been, or is currently intended to be, made for the Shares to be admitted to listing or trading on any other stock exchange.**

Prospective investors should read the entire Prospectus and, in particular, Part II (*Risk Factors*) for a discussion of certain factors that should be considered in connection with an investment in the Offer Shares. Prospective investors should be aware that an investment in the Company involves a degree of risk and that, if certain of the risks described in the Prospectus occur, investors may find their investment materially adversely affected. Accordingly, an investment in the Offer Shares is only suitable for investors who are particularly knowledgeable in investment matters and who are able to bear the loss of the whole or part of their investment.

GLOBAL PORTS
HOLDING

Global Ports Holding PLC

(incorporated under the Companies Act 2006 and registered in England and Wales with registered number 10629250)

Offer of up to 25,734,727 Shares of £5.00 nominal value each
at an Offer Price expected to be between 735 and 875 pence per Ordinary Share (the "**Price Range**")
and Admission to the standard listing segment of the Official List
and to trading on the main market for listed securities of the London Stock Exchange

Joint Global Coordinators and Joint Bookrunners

Citigroup | Goldman Sachs International | Barclays

Joint Bookrunner

VTB Capital

Lead Manager

Shore Capital

Pursuant to the terms of the Offer, (as defined below) (i) the Company is offering up to 7,892,857 new shares at the bottom end of the Price Range and up to 6,630,000 new shares at the top end of the Price Range (the "**New Shares**"), and (ii) GPH B.V. (as defined below) and EBRD (as defined below and, together with GPH B.V., the "**Selling Shareholders**") are together offering up to 18,556,757 existing shares at the top end of the Price Range and up to 17,841,870 existing shares at the bottom end of the Price Range (such shares together "**Existing Shares**", and together with the New Shares, the "**Offer Shares**").

The Price Range have been set by the Company and the Selling Shareholders. It is currently expected that the Offer Price will be set within the Price Range. A number of factors will be considered in determining the Offer Price and the basis of allocation, including the level and nature of demand of the Shares during the bookbuilding process, the level of demand in the Intermediaries Offer, prevailing market conditions and the objective of establishing an orderly after-market in the Offer Shares. Unless required to do so by law or regulation, the Company does not envisage publishing a supplementary prospectus or an announcement triggering the right to withdraw applications for Shares pursuant to section 87Q of FSMA on determination of the Offer Price. If the Offer Price is set within the Price Range, a pricing statement containing the Offer Price and confirming the number of New Shares and Existing Shares which are comprised in the Offer (the "**Pricing Statement**") and related disclosures, is expected to be published on or around on 12 May 2017 and will be available on the Company's website at http://www.globalports.com.tr/ipo.php. If the Offer Price is set above the Price Range or the Price Range is revised higher then the Company will make an announcement via a Regulatory Information Service and prospective investors will have a statutory right to withdraw their application for Offer Shares pursuant to section 87Q of FSMA. In such circumstances, the Pricing Statement would not be published until the period of exercising such withdrawal rights has ended. Therefore the expected date of publication of the Pricing Statement would be extended. The arrangements for withdrawing offers to subscribe for or purchase Offer Shares, as the case may be, would be made clear in the announcement. The Offer Shares to be issued pursuant to the Offer will, following Admission, rank *pari passu* in all respects with the other issued shares and will carry the right to receive all dividends and distributions declared, made or paid on or in respect of the issued shares after Admission.

In connection with the Offer, the Stabilising Manager may, for stabilisation purposes, over allot Offer Shares up to a maximum of 15 per cent. of the total number of Offer Shares comprised in the Offer. For the purposes of allowing the Stabilising Manager to cover short positions resulting from any such overallotments and/or from sales of Offer Shares effected by it during the stabilising period, GPH B.V. will have granted to the Stabilising Manager the Over-allotment Option, pursuant to which the Stabilising Manager may purchase additional Offer Shares up to a maximum of 15 per cent. of the total number of Offer Shares at the Offer Price. The Over-allotment Option will be exercisable in whole or in part, upon notice by the Stabilising Manager, at any time on or before the 30th calendar day after the commencement of conditional dealings of the Offer Shares on the London Stock Exchange. Any Over-allotment Shares made available pursuant to the Over-allotment Option will rank pari passu in all respects with the Offer Shares, including for all dividends and other distributions declared, made or paid on the Offer Shares, will be purchased on the same terms and conditions as the Offer Shares being issued or sold in the Offer and will form a single class for all purposes with the other Offer Shares.

The Company consents to the use of this Prospectus (which comprises a prospectus in accordance with the Prospectus Rules of the FCA made under section 73A of FSMA) by the Intermediaries in connection with the Intermediaries Offer in the UK, on the following terms: (i) in respect of the Intermediaries who have been appointed by the Company prior to the date of this Prospectus, from the date of this Prospectus; and (ii) in respect of Intermediaries who are appointed by the Company after the date of this Prospectus, from the date on which they are appointed to participate in the Intermediaries Offer and, in each case, until the closing of the Intermediaries Offer. The Company accepts responsibility for the information contained in this Prospectus with respect to any subscriber for Offer Shares pursuant to the Offer. In each case, the consent to use this Prospectus is conditional upon compliance by the relevant Intermediary with the Intermediaries Terms and Conditions (see Part XV (*Details of the Offer*)) and the appointment of such Intermediary not having been terminated by the Company. If an Intermediary makes an offer to a retail investor pursuant to the Intermediaries Offer, that Intermediary shall provide to such retail investor at the time the offer is made (i) a copy of this Prospectus or a hyperlink from which this Prospectus may be obtained; and (ii) the terms and conditions of the relevant offer made by the Intermediary to the retail investor. Any application made by prospective investors to any Intermediary is subject to the terms and conditions which apply to the transaction between such prospective investor and such Intermediary. **Any Intermediary that uses the Prospectus must state on its website that it uses this document in accordance with the Company's consent**.

Prospectus dated 2 May 2017

NOTICE TO PROSPECTIVE INVESTORS

Prospective investors should rely only on the information in this Prospectus. No person has been authorised to give any information or to make any representations in connection with the Offer other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Directors, the Selling Shareholders, the Underwriters (as defined below) or any of their respective representatives. No representation or warranty, express or implied, is made by any of the Underwriters or any selling agent as to the accuracy or completeness of such information, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by any of the Underwriters or any selling agent as to the past, present or future. Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G of FSMA and PR 3.4.1 of the Prospectus Rules, neither the delivery of this Prospectus nor any subscription or sale of Offer Shares made pursuant to the Offer shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company or of the Group taken as a whole since the date hereof or that the information contained herein is correct as at any time subsequent to the earlier of the date hereof and any earlier specified date with respect to such information.

The Company will update the information provided in this Prospectus by means of a supplement hereto if a significant new factor, material mistake or material inaccuracy relating to this Prospectus occurs or arises prior to Admission that may affect the evaluation by prospective investors of the Offer. The Prospectus and any supplement thereto will be subject to approval by the FCA and will be made public in accordance with the Prospectus Rules. If a supplement to the Prospectus is published prior to Admission, investors shall have the right to withdraw their subscriptions made prior to the publication of such supplement. Such withdrawal must be made within the time limits and in the manner set out in any such supplement (which shall not be shorter than two clear business days after publication of the supplement).

The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult his or her own lawyer, financial adviser or tax adviser for legal, financial or tax advice in relation to any purchase or proposed purchase of the Offer Shares. Each prospective investor should consult with such advisers as needed to make its investment decision and to determine whether it is legally permitted to hold Offer Shares under applicable legal investment or similar laws or regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

Recipients of this Prospectus are authorised solely to use it for the purpose of considering an investment in the Offer Shares and may not reproduce or distribute this Prospectus, in whole or in part, and may not disclose any of the contents of this Prospectus or use any information herein for any purpose other than considering an investment in the Offer Shares. Such recipients of this Prospectus agree to the foregoing by accepting delivery of this Prospectus.

The Offer Shares are subject to selling and transfer restrictions in certain jurisdictions. For a description of these and certain further restrictions on the offer, sale and transfer of the Offer Shares and distribution of this Prospectus, see Part XV (*Details of the Offer*) of this Prospectus. Please note that by receiving this Prospectus, purchasers shall be deemed to have made certain representations, acknowledgements and agreements set out herein including, without limitation, those set out in Part XV (*Details of the Offer*) of this Prospectus.

This Prospectus does not constitute an offer to sell or an invitation to purchase, or the solicitation of an offer to buy, any Offer Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Directors, the Selling Shareholders, or any of the Underwriters or any of their representatives that any recipient of this Prospectus should subscribe for or purchase the Offer Shares. Prior to making any decision as to whether to subscribe for or purchase the Offer Shares, prospective investors should read this Prospectus in its entirety and, in particular, Part II (*Risk Factors*). In making an investment decision, prospective investors must rely upon their own examination, analysis and enquiry of the Company and the terms of this Prospectus, including the risks involved. Any decision to subscribe for or purchase Offer Shares should be based solely on this Prospectus and any supplement thereto.

Investors who subscribe for or purchase Offer Shares in the Offer will be deemed to have acknowledged that: (i) they have not relied on any of the Underwriters or any person affiliated with any of them in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; and (ii) they have relied on the information contained in this Prospectus, and (iii) no person has been authorised to give any information or to make any representation concerning the Group or the Offer Shares (other than as contained in this Prospectus) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company, the Directors, the Selling Shareholders or any of the Underwriters.

None of the Company, the Directors, the Selling Shareholders or any of the Underwriters or any of their representatives is making any representation to any offeree, subscriber or purchaser of the Offer Shares regarding the legality of an investment by such offeree, subscriber or purchaser under the laws applicable to such offeree, subscriber or purchaser.

In relation to the Offer, Citigroup Global Markets Limited ("**Citi**"), Goldman Sachs International ("**Goldman Sachs**") and Barclays Bank PLC ("**Barclays**") have been appointed as joint global co-ordinators and joint bookrunners (the "**Joint Global Coordinators**"),VTB Capital plc has been appointed as joint bookrunner (together with the Joint Global Coordinators, the "**Joint Bookrunners**"), and Shore Capital Stockbrokers Limited has been appointed as lead manager (the "**Lead Manager**", and together with the Joint Bookrunners, the "**Underwriters**"). STJ Advisors ("**STJ**") has been appointed as a financial adviser to the Company in relation to the Offer.

The Underwriters, each of which is authorised and regulated by the FCA in the UK, are acting exclusively for the Company and no one else in connection with the Offer. None of the Underwriters will regard any other person (whether or not a recipient of this document) as a client in relation to Admission and the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients nor for the giving of advice in relation to the Offer or Admission or any transaction, matter, or arrangement referred to in this Prospectus. STJ, which is authorised and regulated by the FCA in the UK, is acting as financial adviser exclusively to the Company and no one else in relation to the structuring of the arrangements leading to the Offer and will not regard any other person (whether or not a recipient of this Prospectus) as a client in relation to Admission and the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for the giving of advice in relation to the Offer or Admission or any transaction, matter, or arrangement referred to in this Prospectus.

Apart from the responsibilities and liabilities, if any, which may be imposed on the Underwriters by FSMA or the regulatory regime established thereunder, or under the regulatory regime of any other jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of the Underwriters nor any of their respective affiliates accepts any responsibility whatsoever, and makes no representation or warranty, express or implied, with respect to the contents of this Prospectus, including with respect to its accuracy, verification or completeness or with respect to any other statement made or purported to be made by or on behalf of the Company, the Directors, or any other person or in connection with the Company, the Offer Shares or the Offer. Each of the Underwriters and each of their respective affiliates accordingly disclaims all and any liability whatsoever, whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement.

In connection with the Offer, the Underwriters and any of their respective affiliates, acting as investors for their own accounts, may subscribe for and/or acquire Offer Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Offer Shares and other securities of the Company or related investments in connection with the Offer or otherwise. Accordingly, references in this Prospectus to the Offer Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue, offer, subscription, acquisition, dealing or placing by, the Underwriters and any of their affiliates acting as investors for their own accounts. None of the Underwriters intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

The Underwriters and their respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services to, the Company and the Selling Shareholders, for which they would have received customary fees. The Underwriters and any of their respective affiliates may provide such services to the Company, the Selling Shareholders and any of their respective affiliates in the future.

The European Bank for Reconstruction and Development (the "**EBRD**") is an international organisation formed by treaty. The Agreement Establishing the European Bank for Reconstruction and Development contains provisions which accord the EBRD legal status and certain immunities and privileges in the territories of each of its members. Under the Headquarters Agreement between the United Kingdom and the EBRD, dated 15 April 1991, the EBRD, within the scope of its official activities, enjoys immunity from jurisdiction, subject to certain limited exceptions including civil actions arising out of its powers to borrow money, guarantee obligations and buy or sell or underwrite securities.

STABILISATION

In connection with the Offer, Barclays Capital Securities Limited (the "**Stabilising Manager**"), an affiliate of Barclays Bank PLC (or any agent or other persons acting on behalf of the Stabilising Manager) may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Offer Shares or effect other stabilising transactions with a view to supporting the market price of the Offer Shares at a level higher than that which might otherwise prevail in the open market for a limited period after the issue date. However, there is no assurance that the Stabilising Manager (or any agent or other persons acting on behalf of the Stabilising Manager) will undertake stabilising action. Such stabilising, if commenced, may be discontinued at any time, and may only be undertaken during the period beginning on the date on which adequate public disclosure of the price of the Offer Shares is made and ending no later than 30 calendar days thereafter (the "**Stabilisation Period**"). In no event will measures be taken to stabilise the market price of the Offer Shares above the Offer Price. Save as required by law, the Stabilising Manager does not intend to disclose the extent of any over-allotments and/ or stabilisation transactions under the Offer. Any stabilisation action must be undertaken in accordance with applicable laws and regulations.

NOTICE TO CERTAIN INVESTORS

This Prospectus does not constitute an offer of, or the solicitation of an offer to buy or to subscribe for, Offer Shares to any person in any jurisdiction to whom or in which jurisdiction such offer or solicitation is unlawful and, in particular, is not for distribution in Australia or South Africa. Neither the Company, the Selling Shareholders nor any of the Underwriters accepts any legal responsibility for any violation by any person, whether or not a prospective investor, of any such restrictions. No action has been, or will be, taken in any jurisdiction other than the UK that would permit a public offering of the Offer Shares, or the possession, circulation or distribution of this Prospectus or any other material relating to the Company or the Offer Shares in any jurisdiction where action for that purpose is required. The offer, sale and/or issue of the Offer Shares has not been, and will not be, qualified for sale under any applicable securities laws of Australia or South Africa. Subject to certain exceptions, the Offer Shares may not be offered, sold or delivered within Australia or South Africa or to, or for the benefit of, any national, resident or citizen of Australia or South Africa.

Notice to United States Investors

The Offer Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "US Securities Act"), or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and in accordance with applicable securities laws of any state or other jurisdiction of the United States. Accordingly, the Offer Shares are only being offered and sold (i) in the United States to persons reasonably believed to be qualified institutional buyers ("QIBs") as defined in Rule 144A under the US Securities Act ("Rule 144A") pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act; or (ii) outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the US Securities Act ("Regulation S"). Prospective investors in the United States are hereby notified that the Company may be relying on the exemption from the provisions of Section 5 of the US Securities Act provided by Rule 144A thereunder.

There will be no public offering of Offer Shares in the United States. Any offer or sale of shares in the United States will be made by broker dealers who are registered as such under the US Securities Exchange Act of 1934, as amended (the "**US Exchange Act**"). The Offer Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Offer Shares or the accuracy or completeness of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

This Prospectus is being furnished by the Company in connection with an offering exempt from the registration requirements of the US Securities Act solely for the purpose of enabling prospective investors to consider an investment in the Offer Shares described herein. The information contained in this Prospectus has been provided by the Company and other sources identified herein. This Prospectus is being furnished on a confidential basis only to persons in the United States who are QIBs and to other eligible persons outside the United States. Any reproduction or distribution of this Prospectus, in whole or in part, in or into the United States and any disclosure of its contents or use of any information herein in the United States for any purpose, other than in considering an investment by the recipient in the Offer Shares offered hereby in accordance with the offer and sale restrictions described herein, is prohibited. Each prospective investor in the Offer Shares, by accepting delivery of this Prospectus, agrees to the foregoing. The Offer Shares are being offered in the United States to QIBs through the respective United States registered broker-dealer affiliates of the Underwriters.

Notice to European Economic Area Investors

This Prospectus has been prepared on the basis that all offers of Offer Shares, other than in the United Kingdom, will be made pursuant to an exemption under the Directive 2003/71/EC, which includes any relevant implementing measure in each Member State of the European Economic Area which has implemented the Prospectus Directive, as amended (the "Prospectus Directive"), from the requirement to produce a prospectus for offers to the public of transferable securities. Accordingly any person making or intending to make any offer within the European Economic Area (but outside the United Kingdom) of Offer Shares which are the subject of the Offer contemplated in this document should only do so in circumstances in which no obligation arises for the Company, the Selling Shareholders and the Underwriters to produce a prospectus for such offer. Neither the Company, the Selling Shareholders nor the Underwriters have authorised, nor do they authorise, the making of any offer of Offer Shares through any financial intermediary (other than in connection with the Intermediaries Offer), other than offers made by the Underwriters which constitute the final placement of Offer Shares contemplated in this Prospectus.

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421 B OF THE NEW HAMPSHIRE REVISED STATUTES, ANNOTATED WITH THE STATE OF NEW HAMPSHIRE, NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE, CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421 B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Notice to Lebanon Investors

This Prospectus is being furnished by the Company to a limited number of investors in Lebanon to consider an investment in the Offer Shares described herein. The Offer Shares has not been and will not be registered before the Capital Markets Authority of Lebanon and shall constitute an exempt offering as per the applicable regulations of the Capital Markets Authority of Lebanon.

Notice to Turkey Investors

The Offer Shares have not been, and will not be, registered under the Capital Markets Law No. 6362, dated December 6, 2012 ("Capital Markets Law") and may not be offered or sold in Turkey unless such offer is approved by Turkish Capital Markets Board ("CMB") except in transactions exempt from, or not subject to, the approval requirements of the Capital Markets Law. Accordingly, there will be no public offering of Offer Shares in Turkey and the Offer Shares are not being offered and sold in Turkey through CMB licensed intermediary firms. Neither this Prospectus nor any other offering material relating to the Offer Shares has been or will be issued, distributed or caused to be issued or distributed to the public in Turkey or used in connection with any offer for subscription or sale of the Offer Shares to the public in Turkey.

Notice to Japan Investors

The Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan, or the FIEA. The Shares may not be offered or sold in Japan, to any person resident in Japan, or to others for reoffering or resale directly or indirectly in Japan or to a person resident in Japan, for Japanese securities law purposes (including any corporation or other entity organized under the laws of Japan) except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and governmental guidelines of Japan.

Notice to Qatar Investors

THIS DOCUMENT IS PROVIDED ON AN EXCLUSIVE BASIS TO THE SPECIFICALLY INTENDED RECIPIENT THEREOF, UPON THAT PERSON'S REQUEST AND INITIATIVE, AND FOR THE RECIPIENT'S PERSONAL USE ONLY.

NOTHING IN THIS DOCUMENT CONSTITUTES, IS INTENDED TO CONSTITUTE, SHALL BE TREATED AS CONSTITUTING OR SHALL BE DEEMED TO CONSTITUTE, ANY OFFER OR SALE OF SECURITIES IN THE STATE OF QATAR OR IN THE QATAR FINANCIAL CENTRE OR THE INWARD MARKETING OF SECURITIES OR AN ATTEMPT TO DO BUSINESS, AS A BANK, AN INVESTMENT COMPANY OR OTHERWISE IN THE STATE OF QATAR OR IN THE QATAR FINANCIAL CENTRE OTHER THAN IN COMPLAINCE WITH ANY LAWS APPLICABLE IN THE STATE OF QATAR OR IN THE QATAR FINANCIAL CENTRE GOVERNING THE ISSUE, OFFERING AND SALE OF SECURITIES.

THIS DOCUMENT AND THE UNDERLYING INSTRUMENTS HAVE NOT BEEN APPROVED, REGISTERED OR LICENSED BY THE QATAR CENTRAL BANK, THE QATAR FINANCIAL CENTRES REGULATORY AUTHORITY, THE QATAR FINANCIAL MARKETS AUTHORITY OR ANY OTHER REGULATOR IN THE STATE OF QATAR.

RECOURSE AGAINST THE DEALER, AND THOSE INVOLVED WITH IT, MAY BE LIMITED OR DIFFICULT AND MAY HAVE TO BE PURSUED IN A JURISDICTION OUTSIDE QATAR AND THE QATAR FINANCIAL CENTRE.

THIS DOCUMENT AND ANY RELATED DOCUMENTS HAVE NOT BEEN REVIEWED OR APPROVED BY THE QATAR FINANCIAL CENTRE'S REGULATORY AUTHORITY OR THE QATAR CENTRAL BANK.

ANY DISTRIBUTION OF THIS DOCUMENT BY THE RECIPIENT TO THIRD PARTIES IN QATAR OR THE QATAR FINANCIAL CENTRE BEYOND THE TERMS HEREOF IS NOT AUTHORISED AND SHALL BE AT THE LIABILITY OF SUCH RECIPIENT.

Notice to United Arab Emirates Investors

THE OFFERING OF THE OFFER SHARES HAS NOT BEEN APPROVED OR LICENSED BY THE UAE CENTRAL BANK, THE UAE SECURITIES AND COMMODITIES AUTHORITY (SCA), THE DUBAI FINANCIAL SERVICES AUTHORITY (DFSA) OR ANY OTHER RELEVANT LICENSING AUTHORITIES IN THE UAE, AND ACCORDINGLY DOES NOT CONSTITUTE A PUBLIC OFFER OF SECURITIES IN THE UAE IN ACCORDANCE WITH THE COMMERCIAL COMPANIES LAW, FEDERAL LAW NO. 2 OF 2015 (AS AMENDED), SCA RESOLUTION NO. 3 R.M. OF 2017 REGULATING PROMOTIONS AND INTRODUCTIONS OR OTHERWISE. ACCORDINGLY, THE SHARES MAY NOT BE OFFERED TO THE PUBLIC IN THE UAE (INCLUDING THE DUBAI INTERNATIONAL FINANCIAL CENTRE (DIFC)).

THIS DOCUMENT IS STRICTLY PRIVATE AND CONFIDENTIAL AND IS BEING ISSUED TO A LIMITED NUMBER OF INSTITUTIONAL AND INDIVIDUAL INVESTORS:

A) WHO MEET THE CRITERIA OF A QUALIFIED INVESTOR AS DEFINED IN SCA RESOLUTION NO. 3 R.M. OF 2017 (EXCEPT NATURAL PERSONS) OR WHO OTHERWISE QUALIFY AS SOPHISTICATED INVESTORS;

B) UPON THEIR REQUEST AND CONFIRMATION THAT THEY UNDERSTAND THAT THE SHARES HAVE NOT BEEN APPROVED OR LICENSED BY OR REGISTERED WITH THE UAE CENTRAL BANK, THE SCA, DFSA OR ANY OTHER RELEVANT LICENSING AUTHORITIES OR GOVERNMENTAL AGENCIES IN THE UAE; AND

C) MUST NOT BE PROVIDED TO ANY PERSON OTHER THAN THE ORIGINAL RECIPIENT, AND MAY NOT BE REPRODUCED OR USED FOR ANY OTHER PURPOSE."

Notice to Kuwait Investors

THIS DOCUMENT IS NOT FOR GENERAL CIRCULATION TO THE PUBLIC OR PRIVATELY IN KUWAIT. THE OFFERING OF THE SHARES HAVE NOT BEEN LICENSED FOR OFFERING IN KUWAIT BY THE CAPITAL MARKETS AUTHORITY, THE KUWAIT CENTRAL BANK OR ANY OTHER RELEVANT KUWAITI GOVERNMENT AGENCY. UNLESS ALL NECESSARY APPROVALS FROM THE KUWAIT CAPITAL MARKETS AUTHORITY PURSUANT TO LAW NO. 7/2010 AND THE IMPLEMENTING REGULATIONS THERETO (AS AMENDED), AND THE VARIOUS RESOLUTIONS, INSTRUCTIONS AND ANNOUNCEMENTS ISSUED PURSUANT THERETO, OR IN CONNECTION THEREWITH, HAVE BEEN GIVEN IN RELATION TO THE MARKETING OF, AND SALE OF, THE SHARES, THE SHARES MAY NOT BE OFFERED FOR SALE, NOR SOLD, IN KUWAIT. THE OFFERING OF THE SHARES IN KUWAIT ON THE BASIS OF PRIVATE PLACEMENT OR PUBLIC OFFERING IS THEREFORE RESTRICTED. NO PRIVATE OR PUBLIC OFFERING OF THE SHARES IS BEING MADE IN KUWAIT AND NO AGREEMENT RELATING TO THE SALE OF THE OFFER SHARES WILL BE CONCLUDED IN KUWAIT. NO MARKETING OR SOLICITATION OR INDUCEMENT ACTIVITIES ARE BEING USED TO OFFER OR MARKET INTERESTS IN THE SHARES IN KUWAIT.

Notice to Kingdom of Saudi Arabia Investors

THIS DOCUMENT MAY NOT BE DISTRIBUTED IN THE KINGDOM EXCEPT TO SUCH PERSONS AS ARE PERMITTED UNDER THE OFFERS OF SECURITIES REGULATIONS ISSUED BY THE CAPITAL MARKET AUTHORITY.

THE CAPITAL MARKET AUTHORITY DOES NOT MAKE ANY REPRESENTATION AS TO THE ACCURACY OR COMPLETENESS OF THIS DOCUMENT, AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS ARISING FROM, OR INCURRED IN RELIANCE UPON, ANY PART OF THIS DOCUMENT. PROSPECTIVE PURCHASERS OF THE SECURITIES OFFERED HEREBY SHOULD CONDUCT THEIR OWN DUE DILIGENCE ON THE ACCURACY OF THE INFORMATION RELATING TO THE SHARES. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS DOCUMENT YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISER.

TABLE OF CONTENTS

PART I—SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A-E (A.1—E.7).

This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element might be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of the words "not applicable".

Section A—Introduction and Warnings		
A.1	**Introduction and warnings**	This summary should be read as an introduction to this prospectus (the "**Prospectus**"). Any decision to invest in the Offer Shares should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Offer Shares.
A.2	**Subsequent resale of securities or final placement of securities by financial intermediaries**	The Company consents to the use of this Prospectus by the Intermediaries in connection with the Intermediaries Offer in the UK, on the following terms: (i) in respect of Intermediaries who have been appointed by the Company prior to the date of this Prospectus, from the date of this Prospectus; and (ii) in respect of Intermediaries who are appointed by the Company after the date of this Prospectus, from the date on which they are appointed to participate in the Intermediaries Offer and, in each case, until the closing of the Intermediaries Offer. The Company accepts responsibility for the information contained in this Prospectus with respect to any subscriber for Shares pursuant to the Offer. In each case, the consent to use this Prospectus is conditional upon compliance by the relevant Intermediary with the Intermediaries Terms and Conditions summarised below and the appointment of such Intermediary not having been terminated by the Company. The Intermediaries Terms and Conditions regulate the relationship between the Company, the Intermediaries Offer Adviser, the Joint Global Coordinators and the Intermediaries that have been or will be accepted by the Company to act as an Intermediary in accordance with the Intermediaries Terms and Conditions. **Intermediaries are required to provide, at the time of such offer, the terms and conditions of the relevant offer made by the Intermediary to any prospective investor who has expressed an interest to such Intermediary in participating in the Intermediaries Offer. Any application made by prospective investors to any Intermediary is subject to the terms and**

		conditions which apply to the transaction between such prospective investor and such Intermediary. Any Intermediary that uses the Prospectus must state on its website that it uses this document in accordance with the Company's consent.

Section B—Issuer		
B.1	**Legal and commercial name**	Global Ports Holding PLC (the "**Company**"). In this Summary, references to "**GPH**", "**Global Ports Holding**" or the "**Group**" mean, prior to Admission, Global Liman İşletmeleri Anonim Şirketi ("**Global Liman**") and its consolidated subsidiaries, and following Admission, mean the Company and its consolidated subsidiaries.
B.2	**Domicile/ legal form/ legislation/ country of incorporation**	The Company is a public limited company, incorporated in England and Wales on 20 February 2017 with registered number 10629250. The Company's registered office is situated at 100 New Bridge Street, London EC4V 6JA, England. The Company operates under the Companies Act 2006.
B.3	**Current operations/ principal activities and markets**	The Group is the only independent cruise port operator with a diversified and strategically located asset portfolio, forming the world's largest cruise port network, which includes operations at Barcelona, Venice, Lisbon, Málaga, Valletta, Cagliari, Catania, Ravenna, La Spezia, Singapore and Adria-Bar, as well as Kuşadası, Bodrum and Akdeniz-Antalya. The Group also operates a high capacity, commercial port in Akdeniz-Antalya on southern Turkey's Mediterranean coast with a strong position in export traffic. It also owns a majority interest in the operating company of the cargo terminal at the Port of Adria-Bar, a commercial port in Montenegro.
B.4a	**Significant recent trends**	The Group's business has been affected and will continue to be affected by several factors, including (i) demand for cruise and commercial port services (ii) the nature of passenger traffic in the Group's cruise port operations, particularly the transit or turnaround passenger mix (iii) pricing, including the tariffs the Group charges for its services and the rates the Group charges for its ancillary services provided to ships and the for rental revenues from duty free shops and marinas (iv) the Group's acquisitions, as part of the Group's global expansion strategy of its cruise port operations (v) seasonality, as the number of cruise liner port calls and cargo volumes are lower during the winter months (vi) fluctuations among the US Dollar, Euro and Turkish Lira, as the Group's Turkish ports receive revenue in, and incur debt in, US Dollars, while their operating costs are primarily in Turkish Lira and the Group's Western Mediterranean ports receive revenue in Euro and their debt and operating expenses are in Euro.
B.5	**Group structure**	The Group is being reorganised in preparation of the Offer under the newly formed Global Ports Holding PLC. At Admission the Group will comprise the Company, subsidiary undertakings and equity accounted investees. These subsidiaries include Global Liman and its eleven subsidiaries, two of which two operate in the commercial port sector, seven operate in the cruise port sector and two are investment companies. None of these subsidiaries are wholly-owned. As of the date of this Prospectus, Global Ports Holding B.V. ("**GPH B.V.**") is the Company's sole shareholder.

		Immediately before Admission, GPH B.V. and European Bank for Reconstruction and Development ("**EBRD**", and together with GPH B.V., the "**Selling Shareholders**") will be the Company's shareholders.
B.6	**Shareholders**	As at the date of this Prospectus, the Company has no shareholder other than than GPH B.V., which holds 100.00 per cent. of the issued share capital of the Company. Immediately before Admission, the Company will have no shareholders, other than GPH B.V. which will hold 89.16 per cent. of the issued share capital of the Company and EBRD which will hold 10.84 per cent. of the issued share capital of the Company. Following Admission, it is expected that (calculated on the basis that the Offer Price is set at the mid-point of the Price Range and assuming no exercise of the Over-Allotment Option) GPH B.V. will hold a minimum of approximately 55.4 per cent. of the Company's issued share capital and EBRD will hold between approximately 2.9 per cent. and 9.6 per cent. of the Company's issued share capital. In so far as is known to the Directors, there are no interests (other than interests held by Directors) representing, directly or indirectly 3 per cent. or more of the issued share capital of the Company. In so far as is known to the Directors, there are no expected interests (other than interests held by Directors) representing, directly or indirectly 3 per cent. or more of the issued share capital in the Company (calculated on the basis that the Offer Price is set at the mid-point of the Price Range) other than on Admission GPH B.V. will hold at least 34,436,648 ordinary shares (representing approximately 55.4 per cent. of the total issued share capital) and EBRD will hold between 1,788,600 and 5,962,000 ordinary shares (representing between 2.9 per cent. and 9.6 per cent. of the total issued share capital of the Company). Save as disclosed above, in so far as is known to the Directors, there is no other person who is or will be immediately following Admission, directly or directly interested in 3% or more of the issued share capital of the Company, or of any other person who can, will or could, directly or indirectly, jointly or severally, exercise control over the Company. The Board has no knowledge of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company. None of the Company's major shareholders have or will have different voting rights attached to the shares they hold in the Company. None of the holders of the Offer Shares will have voting rights that differ from any other holders of such shares.
B.7	**Selected historical key financial information for the Group**	*The Company was incorporated in preparation for the Offer on 20 February 2017, and as at the date of Admission it will have conducted no business other than holding the shares of GPH. To provide historical financial information for the Company's business, the following tables set forth, for the periods indicated, selected consolidated financial information of Global Liman as at and for the years ended 31 December 2014, 2015 and 2016 derived from the Historical Financial Information, which appears elsewhere in this Prospectus.*

Selected consolidated income statement and other comprehensive income

	For the year ended 31 December		
	2014	**2015**	**2016**
		(US$ '000)	
Revenue	90,684	105,481	114,869
Cost of sales	(56,290)	(67,259)	(72,083)
Gross profit	**34,394**	**38,222**	**42,786**
Other income	618	572	475
Gain on bargain purchase	5,733	5,190	—
Selling and marketing expenses	(470)	(317)	(808)
Administrative expenses	(10,767)	(11,300)	(16,204)
Other expenses	(6,285)	(7,839)	(5,508)
Operating profit	**23,223**	**24,528**	**20,741**
Finance income	11,344	25,127	17,511
Finance costs	(28,108)	(36,392)	(35,272)
Net finance costs	**(16,764)**	**(11,265)**	**(17,761)**
Share of profit of equity-accounted investees	19,088	671	2,219
Profit before tax	**25,547**	**13,934**	**5,199**
Tax benefit / (expense)	(1,965)	2,526	(925)
Profit for the year	**23,582**	**16,460**	**4,274**

Selected consolidated balance sheet

	As at 31 December		
	2014	**2015**	**2016**
		(US$ '000)	
Assets			
Total non-current assets	579,261	618,394	587,996
Total current assets	128,243	151,439	111,918
Total assets	**707,504**	**769,833**	**699,914**
Liabilities			
Total non-current liabilities	420,687	437,449	415,993
Total current liabilities	46,590	54,560	61,856
Total liabilities	**467,277**	**492,009**	**477,849**
Net assets	**240,227**	**277,824**	**222,065**
Equity			
Equity attributable to owners	174,944	193,883	141,477
Non-controlling interest	65,283	83,941	80,588
Total equity	**240,227**	**277,824**	**222,065**

Selected consolidated cash flow statement

	For the year ended 31 December		
	2014	**2015**	**2016**
		(US$ '000)	
Net cash generated from operating activities	30,302	52,497	59,630
Net cash generated from/(used in) investing activities	14,148	(36,668)	(16,250)
Net cash generated from/(used in) financing activities	(30,797)	22,976	(67,789)
Net increase in cash and cash equivalents	13,653	38,805	(24,409)
Cash and cash equivalents at end of year	**44,640**	**73,044**	**38,356**

From 2014 to 2016, the Group's total revenue increased, which reflected higher cruise revenue offset by a decrease in commercial revenue in 2015, and both cruise and commercial revenues increasing in 2016. The Group's total cost of sales increased in 2015 and 2016 due to full year consolidation of Creuers in 2015 and Valletta in 2016. Otherwise, there has been no significant change in the financial condition or operating results of the Group since 31 December 2016, the end of last financial period for which financial information has been published.

Additional financial information

	For the year ended 31 December		
	2014	**2015**	**2016**
		(US$ '000)	
Revenues			
Total revenue for reportable segments	90,684	105,481	114,869
Total external revenues	**90,684**	**105,481**	**114,869**
Segmental EBITDA[(1)]	61,926	74,132	80,933
Exceptional & other non-cash items	14,230	(7,837)	(12,406)
Unallocated expenses	(3,107)	(2,912)	(5,011)
Finance income	11,344	25,127	17,511
Finance costs	(28,108)	(36,392)	(35,272)
Depreciation and amortisation	(30,738)	(38,184)	(40,556)
Total profit before income tax	**25,547**	**13,934**	**5,199**

(1) Segmental EBITDA (or Adjusted EBITDA) is a non-IFRS financial measure. This measure is presented as a supplemental measure of the Group's operating performance. It has limitations as an analytical tool, and investors should not consider it as a substitute for analysis of the Group's operating results as reported under IFRS. For further information on this limitation and a reconciliation of Segmental EBITDA (or Adjusted EBITDA) to profit before income tax, see Part III (*Presentation of Information—Non IFRS financial measures*) and Part XII (*Selected Financial Information*).

B.8	**Selected key pro forma financial information**	Not applicable.
B.9	**Profit forecast/ estimate**	Not applicable: no profit forecasts or estimates have been made.
B.10	**Audit report qualifications**	Not applicable.
B.11	**Insufficient working capital**	Not applicable. In the opinion of the Company, the working capital available to the Group is sufficient for the Group's present requirements, that is, for at least the next 12 months from the date of this Prospectus.

Section C—Securities

C.1	**Description of type and class of securities being offered**	Pursuant to the Offer, the Company intends to issue between 6,630,000 and 7,892,857 new ordinary shares (the "**New Shares**"). The New Shares will represent approximately 11.6 per cent of the expected issued ordinary share capital of the Company immediately after Admission (assuming that the Offer Size is set at the mid-point of the Price Range and there is no exercise of the Over-Allotment Option). At the higher end of the Offer Price Range, fewer shares will be issued. Pursuant to the Offer and assuming that the Offer Price is set at the mid-point of the Price Range the Selling Shareholders expect to sell up to 18,230,396 existing ordinary shares (the "**Existing Shares**" and, together with the New Shares, the "**Offer Shares**"). The higher end of the Price Range, fewer New Shares will be issued. In

		addition, further ordinary shares (the "**Over-allotment Shares**") are being made available by GPH B.V. (the "**Over-allotment Shareholder**") pursuant to the option expected to be granted to the Stabilising Manager by the Over-allotment Shareholder to purchase additional Offer Shares up to a maximum of 3,860,209 Shares, representing a maximum of 15 per cent of the total number of Offer Shares at the Offer Price (the "**Over-allotment Option**"). When admitted to trading, the Shares will be registered with ISIN number GB00BD2ZT390 and SEDOL number BD2ZT39 and trade under the symbol "GPH".
C.2	**Currency of issue**	United Kingdom pounds sterling.
C.3	**Number of shares issued and par value**	As at the date of this Prospectus, the issued share capital of the Company is £50,005, comprising 1 ordinary share of £5.00 ("**Shares**") and 50,000 redeemable shares ("**Redeemable Shares**"), all of which are fully paid. Following Admission, there will be between 61,630,000 and 62,892,857 Shares of £5.00 each in issue, and 50,000 Redeemable Shares of £1 each in issue, all of which will be fully paid. Assuming that the Offer Price is set at the mid-point of the Price Range, there will be 62,206,521 Shares of £5.00 nominal value each in issue. Following the Reduction of Capital the nominal value of the Shares will be reduced to £0.01.
C.4	**Rights attaching to the Offer Shares**	The Offer Shares to be issued pursuant to the Offer will, following Admission, rank *pari passu* in all respects with each other and will carry the right to receive dividends and distributions declared, made or paid after their issue.
C.5	**Restrictions on transfer**	The Shares will be freely transferable on Admission. There are no general restrictions on transfer except as described below. The Company may, under the Companies Act 2006, send out statutory notices to those it knows or has reasonable cause to believe have an interest in its shares, asking for details of those who have an interest and the extent of their interest in a particular holding of shares. When a person receives a statutory notice and fails to provide any information required by the notice within the time specified in it, the Company can apply to the court for an order directing, among other things, that any transfer of shares which are the subject of the statutory notice is void.
C.6	**Admission to trading**	Application has been made to the FCA for all of the Shares to be admitted to the standard listing segment of the Official List of the FCA, and to the London Stock Exchange for the Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. No application has been made or is currently intended to be made for the Shares to be admitted to listing or trading on any other exchange.
C.7	**Dividend policy**	Holders of the Shares will be entitled to receive any dividends payable on the Company's shares for the year ending 31 December 2017 and any dividends payable in subsequent years. The Board of the Company expects to pay a minimum dividend of US$25 million for the 2017 financial year, and will decide the total dividend for the year ending 31 December 2017 at the end of the financial year. The split of dividend between interim and final will be approximately 50/50, and the Board of the Company intends to pay an interim dividend in September 2017.

		The Board expects dividends to grow in line with earnings, however the timing and amount of any future dividend payments will depend on the Group's existing and future financial condition, results of operations, capital requirements, liquidity needs and other matters that it may consider relevant from time to time, including, without limitation, the ability of subsidiaries to distribute dividends, its capital needs, financial performance and prevailing equity market conditions.

Section D—Risks		
D.1	**Key information on the key risks that are specific to the issuer or its industry**	The Group is exposed to the following key risks, split into four categories—Operational Risks, Risks Relating to the Group's Cruise Port Operations, Risks Relating to the Group's Commercial Port Operations and Risks Relating to the Group's Investments and Strategy: **Operational Risks** • The terms of the agreements under which the Group operates its ports may not be extended, and they could be terminated prior to expiration • The Group's operations at its Turkish ports are subject to risks arising from interpretations of Turkish foreign ownership restrictions • The Group is subject to the risk of formal legal processes with respect to its concession agreements • The Group is subject to an increasingly complex regulatory environment, and regulatory changes may negatively affect its business • The Group is subject to risks inherent in port operations, and losses resulting from these risks may not be fully covered by insurance • The Group's success depends on its senior management team and other key personnel **Risks Relating to the Group's Cruise Port Operations** • Demand for cruise port services is subject to changes in macroeconomic conditions • Demand for cruise port services is subject to trends in the cruise industry and other factors beyond the Group's control • The Group's cruise operations are affected by passenger perceptions as to the safety of cruise travel • The Group relies in part on duty free and ancillary revenues at its port concessions, which may be effected by economic conditions and changes in regulation **Risks Relating to the Group's Commercial Port Operations** • Demand for commercial port-related services is dependent on foreign trade volume, the liberalisation of trade, cargo trade volumes, commodity and fuel prices and other factors beyond the Group's control • Trade barriers, restrictions on imports or exports or trade disputes may adversely affect the Group's commercial ports • The Group's commercial ports may face increased competition in the future

		Risks Relating to the Group's Investments and Strategy • The Group may not be able to identify and successfully acquire additional port facilities in line with its growth strategy • The Group is exposed to risks related to the acquisition and integration of new ports • Additional indebtedness could have an adverse effect on the Group's operations and financial condition • The Group's long-term business prospects are partly dependent on the Group's ability to execute its port development and improvement plans
D.3/5	**Key information of the key risks that are specific to the Shares**	The Offer Shares and the Offer carry the following key risks: • The Company is applying for a Standard Listing and accordingly the Company will not be required to comply with those protections applicable to a Premium Listing There has been no prior public trading for the Offer Shares • There has been no prior public trading of the Shares • The price of the Shares is subject to volatility • The Company's ability to pay dividends in the future is not guaranteed • Additional equity capital may dilute existing shareholdings • Shareholders in certain jurisdictions may not be able to participate in future equity offerings • Significant shareholders will continue to control or have significant influence over the Company and may not act in line with the interests of the holders of the Offer Shares. • Investors may be unable to effect service of process or enforce foreign judgments against the Group or its assets in the jurisdictions in which the Group operates or its executive officers reside.

Section E—Offer		
E.1	**Net proceeds/ expenses**	The price range of the Offer is between 735 and 875 pence per Share (the "**Price Range**"). The size of the Offer is up to 25,734,727 shares at the bottom end of the Price Range and up to 25,186,757 shares at the top end of the Price Range. GPH B.V. will sell up to 14,212,827 shares at the bottom end of the Price Range and up to 14,927,714 at the top end of the Price Range. Regardless of the price, EBRD may sell up to 4,173,000 of its Existing Shares (but may choose to sell no Shares at all). GPH B.V. has committed that the minimum free float will be such number of Shares as results in total proceeds of the Offer of not less than US$ 200,000,000 (approximately £ 154,700,000). Assuming the Offer is set at the mid-point of the Price Range the Company expects to issue 7,206,521 New Shares and to receive gross proceeds of approximately US$ 75,000,000 (£58,012,500) from the Offer. The net proceeds that the Company expects to receive from the Offer, after deduction of underwriting commissions and other fees and expenses incurred by the Company in connection with the Offer of approximately US$ 8,000,000, will be approximately US$ 67,000,000. The Company will not receive any portion of the proceeds from the sale of the Existing Shares by the Selling Shareholders in the Offer.

		Assuming (i) the Offer is set at the mid-point of the Price Range; (ii) EBRD sells 4,173,400 Shares; and (iii) there is no exercise of the Over-allotment Option, the Selling Shareholders expect to receive net proceeds of up to approximately USS 189,728,103 (£ 146,754,688) from the sale of the Existing Shares. No expenses will be charged by the Company or the Selling Shareholders to the purchasers of the Offer Shares.
E.2a	**Reasons for the Offer/ use of proceeds**	The Company plans to use the majority of the net proceeds that it receives from the Offer (estimated to be approximately £51.8 million assuming the Offer is set at the mid-point of the Price Range) to acquire and develop new ports. The Group has identified a number of cruise port acquisition targets, including nine ports in the Mediterranean/Europe, seven ports in the Caribbean and four ports in Asia. Of these, the Group has prioritised eleven targets: • with respect to two of the targets, Penghu Cruise Port and Brindisi Cruise Port, the Group is negotiating the terms of the concession agreements and negotiating financing arrangements • the remaining nine targets, Livorno Cruise Port, Zadar Cruise Port, Nassau Cruise Port, La Goulette Cruise Port, Gibraltar Cruise Port, Istanbul Cruise Port, Katakolon Cruise Port, Hainan Cruise Port and St Petersburg Cruise Port are at an earlier pre-feasibility and due diligence phase of the acquisition process. Management estimates that the acquisition of all eleven of the prioritised target ports would require capital expenditure between US$700 million and US$900 million. The Group does not have any definitive agreement with respect to any of its acquisition targets, and even if the Group does enter into such an agreement in the future, it would be subject to customary closing conditions. Accordingly, there can be no assurance or guarantee that any of the potential acquisitions will be completed. The Group will retain broad discretion in the allocation of the net proceeds of the Offer. Any proceeds not used for acquisitions will be used for general corporate and working capital purposes. GPH B.V. will use part of the proceeds that it receives from the Offer (estimated to be approximately US$ 146,294,529 (£113,158,818), assuming the Offer is set at the mid-point of the Price Range, there is no exercise of the Over-allotment Option and EBRD sells 4,173,400 shares) to allow Global Yatırım Holding Anonim Sirketi ("**GIH**", its parent company) to repay a TL 162,000,000 Pre-IPO Single Currency Term Facility Agreement (the "**Facility**") between GIH as the borrower and VTB Capital plc as the lender which is secured by a pledge over 22.5% of the share capital of Global Liman (the "**Pledge Agreement**"), and to allow GIH to repay upon completion of the Offer a receivable of TL 103,400,000 (approximately US$ 29,000,000) which is due to Global Liman from GIH (the "**GIH Receivable**"), comprising of charges and expenses incurred by GIH's subsidiaries on behalf of GIH.
E.3	**Terms and conditions of the Offer**	All Offer Shares will be issued and/or sold at the Offer Price, which will be determined by the Company and the Selling Shareholders, in consultation with the Joint Global Coordinators following a book-building process. The Offer Price and the Offer Size are expected to be announced on or around 12 May 2017. The Pricing Statement, which will contain, among other things, the Offer Price, will (subject to certain restrictions) be published on the Company's website at http://www.globalports.com.tr/ipo.php.

		The Price Range have been set by the Company and the Selling Shareholders. The Price Range is indicative only and may change during the course of the Offer. It is currently expected that the Offer Price will be set within the Price Range. A number of factors will be considered when setting the Offer Price, including the level and nature of demand for Shares during the book-building process, the level of demand in the Intermediaries Offer, the objective of encouraging the development of an orderly after-market in the Shares, the Company's historical performance, estimates of its business potential and earnings prospects, an assessment of the Company's management and consideration of the above factors in relation to the market valuation of companies in related businesses. If the Offer Price is set above the Price Range or the Price Range is revised higher, then the Company will make an announcement via a Regulatory Information Service and prospective investors will have a statutory right to withdraw their application for Shares pursuant to section 87Q of FSMA. In such circumstances, the Pricing Statement would not be published until the period for exercising such withdrawal rights has ended. Therefore, the expected date of publication of the Pricing Statement would be extended. The arrangements for withdrawing offers to subscribe for or purchase Shares, as the case may be, would be made clear in the announcement. The Offer comprises an Institutional Offer and an Intermediaries Offer. Under the Institutional Offer, the Offer Shares are being made available (i) to certain institutional investors in the UK and elsewhere outside the United States in reliance on Regulation S and (ii) in the United States, only to persons reasonably believed to be QIBs in reliance on Rule 144A of the Securities Act. Under the Intermediaries Offer, the Offer Shares are being offered to certain intermediaries appointed by the Company to enable them to facilitate the participation of their retail investor clients in the UK. In addition, Existing Shares (representing up to 15% of the total number of Offer Shares that are subject to the Offer) are being made available pursuant to the Over-allotment Option granted by the Over-allotment Shareholder in respect of Existing Shares. Admission is expected to become effective, and unconditional dealings in the Shares are expected to commence on the London Stock Exchange, at 8.00 a.m. (London time) on 17 May 2017. It is expected that dealings in the Shares will commence on a conditional basis on the London Stock Exchange at 8.00 a.m. (London time) on 12 May 2017. The earliest date for settlement of such dealings will be 17 May 2017. All dealings in Shares prior to the commencement of unconditional dealings will be on a "when issued basis", will be of no effect if Admission does not take place and will be at the sole risk of the parties concerned. These dates and times may be changed without further notice. The Offer is subject to the satisfaction of certain conditions contained in the Underwriting Agreement between the Company, GPH B.V., EBRD (in the event that EBRD offers Existing Shares in the Offer and accedes to entry into the Underwriting Agreement) and the Underwriters including Admission occurring and becoming effective by 8.00 a.m. (London time) on 17 May 2017 (or such later date as may be determined in accordance with such agreement), and to the Underwriting Agreement not having been terminated.

		None of the Offer Shares may be offered for subscription, sale or purchase or be delivered, or be subscribed, sold or delivered, and this Prospectus and any other offering material in relation to the Shares may not be circulated, in any jurisdiction where to do so would breach any securities laws or regulations of any such jurisdiction or give rise to an obligation to obtain any consent, approval or permission, or to make any application, filing or registration other than where such consents, approvals, permissions have already been obtained in connection with Admission. Investors agreeing to subscribe for New Shares and/or purchase Existing Shares pursuant to the Offer agree with each of the Company and the Selling Shareholder(s) to be bound by certain terms and conditions upon which Offer Shares will be issued and/or sold in the Offer. Upon being allocated Shares pursuant to the Offer, each investor agrees to become a member of the Company, to acquire the Shares allocated to it at the Offer Price and to pay the Offer Price for the Shares allocated to it. If an investor fails to pay as required, the relevant investor will remain liable to pay such amount and will be deemed, in respect of the Institutional Offer, to have appointed the Joint Global Coordinators to sell any or all of the Offer Shares allocated to it at such price as the Joint Global Coordinators may achieve subsequent to any such failure to pay. Under the terms and conditions of the Offer, each investor makes certain representations, warranties and acknowledgements to the Company and the Selling Shareholder(s) customary for an offer of this type, including but not limited to: (i) in relation to certain characteristics of the investor; (ii) the investor's compliance with restrictions contained in the Offer and with specified laws and regulations; (iii) reliance, responsibility and liability in respect of this Prospectus, the Offer and information outside of this Prospectus; (iv) compliance with laws; (v) jurisdiction; and (vi) liability for duties or taxes. On request, an investor may be required to disclose certain information, including any information about the agreement to subscribe for and/or purchase Offer Shares, the investor's nationality (if an individual) and jurisdiction in which the investor's funds are managed or owned (if a discretionary fund manager). The terms and conditions also provide for the following issues: the sending of documents to the investor; the investor being bound by the Articles upon transfer or issue of Offer Shares; the application of English law to the contract to subscribe for and/or purchase Offer Shares; and joint agreements to subscribe for and/or purchase Offer Shares. The Institutional Offer will be underwritten by the Underwriters in accordance with the terms of the Underwriting Agreement.
E.4	**Material interests**	Other than disclosed in B.6, there are no other interests including conflicting interests that are material to the Offer.
E.5	**Selling Shareholders and lock-up agreements**	Subject to certain customary exceptions: • each Selling Shareholder has agreed that, other than pursuant to the Over-allotment Option in the case of GPH B.V., it will not, without the prior written consent of the Joint Global Coordinators, offer, pledge, sell, contract to sell or otherwise dispose of any Shares (or any interest therein in respect thereof) or enter into any transaction with the same economic effect of the foregoing for a period of 180 days from the date of Admission; and

		• the Company has agreed that, other than pursuant to any share schemes, it will not, without the prior written consent of the Joint Global Coordinators, issue, offer, pledge, sell, contract to sell or otherwise dispose of any Shares (or any interest therein in respect thereof) or enter into any transaction with the same economic effect of the foregoing for a period of 180 days from the date of Admission.
E.6	**Dilution**	The New Shares being issued in the Offer will represent 11.6 per cent of the issued share capital of the Company immediately following Admission (assuming the Offer Price is set at the mid-point of the Price Range) and the Existing Shares sold by the Selling Shareholders under the Offer will represent up to 29.3 per cent. of the issued share capital of the Company immediately following Admission (assuming the Offer Price is set at the mid-point of the Price Range, there is no exercise of the Over-allotment Option and EBRD sells 4,173,400 Shares). The New Shares being issued in the Offer will represent 12.5 per cent. of the issued share capital of the Company immediately following Admission (assuming the Offer Price is set at the bottom of the Price Range) and will represent 10.8 per cent. of the issued share capital of the Company immediately following Admission (assuming the Offer Price is set at the top of the Price Range).
E.7	**Estimated expenses charged to the investor by the Company or the Selling Shareholders**	Not applicable. No expenses will be charged to the investors by the Company or the Selling Shareholders in respect of the Offer. Any expenses incurred by an Intermediary are for its own account. Intermediaries are permitted to change fees to Underlying Applicants for making an application for Shares through the Intermediaries Offer in certain circumstances.

PART II—RISK FACTORS

*Any investment in the Offer Shares is subject to a number of risks. Prior to investing in the Offer Shares, prospective investors should carefully consider the factors and risks associated with any investment in the Offer Shares, the Group's business and the industry in which it operates, together with all other information contained in this Prospectus including, in particular, the risk factors described below. Prospective Investors should note that the risks relating to the Company, the Group, its industry and the Shares summarised in Part I (*Summary*) are the risks that the Directors believe to be the most essential to an assessment by you of whether to consider an investment in the Offer Shares. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, you should consider not only the information on the key risks summarised in Part I (Summary) but also, among other things, the risks and uncertainties described below.*

The following is not an exhaustive list or explanation of all risks that you may face when making an investment in the Offer Shares and should be used as guidance only. The order in which risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential harm to the Group's business, prospects, results of operation and financial position. Additional risks and uncertainties relating to the Group that are not currently known to it, or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on its business, prospects, results of operations and financial condition and, if any such risk should occur, the price of the Offer Shares may decline and you could lose all or part of your investment. You should consider carefully whether an investment in the Offer Shares is suitable for you in light of the information in this Prospectus and your personal circumstances.

Operational Risks

The terms of the agreements under which the Group operates its ports may not be extended, and they could be terminated prior to expiration

The Group operates each of its ports under long-term concession agreements, including BOT agreements, with the State owner of the port. The length of the concessions varies and the Group's concession agreements are granted for a fixed term. The Group's current concession agreements have remaining terms of 17 years on average (excluding potential extension periods). The concession terms of the Group's main ports, which collectively generated 90.5% of the Group's revenue in 2016, expire in 2030 (Creuers (Barcelona) Adossat Wharf), 2026 (Creuers (Barcelona) WTC Wharf), 2038 (Creuers (Malaga) Levante Terminal), 2041 (Creuers (Malaga) El Palmeral Terminal), 2033 (Ege Ports-Kuşadası), 2066 (Valletta Cruise Port) and 2028 (Port Akdeniz-Antalya). For the ports where the Group does not have the contractual right to extend these fixed-term agreements, it would need to apply for an extension prior to their expiration. The grant of such an application would be at the discretion of the State owner of the relevant port, and there can be no assurance that the term of any of the Group's concession agreements will be extended. Although the expiration of concession agreements does not affect the Group in the near term, the Group's inability to renew or extend the term of its concessions may affect the Group's longer-term business, financial condition, results of operations or prospects.

The Group's failure to maintain necessary licences or permits could result in suspension of operations until the Group obtains the required certifications, permits or licenses or otherwise brings its operations into compliance with relevant regulatory requirements.

In addition, the Group's concession agreements may generally be terminated prior to expiration if the Group does not comply with the terms of the concession agreement or the terms of related operating permits and licences. The terms of the Group's concession agreements vary, but many impose restrictions, including tariff limitations and limitations on the types of services the port operator may provide. Several of the concession agreements contain investment obligations, some of which are substantial. Although the Group seeks to fully comply with all of the terms of its concession arrangements and with all other local, national and international regulatory requirements there can be no assurance that it will be able to do so, particularly where applicable requirements may be inconsistent or subject to interpretation.

Even if the Group maintains full compliance, its concessions can be terminated prior to their expiration in certain exceptional circumstances. These include the occurrence of a national emergency, such as natural disasters, pandemics, economic crisis, disruptions of public order or other governmental actions that curtail fundamental rights and obligations.

The Group's operations at its Turkish ports are subject to risks arising from interpretations of Turkish foreign ownership restrictions

The Group's Turkish port operations are subject to particular compliance risks as applicable local laws may be inconsistent and subject to interpretation. In particular, under the Transportation in Turkish Waters Law, or "Cabotage", Law and the Commercial Code there is some uncertainty as to whether port operating entities that are owned directly or indirectly by a publicly held or foreign company are eligible to operate vessels under the Turkish flag, which would affect the Group's pilotage, tugboat and mooring services. In 2016, the revenues generated from such services at Turkish ports accounted for 7.7% of the Group's total revenue. Should the Turkish authorities take the view that an initial public offering of the Company's shares would breach the requirements of Turkish law applicable to providers of port authority services at Turkish ports, including pilotage, mooring and tugboat services, the Company will restructure the operation of port authority services to comply with the Turkish Cabotage Law and Commercial Code requirements relating to foreign ownership and continue to provide the relevant services. If the Group was unable, for any reason, to successfully restructure the operation of port authority services and could not continue to provide such services, this could have an adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group is subject to the risk of formal legal processes with respect to its concession agreements

The Group has in the past been, and may continue to be, subject to formal legal processes relating to its concession agreements. For example, the Group is engaged in formal legal processes over the renewal of the concession terms for Port Akdeniz-Antalya, Ege Ports-Kuşadası and Bodrum Cruise Port, as well as formal legal processes relating to the privatisation of Ege Ports-Kuşadası and the award of land to Port Akdeniz-Antalya. These risks are summarised below.

Concession renewal of Port Akdeniz-Antalya, Ege Ports-Kuşadası and Bodrum Cruise Port

On 6 June 2013, the Turkish Constitutional Court partially annulled a law that had prevented operators of certain facilities from applying to extend their operating term. Ortadoğu Antalya, Ege Liman, and Bodrum Liman then applied to extend the concession terms of Port Akdeniz-Antalya, Ege Ports-Kuşadası and Bodrum Cruise Port, respectively, for up to, in total, 49 years. After these applications were rejected by the administrative authorities, the respective Group companies filed lawsuits with administrative courts challenging these rejections.

Bodrum Liman

The Group's three lawsuits relating to Bodrum Cruise Port were accepted at first instance, and the Group's ability to renew the Bodrum Cruise Port concession was affirmed. The relevant public authorities appealed these decisions; these cases are now pending before the Council of State and the District Administrative Court.

Ortadoğu Antalya

The Group's lawsuits were rejected at first instance and were appealed by the Group. The case is pending before the Council of State.

Ege Liman

The Group's lawsuits were rejected at first instance and were appealed by the Group. On appeal, the Council of State reversed the lower court's judgement and allowed the extension of the concession agreement related to Ege Ports-Kuşadası. The relevant public authorities applied to the Council of State for reversal of this judgement and the case is pending.

If the Group does not prevail in these term extension lawsuits, and is therefore unable to seek extension of the relevant concession agreements, the Group would need to successfully participate in the tenders for new terms prior to the expiration of the relevant concessions in 2019 for Bodrum Cruise Port, 2028 for Port Akdeniz-Antalya and 2033 for Ege Ports-Kuşadası to retain the rights of its existing ports. There can be no assurance that the Group will ultimately succeed in any of these lawsuits, that the Group's concession agreements will be renewed or that the Group will win any such new tender to retain the rights of its existing ports.

Privatisation of Ege Ports Kuşadası

There is a final court judgment against the privatisation tender process by which Ege Ports-Kuşadası was awarded to Ege Liman. The challenge sought the return of Ege Ports-Kuşadası to the State, and the challenge was upheld by the court of first instance and the Council of State. The Privatisation Administration has the responsibility to enforce the court decision and return Ege Ports-Kuşadası to the State.

In practice there are many instances in which the Privatisation Administration has ultimately not enforced decisions cancelling tender approvals on the basis of "impossibility of performance". Management is not aware of any instance in which a privatised asset has been returned to the State as a result of such a challenge to the tender process. Furthermore, in 2011 the Council of Ministers decided not to enforce court decisions for the return of privatised assets to the State, including the decision relating to Ege Ports-Kuşadası.

Consistent with this historic approach, the Privatisation Administration declared in 2014 that it will not take any action to return Ege Ports-Kuşadası to the State. Following this, an additional legal provision (Provisional Article 26 added to Law no 4046) that prevents the Privatisation Administration from taking actions for the return of privatised assets was introduced and the Privatisation Administration again confirmed that it will not take any actions for the enforcement of court decision with regard to claiming the return of Ege Ports-Kuşadası and it will not initiate any lawsuit in this regard. Although the Constitutional Court annulled this legal provision, to date the Privatisation Administration has maintained its position to not to enforce the cancellation of the Privatisation High Council's decision regarding the privatisation.

Notwithstanding the foregoing, there can be no assurance that the Privatisation Authority will not in future enforce the terms of the court decision and return Ege Ports-Kuşadası were to State ownership. Should this occur, it could have a material adverse effect on the Group's business, financial condition and results of operations. Under Turkish law, the Group may claim damages arising out of the cancellation of Privatisation High Council's decision, including the amount paid to the Privatisation Administration for the concession, newly constructed buildings and other structures and any other investments made to Ege Ports-Kuşadası to date (with interest), as well as loss of profit for the remaining term of the concession period. However, since there are no previous instances of a privatised asset being returned to the State to the Group management's knowledge such lawsuit would be without precedent. There can be no assurance that Ege Liman would obtain sufficient amount of compensation for its investment in Ege Ports-Kuşadası or obtain such compensation on a timely basis. There can be no assurance that the loss of the Ege Ports-Kuşadası would not result in the Group having insufficient cash flows to meet its obligations as they fell due.

Land allocation to Port Akdeniz-Antalya

There is another final court judgment regarding payment for land allocated to Port Akdeniz-Antalya by Türkiye Denizcilik İşletmeleri A.Ş. (the "**TDI**"). The land was transferred without consideration as part of the operating rights agreement with respect to Port Akdeniz-Antalya. The Ministry of Environment and Forestry General Directorate challenged the land allocation before the courts on the basis that the TDI should have sought compensation for the land. As far as the Group is aware, the TDI and the Ministry of Environment and Forestry have not come to an agreement regarding collection of the relevant consideration as of the date of this Prospectus.

In case of a disagreement between the TDI and the Ministry of Environment and Forestry on the consideration for land allocated, the Ministry of Environment and Forestry may request from the Group the same amount that it previously requested from the TDI for allocation of these lands. As of the date of this Prospectus, no claim has been made against the Group, by the Ministry of Environment and Forestry, except for the claim requesting the return of the training and social facilities operated by third parties which are being used outside of the scope of port operations. As the dispute is between the two administrative bodies the Group has no knowledge of their claim, including the amount in dispute, and no claim has been made against the Group concerning any payment relating to land allocation of Port Akdeniz-Antalya. However, there can no assurance that such claim will not be brought in the future.

If the Group is forced to pay the aforesaid amount to the Ministry of Environment and Forestry, the Group may seek reimbursement from the TDI, on the grounds of its right of recourse arising from the agreement transferring operational rights to the land at Port Akdeniz-Antalya.

The Group is subject to an increasingly complex regulatory environment, and regulatory changes may negatively affect its business

In addition to compliance with the terms of its concession agreements and related licences and permits, the Group must comply with a range of legal requirements, including corporate, maritime, customs, antitrust, administrative, property and environmental laws and regulations, and it is subject to the jurisdiction of many regulators. The Group continues to expand internationally, most recently into Croatia, Italy, Malta, Montenegro, Portugal, Spain and Singapore, which increases the Group's regulatory compliance burden.

Although the Group seeks to continue to comply with all relevant laws, regulations and the terms of its concession agreements, licenses and permits, to the extent it is not able to do so it could be subject to significant administrative or civil penalties, including:

- the imposition of fines, penalties and criminal sanctions for wilful violations;
- increased regulatory scrutiny;
- suspension of activities at a port;
- reputational damage to GPH's brand;
- default under financing agreements, including the Group's outstanding $250 million bond issuance;
- judgments for damages, which may not be covered by insurance or in excess of insurance cover;
- termination of, or increased premiums on, insurance policies;
- difficulty in recruiting and retaining personnel, particularly where any non-compliance relates to matters affecting its employees; and
- the representatives, directors or managers of the relevant Group company being subject to a fine or imprisonment.

In addition, the Group may not be able to maintain good relations with the relevant governmental authorities in the future, which could subject the Group to delays and additional difficulties in obtaining required approvals and authorisations.

Future changes to existing regulations or the introduction of new regulations, procedures or licensing requirements may adversely affect the Group's business. The risk of such changes may be greater with respect to the Group's operations in developing markets, such as Montenegro which has an evolving legal system. Any such expansion of the scope of regulations may require additional investment by the Group to ensure compliance, may result in higher ongoing compliance costs and may increase the risk of non-compliance by the Group.

Any failure by the Group to fully comply with current and future laws and regulations or to maintain good relations with regulators, could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group is subject to risks inherent in port operations, and losses resulting from these risks may not be fully covered by insurance

Cruise port and commercial port operations carry inherent risks, which can include the possibility of:

- marine accidents, including ships colliding with piers or the grounding of ships;
- damage resulting from adverse weather conditions or natural disasters, such as earthquakes, and flash floods, or from other causes, including from the failure or improper operation of machinery and equipment;
- security breaches and criminal and other malicious acts; and
- business interruptions caused by mechanical failure, human error, war, terrorist attacks, political action in various countries and labour strikes.

Travel disruptions affecting cruise lines may reduce the number of passengers to the Group's cruise ports and disruptions in rail, trucking and other methods of transporting goods to a port may reduce the volume of cargo passing through the Group's commercial ports. In addition, the Group must interrupt or suspend port operations from time to time to accommodate routine maintenance, refurbishment or construction within the port, and such downtime may take longer than anticipated.

The Group carries insurance above the standard required by local law, and in line with the terms of its project finance arrangements. However, the Group can offer no assurance that its insurance will be adequate to cover all losses or liabilities that may arise from the Group's port operations. In particular, insurance may prove inadequate when the loss suffered is not easily quantifiable or results in essentially uninsurable damage to the Group's reputation. In addition, it is possible that, in the future, the Group may be unable to maintain the types or levels of insurance it deems necessary or advisable, and it may be unable to obtain insurance at premiums that it considers reasonable. To the extent that the losses the Group incurs as a result of any of the above risks are not adequately covered by its insurance, such losses could have a material adverse effect on the Group's business, financial condition, operating results and prospects.

Under some of its material contracts or the requirements of local law, the Group has an obligation to maintain insurance, and the Group's failure to obtain or maintain such insurance may result in fines, contractual penalties or even the possibility of termination of such contracts.

The Group's success depends on its senior management team and other key personnel

The Group depends on its senior management team and other key personnel, including at each port, to maintain its competitive position and implement its business strategy. The Group must compete for the services of its key personnel. The loss or decline in the services of key personnel, or an inability to attract and retain qualified key personnel, could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group has experienced substantial growth and development in a relatively short period of time and the Group's strategy contemplates continued growth for the foreseeable future. The operating complexity of the Group's business as well as the responsibilities of its management have increased as a result of this growth, placing increased strain on the resources of senior management. The Group's inability to expand its management team and key personnel as its business expands may constrain the Group's strategy and growth plans.

The Group's success depends on maintaining good labour relations

In addition to the Group's dependence on its management and other key personnel, the Group's success depends on its ability to attract and maintain a motivated workforce.

As of 31 March 2017, the Group had mostly unionised employees, representing approximately 61% of the Group's total employees. Port Akdeniz-Antalya is subject to a collective bargaining agreement with a union representing equipment handlers, marine personnel and some unskilled workers. The Port of Adria-Bar was party to a collective bargaining agreement with a union representing workers in a range of functions, that expired in 2010, before the Port of Adria-Bar was acquired by the Group. However, a number of lawsuits have been brought in connection to this collective bargaining agreement seeking (i) unpaid wages for periods before the handover of the port to the Group (from 2011 to 2014), and (ii) alleged underpaid wages as of the start of 2014. In April 2017, the Supreme Court ruled that the collective bargaining agreement is not valid. Although various cases remain pending before lower courts, this judgment establishes a precedent that would apply to the remaining pending cases before the lower courts. Accordingly, Management believes that the pending cases will be decided in favour of the Group.

Management believes that relations with employees are currently good. However, the failure to maintain good relations with the Group's workforce, including renewing collective labour agreements, could result in labour disputes, which could involve work stoppages, strikes or other industrial action or labour difficulties (including higher labour costs) which could, in turn, have a material adverse effect on the Group's business, financial condition, results of operations or future prospects.

The Group's business may be affected by the application of sanctions

The Group's international expansion could expose it to trade and economic sanctions or other restrictions imposed by the United States or other governments or organisations, including the United Nations, the European Union and their member countries. In particular, regulations may require that the Group refrain from doing business, or accepting new customers, in certain countries or with certain organisations. Sanctions rules are highly complex and may apply extraterritorially.

GPH intends to participate with a joint venture partner in a tender which is expected to be announced by the Government of Cuba in the first half of 2017 to renovate and operate the cruise port in Havana, Cuba ("**Havana Cruise Port**"). At this stage, there can be no certainty as to the outcome of the tender process and whether GPH will be successful in its bid. GPH is however taking steps designed to ensure that if the bid is successful, the proceeds of this Offer will not be used in connection with the Havana Cruise Port. GPH also intends to adapt its group-wide policies and practices to monitor compliance with relevant local and international laws and regulations (including any economic sanctions or trade restrictions applicable administered or enforced by the U.S. government, the United Nations Security Council, the European Union, or Her Majesty's Treasury (collectively, "**Sanctions**")), anti-money laundering rules, anti-corruption rules as well as codes of good conduct, and require its suppliers to comply with the same standards. GPH intends its operations to comply with all applicable Sanctions and other laws. However, the foregoing laws are complex and subject to interpretation, and there can be no assurance that these efforts will be successful. If GPH violates Sanctions or other applicable laws, such violations could have a material impact on GPH's business and reputation.

The Group is also subject to the risk of unilateral governmental sanctions and regulation in the territories in which the Group's ports operate. Such risks include, but are not limited to, sanctions that prohibit or modify trade in particular areas, restrictive actions such as vessel arrest, limitations on vessel operations or local ownership requirements, loss of contractual rights, requisition of vessels. The impact of any of these events, or of any violations of the associated laws or regulations, may increase the costs of operating the Group's ports, decrease the Group's revenues or even preclude the operation of certain trade routes, any of which could have an adverse impact on the Group's reputation, business, financial condition, results of operations and prospects.

The Group is subject to risks relating to joint ventures, including its ability to exercise joint control over its jointly controlled affiliates

The Group expects to continue to conduct a portion of its operations through partially-owned affiliates. For example, the Group indirectly acquired a non-controlling interest in Venice Cruise Port, and non controlling interests in Málaga and Singapore through Creuers. The Group's ability to exercise joint control over some of its affiliates is dependent on the co-operation of third parties. Co-operation between the Group and other shareholders is critical for the smooth operation and financial success of the ports in which the Group invests. If the Group is unable to come to an unanimous decision with the other shareholders over business, financial, legal or managerial decisions there could be deadlocks, disputes, litigation or other disagreements with the other shareholders. If any of these risks materialise, it could impair the successful management and development of the ports in which the Group invests, which could, in turn, have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

Risks associated with significant seismic disasters

Areas in which the Group currently operates, or into which it may expand, including the Caribbean and Asia, are located in areas at risk of damage from earthquakes, tsunamis or other natural disasters which could disrupt the Group's operations. The Mediterranean countries in which the Group currently operates have experienced a large number of earthquakes in the recent years, some quite significant in magnitude. For example, in October 2011, the eastern part of Turkey was struck by an earthquake measuring 7.2 on the Richter scale, causing significant property damage and loss of life, and in October 2016 a series of earthquakes measuring from 4.5 to 6.6 on the Richter scale struck Central Italy between the Marche and Umbria regions.

Although the Group has not experienced any major structural damage to its ports from earthquakes or other related events to date, there can be no assurance that future earthquakes or other natural disasters will not damage the Group's ports, interrupt the Group's operations or cause economic loss due to the reduced demand for the Group's ports. Although the Group maintains earthquake insurance, as well as wider business interruption insurance and insurance for loss of profits (particularly covering its ports business), there can be no assurance that all potential losses resulting from a natural disaster would be insured or that policy limits would be adequate to cover them. Losses not covered by insurance could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's business and reported results of operations may be affected by exchange rate and inflation fluctuations

The Group's Turkish ports receive revenue in, and incur debt in, US Dollars, while their operating costs are primarily in Turkish Lira (representing 70% of their total operating costs in 2016). The Group's Western

Mediterranean ports receive revenue in Euro (representing 34% of total revenue in 2016) and their debt and operating expenses are in Euro. Therefore, the Group is exposed to transaction risk, which is the risk arising from a mismatch in the currency mix of its revenue and expenses, and fluctuations among the US Dollar, the Euro and the Turkish Lira impact the Group's financial results. An appreciation of the US Dollar against the Euro will tend to reduce the Group's Euro-denominated revenues, as reported in US Dollars. An appreciation of the US Dollar against the Turkish Lira has a positive effect on the Group's results as it reduces the Group's Turkish operating costs, as expressed in US Dollars. A depreciation of the US Dollar against the Euro and Turkish Lira generally has the opposite effects.

In addition, because the Group's presentation currency is the US Dollar, it is exposed to translation risk, that is the risk that income and expense items generated in other currencies are translated into the US Dollar for financial presentation purposes. As such, an appreciation of the US Dollar against the Euro will tend to reduce the Group's Euro-denominated revenues, as reported in US Dollars.

Currency fluctuations are affected by a number of political and economic factors, including inflation and changes in foreign currency reserves. The Group expects that its financial results will continue to be affected by currency fluctuations in the future.

The Group's business and financial position may be affected by an outbreak of communicable diseases

An outbreak of a communicable or contagious disease, such as an outbreak of the Zika virus regionally or globally, may negatively affect demand for cruise travel and, consequently, the number of passengers visiting the Group's cruise ports. Such an outbreak may also have an adverse effect on the local economies in which the Group operates, which could interrupt the supply of goods and services to the Group's ports. In addition, if the Group's employees or visiting cruise or commercial ship passengers or crew contract, or are suspected to have contracted, a communicable disease, then the Group's ports may be subject to quarantine under public health laws, which could suspend or disrupt the normal operation of affected ports. The effects resulting from the spread of such communicable diseases could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Risks Relating to the Group's Cruise Port Operations

Demand for cruise port services is subject to changes in macroeconomic conditions

The Group's cruise port operations depend on visiting cruise passengers principally from developed countries, particularly the United States, the United Kingdom and Germany. The spending power of such cruise passengers are influenced by factors beyond the Group's control, including general economic conditions in their countries, general global macroeconomic conditions, employment levels, availability of discretionary income and credit to consumers, customer confidence, and tax or interest rate fluctuations. Economic uncertainty in developed countries, particularly in the United States, the United Kingdom and Germany, may impact the demand for cruises and cruise passengers' spending and negatively affect the Group's revenue and profitability. The continuing difficult economic conditions in Europe may affect the Group's revenues and the impact of any recovery on the Group may be delayed. As cruise tours involve a significant lead time for organisation by the cruise operator and advance passenger bookings, there may be a lag before a general recovery translates into additional cruise line passengers visiting the Group's ports.

Demand for cruise port services is subject to trends in the cruise industry and other factors beyond the Group's control

The demand for cruise port services is correlated with changes in consumer preferences for cruise travel over other forms of leisure. The demand for cruise travel may be negatively affected by a number of factors beyond the control of the Group, including:

- events that cause consumers to perceive cruise travel as unsafe or undesirable, including political or social unrest, terrorist incidents or the spread of other contagious diseases affecting cruise destinations;
- the availability and pricing of other forms of travel;
- changes in visa or other requirements making travel more difficult or expensive;
- factors affecting the cost of cruise travel, including fuel prices and currency fluctuations; and
- consumer concerns regarding the potentially adverse impact of cruise travel on the environment.

Decreased consumer demand for cruises generally could have a material adverse effect on the Group's passenger numbers and revenue. Moreover, regional shifts in demand may affect the Group. While there is increasing geographic diversification within the Group, most of the Group's cruise ports are in the Mediterranean region. Any significant change in itineraries away from, or reduced demand for travel within, the Mediterranean could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

In addition, the Group's port operations are affected by decisions of individual cruise lines. For the year ended 31 December 2016, approximately 65% of the Group's cruise revenue came from five operators, Carnival Corporation ("**CCL**"), RCCL, Norwegian Cruise Lines, MSC (together, the world's four largest cruise line operators) and Louis Cruise Lines. A significant reduction in the business from any of these cruise lines would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's cruise operations are affected by passenger perceptions as to the safety of cruise travel

Management believes that the demand for cruise travel, as with other forms of leisure travel, is increasingly affected by passenger perceptions as to safety. Accordingly, actual or perceived security issues, political or economic instability, terrorism, war and similar events may decrease demand for the Group's cruise ports, particularly if such acts or threats affect:

- the countries where the Group operates its ports (primarily Spain, Italy and Turkey);
- countries of destination ports in cruise itineraries that include the Group's ports; or
- the major source markets (primarily the United States, the United Kingdom and Germany).

The Group mainly operates in the Mediterranean region, which has been affected by geopolitical crises. In particular, Turkey has experienced a number of highly publicised terrorist incidents, which have contributed to a heightened risk of terrorism resulting in a reduction in levels of tourism and tourism receipts in 2016.

Turkey has also been affected by regional political instability and violence. In July 2016 a coup d'état was attempted in Turkey against state institutions, including the Government, by a faction within the Turkish army linked to a religious movement. Although the coup failed, around 250 people were killed and more than 2,200 were injured. The Parliament has approved the declaration of a state of emergency which has been extended to July 2017. Instability in Turkey has recently intensified in a number of countries in the Middle East and North Africa, such as Libya, Tunisia, Egypt, Syria, Bahrain and Yemen. The region experienced terrorist acts by DAESH in Syria and Iraq and the ongoing internal conflict in Syria. In addition, as a result of the anti-government uprising in Syria, more than two million Syrian refugees have fled to Turkey and more can be expected to cross the Turkish-Syrian border if the unrest in Syria continues or escalates. The refugee population, which may have been infiltrated by terrorist agents, is considered to be a security risk. The ongoing conflict in Syria has been the subject of significant international attention and its impact and resolution is difficult to predict. Any continuation or escalation of political instability or international military intervention in Syria or a more aggressive stance by Assad's allies; Russia, Iran, or China against Turkey and opposition supporters may act as a destabilising factor in the region.

Furthermore, military activities in Ukraine and on its borders, including Russia effectively taking control of Crimea, together with Ukraine's very weak economic conditions, have created uncertainty in Ukraine and the global markets. Resolution of Ukraine's political and economic conditions may not occur for some time, and the situation could deteriorate into increased violence and/or economic collapse. While not directly impacting the regions in which the Group operates, the disputes could negatively affect tourism, including through its impact on the global economy and the passenger perceptions of the risk of travel in general.

The Eurozone has also been subject to political and economic instability which could affect the desirability of the EU as a cruise destination. In Italy, Prime Minister Matteo Renzi resigned in December 2016 after a constitutional referendum rejected constitutional reforms. Furthermore, the Italian banking sector has been under pressure due to a large number of non-performing loans, worth approximately €360 billion, resulting in state bailouts of several large Italian banks. In the United Kingdom, a referendum held on 23 June 2016 resulted in a majority vote for the United Kingdom to leave the European Union.

The continuation or escalation of any of these developments, or new security concerns, may decrease the passenger numbers at, and the revenue generated by, the Group's cruise ports, or otherwise have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group's cruise port security measures can not protect against all possible security threats

Management believes that port security is one of the primary concerns of cruise and commercial shipping lines in selecting a port and that it is critical to have security measures in place to address threats of terrorist attacks or other criminal activity affecting the safety of passengers and their property. Accordingly, the Group seeks to comply with the International Ship and Port Facility Security ("**ISPS**") Code, which provides an international framework for ports to evaluate risks. Although the Group believes that it maintains standards for security at its terminals that satisfy generally accepted industry standards, no security system can offer absolute protection to the passenger and cargo ships calling at the Group's ports. In practice, if a vessel possesses an ISPS Code certificate showing proper monitoring and inspection by the prior ports visited, a port is only required to undertake limited inspections of the vessel upon its landing. As a result, the Group necessarily relies, to some extent, on security procedures carried out by other ports, which may have less stringent security controls than those employed by the Group's ports.

Security breaches, crime or terrorism may result in a decline in passenger numbers in the Group's cruise ports, increased operating costs and loss of goodwill for the Group, as well as the possibility of litigation and, ultimately, civil liability and the temporary closure of a port. If any of these risks materialise, it could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group's business operations may be negatively affected by the decision of the United Kingdom to exit the European Union

In June 2016, a majority of voters in the United Kingdom elected to withdraw from the European Union in a national referendum. The referendum was advisory, and the terms of any withdrawal are subject to a negotiation period that could last two years after the government of the United Kingdom formally initiates a withdrawal process. The referendum result has created significant uncertainty about the future relationship between the United Kingdom and the European Union, including with respect to the laws and regulations that will apply to the United Kingdom in the event of a withdrawal. These developments have had and may continue to have a material adverse effect on global economic conditions. The withdrawal of the United Kingdom from the EU may lead to a downturn in across the European economies and there is a risk that other countries in the European Union will look to hold referendums on whether to stay in or leave the EU.

Although it is too early to anticipate what these developments and impacts will be, the Group considers that, in addition to the general macroeconomic risks such as economic downturns or exchange rate movements, the risk of a loss of visa-free travel between the UK and European Union may have a negative impact on customer demand from UK and EU cruise passengers. A significant reduction in demand for cruise travel from these regions could negatively affect the Group's business, operating results, financial condition or prospects.

The Group's cruise ports face competition

The Group's cruise ports face competition for cruise ship traffic from other ports, primarily within the Mediterranean region. Management believes that ports compete primarily on the basis of their proximity to popular tourist sites, operational efficiency, shopping opportunities and other amenities for passengers, as well as the perceived security of the port. There can be no assurance that long-term changes in cruise itineraries will not result in increased competition in the future or that the Group's existing ports will continue to effectively compete. Existing or future competition could result in a reduction of cruise ship traffic and could potentially put pressure on fee levels, which could, in turn, have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group relies in part on duty free and ancillary revenues at its port concessions, which may be affected by economic conditions and changes in regulation

The Group's cruise port revenues rely, in part, on duty free and other sales to passengers in transit through the ports in which the Group operates. In 2016, 8.2% of revenues at Creuers (Barcelona), 27.5% of revenues at Ege Liman and 58.0% of revenues at Valletta Cruise Port were from retail concession arrangements at these cruise ports. The Group's performance, therefore, is influenced by changes in passenger spending habits and passenger traffic, which are both highly sensitive to the general economic trends and, in particular, the trends in consumer confidence, the availability and costs of consumer credit, inflation or deflation, unemployment levels, interest and exchange rates. Any change in these factors which negatively affects passenger spending habits, the time they spend at the port or passenger traffic volume may negatively affect the Group's duty free sales and may have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

In addition, the Group's duty free sales revenue may be negatively impacted by regulatory changes, including restrictions on the duty-free sale of certain products. Governing authorities may also require new authorisations, licences and certifications for the duty-free sale of products. If the requirements for granting, maintaining or renewing such certifications, licenses and authorisations are modified, and the Group is not able to adapt to the new requirements, it may lose its authorisation to operate its concessions under the duty-free regime, in any of the ports where it operates or with respect to certain categories of products which may have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

Risks Relating to the Group's Commercial Port Operations

Demand for commercial port-related services is dependent on foreign trade volume, the liberalisation of trade, cargo trade volumes, commodity and fuel prices and other factors beyond the Group's control

The Group's main commercial port, Port Akdeniz-Antalya, represented 46.4% of the Group's revenue in 2016 and is primarily used for the export of commodity products produced in Antalya hinterland where the port is located. This includes the export of marble to global markets, including China, chromium to Northern Europe and cement to Europe, North Africa and the Middle East. Port of Adria-Bar is primarily used for the export and import of steel, aluminium, cement and timber. Accordingly, the demand for the Group's commercial port operations is significantly influenced by regional demand for commodity construction materials and the competitiveness of Turkish suppliers of these materials. It is also influenced by foreign trade volumes, cargo trade volumes and commodity and fuel prices. Such demand is sensitive to changes in general economic conditions, both globally and in important export markets of the Group's customers. As a result, if these general economic conditions deteriorate, the demand for commodities may decrease, thus driving down export volume and, consequently, the shipment volumes of such commodities. For example, in 2016, 77% of export container volumes at Port Akdeniz-Antalya were comprised of marble exports to China, which was primarily driven by the Chinese construction industry. If the Chinese construction activity decreases or the demand in China for Turkish marble decreases, then export and shipment volumes of marble will also decrease. Although a general improvement in the Chinese construction sector resulted in Turkey's marble exports to China increasing by 2% in 2016], marble exports to China from Antalya decreased by 2% due to a corruption investigation launched by Chinese officials. Those companies subject to the corruption investigation operate mainly in the hinterland of Antalya

Other factors which could affect commercial port operations include changes in transportation patterns, weather patterns, delays in customs clearance, armed conflicts, embargoes and strikes, as well as competition from other ports or means of transporting cargo. Significant decreases in demand, or anticipated demand, for the Group's commercial port operations could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

Trade barriers, restrictions on imports or exports or trade disputes may adversely affect the Group's commercial ports

The success and profitability of the Group's commercial port operations depend, in part, on global economic growth and maritime trading volumes. Maritime trading volumes within a country and between countries will be affected by changes or developments in global economic and financial conditions which are beyond the control of the Group. The imposition of trade barriers (such as tariffs, minimum prices, export subsidies and import restrictions), imposition of embargoes or sanctions, extra duties resulting from trade litigation judgments (such as anti-dumping or countervailing duties) in respect of a major trading partner, any strikes, acts of piracy, or any change in maritime or other transportation patterns, or a change in government policies, could also lead to lower growth and/or a decline in the volume of domestic, regional and global trade and, consequently, a decline, or slower growth in cargo traffic. The import and export of certain commodities handled by the Group may be affected to a certain extent by government policies and initiatives. One example of such an extraneous factor is the imposition of economic sanctions on any country or customer that could adversely affect trading volumes and lead to a material decline in the demand for the services offered by the Group. A significant decline in volume as a result of the foregoing could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group's commercial ports may face increased competition in the future

Although management believes that Port Akdeniz-Antalya and Port of Adria-Bar currently face limited competition, there can be no assurance that competition will not increase in the future and it is possible that competing commercial ports could be constructed. To the extent that new competing commercial ports are established or that an existing competing commercial ports increase their capacity, Port Akdeniz-Antalya's or Port of Adria-Bar's trade volumes, revenue and profitability could be negatively affected. In addition, any commercial ports that the Group may opportunistically acquire in the future may face substantial competition. Moreover, as the coastline is well developed and focused on tourism, geographical limitations and/or regulatory requirements could constrain the Group's ability to expand Port Akdeniz-Antalya's existing commercial port operations or otherwise effectively pursue any capital expenditure program. New or increased competition or limited expansion opportunities could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

Risks Relating to the Group's Investments and Strategy

The Group may not be able to identify and successfully acquire additional port facilities in line with its growth strategy

Pursuant to its strategy, the Group intends to continue to explore additional acquisition and development opportunities around the world. However, the identification of new opportunities requires extensive market intelligence as to which existing ports may be subject to privatisation or sale and where new port projects may be considered. Accordingly, there can be no assurance that the Group will be successful in identifying new and attractive opportunities.

There is also no guarantee that, once opportunities are identified, the Group will be able to acquire new ports. In some cases, the ability to acquire new ports will depend on relations with the local government, and the Group's competitors may have stronger relationships. The negotiation of bilateral acquisition agreements may be complex, lengthy and subject to conditions that may be beyond the control of the Group. Future acquisitions may involve competitive tenders, and the Group may not submit the winning bid or may be unable to comply with the tender conditions. In addition, tenders may involve political or other subjective considerations or approvals by governmental authorities conducting the tenders, which create additional uncertainty as to the outcome. Even if the Group wins a tender, there is no assurance that it will be able to complete the acquisition as concessions relating to public infrastructure are frequently subject to legal challenge in the countries where the tenders take place, typically alleging breach of tender conditions or adverse impact on public interest. The plaintiffs in these actions are typically unsuccessful bidders, affected public workers or others with an interest in the transaction. If the Group is unable to execute its growth strategy through acquisitions this could have a material adverse effect on the Group's business, financial condition, results of operations or prospects. As the Group acquires ports in more developed jurisdictions, the complexity and challenges relating to acquisitions may increase. As a result of these challenges, the Group cannot give any assurance that it will be able to maintain its recent rate of growth in the future. Even if the Group is successful in acquiring new ports, it may not achieve the expected benefits from these acquisitions. The Group may incur substantial expenses and debt in connection with acquisitions which may reduce the expected financial returns from such acquisitions, and newly acquired ports may not be as successful as the Group's existing ports.

Finally, given the overall size of the global port market, the Group likely will not be able to pursue all opportunities as they become available. This may allow others to begin creating portfolios of cruise ports, which may increase competition generally within the cruise port industry and for future acquisition opportunities.

The Group's inability to identify and successfully acquire additional ports, its failure to achieve the expected benefits from such acquisitions or the emergence of competing port consolidators could hinder the Group's ability to achieve its strategy and could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group is exposed to risks related to the acquisition and integration of new ports

In recent years, the Group has completed a number of cruise and commercial port acquisitions primarily around the Mediterranean. The Group intends to make further port acquisitions in the future. Growth by acquisition involves risks that could adversely affect the Group's operating results, including the substantial amount of management time that may be diverted from operations to pursue and complete port acquisitions. Acquisitions may expose the Group to operational challenges and various risks, including:

- the successful integration of newly acquired businesses with existing operations;
- adapting the Group's management controls and corporate governance structures to its increased scale;

- the successful centralisation of shared resources of new port acquisitions, such as marketing, finance, treasury and IT, into the existing Group structure;
- maintaining, expanding or developing relationships with its customers, suppliers, contractors, lenders and other third parties, including any joint venture partners and individual port concession right grantors;
- maintaining, expanding or developing relationships with employees of newly acquired concessions, including retaining key employees, hiring and training new personnel or implementing headcount reductions;
- obtaining funding sufficient to meet increased capital needs;
- compliance with any additional regulatory requirements applicable to acquired ports; and
- funding cash flow shortages that may occur if anticipated revenues are not realised or are delayed, whether by general economic or market conditions or unforeseen internal difficulties.

In addition, the returns from new port acquisitions may be lower than anticipated, the value of assets acquired may be lower than expected or liabilities assumed may be greater than expected. These risks may be greater with respect to the acquisition of privatised assets because historical operating and financial information about these assets may be limited or may not exist. Similarly, port concession acquisitions that comprise greenfield projects require significant assumptions about the costs and future revenues of the project. Accordingly, there can be no assurance that the Group will be able to accurately and fully evaluate the financial risks with respect to acquisitions.

Acquisitions could also result in the incurrence of additional indebtedness, costs, contingent liabilities, and impairment and amortisation expenses, all of which could materially adversely affect the Group's businesses, financial condition and results of operations. Moreover, in order to fund the costs associated with future acquisitions, the Group may issue additional shares as consideration. The issue of additional shares in connection with the financing of any new acquisition could be substantially dilutive to the interests of holders of the Shares.

A failure to successfully manage the operational challenges and risks associated with or resulting from acquisitions could adversely affect the Group's business, financial condition, results of operations or prospects. Notwithstanding the foregoing, this risk factor in particular, the described challenges of adapting management controls and corporate governance structures to accommodate acquisitions, should not be taken as implying that the Company will be unable to comply with its obligations as a company with securities admitted to the Official List.

Additional indebtedness could have an adverse effect on the Group's operations and financial condition

The Group has historically used acquisition financing in connection with its investments and its expansion strategy is expected to be financed through borrowings, as well as the proceeds of the Offer and operating cash flow. The expected increase in indebtedness may expose the Group to additional risks. Debt can make companies inherently more sensitive to declines in revenue, increases in expenses and interest rates, and adverse economic, market and industry developments. A leveraged company's income and net assets also tend to increase or decrease at a greater rate than would otherwise be the case if money had not been borrowed to the same extent. Leverage may also restrict such companies from making strategic acquisitions or cause them to make non-strategic divestitures and limit their ability to obtain additional financing. In addition, companies with relatively high fixed costs, like the Company, may have greater difficulty servicing higher debt levels.

In addition, indebtedness typically includes covenants that restrict the operations of the borrower. For instance, the US$250 million of bonds issued by the Group in November 2014 require the Group to maintain a consolidated leverage ratio not exceeding 5.0 to 1, and contains caps on certain types of indebtedness. To the extent that the Group incurs additional indebtedness in the future, it may become subject to additional covenants, which may limit the Group's ability to:

- incur or guarantee additional financial indebtedness or issue certain redeemable shares;
- make certain investments;
- create liens on certain assets;
- grant security or create any security interests; and
- consolidate, merge or sell or otherwise dispose of any of its assets.

The Group currently has a relatively low leverage ratio. However, to the extent that the Group incurs significant additional indebtedness over the longer term, debt covenants may limit the Group's ability to finance additional expansion through borrowings, which could limit the Group's scope for expansion or force the Group to pass over certain acquisition opportunities. This could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group's strategy may in the future be subject to limitations imposed by competition authorities

In 2016, the Group had an approximately 32% share of the market for cruise port services (measured by the total number of cruise ship calls) and an approximately 2% share of the Turkish market for maritime exports (measured by container throughput), according to the Ministry of Transport and Maritime Affairs and Communication. Management expects the Group's market share to increase to the extent that the Group is successful in acquiring operating rights over additional ports. Although management believes that it currently complies with applicable antitrust regulations, there can be no assurance that its existing arrangements or a substantial increase in its market share would not result in the initiation of proceedings or investigations by competition authorities. If any proceedings or investigations were to be adversely determined against the Group, it could be prohibited from engaging in certain activities that are regarded as restricting competition and financial penalties could be imposed on the Group. Such prohibitions or financial penalties could impair the Group's ability to pursue its strategic objectives and could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group's long-term business prospects are partly dependent on the Group's ability to execute its port development and improvement plans

The success of the Group's long-term business development plans depends on the timely completion of port improvements, an accurate assessment of the demand for such capacity, and the grant of licences and other governmental and regulatory approvals for the development of such plans. In addition, the capital investment program is expected to take between one and two years to complete, during which time the Group is subject to a number of construction, operating and other risks beyond its control. Furthermore, there can be no certainty that the revenue generated by the Group from its capital investment program will be sufficient to cover the associated construction and development costs, that it will be able to meet its financial targets for the program or that such investments will not result in excess capacity or otherwise become unprofitable, which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

In September 2015, EBRD invested €53.4 million, acquiring a 10.84% stake in Global Liman.

The Group may be unable to adapt to technological changes and innovations

As part of its strategy, the Group intends to create additional revenue streams by providing cruise ships and passengers with connectivity services, including personal Wi-Fi and hot spots. Accordingly, the Group's future success will largely depend on its ability to anticipate, invest in and implement new technologies with the levels of service and prices that customers demand. The Group may not be able to keep up with rapid technological innovations in internet connectivity or with related changes in customer demands for new services and products, which could limit the Group's future ancillary revenue streams. Technological advances may also affect its level of earnings and financial condition by shortening the useful life of some of its assets.

Risks Relating to the Offer Shares and the Offer

The Company is applying for a Standard Listing and accordingly the Company will not be required to comply with those protections applicable to a Premium Listing.

The Company is applying for a Standard Listing on the Official List under Chapter 14 of the Listing Rules on the basis of the Prospectus Directive requirements and the additional on-going requirements and protections applicable to a Premium Listing under the Listing Rules will not apply to the Company. With the exception of Listing Principles 1 and 2 as set out in Chapter 7, the provisions of Chapters 6 to 13 of the Listing Rules (listing principles, sponsors, continuing obligations, significant transactions, related party transactions, dealing in own securities and treasury shares and contents of circulars), being additional requirements for a Premium Listing of equity securities, will not apply to the Group.

There has been no prior public trading of the Shares

Prior to the Offer, there has been no public trading market for the Offer Shares. There can be no assurance that an active trading market for the Offer Shares will develop, or if developed, can be sustained following the closing of the Offer. If an active trading market is not developed or maintained, the liquidity and trading price of the Offer Shares could be adversely affected.

The price of the Shares is subject to volatility

The value of an investment in the Offer Shares may decrease or increase abruptly, and such volatility may bear little or no relation to the Group's performance. As a consequence of such volatility, investors should be aware that the value of an investment in the Company may go down as well as up. The price of the Offer Shares may fall in response to market appraisal of the Group's strategy or if the Group's results of operations and/or prospects are below the expectations of market analysts or shareholders. In addition, stock markets have, from time to time, experienced significant price and volume fluctuations that have affected the market price of securities, and may, in the future, experience similar fluctuations which may be unrelated to the Group's operating performance and prospects but nevertheless affect the price of the Offer Shares. Other factors which may affect the price of the Offer Shares include but are not limited to:

- differences between the Group's expected and actual operating performance;
- cyclical fluctuations in the performance of the Group's business;
- speculation, whether or not well-founded, regarding the intentions of the Selling Shareholders or significant sales of shares by any such Selling Shareholders or short-selling of the Offer Shares;
- speculation, whether or not well-founded, about significant issues of shares by the Group;
- speculation, whether or not founded, regarding possible changes in the Group's management team;
- the publication of research reports by analysts and changes in earnings estimates by analysts;
- strategic actions by the Group or its competitors, such as mergers, acquisitions, divestitures, partnerships and restructurings;
- speculation, whether or not well-founded, about the Group's business, about mergers or acquisitions involving the Group and/or major divestments by the Group in the press, media or investment community; and
- general market conditions and regulatory, economic or political changes.

The Company's ability to pay dividends in the future is not guaranteed

The Company may not be able to or may choose not to pay any dividends. In particular, the Group's ability to pay dividends may be limited by corporate law and the terms of its financing arrangements. The timing and amount of any future dividend payments will depend on the Company's existing and future financial condition, results of operations, capital requirements, liquidity needs and other matters that it may consider relevant from time to time, including, without limitation, its capital needs, financial performance and prevailing equity market conditions.

Additional equity capital may dilute existing shareholdings

The Company may choose to raise funds through further equity financing including on a non pre-emptive basis in order to make early re-payments on its indebtedness. There can be no assurance that such future equity offerings will be conducted at market value and the Company may decide to offer shares at a discount to the prevailing market price if it believes that this would be appropriate in the context of the financing options available to it. Shareholders may experience dilution of their shareholdings to the extent that the Company conducts future equity offerings. A future equity offering could also depress the market value of the Offer Shares.

Shareholders in certain jurisdictions may not be able to participate in future equity offerings

English corporate law provides for pre-emptive rights to be granted to existing shareholders of the Company in case of future issue of shares by the Company, which can be disapplied. However, securities laws of certain jurisdictions may restrict the Company's ability to allow participation by shareholders in future offerings. In particular, holders of the Shares in the United States may not be entitled to exercise these rights, unless the Offer Shares and any other securities that are offered and sold are registered under the Securities Act, or the Offer Shares and such other securities are offered pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. We cannot assure prospective investors that any exemption from such overseas securities law requirements would be available to enable U.S. or other shareholders to exercise their pre-emptive rights or, if available, that the Group will utilise any such exemption.

Significant shareholders will continue to control or have significant influence over the Company and may not act in line with the interests of the holders of the Offer Shares

Global Investment Holdings, the ultimate parent company of the Company through its wholly owned subsidiary GPH B.V., is expected to retain a minimum 50.1% interest in the Company, even taking into consideration any possible exercise of the Over-Allotment Option. Whilst the Company has entered into a relationship agreement with Global Investment Holdings and GPH B.V. to ensure that the Group is capable of carrying on its business independently of Global Investment Holdings, Global Investment Holdings (through GPH B.V.) will possess sufficient voting power to have a significant influence over all matters requiring shareholder approval, including the approval of extraordinary transactions, changes to the Company's governing documents and significant corporate transactions. Subject to compliance with the Company's governing documents and English corporate law, Global Investment Holdings is not obligated to act in the best interest of the other holders of Offer Shares. There may be circumstances in which Global Investment Holdings has different objectives from the holders of the Offer Shares. If Global Investment Holdings chooses to cause the Company to pursue strategic objectives that conflict with the interests of the other holders of Offer Shares, then the other holders of Offer Shares could be disadvantaged by these actions.

EBRD will have a right to a Board of directors appointee for so long as it holds at least 5% of the Company's issued share capital, and therefore EBRD may also have influence over the Group by virtue of this board representation.

Investors may be unable to effect service of process or enforce foreign judgments against the Group or its assets in the jurisdictions in which the Group operates or its executive officers reside

The Group's presence outside of the United States, the United Kingdom and the European Union may limit an investor's legal recourse against the Group. Most of the Group's directors and executive officers named in this Prospectus reside outside of these jurisdictions and a substantial portion of the assets of the Group and the assets of the Group's directors and executive officers are located outside of the US, UK and EU. As a result, investors may not be able to effect service of process upon the Company's Directors and executive officers, or to enforce court judgments obtained against the Company's Directors and its executive officers in jurisdictions outside of the US, UK and EU. It may also be difficult for investors to enforce against these persons judgments of courts predicated on the laws of the US, UK and EU, including the civil liability provisions of the U.S. federal securities laws.

PART III—PRESENTATION OF INFORMATION

1. Consolidated Historical Financial Information

The Company was incorporated in preparation for the Offer on 20 February 2017. To provide selected consolidated results for the Company's business, Part XX *(Historical Financial Information)* of this Prospectus contains the consolidated historical financial information of Global Liman İşletmeleri A.Ş. and its subsidiaries as at and for each of the three years ended 31 December 2014, 31 December 2015 and 31 December 2016 (the "**Historical Financial Information**"). The Historical Financial Information has been prepared in accordance with IFRS, as issued by the International Accounting Standards Board and adopted by the European Union. Deloitte LLP ("**Deloitte UK**") has prepared an accountant's report in respect of the Historical Financial Information (the "**Accountant's Report**") which is also included in Part XX (*Historical Financial Information*). Deloitte UK are the reporting accountants of the Group and members of the Institute of Chartered Accountants in England and Wales. DRT Bağimsiz Denetim ve Serbest Muhasebeci Mali Műşavirlik A.Ş. ("**Deloitte Turkey**") are the independent auditors of the Group and members of the Turkish Institute of Accountants. The Group will continue reporting in accordance with IFRS.

2. Non-IFRS financial measures

This Prospectus includes certain measures to assess the financial performance of The Group's business that are termed "non-IFRS measures" because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS, or are calculated using financial measures that are not calculated in accordance with IFRS. These non-GAAP measures include Segmental EBITDA (or Adjusted EBITDA) (as defined below), and cash conversion.

The Group uses such measures to measure operating performance and liquidity, in presentations to the Board and as a basis for strategic planning and forecasting, as well as monitoring certain aspects of its operating cash flow and liquidity. The Directors believe that these and similar measures are used widely by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity.

The non-IFRS measures may not be comparable to other similarly titled measures used by other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Group's operating results as reported under IFRS.

An explanation of the relevance of each of the non-IFRS measures, a reconciliation of the non-IFRS measures to the most directly comparable measures calculated and presented in accordance with IFRS and a discussion of their limitations is set out below. The Group does not regard these non-IFRS measures as a substitute for, or superior to, the equivalent measures calculated and presented in accordance with IFRS or those calculated using financial measures that are calculated in accordance with IFRS.

Segmental EBITDA

Adjusted EBITDA, as calculated by the Group, represents earnings before interest, tax, depreciation and amortisation excluding the effects of exceptional and other non-cash income and expenses comprising project expenses, bargain purchase gains and reserves, board member leaving fees, employee termination payments, unallocated expenses, finance income, finance costs, and including the share of equity-accounted investees, which is fully integrated into GPH cruise port network ("**Adjusted EBITDA**" or "**Segmental EBITDA**").

The table below sets out reconciliation of Profit before income tax to Segmental EBITDA, for the periods indicated.

	For the year ended 31 December		
	2014	2015	2016
	(US$ '000)	*(US$ '000)*	*(US$ '000)*
Profit before income tax	25,547	13,934	5,199
Finance costs	28,108	36,392	35,272
Finance income	(11,344)	(25,127)	(17,511)
Unallocated expenses	3,107	2,912	5,011
Exceptional & other non-cash items	(14,230)	7,837	12,406
Depreciation and amortisation	30,738	38,184	40,556
Segmental EBITDA	**61,926**	**74,132**	**80,933**

Segmental EBITDA is presented because it is widely used by securities analysts, investors and other interested parties to evaluate the profitability of companies. Segmental EBITDA eliminates potential differences in performance caused by variations in capital structures (affecting net finance costs), tax positions (such as the availability of net operating losses against which to relieve taxable profits), the cost and age of tangible assets (affecting relative depreciation expense) and the extent to which intangible assets are identifiable (affecting relative amortisation expense).

Segmental EBITDA is also adjusted for exceptional and other non-cash items because they are considered to hinder comparison of the trading performance of the Group's businesses either year-on-year or with other businesses. Segmental EBITDA is the measure used by management to assess the trading performance of our businesses and is therefore the measure of segmental performance that the Group presents under IFRS. Segmental EBITDA is also presented on a consolidated basis because management believes it is important to consider our profitability on a basis consistent with that of our operating segments. When presented on a consolidated basis, Segmental EBITDA is a non-IFRS measure. Management believes that Segmental EBITDA should, therefore, be made available to securities analysts, investors and other interested parties to assist in their assessment of the trading performance of our businesses.

Segmental EBITDA has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, our results of operations, as reported under IFRS. Some of these limitations are:

- it does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- it does not reflect changes in, or cash requirements for, our working capital needs;
- it does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;
- although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised will often have to be replaced in the future, and Segmental EBITDA does not reflect any cash requirements for such replacements;
- it is not adjusted for all non-cash income or expense items that are reflected in our statements of cash flows; and
- the further adjustments made in calculating Segmental EBITDA are those that management considers are not representative of the underlying operations of the Group and therefore are subjective in nature.

In view of the above limitation prospective investors should use caution when reviewing Segmental EBITDA and should not consider Segmental EBITDA as an absolute measure of the Group's financial performance or liquidity under IFRS, and should not be considered by prospective investors in isolation to, or as a substitute to operating profit, profit for the year or any other performance measures as determined in accordance with IFRS, or as an alternative to cash flow from operating activities as a measure of the Group's liquidity, or consider them to be comparable to other companies. See Part XIII (*Operating and Financial Review*).

Exchange rate information

In this Prospectus, all references to:

- "**U.S. Dollar(s)**", "**U.S. dollar(s)**", "**US$**", "**USD**" and "**$**" mean the currency of the United States of America;
- "**Turkish Lira**"and "**TL**" mean the currency of the Republic of Turkey; and
- "**Euro(s)**", "**EUR**" and "**€**" mean the currency introduced on 1 January 1999 at the start of the third stage of European economic and monetary union pursuant to the treaty establishing the European Community, as amended by the Treaty on European Union.
- "**United Kingdom pounds sterling**" "**pounds sterling**" "**GBP**" or "**£**" mean the currency of the United Kingdom

A majority of the Group's costs are denominated and paid in Turkish Lira, and the Group's revenues are denominated in U.S. Dollars and Euros. See Part XIII *(Operating and Financial Review*).

U.S. Dollar Exchange Rate

The table below sets forth, for the periods indicated, the high, low, average and period-end rates determined by the European Central Bank and the Federal Reserve Bank of New York respectively, in each case for the purchase of U.S. dollar, all expressed in Turkish Lira per U.S. dollar or Euro per U.S. dollar (as the case may be). The TL/U.S. dollar exchange rate for the purchase of U.S. dollars determined by the Federal Reserve Bank of New York on 28 April 2017 was TL 3.5504 to US$1.00. The EUR/ U.S. dollar exchange rate for the purchase of euros determined by the European Central Bank on 28 April 2017 was €3.8756 to US$1.00. The rates below may differ from the actual rates used in the preparation of the Historical Financial Information and other financial information appearing in this Prospectus. The Group does not represent that the Turkish Lira or Euro amounts referred to below could be or could have been converted into U.S. dollars at any particular rate indicated or any other rate for such periods or at such dates.

	TL per US$1.00				EUR per US$1.00			
	High	Low	Average(1)	Period end(2)	High	Low	Average(3)	Period end(4)
Year ended 31 December								
2016	3.5344	2.7928	3.0185	3.5318	0.9649	0.8644	0.9039	0.9487
2015	3.0599	2.2778	2.7200	2.9076	0.9477	0.8304	0.9019	0.918
2014	2.3671	2.0711	2.1865	2.3189	0.8237	0.7167	0.7539	0.823
2013	2.1604	1.7459	1.9013	2.1343	0.7832	0.7239	0.7532	0.725
2012	1.8889	1.7340	1.7925	1.7826	0.8272	0.7433	0.7789	0.757

Sources: European Central Bank, Federal Reserve Bank of New York

Notes:

(1) For each of the years 2012 to 2016, this represents the yearly averages of the monthly averages of the TL/US$ exchange rates determined by the Federal Reserve Bank of New York for the relevant period, such monthly averages were computed by calculating the average of the daily TL/US$ exchange rates on the business days of each month during the relevant period.

(2) Represents the TL/US$ exchange rates for the purchase of U.S. dollars determined by the Federal Reserve Bank of New York on the last working day of the relevant period.

(3) For each of the years 2012 to 2016, this represents the yearly averages of the monthly averages of the EUR/US$ exchange rates determined by the European Central Bank for the relevant period, such monthly averages were computed by calculating the average of the daily TL/US$ exchange rates on the business days of each month during the relevant period.

(4) Represents the EUR/US$ exchange rates for the purchase of U.S. dollars determined by the European Central Bank on the last working day of the relevant period.

	TL per US$1.00				EUR per US$1.00			
	High	Low	Average(1)	Period end(2)	High	Low	Average(3)	Period end(4)
April 2017	3.7263	3.5504	3.649545	3.5504	1.0930	1.0578	1.0729	1.093
March 2017	3.7522	3.5931	3.6659	3.6386	0.9511	0.9184	0.9360	0.9354
February 2017	3.7874	3.5689	3.6724	3.5882	0.9512	0.9252	0.9397	0.9437
January 2017	3.8779	3.5192	3.7349	3.8324	0.9629	0.9298	0.9422	0.9298
December 2016	3.5344	3.3669	3.4889	3.5318	0.9649	0.9292	0.9486	0.9487
November 2016	3.4403	3.0981	3.2674	3.4199	0.9480	0.9013	0.9263	0.9403
October 2016	3.0998	3.0004	3.0679	3.0998	0.9198	0.8900	0.9070	0.9136
September 2016	2.9959	2.9286	2.9601	2.9959	0.8972	0.8853	0.8919	0.896
August 2016	3.0213	2.923	2.9629	2.9545	0.9027	0.8819	0.8920	0.8983
July 2016	3.0727	2.8848	2.9576	3.0167	0.9106	0.8963	0.9035	0.8998
June 2016	2.9515	2.8799	2.9170	2.8936	0.9093	0.8780	0.8906	0.9007
May 2016	2.9826	2.7928	2.9266	2.956	0.8977	0.8644	0.8842	0.8965
April 2016	2.8591	2.8249	2.8347	2.815	0.8887	0.8747	0.8819	0.877

Sources: European Central Bank, Federal Reserve Bank of New York

Notes:

(1) For the months (or periods) of 2016 and 2017, this represents the monthly (or period) averages of the TL/US$ exchange rates determined by the Federal Reserve Bank of New York for such month (or period), which averages were computed by calculating the average of the daily TL/US$ exchange rates on the business days of each month during the relevant period.

(2) Represents the TL/US$ exchange rates for the purchase of U.S. dollars determined by the Federal Reserve Bank of New York on the last working day of the relevant period.

(3) For the months (or periods) of 2016 and 2017, this represents the monthly (or period) averages of the EUR/US$ (as the case may be) exchange rates determined by the European Central Bank for such month (or period), which averages were computed by calculating the average of the daily EUR/US$ (as the case may be) exchange rates on the business days of each month during the relevant period

(4) Represents the EUR/US$ exchange rates for the purchase of U.S. dollars determined by the European Central Bank on the last working day of the relevant period.

4. Roundings

Certain data in this Prospectus, including financial, statistical, and operating information has been rounded. As a result of the rounding, the totals of data presented in this Prospectus may vary slightly from the actual arithmetic totals of such data. Percentages in tables have been rounded and accordingly may not add up to 100 per cent.

5. Market, economic and industry data

Certain market, economic and industry data used throughout this Prospectus has been derived from various industry and other independent sources. Such information contained in this Prospectus relating to the ports and the Company's competitors (which may include estimates and approximations) was derived from publicly available information, including press releases and filings under various securities laws. The Company confirms that such information has been accurately reproduced from its sources and, as far as the Company is aware and is able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading.

6. No incorporation of website information

The contents of the Company's website or any website directly or indirectly linked to the Company's website do not form part of this Prospectus and investors should not rely on them.

7. Forward-looking statements

This Prospectus includes statements that are, or may be deemed to be, "forward-looking statements" within the meaning of Section 27A of the Securities Act and section 21E of the US Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). These forward-looking statements can be identified by the use of forward-looking terminology such as "believe", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned" or "anticipates" or the negative thereof, other variations thereon or comparable terminology. All statements other than statements of historical facts included in this Prospectus are forward-looking statements. They appear in a number of places throughout this Prospectus, and include disclosure regarding potential acquisition targets identified by the Group. They involve known and unknown risks and uncertainties, many of which are beyond the Group's control and all of which are based on the Directors' or the Group's intentions, beliefs or current expectations concerning, among other things, the results of operations, financial condition, liquidity, prospects, growth, strategies, and dividend policy of the Group and the industry in which it operates and the general economic outlook. In particular, the statements under the headings "*Summary*", "*Risk Factors*", "*Operating and Financial Review*" and "*The Business*" regarding the Company's strategy and other future events or prospects are forward-looking statements.

These forward-looking statements and other statements contained in this Prospectus regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed, or implied in such forward-looking statements. Such forward-looking statements contained in this Prospectus speak only as of the date of this Prospectus. The Company, the Directors, the Selling Shareholders and the Underwriters expressly disclaim any obligation or undertaking to update these forward-looking statements contained in the Prospectus to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable law, the Prospectus Rules, the Listing Rules, or the Disclosure and Transparency Rules of the FCA.

Forward-looking statements in this Prospectus do not in any way seek to qualify the working capital statement contained in paragraph 17 (*Working Capital*) of Part XVIII (*Additional Information*).

8. Definitions and glossary

Certain terms used in this Prospectus, including all capitalised terms and certain technical and other items, are defined and explained in Part XIX (*Definitions and Glossary*).

PART IV—CONSEQUENCES OF A STANDARD LISTING

APPLICATION HAS BEEN MADE FOR THE OFFER SHARES TO BE ADMITTED TO THE STANDARD LISTING SEGMENT OF THE OFFICIAL LIST. A STANDARD LISTING PROVIDES SUBSCRIBERS AND PURCHASERS OF OFFER SHARES WITH A LOWER LEVEL OF REGULATORY PROTECTION THAN THAT PROVIDED TO INVESTORS IN COMPANIES WHOSE SECURITIES ARE ADMITTED TO THE PREMIUM LISTING SEGMENT OF THE OFFICIAL LIST, WHICH ARE SUBJECT TO ADDITIONAL OBLIGATIONS UNDER THE LISTING RULES. IT SHOULD BE NOTED THAT NEITHER THE UK LISTING AUTHORITY NOR THE LONDON STOCK EXCHANGE WILL HAVE THE AUTHORITY TO (AND WILL NOT) MONITOR THE COMPANY'S COMPLIANCE WITH ANY OF THE LISTING RULES OR THOSE ASPECTS OF THE DISCLOSURE GUIDANCE AND TRANSPARENCY RULES WHICH THE COMPANY HAS INDICATED HEREIN THAT IT INTENDS TO COMPLY WITH ON A VOLUNTARY BASIS, NOR TO IMPOSE SANCTIONS IN RESPECT OF ANY FAILURE BY THE COMPANY TO SO COMPLY.

The Shares will be admitted to listing on the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings. The Company will comply with Listing Principles 1 and 2 as set out in Chapter 7 of the Listing Rules, as required by the UK Listing Authority, and intends to comply with the Premium Listing Principles as set out in Chapter 7 of the Listing Rules notwithstanding that they only apply to companies which obtain a Premium Listing on the Official List.

An applicant that is applying for a Standard Listing of equity securities must comply with all the requirements listed in Chapter 2 of the Listing Rules, which specifies the requirements for listing for all securities. Where an application is made for the admission to the Official List of a class of shares, at least 25 per cent. of shares of that class must be distributed to the public in one or more EEA states. Listing Rule 14.3 sets out the continuing obligations applicable to the issuer and requires that the issuer's listed securities must be admitted to trading on a regulated market at all times. The applicant must have a minimum number of shares of any listed class (25 per cent.) in public hands at all times in the relevant jurisdictions and must notify the FCA as soon as possible if these holdings fall below the stated level. There are a number of other continuing obligations set out in Chapter 14 of the Listing Rules that will be applicable to the Company.

These include requirements as to:

(a) forwarding of circulars and other documentation to the FCA for publication through the national storage mechanism, and related notification to a Regulatory Information Service;

(b) the provision of contact details of appropriate persons nominated to act as a first point of contact with the FCA in relation to compliance with the Listing Rules and the Disclosure Guidance and Transparency Rules;

(c) the form and content of temporary and definitive documents of title;

(d) the appointment of a registrar;

(e) Regulatory Information Service notification obligations in relation to a range of debt and equity capital issues; and

(f) compliance with, in particular, Chapters 4, 5 (if applicable) and 6 of the Disclosure Guidance and Transparency Rules.

While the Company has a Standard Listing, it is not required to comply with the provisions of, among other things:

- Chapter 6 of the Listing Rules containing additional requirements for the listing of equity securities, which are only applicable for companies with a Premium Listing;
- Chapter 8 of the Listing Rules regarding the appointment of a listing sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. In particular, the Company is not required to appoint a sponsor in relation to the publication of this Prospectus or Admission;
- Chapter 9 of the Listing Rules containing provisions relating to transactions, including, inter alia, requirements relating to further issues of shares, the ability to issue shares at a discount in excess of 10 per cent. of market value, notifications and contents of financial information;
- Chapter 10 of the Listing Rules relating to significant transactions which requires Shareholder consent for certain acquisitions;

- Chapter 11 of the Listing Rules regarding related party transactions;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

A company with a Standard Listing is not currently eligible for inclusion in any of the FTSE indices (i.e. FTSE 100, FTSE 250 etc.). This may mean that certain institutional investors are unable to invest in the Offer Shares.

PART V—DIRECTORS, SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors	Mehmet Kutman (*Chairman and Co-Founder*) Ayşegül Bensel (*Vice Chairperson*) Jérôme Bernard Jean Auguste Bayle (*Member*) Lord Mandelson (*Member*) Thierry Déau (Member) Thomas Josef Maier (*Member*) Ercan Nuri Ergül (*Member*)
Senior Management	Emre Sayın (*Chief Executive Officer*) Stephen Xuereb (*Chief Operating Officer—Global Liman & General Manager—Valletta Cruise Port*) Ferdağ Ildır (*Chief Financial Officer*) Arpak Demircan (*Chief Business Development Officer*) Carla Salvado (*Director of Cruise Marketing*) Özgür Sert (*General Manager—Port Akdeniz-Antalya*) Sedat Kara (*General Manager—Port of Adria-Bar*) Aziz Güngör (*General Manager—Ege Ports-Kuşadası & Bodrum Cruise Port*) Ricardo Ferreira (*General Manager—Lisbon Cruise Terminals*) Carles Domingo (*General Manager—Creuers Barcelona*) Lionel Wong (*General Manager—SATS Creuers Singapore*) Susana Gutierrez (*General Manager—Cruceros Malága*) Gonca Uygun (*Bodrum Cruise Port Manager*)
Company Secretary	TMF Corporate Administration Services Limited 5th, Floor, 6 St. Andrew Street London, EC4A 3AE United Kingdom
Head office of the Company	Rıhtım Cad. No: 51, Karaköy 34425, Istanbul
Selling Shareholders	Global Ports Holding B.V. Herikerbergweg 238, Luna ArenA, 1101 CM, Amsterdam, The Netherlands European Bank for Reconstruction and Development One Exchange Square London EC2A 2JN United Kingdom

ADVISERS

Joint Global Co-ordinators and Joint Bookrunners	Citigroup Global Markets Limited Citigroup Centre 33 Canada Square Canary Wharf London E14 5LB United Kingdom Goldman Sachs International Peterborough Court 133 Fleet Street London EC4A 2BB United Kingdom Barclays Bank PLC 5 North Colonnade London E14 4BB United Kingdom

Joint Bookrunner	VTB Capital plc 14 Cornhill London EC3V 3ND United Kingdom
Lead Manager	Shore Capital Stockbrokers Limited 14 Clifford Street London W1S 4JU United Kingdom
Stabilising Manager and Settlement Manager	Barclays Capital Securities Limited, an affiliate of Barclays Bank PLC 5 North Colonnade London E14 4BB United Kingdom
Financial Adviser	STJ Advisors Charles House 5-11 Regent Street London SW1Y 4LR United Kingdom
Intermediaries Offer Adviser	Solid Solutions Associates (UK) Ltd 5 St John's Lane London ECIM 4BH United Kingdom
Legal advisers to the Company as to English and U.S. law	Baker & McKenzie LLP 100 New Bridge Street London EC4V 6JA United Kingdom
Legal advisers to the Company as to Turkish law	Esin Attorney Partnership Ebulula Mardin Cad., Gül Sok. No. 2 Maya Park Tower 2, Akatlar-Beşiktaş Istanbul, Turkey
Legal advisers to the Underwriters as to English and U.S. law	Cleary Gottlieb Steen & Hamilton LLP City Place House 55 Basinghall Street London EC2V 5EH United Kingdom
Legal advisers to the Underwriters as to Turkish law	Akol Özok Namlı Avukatlık Ortaklığı Trump Towers 2, Floor 35 Istanbul, Turkey
Reporting accountants	Deloitte LLP ("**Deloitte UK"**) 2 New Street Square London EC4A 3B2 United Kingdom
Auditors	DRT Bağimsiz Denetim ve Serbest Muhasebeci Mali Műşavirlik A.Ş. ("**Deloitte Turkey**") Deloitte Values House Maslak No 1 34398 Istanbul, Turkey
Registrar, Settlement Agent and Receiving Agent	Equiniti Limited Aspect House Spencer Road Lancing BN99 6DA United Kingdom

PART VI—EXPECTED TIMETABLE OF PRINCIPAL EVENTS AND OFFER STATISTICS

Expected timetable of principal events

Event	*Time and Date*[(1)(2)]
Latest time and date for receipt of completed application forms from the Intermediaries in respect of the Intermediaries Offer	5.00 p.m. on 11 May 2017
Latest time and date for receipt of indications of interest from institutional investors under the Institutional Offer	5.00 p.m. on 11 May 2017
Announcement of Offer Price, publication of the Pricing Statement and notification of allocations of Shares[(3)]	7.00 a.m. on 12 May 2017
Commencement of conditional dealings in Shares on the London Stock Exchange	8.00 a.m. on 12 May 2017
Admission and commencement of unconditional dealings in Shares on the London Stock Exchange	8.00 a.m. on 17 May 2017
CREST accounts credited with uncertificated shares[(4)]	8.00 a.m. on 17 May 2017
Despatch of definitive share certificates (where applicable)[(4)]	Week commencing 29 May 2017
Reduction of Capital	As soon as reasonably practicable following Admission

Notes:

(1) It should be noted that if Admission does not occur, all conditional dealings will be of no effect and any such dealings will be at the sole risk of the parties concerned.

(2) The times and dates in the table able are indicative only and are subject to change. All references to time in this timetable are to London time.

(3) The Pricing Statement will not automatically be sent to persons who receive this Prospectus but will be published (subject to certain restrictions) in electronic form and available on http://www.globalports.com.tr/ipo.php. If the Offer Price is set above the Price Range or the Price Range is revised higher then the Company will make an announcement via a Regulatory Information Service and prospective investors will have a statutory right to withdraw their application for Shares pursuant to section 87Q of FSMA. In such circumstances, the Pricing Statement would not be published until the period for exercising such withdrawal rights has ended. Therefore, the expected date of publication of the Pricing Statement would be extended. The arrangements for withdrawing offers to subscribe for or purchase Offer Shares would be made clear in the announcement.

(4) Or as soon as practicable thereafter. No temporary documents of title will be issued. Underlying applicants who apply to Intermediaries for Shares under the Intermediaries Offer will not receive share certificates.

Offer statistics

	Bottom of the Price Range	*Top of the Price Range*
Offer Price per Share[(1)]	735 pence	875 pence
Number of Existing Shares to be sold in the Offer[(2)]	up to 17,841,870	up to 18,556,757
Number of New Shares to be issued in the Offer	up to 7,892,857	up to 6,630,000
Aggregate number of Shares in the Offer	up to 25,734,727	up to 25,186,757
Percentage of the Share capital being offered in the Offer	up to 59%	up to 59.1%
Number of Shares subject to the Over-allotment Option[(3)]	up to 3,860,209	up to 3,778,013
Number of Shares in issue immediately following the Offer[(2)]	up to 62,892,857	up to 61,630,000
Expected market capitalisation of the Company at the Offer Price[(2)(4)]	£ 462.3 million	£ 539.3 million
Estimated net proceeds of the Offer receivable by the Company[(5)]	£ 58 million	£ 58 million
Estimated net proceeds of the Offer receivable by the Selling Shareholder(s)[(2)]	£ 131.1 million	£ 162.4 million

Notes:

(1) It is currently expected that the Offer Price will be set within the Price Range. The Company expects to publish the Pricing Statement containing the Offer Price on or around 12 May 2017. The Pricing Statement will be available (subject to certain restrictions) on the Company's website at http://www.globalports.com.tr/ipo.php. If the Offer Price is set above the Price Range then the Company will make an announcement via a Regulatory Information Service and prospective investors will have a statutory right to withdraw their application for Shares pursuant to section 87Q of FSMA. In such circumstances, the Pricing Statement would not be published until the period of exercising such withdrawal rights has ended. Therefore the expected date of publication of the Pricing Statement would be extended. The arrangements for withdrawing offers to subscribe for or purchase Shares, as the case may be, would be made clear in the announcement.

(2) Assuming no exercise of the Over-allotment Option and that EBRD sells 4,173,400 Shares.

(3) The maximum number of Shares subject to the Over-allotment Option will be 15 per cent. of the total number of Shares.

(4) The market capitalisation of the Company at any given time will depend on the market price of the Shares at that time. There can be no assurance that the market price of a Share will be equal to or exceed the Offer Price.

(5) The estimated net proceeds receivable by the Company are stated after deduction of the estimated underwriting commissions and other fees and expenses of the Offer (including VAT) payable by the Company, which are currently expected to be approximately £6.2 million. The Company will not receive any portion of the proceeds resulting from the sale of Existing Shares by the Selling Shareholder(s) in the Offer.

PART VII—USE OF PROCEEDS

The price range of the Offer is between 735 and 875 pence per Share (the "**Price Range**"). The size of the Offer is up to 25,734,727 at the bottom end of the Price Range and up to 25,186,757 at the top end of the Price Range. GPH B.V. will sell up to 14,212,827 at the bottom end of the Price Range and up to 14,927,714 at the top end of the Price Range. Regardless of the price, EBRD will sell up to 4,173,000 of its Existing Shares (but may choose to sell no Shares at all). GPH B.V. has committed that the minimum free float will be such number of Shares as results in total proceeds of the Offer of not less than US$200 million (approximately £154.7 million). Assuming the Offer is set at the mid-point of the Price Range the Company expects to issue 7,206,521 New Shares and to receive gross proceeds of approximately US$75 million (£58 million) from the Offer. The Company and the Selling Shareholder(s) will incur various expenses in connection with the Offer, including underwriting commissions and other fees, tax and expenses. The estimated total expenses relating to the Offer are estimated to be approximately £6.2 million (excluding VAT). The Company intends to pay this amount out of the gross proceeds of the Offer. The Company will not receive any portion of the proceeds from the sale of the Existing Shares by the Selling Shareholders in the Offer. Assuming (i) the Offer is set at the mid-point of the Price Range; (ii) EBRD sells 4,173,400 Shares; and (iii) there is no exercise of the Over-allotment Option, the Selling Shareholders expect to receive gross proceeds of up to approximately US$189.7 million (£146.7 million) from the sale of the Existing Shares. GPH B.V. will use part of the proceeds that it receives from the Offer (estimated to be approximately US$146.3 million (£113.2 million), assuming the Offer is set at the mid-point of the Price Range, there is no exercise of the Over-allotment Option and EBRD sells 4,173,400 shares) to allow Global Yatırım Holding Anonim Sirketi ("**GIH**", its parent company) to repay a TL 162,000,000 Pre-IPO Single Currency Term Facility Agreement (the "**Facility**") between GIH as the borrower and VTB Capital plc as the lender which is secured by a pledge over 22.5% of the share capital of Global Liman (the "**Pledge Agreement**"), and to allow GIH to repay upon completion of the Offer a receivable of TL 103,400, 000 (approximately US$29,000,000) which is due to Global Liman from GIH (the "**GIH Receivable**"), comprising of charges and expenses incurred by GIH's subsidiaries on behalf of GIH. See Part XVIII *(Additional Information—Principal Shareholders*) for further information about the Facility and the Pledge Agreement, Part XVII *(Additional Information—Related Party Transactions*) for further information about the GIH Receivable.

The following table sets forth the Company's proceeds of the Offer as of the date of this Prospectus, assuming the Offer is set at the mid-point of the Price Range. The actual amounts set forth in the table are subject to adjustment and may differ at the time of the Offer depending on several factors, including differences from the Company's estimation of fees and expenses.

Proceeds

Gross proceeds of the Offer(1)	£ 58 million
Transaction fees and expenses related to the Offer(1)	£ 6.2 million
Net proceeds of the Offer(1)	£51.8 million

Notes:
(1) Assuming the Offer is set at the mid-point of the Price Range.

The Company plans to use the majority of the net proceeds that it receives from the Offer (estimated to be approximately £51.8 million, assuming the Offer is set at the mid-point of the Price Range) to acquire and develop new ports. The Group has identified a number of cruise port acquisition targets, including nine ports in the Mediterranean/Europe, seven ports in the Caribbean and four ports in Asia. Of these, the Group has prioritised eleven targets:

- with respect to two of the targets, Penghu Cruise Port and Brindisi Cruise Port, the Group is negotiating the terms of the concession agreements and negotiating financing arrangements
- the remaining nine targets, Livorno Cruise Port, Zadar Cruise Port, Nassau Cruise Port, La Goulette Cruise Port, Gibraltar Cruise Port, Istanbul Cruise Port, Katakolon Cruise Port, Hainan Cruise Port and St Petersburg Cruise Port are at an earlier pre-feasibility and due diligence phase of the acquisition process.

Management estimates that the acquisition of all eleven of the prioritised target ports would require capital expenditure between US$700 million and US$900 million, with capital expenditures of approximately US$400 million to US$500 million in the Caribbean and Bahamas, approximately US$150 million to US$250 million in

Europe and less than US$50 million in Asia. For the further information see Part X (*The Business—The Group's Strategy—Continue cruise terminal platform expansion through targeted, disciplined acquisitions in selected strategic locations across the globe*).

The Group does not have any definitive agreement with respect to any of its acquisition targets, and even if the Group does enter into such an agreement in the future, it would be subject to customary closing conditions. Accordingly, there can be no assurance or guarantee that any of the potential acquisitions will be completed. See Part II *(Risk Factors—Risks Relating to the Group's Investments and Strategy—The Group may not be able to identify and successfully acquire additional port facilities in line with its growth strategy* and *Risk Factors—The Group is exposed to risks related to the acquisition and integration of new ports*". The Group will retain broad discretion in the allocation of the net proceeds of the Offer. Any proceeds not used for acquisitions will be used for general corporate and working capital purposes.

PART VIII—DIVIDENDS AND DIVIDEND POLICY

Dividends paid and received

The Company was incorporated in preparation for the Offer on 20 February 2017 and has not paid or received any dividends.

On 24 March 2017 Global Liman's general assembly of shareholders (the "**General Assembly**") decided to distribute TL 96,776,978 (US$ 26,782,802) after setting aside TL 2,126,085 (US$ 613,296) as legal reserves. In 2016, the General Assembly decided to distribute TL 99,631,002 (US$ 34,607,316) after setting aside TL 5,243,737 (US$ 1,821,438) as legal reserves. Accordingly TL 99,631,002 was duly distributed to its shareholders. In 2015, the General Assembly decided to distribute TL 52,382,000 (US$ 20,000,000) after setting aside TL 2,756,947 (US$ 1,052,631) as legal reserves. Accordingly TL 52,382,000 was duly distributed to its shareholders. The following table shows the dividends declared and paid by Global Liman to its shareholders in each of the years indicated:

	Amount Paid
	(TL)
2017	96,776,978
2016	99,631,002
2015	52,382,000
2014	31,084,035
2013	26,967,214

The following table shows the dividends declared and paid by Creuers (Barcelona) to BPI on each of the dates indicated.

	Amount Paid
	(Euro)
16 December 2014	3,700,000
8 October 2014	10,750,000

The following table shows the dividends declared and paid by Ege Liman, to Global Liman and RCCL (as non-controlling shareholder) in each of the years indicated:

	Amount Paid	
	Global Liman	RCCL
	(TL)	
2016	—	—
2015	—	—
2014	8,193,178	3,107,756

The following table shows the dividends declared and paid by Valletta Cruise Port PLC to Global Ports Melita Limited and Perquisite Holding Limited, which are fully owned subsidiaries of Global Ports Europe B.V., a wholly owned subsidiary of Global Liman, on each of the dates indicated.

	Amount Paid
	(Euro)
31 December 2016	945,045
31 December 2015	—

Dividends policy

The Board of the Company expects to pay a minimum dividend of US$25 million for the 2017 financial year, and will decide whether the total dividend for the year ending 31 December 2017 will be greater than $25 million at the end of the financial year. This will depend, amongst other things, on whether the Company is able to complete further acquisitions for new port concessions that require equity investment in 2017. The split of dividend between interim and final will be approximately 50/50, and the Board of Company intends to pay an interim dividend in September 2017. Thereafter the Board of the Company expects dividends to grow in line with earnings.

The timing and amount of any future dividend payments will depend on the Group's existing and future financial condition, results of operations, capital requirements, liquidity needs and other matters that it may consider relevant from time to time, including, without limitation, the ability of subsidiaries to distribute dividends, its capital needs, financial performance and prevailing equity market conditions. As payments of dividends from the Company's subsidiaries (including Global Liman) will be in certain circumstances be subject to withholding tax, as soon as practical following Admission, the Directors intend to undertake the Reduction of Capital to create distributable reserves for the Company so that dividends up to the amount of such distributable reserves may be paid by the Company to its shareholders without regard to the receipt of any dividend from its subsidiaries. The dividends may be paid by the Company in pounds sterling.

The senior unsecured notes issued by Global Liman on 14 November 2014 (the "**Notes**") restrict Global Liman's ability to pay dividends. However, Global Liman may make a payment of dividends (any such payments, "**restricted payments**") provided that (after giving effect to the restricted payment) there is no existing default and it is able to incur at least $1.00 of debt under the limitation on indebtedness under the Notes and subject to there being sufficient headroom in the restricted payments basket. The restricted payments basket operates so that the amount of any dividend (and all other restricted payments since the date of issue of the Notes) may not exceed the sum of (inter alia) 50% of the consolidated net income accrued during the period from the beginning of the first full fiscal quarter after the issue date of the Notes to the end of the most recent fiscal quarter for which financial statements are available at the time of such restricted payment; and 100% of the aggregate net cash proceeds received by Global Liman from the issuance or sale of its shares or other equity securities. In addition, regardless of the headroom in the restricted payments basket, Global Liman may at any time pay an amount not to exceed in any fiscal year 6% of the net cash proceeds received by it from any public equity offering by Global Liman or contributed to the equity of Global Liman.

PART XI—INDUSTRY

Certain of the industry information provided in this section is based on or taken from publicly available sources and has not been independently verified by the Company or the Underwriters. In this section, statements regarding industry outlook, trends and future product development, as well as other non-historical statements, are forward-looking statements that are subject to numerous risks and uncertainties. See on pages 31-32 "Forward-Looking Statements" and Part II (Risk Factors).

Introduction

This section aims to provide an overview of the industry environment directly affecting the Group's cruise and commercial port operations. For that reason, two distinct industries as defined below will be explored at a global level, in addition to an overview of the Mediterranean cruise sector where the Group's ports operate, and the Turkish commercial port:

- The cruise industry, consisting of the marine water transportation services of passengers, including cruise liners, ferries, yachts and mega-yachts.
- The maritime transportation industry, consisting of the marine transportation services of freight, including container, bulk and general cargo.

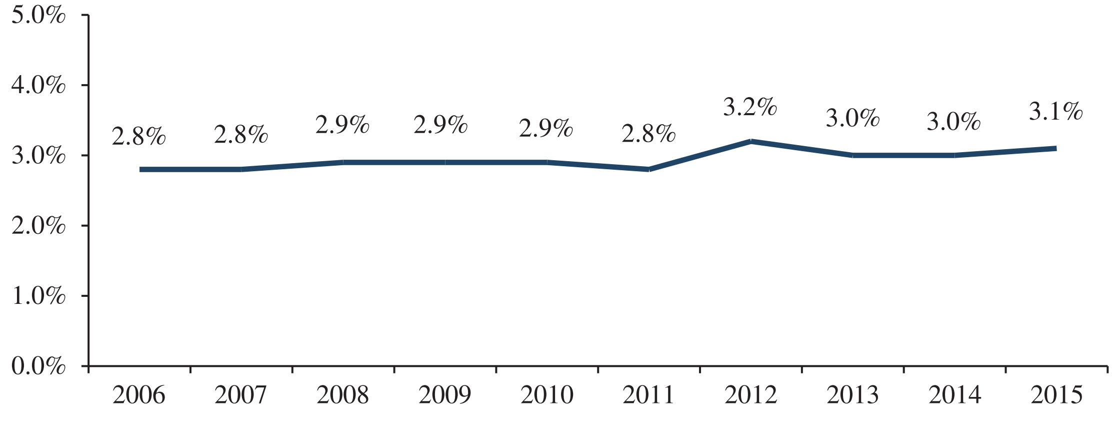
Cruise Industry

Cruise tourism has been one of the fastest growing sectors of the tourist industry for the past 25 years and the popularity of cruise holidays is increasing day by day among international travellers. Modern cruise ships are no longer viewed just as a means of transport but as attractions in their own right. These ships contain larger, more luxurious cabins and offer a wide range of amenities including restaurants, bars, shopping, entertainment venues, sports facilities and other attractions.

With tourism activity a key driver of socio-economic progress, an increasing number of destinations worldwide have invested in tourism in recent years. Attracting cruise tourism is an objective of many port cities around the world. Due to the benefit it provides to the local economy, many cities have been investing in port facilities in order to attract this tourism. In 2015, the global economic impact of the cruise industry was more than $117 billion, with the industry supporting over 956,597 jobs and contributing $38 billion in wages.

In this context, and bearing in mind that nowadays cruise line passengers account for approximately 3.1% of global tourists (*source: Statista*—Statistics and facts on the global travel and tourism industry), it is not surprising that the sector has continued to grow in recent years and that there appears to be a positive trend for the future. Global cruise passenger numbers grew at 4.7% CAGR between 2007 and 2015, with Europe growing at 7.4%. Global forecasts for 2017 are very positive, with predictions reaching 26 million passengers (*source*: *Cruise Industry News State of the Industry Annual Report 2016-2017*). This growth is expected to continue in the future due to a potentially large demand for cruises and a wider offer from cruise lines.

Cruise Industry Market Share in Global Tourism—Cruise Industry Revenue/Global Tourism Revenue



Source: source: Statista—Statistics and facts on the global travel and tourism industry /

Cruise industry market

The worldwide cruise industry is estimated to be worth a total of US$35.5 billion in 2016 (*source: Cruise Industry News State of the Industry Annual Report 2016-2017*). In 2016, 23.6 million passengers were carried (*source: Cruise Industry News State of the Industry Annual Report 2016-2017*), which represents an increase of 6.3% from the 22.2 million passengers carried in 2015. The table below shows cruise market share, where the top three cruise companies—Carnival Cruise Line ("**CCL**"), Royal Caribbean Cruise Line ("**RCCL**") and Norwegian Cruise Line Holdings Limited ("**NCL**"), account for 85% of the worldwide market based on capacity (*source: Cruise Industry News State of the Industry Annual Report 2016-2017*) and 79.7% of the worldwide share of revenues.

Worldwide cruise market share overview

	Country	Market share (by PAX) (1)	Market Cap (in US$ m) (2)	2015 Revenue (in US$ m)
Carnival	United States	48%	37,957.9	15,714.0
Royal Caribbean	United States	23%	18,053.9	8,299.1
Norwegian	Bermuda	11%	9,708.6	4,345.1
MSC	Italy	5%	-	-

(1) As of 2015
(2) Data from Factset as of 2 January 2017

Source: Cruise Industry News State of the Industry Annual Report 2016—2017

Cruise industry overview

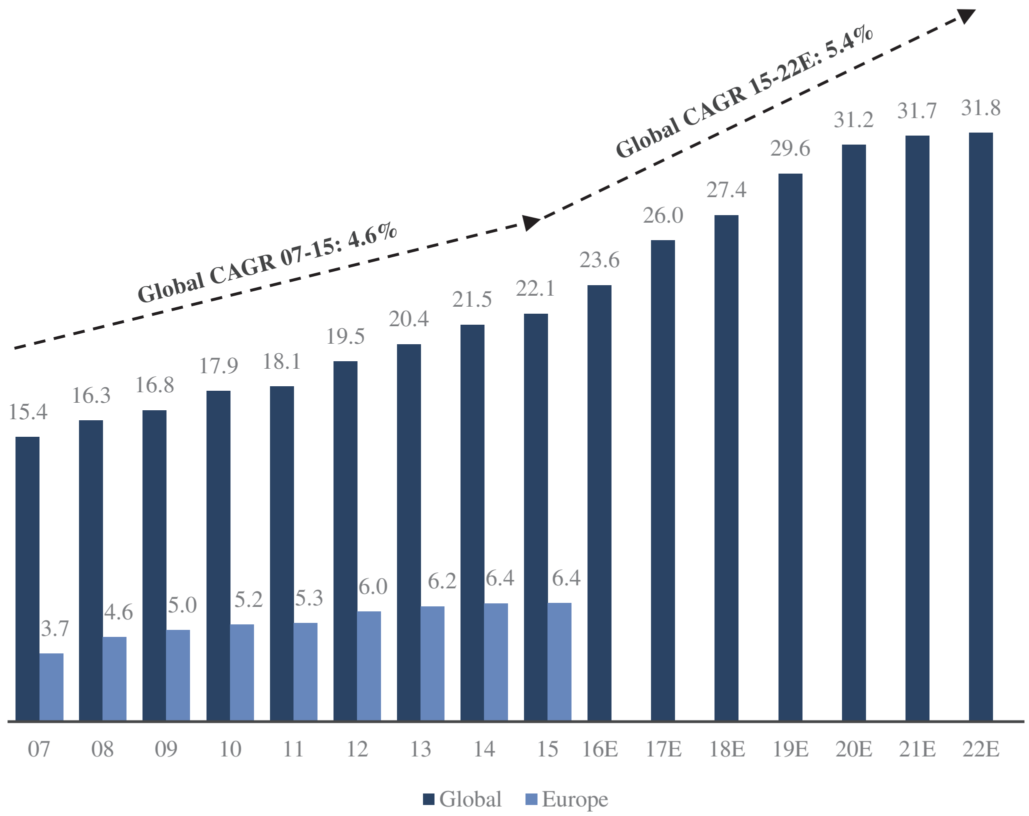
	Worldwide	North America	Europe	Asia Pacific
Fleet	315	165	110	40
Passenger	23.6mn	13.3mn	6.6mn	4.0mn
Est. Sales Revenue	$35.5bn	$20.0bn	$9.5bn	$6.0bn
Global Market Share	NA	56.3%	25.4%	16.9%

Source: Cruise Industry News State of the Industry Annual Report 2016-2017, Statista.com, Cruise Lines International Association—2017 Cruise Industry Outlook

Cruise Demand

With regards to demand, in 2015 more than 22 million people took a cruise and all parameters show an increasing trend in the market. The globalisation of the cruise as a holiday option, the low penetration in the main source markets and the wide offer of ships which attract all ages and economic classes are signs of the positive trend continuing.

The chart below shows the increase year on year of the number of cruise passengers.



Source: Cruise Industry News State of the Industry Annual Report 2016-2017

North America has been and continues to be the largest source of cruise passengers but, in recent years, Europe has become increasingly important both as a source for cruise passengers and as a cruise destination. Cruising is considered less well-developed in Europe than in North America, with low market penetration. However, passenger numbers in Europe have been increasing. This is also the case in Asia, where passenger numbers are expected to reach 4 million passengers in 2020 (*Source: CLIA*).

Market share of source market 2007-2015 (thousands of passengers)

Markets	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
North America	10,247	10,093	10,198	10,800	11,200	11,700	11,750	12,000	12,250
Europe	4,004	4,422	4,994	5,451	6,068	6,139	6,357	6,387	6,587
Germany	763	907	1,027	1,219	1,388	1,544	1,687	1,771	1,813
UK	1,335	1,477	1,533	1,621	1,700	1,701	1,726	1,644	1,789
Italy	640	682	799	889	923	835	869	842	810
France	280	310	347	387	441	481	522	593	615
Spain	518	497	587	645	703	576	475	454	466
Nordic	94	123	173	168	306	324	289	305	351
Switzerland	64	65	76	91	104	131	152	143	140
Austria	52	59	80	93	121	108	126	122	113
Benelux	82	92	110	126	159	169	186	186	175
Other	175	211	213	212	224	270	325	327	315
Brazil	268	347	446	621	780	762	732	640	614
Asia/Pacific	N/A	N/A	N/A	530	780	1,165	1,235	1,500	2,700
China	N/A	N/A	N/A	220	250	630	750	1,000	2,200
Hong Kong	N/A	N/A	N/A	N/A	150	150	150	150	200
Japan	N/A	N/A	N/A	170	200	200	200	200	200
India	N/A	N/A	N/A	110	150	150	100	100	50
South Korea	N/A	N/A	N/A	30	30	35	35	35	50
Down Under									
AU/NZ	263	330	366	509	549	700	760	760	1,100

Source: Cruise Industry News State of the Industry Annual Report 2016-2017

Cruise Market Source Penetration vs GDP / Capita 2015

The table below shows customer concentration by country, where the top eight customer markets account for 84% of all cruise passengers. The table also shows penetration in the leading cruise markets by country. The increase in popularity of cruise tourism in certain markets with low levels of penetration indicates potential for future growth.

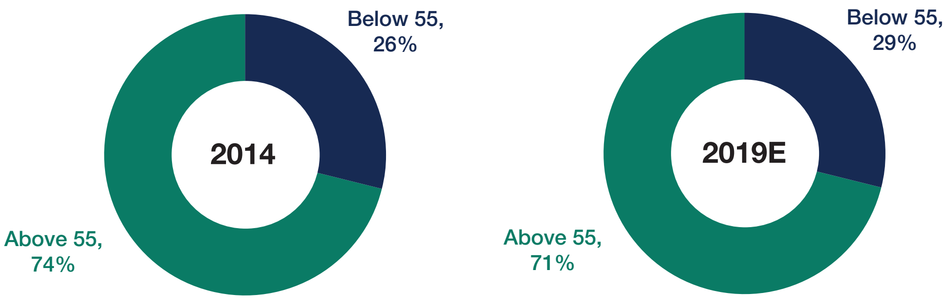
	2015			
	Cruise PAX *(millions)*	**Population** *(millions)*	**Penetration**	**GDP per Capita**
United States	11.2	318.9	3.5%	54.4
Australia	1.0	23.5	4.3%	62.0
UK & Ireland	1.6	64.6	2.5%	46.3
Canada	0.8	35.5	2.3%	50.2
Germany	1.8	81.0	2.2%	47.8
Italy	0.8	60.8	1.4%	35.2
Norway	0.2	5.1	3.5%	97.4
Spain	0.5	46.5	1.0%	29.7
France	0.6	66.5	0.9%	42.5
China	0.7	1,364.0	0.1%	7.6

Source: GDP Per Capita: World Bank, CLIA (Cruise Lines International Association—2017 Cruise Industry Outlook)

These figures correspond to low levels of penetration in the source markets which allow for further growth potential. From 2015 to 2016, there was a 7% increase in the market capacity of the world cruise fleet (*source: Cruise Industry News State of the Industry Annual Report 2015-2016*). In this context, market capacity refers to the number of ships per year, the total number of berths (beds) offered by the ships and their combined total passenger capacity based on existing ship orders, known ship withdrawals and deployment changes.

Cruise Passenger Demographics

Cruises have historically attracted an ageing and wealthy population, attributes that have been a mainstay of the demand for cruises. Nevertheless, this trend is changing due to a wide offer of cruise ships which focus on families and certain niche markets. The market is therefore expanding and beginning to cover a wider range of ages, as well as people from different economic backgrounds.



Source: Seatrade Insiders, Cruise Industry News, EIU, CLIA, Cruise Market Watch, Med Cruise

In line with the foreseen good performance of the source markets mentioned above, the industry expects to reach 32 million passengers in 2021 (*source: Cruise Industry News*).

Estimated cruise revenues per passenger

In 2015, Cruise Market Watch produced the following breakdown of estimated average revenues and expenses per passenger, for all cruise lines worldwide, for an average cruise duration of 8.0 days and median duration of 7.0 days.

	Revenue (US$)	Expenses (US$)	%
Ticket	1,350	—	—
Onboard spending	429	—	—
Casino & bar	236	—	—
Shore excursions (cruise line portion)	86	—	—
Spa	43	—	—
All other on board spending	64	—	—
Total spending	**1,779**	**—**	**—**
Other operating costs	—	258	14.5
Agent commission	—	231	13.0
Ship fuel costs	—	192	10.8
Corporate operating costs	—	206	11.6
Payroll	—	196	11.0
Depreciation/Amortisation	—	171	9.6
Victualing (food)	—	107	6.0
Onboard and other	—	78	4.4
Other and transportation	—	59	3.3
Interest expense	—	55	3.1
Total expenses	—	1,553	
Profit before tax	**—**	**226**	**12.7**

Source: Cruise Market Watch (http://www.cruisemarketwatch.com)

Cruise Market Watch estimates that the total price of an average cruise is $1,779 per person, a 3.5% increase from 2014.

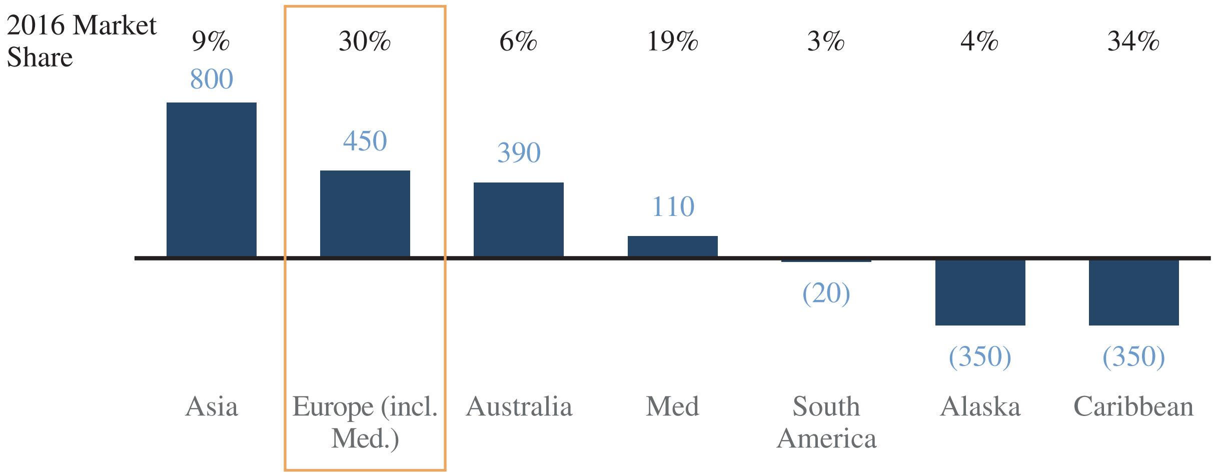
Cruise Destination Regions: The Mediterranean Sea

According to the United Nations World Tourism Organisation ("**UNWTO**"), in 2015 Europe consolidated its position as the most visited region in the world with a total of 608 million visitors. This is 27 million more visitors than in 2014. The Southern and Mediterranean Europe region enjoyed growth of 5% in terms of international tourist arrivals.

Within the cruise sector, the Mediterranean has been a key element in Europe's growth, becoming the world's second most visited cruise destination area after the Caribbean.

The chart below shows the growth in world market share in the cruise industry by region, since 2008, highlighting the Mediterranean market with history of outperformance.

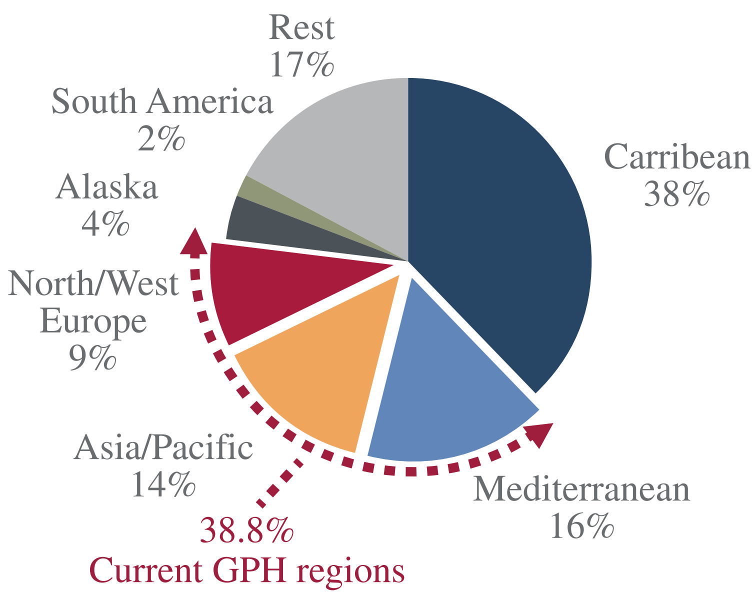
Global cruise market share development since 2008[i]



Source: Cruise Activities in Medcruise Port Statistics—MedCruise Report (Global Deployment Shares)

In 2016, the Mediterranean represented 16% of the global cruise market, as seen in the table below:

Split of Passenger Capacity by Region



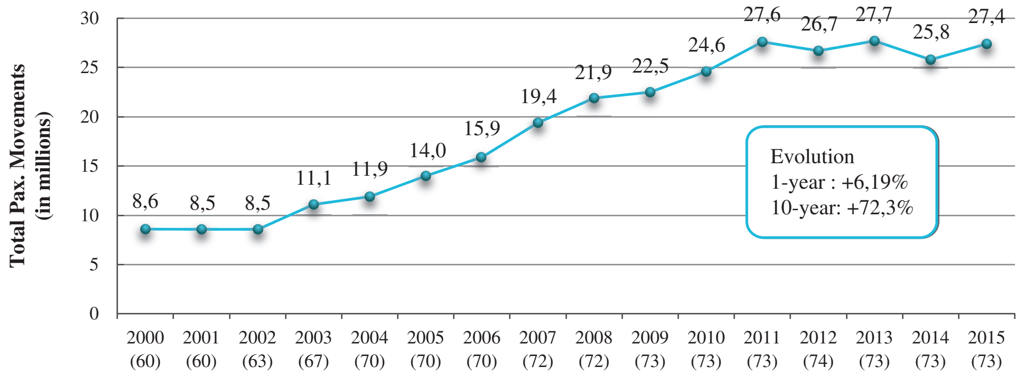
Source: Cruise Industry News State of the Industry Annual Report 2016—2017

According to MedCruise, the Association of Mediterranean Cruise Ports, which accounts for most of the ports of that area, cruise passenger movements in the Mediterranean in 2015 amounted a total of 27.4 million, a figure 6.2% higher than the previous year.

It should be noted that the Mediterranean has experienced resilience in the face of various challenges. The wider Mediterranean region has been affected by geopolitical crises, such as the Arab Spring and the ongoing political uncertainty in neighbouring areas, particularly in countries like Iran, Iraq, Georgia, Cyprus, Egypt, Tunisia, Armenia and Syria. Although these factors impact on cruise ship deployment due to ships being movable assets, the Mediterranean, with a wide number of cruise destinations, has been able to keep ships in the area. For example, in the case of the Arab Spring, most of ships in the affected area were moved to the north Mediterranean.

Another example of the resilience of the area is the economic downturn suffered in Europe. Due to the reduction in customer demand, cruise lines had to reduce prices which, combined with increasing fuel costs, impacted the margins of cruise lines. In addition, Asia was emerging as a competing destination in the cruise market, leading some cruise lines to consider this new market. As a result, there was a shift by some brands towards ship deployment in Asia which has proved to be a profitable decision. Now that the profitability has started to climb again in the Mediterranean, these brands are planning to deploy most of their increasingly larger, newly built ships into the Mediterranean, replacing the relatively smaller vessels that were previously redeployed there. This positive change in trend is shown in the following graphic.

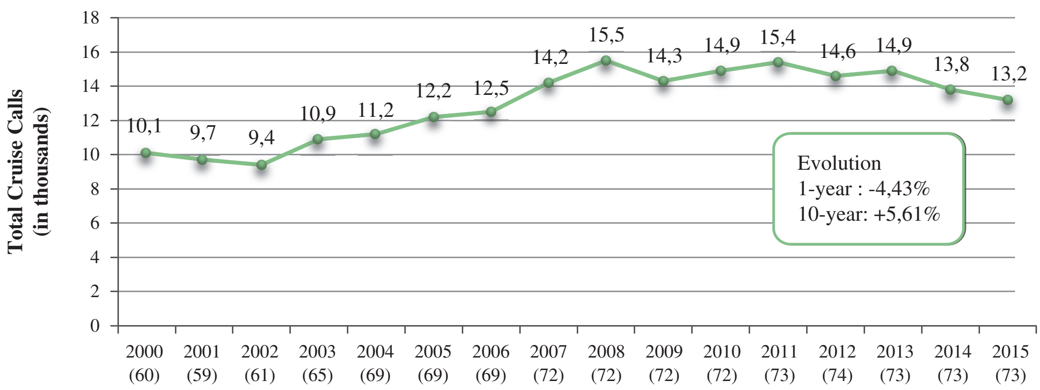
Passengers Movements in the Mediterranean during the Period 2000-2015



Source: MedCruise Statistics 2015

Looking at the cruise calls in the Mediterranean ports for the same period, it is clear that there is a continuous slowing down of the annual number of calls during previous years.

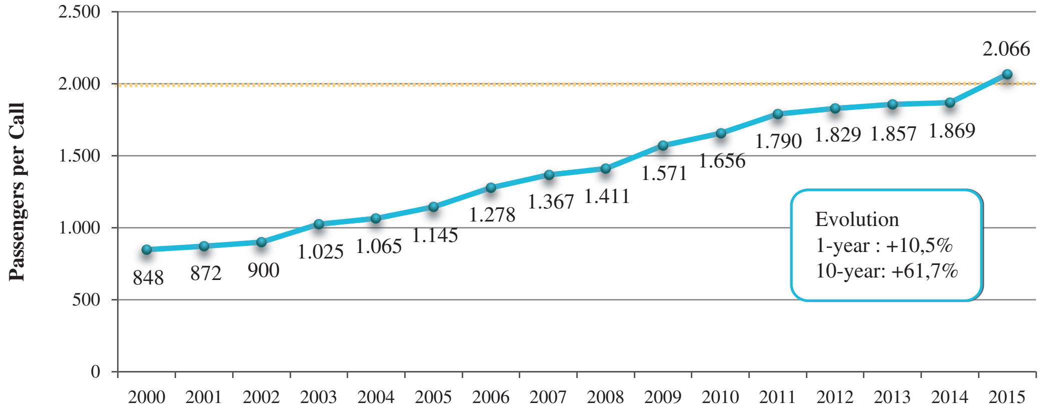
Calls in the Mediterranean during the Period 2000-2015



Source: MedCruise Statistics 2015

As shown in the chart below, the reason for the decrease in calls is due to the higher capacity of ships which has led to an increase in the number of cruise passengers despite the lower number of calls.

Average Size of Cruise Ships during the Period 2000-2015



Source: MedCruise Statistics 2015

In 2016, a total of 136 cruise ships were active in the Mediterranean with a capacity of 3,808,402 passengers.

In the future, the European region, especially the Mediterranean, will continue to be a strategic area due to its proximity to an increasing source market and the attraction of its destinations. According to Cruise Industry News, a large number of new built ships will be deployed in Europe.

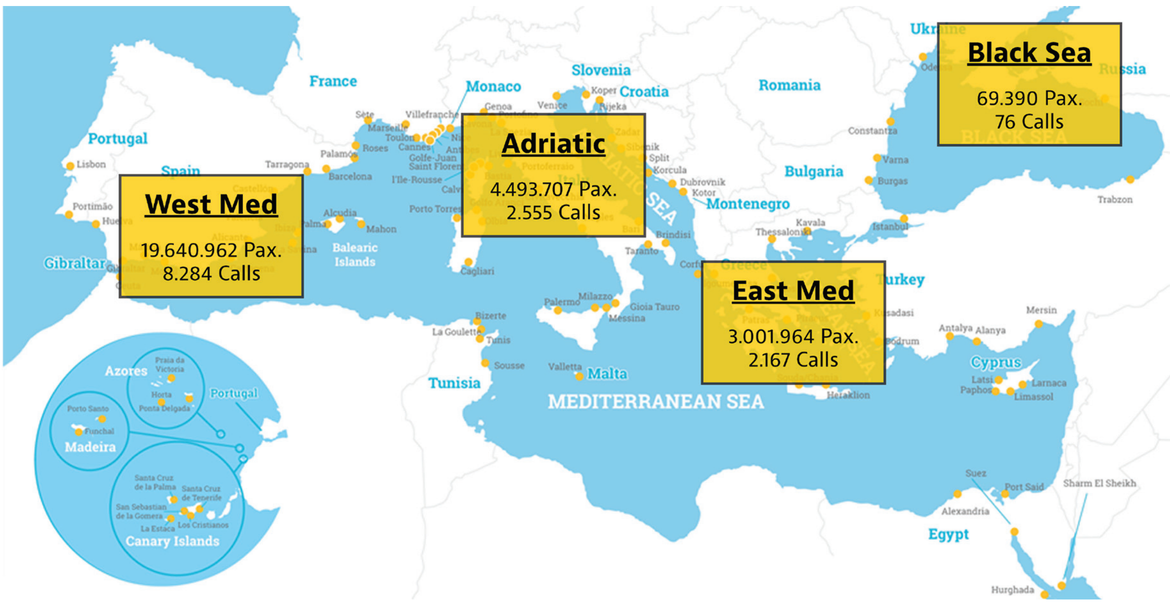
Historical cruise ship and passenger capacity numbers

European cruise market	**No. of ships**	**Passenger capacity (m)**
2007	117	3.7
2008	126	4.6
2009	118	5.0
2010	116	5.2
2011	110	5.3
2012	115	6.0
2013	113	6.2
2014	114	6.4
2015	113	6.4
2016	110	6.3
CAGR 2007-2016	**(0.7)%**	**6.1%**

Source: Cruise Industry News State of the Industry Annual Report 2016-2017

Main Mediterranean Cruise Areas and Ports

The Mediterranean has four distinctive cruise areas: West Med, Adriatic, East Med and Black Sea. The following graphic shows their market share:



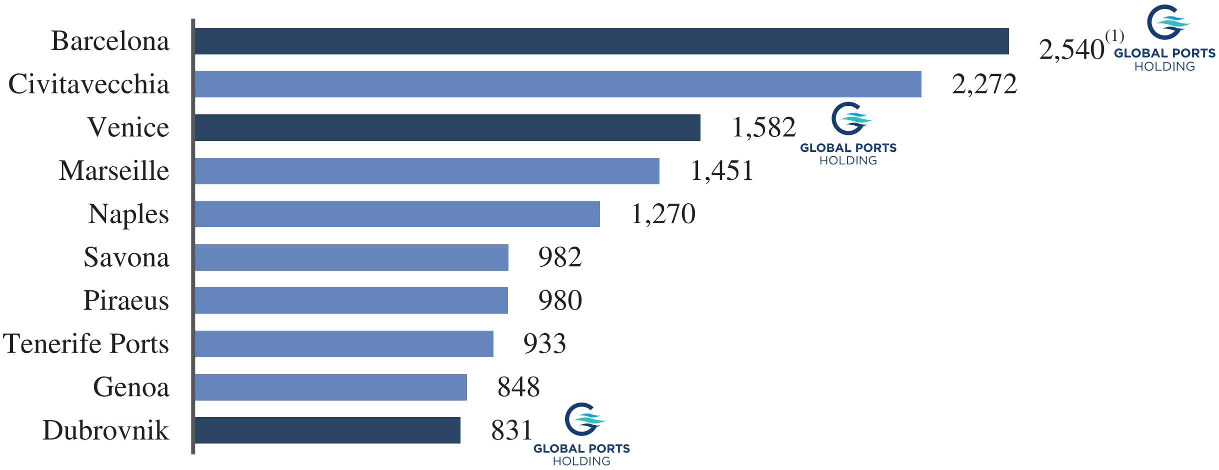
Source: MedCruise Statistics 2015

The West Med is the most visited area and is where the biggest ships are deployed with Barcelona being the home port of all of them (Allure of the Seas, Harmony of the Seas, Norwegian Epic).

Each area has its marquee ports on which the development of that area turns. This is the case for Barcelona and Civitavecchia in the West Med, Venice in the Adriatic, and Piraeus and Istanbul in the East Med.

The below table shows the main Mediterranean ports by area and traffic:

Top 10 Mediterranean Ports (by 2015 PAX)



(1) Including all the six piers of the city while GPH operates five of them.

Source: Cruise Industry News State of the Industry Annual Report 2016-2017

Major Mediterranean Ports by Region: Number of Calls

Region	No	Port	2015	2014	Variation 2015/2014	2010	Variation 2015/2010
West Med	1	Civitavecchia	794	833	-4,68 %	900	-11,78 %
	2	Balearic Islands	788	678	16,22 %	723	8,99 %
	3	Barcelona	749	767	-2,35 %	841	-10,94 %
Adriatic	1	Venice	521	488	6,76 %	629	-17,17 %
	2	Dubrovnik	475	752	-36,84 %	705	-32,62 %
	3	Kotor	411	353	16,43 %	309	33,01 %
East Med	1	Kusadasi/Bodrum/Antalya	660	605	9,09 %	695	-5,04 %
	2	Piraeus	621	606	2,48 %	799	-22,28 %
	3	Istanbul	331	331	0,00 %	536	-38,25 %
Black Sea	1	Constantza	25	92	-72,83 %	58	-56,90 %
	2	Sochi	18	63	-71,43 %	27	-33,33 %
	3	Odessa	13	32	-59,38 %	132	-90,15 %

Source: MedCruise Statistics 2015

Cruise Line Operators

Although the global cruise fleet is operated under more than 50 brands, there is a highly concentrated organisational structure in few large groups: Carnival Corporation & PLC, RCCL and Norwegian Cruise Line Holdings Limited. Those three corporations, together with MSC**,** account for 84.7% of the worldwide share of passengers carried and 56.5% of the worldwide fleet.

The table below shows the cruise market share of the four main operators with the different brands they offer to the market:

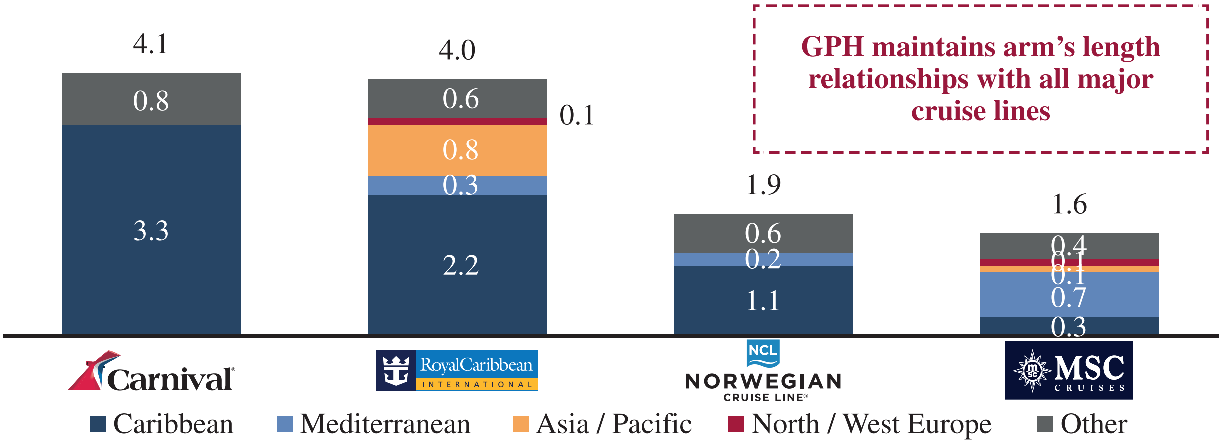
Worldwide Cruise Market Share

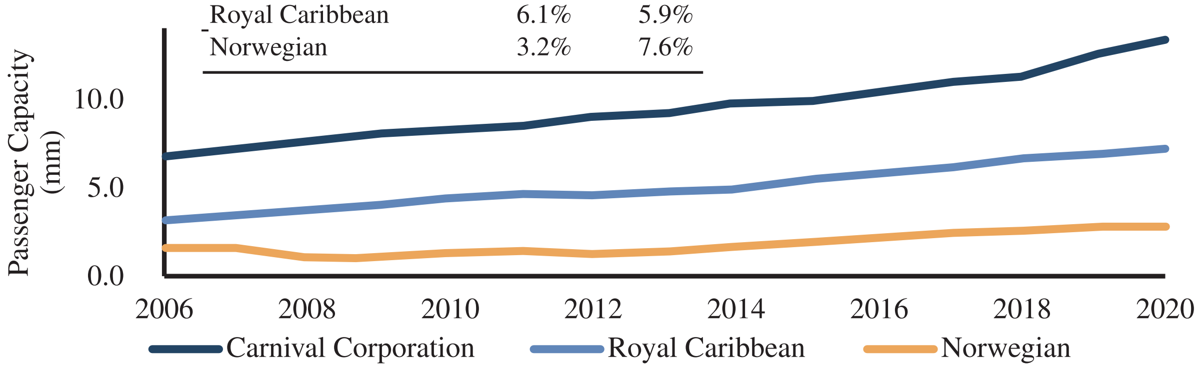
Market Overview	Country	Brands	Market share (by PAX) (1)	Market Cap (in US$ m) (2)	2015 Revenue (in US$ m)
Carnival	United States	Carnival, Seabourn, Princess Cruises, Costa, AIDA, Cunard, Holland America Line, P&O Cruises	48%	37,957.9	15,714.0
Royal Caribbean	United States	Royal Caribbean International, Croisières de France, Celebrity Cruises, Pullmantur Cruises, Azamara Club Cruises, TUI Cruises	23%	18,053.9	8,299.1
Norwegian	Bermuda	Norwegian Cruise Line, Oceania Cruises, Regent Seven Seas Cruises	11%	9,708.6	4,345.1
MSC	Italy	MSC Cruises	5%	-	-

Source: Cruise Industry News State of the Industry Annual Report 2016-2017

These main three corporations are also leading the order book, adding new ships to their fleet and growing in capacity, as shown in the charts below:

Projected Passenger Capacity Growth





	CAGR '06-'16	CAGR '16-'20
Carnival Corporation	4.5%	6.4%
Royal Caribbean	6.1%	5.9%
Norwegian	3.2%	7.6%

Source: Cruise Industry News State of the Industry Annual Report 2016-2017

It is important to note the incredible growth in fleet that MSC will experience in the coming years by increasing the number of ships it owns from 12 at present to 23 in 2026 (*source: Cruise Industry News—Cruise Ship Orderbook*).

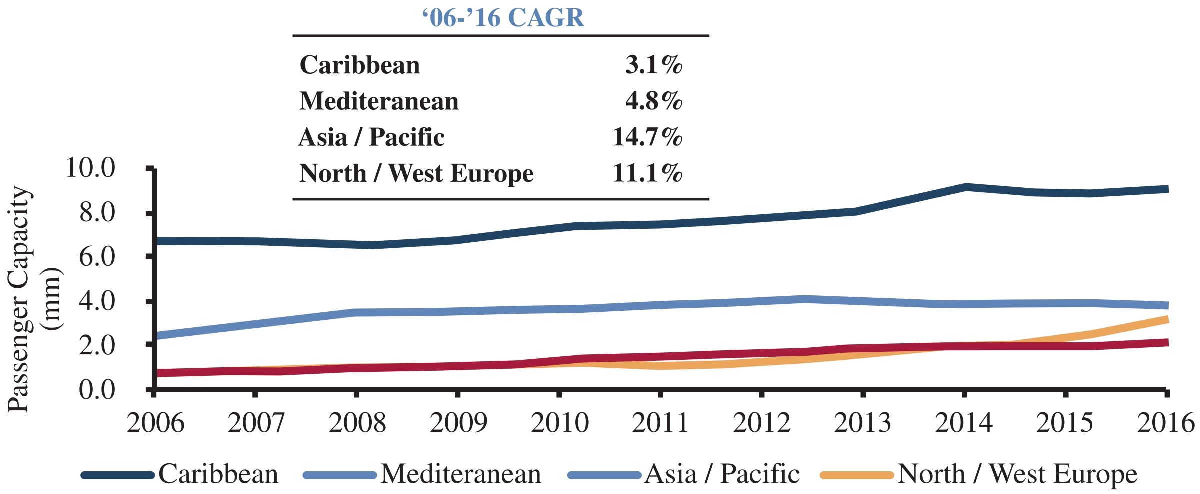
Cruise Supply

Cruise lines are expanding their fleet constantly to meet the growing pace of demand. A fleet of more than 315 cruise vessels was deployed all around the globe during 2016 and nowadays there are over 70 cruise ships in the order book, offering more than an additional 200,000 lower beds. According to Cruise Industry News a large proportion of these new ships will be deployed in Europe.

Recovery of the Cruise Industry, New Building and Investment

The cruise industry has experienced a number of difficult years but appears to have strong future prospects despite the continuing economic and environmental challenges ahead. Between 2000 and 2015 there was a 61% growth in market capacity in the world fleet, with a 7% increase in market capacity between 2015 and 2016. It is estimated that, between 2016 and 2020, there will be a c. 40% increase in market capacity (*source: Cruise Industry News State of the Industry Annual Report 2016-2017*). In this context, market capacity refers to the number of ships per year, the total number of berths (beds) offered by the ships and their combined total passenger capacity based on existing ship orders, known ship withdrawals and deployment changes.

This trend can be seen in new ship orders that have been scheduled for delivery over the next few years and consequently the increase in capacity. This evolution is shown in tables below:

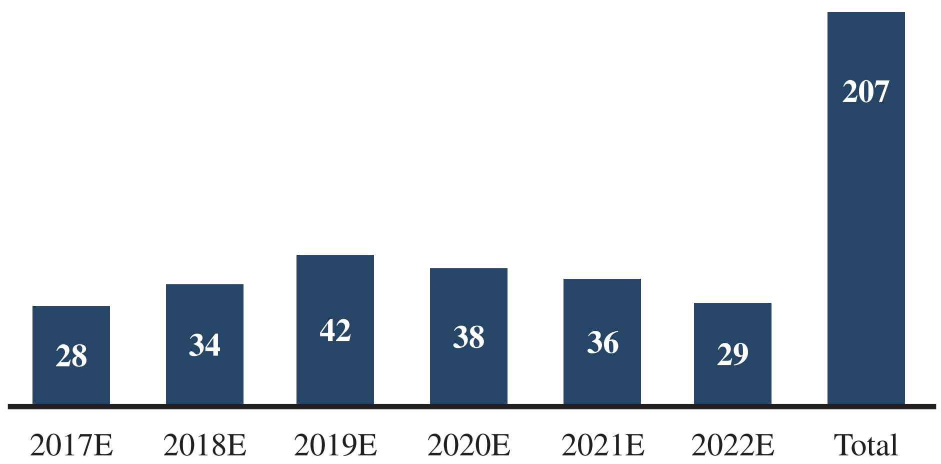


Source: Cruise Industry News State of the Industry Annual Report 2016-2017

Recovery of cruise new building and investment

After some years of flat trend, nowadays there is a boom in the orderbook with 73 new ships to be incorporated to the market between 2017 and 2022 representing an increase of 24% in pax capacity. This new vessel deployment highlights continued industry growth and an increased demand for cruise port capacity.

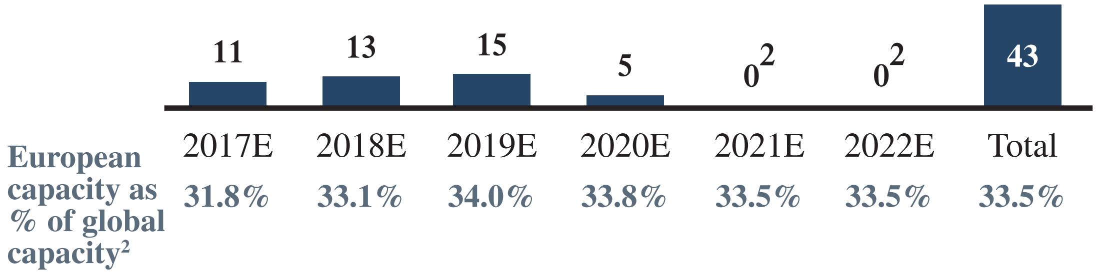
Global Order Book



Total ship capacity '000 PAX

Source: Cruise Industry News—Cruise Ship OrderBook

Europe is set to be the prime beneficiary of this increase in the global order book, as shown in the chart below.



Source: Cruise Industry News—Cruise Ship OrderBook

Underlying the growth of vessels is the cost per passenger, as larger vessels tend to be able to offer lower cost per passenger, thereby broadening the potential cruise market and making cruising one of the more economical types of holiday.

Despite this general trend of bigger ships, market segmentation means that there are offers of different sizes of ships with different amenities and different itineraries to attract a specific market. Thus, we can see in the order book a remarkable number of luxury vessels.

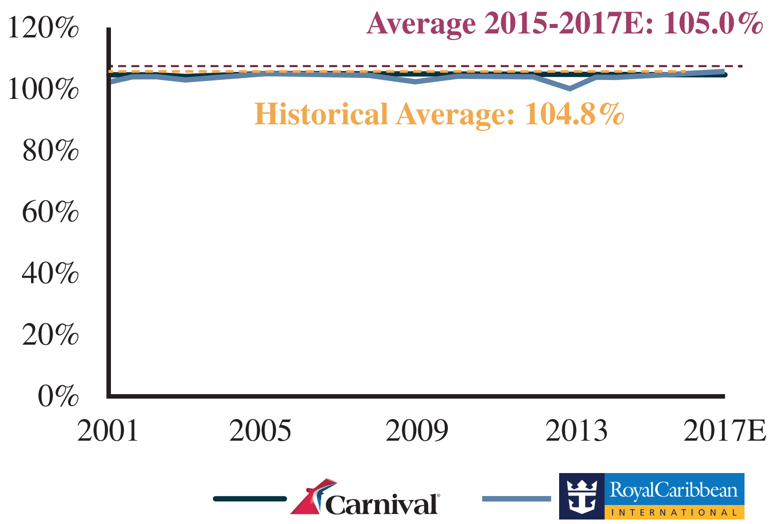
Occupancy Rates and Flexible Ticket Pricing

High occupancy rate and flexible ticket pricing will permit to fill this new capacity. A common trait amongst cruise vessels is that, whatever the vessel size, cruise lines tend to maximise the level of occupancy due to the high fixed cost of the business model. Despite economic fluctuations, there is a strong track record of consistently high occupancy, at rates of 100-105%. This stable occupancy comes at the cost of ticket prices, which are normally determined by demand conditions.

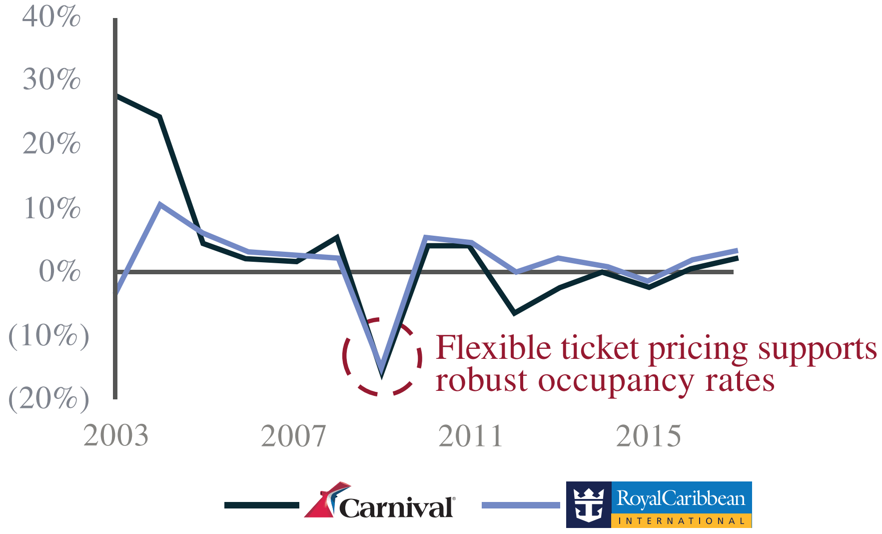
Passenger numbers are a key driver of cruise port revenues and cruise lines are strongly focused on maximising vessel occupancy rate to adjust prices accordingly.

The charts below show the robust occupancy rates in the top two cruise companies and their ticket revenue:

CCL and RCCL Occupancy (2001-2017E)



CCL and RCCL Ticket Revenue (2003-2017E[1]—Year on year growth per APCD)



Source: Seatrade Insider, Cruise Industry News State of the Industry Annual Report 2015-2016, CLIA UK & Ireland, CLIA Europe, Cruise Market Watch 2015

(1) Per APCD (Available Passenger Cruise Days = double occupancy per cabin x the number of cruise days)

It is important to highlight that port revenues are supported by those high vessel occupancy rates and flexible ticket pricing.

Recent Industry Trends and Outlook

Growth in International Tourism

One of the key drivers behind the growth in cruise passenger numbers is the expansion of international tourism. According to the World Tourism Barometer Report 2016 published by the UNWTO, the number of international tourist arrivals reached 1,184 million in 2015, which is a 4.6% increase from 2014. By regions, international tourist arrivals in the Americas and Asia and the Pacific grew by 6%, Europe (the world's most visited region) experienced a growth of 5%, and the Middle East grew by 2%. Only in Africa did arrivals of international tourists decrease, declining by 3%.

The forecast for future years is very optimistic: international tourist arrivals worldwide are expected to increase by 3.3% a year to reach 1.8 million by 2030, according to UNWTO's long-term forecast report.

Travel retail industry

The concept of "travel retail" is relatively new. Until the suppression of the duty-free sales regime within the European Union in 1991, this specific channel of sales was simply called "duty-free" and was mainly reserved to products such as tobacco and alcohol. Conversely, today, travel retail operators have significantly broadened their range of activity beyond the original categories, and the last decade has seen a vast expansion in retail opportunities offered to travellers, to include goods, such as luxury goods, beauty products, and food and drink.

The travel retail market has been defined as the sale of goods or the provision of services mainly to travellers in different sale channels connected to transportation, including airports, sea ports, railway stations, border areas, airplanes, ferries and cruise ships.

General features of the travel retail business

With a total size of around US$63.5 billion in 2014, travel retail is one of the highest growing sectors worldwide (*source: Fung Business Intelligence Centre*). The size of such market varies considerably from one geographic region to the other.

Sales volumes made in such market shows a strong correlation with the volume of passengers' traffic and, consequently, the travel retail market is highly sensitive to the geopolitical and economic developments as well as to the long-term demographic changes. Furthermore, growth can be enhanced by broadening the areas dedicated to the travel retail market within the already existing facilities and building new facilities.

Participants in the travel retail market generally operate under concession agreements with clients, who are generally owners and operators of travel hubs. A concession agreement typically specifies the retail options, and/ or types of food and beverages that an operator is obliged to offer for the term of the concession agreement. The operator pays an ongoing concession fee to the party granting the concession. This fee is generally based on a percentage of sales at the relevant outlet, and often subject to a minimum concession fee. The terms of these concession agreements vary depending on the sector and region.

From a cruise port operator perspective, the benefits of granting such concessions to major travel retail operators, include access to a diverse range of retail, food and beverage outlets and concepts (including bespoke concepts designed specifically for the cruise port operator) and the travel retail operator's expertise in managing complex operations in travel hubs.

Travel retail in cruise ports

From the perspective of a cruise port, the travel retail business encompasses all sales activities conducted in the cruise port (both at the arrival and at departure) that may be placed either:

- in the area of the port that is accessible only by authorised personnel and by passengers with a boarding pass after going through customs, immigration and security; or
- in the area of the port that can be accessed by the public.

More specifically, the cruise port travel retail business is different from the traditional retail in several key aspects:

- the travel retail customer's purchasing behaviour is generally different from the traditional retail customer because travelling (and not shopping) is their main purpose. Purchases are often made on impulse, also due to the generally limited time of a passenger's stay in a port;
- unlike the unlimited access to customers enjoyed by traditional retailers, the cruise port retailer enjoys an opportunity of contact with the customer limited to the time spent by the customer in the port. This, however, allows the cruise port travel retailer to gather a much higher knowledge than a traditional retailer of the target customer's features (destination, and therefore, indirectly nationality and purchase preferences);
- shopping at the port has become part of the travel experience and targets a cosmopolitan, non-regular clientele, with a high socio-economic profile and with high propensity to buy;
- cruise port stores can adjust their opening hours to the time of the cruise line arrivals, as well as their commercial offer and the language competences of their personnel to the nationality of the passengers' flows;
- tightening of the security checks have prompted passengers to arrive at the embarkations well in advance of the scheduled departure time for their cruise, allowing them to enjoy more time for shopping.

Trends in the travel retail industry applicable to cruise ports

Increase in the number of passengers

Growth in GDP and disposable income, which is expected to lead to an increased propensity to travel and hence drive passenger volumes, and increased expenditure on food and beverage products. In the short term, the recovery in economic activity in Europe and North America is expected to be an important contributor to this trend, together with continued strong economic growth in emerging markets.

Increased average spend per cruise passenger

A key driver of growth in the travel retail market is an increased average spend per passenger, supported by growth in GDP and disposable incomes. In particular, passenger spending on retail food and beverage products, reflects the general trend towards eating-out (including eating 'on the move').

Enlarged and more sophisticated stores

In recent years, the increase in the passengers' volumes required cruise port structures to be built. Cruise port operators have increasingly focused on the commercial potential of their facilities, also as a means to finance the development of the same facilities. Cruise ports are dedicating increasing amounts of space to the provision of retail, and food and beverage offerings to improve the overall passenger experience and to increase the cruise ports' commercial revenues.

This has resulted in a more sophisticated approach to the cruise travel retail and in the identification of new commercial offer models, based mainly on the general increase of the commercial spaces dedicated to travel retail, and in the re-definition of their layout, e.g. through the creation of 'walk-through' stores.

Changes in the product mix

Traditionally, sales in the international travel retail market, focused on products subject to high taxation, such as liquors and tobacco. More recently, the most dynamic categories have been those of 'Beauty' and 'Food'.

Global maritime transportation industry

The maritime transportation industry represents the most significant mode of transport globally with the UN estimating in 2013 that about 80% of merchandise trade was shipped by sea, a figure that rises to 90% with the exclusion of intra-EU trade (*source: World Economic Situation and Prospects Report, 2013 and 2012*). With an annual growth rate of 5% since 1970, the volume of merchandise trade (that is, trade in value terms but adjusted to account for inflation and exchange rate movements) has grown at about 2% faster than global economic growth. This rapid trade growth in merchandised trade has been driven by the globalisation of consumption and, more importantly, of production (*source: World Economic Situation and Prospects Report, 2013 and 2012*). As such the maritime transportation industry is not only an efficient and cost effective method of transporting large volumes of goods but also a crucial link in international trade and the global economy, according to the United Nations Conference on Trade and Development ("**UNCTAD**") (*source: UNCTAD Review of Maritime Transport, 2013*).

Growth in world output (annual percentage change)

	2012	2013	2014	2015	2016(*)
World	2.2	2.2	2.5	2.5	2.3
Developed Countries	1.1	1.1	1.7	2.0	1.6
of which:					
European Union	(0.4)	0.3	1.4	2.0	1.8
Developing Countries	4.8	4.6	4.4	3.9	3.8

Source: UNCTAD, Trade and Development Report, 2016.

(*) Forecast

Growth in the volume of merchandise trade (annual percentage change)

	Export				Imports			
	2012	2013	2014	2015	2012	2013	2014	2015
World	3.2	3.3	2.3	1.4	3.0	2.7	2.4	1.6
Developed Countries	1.6	2.2	1.9	2.2	1.0	0.0	2.8	3.3
of which:								
European Union	(0.1)	1.8	1.7	3.2	(2.3)	(0.9)	3.3	3.6
Developing Countries	5.2	4.6	3.1	0.4	5.6	6.3	2.5	0.4

Source: UNCTAD, Trade and Development Report, 2016.

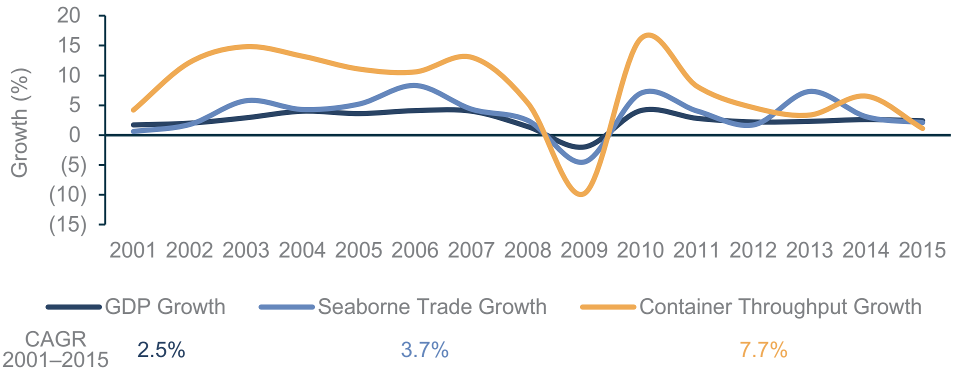
The industry is generally divided into three distinct segments based on the type of cargo:

- Containers: standardised intermodal containers used for the storage and movement of materials and products, which are loaded and sealed intact onto container ships. Containers generally come in 20, 40 and 45 foot sizes, (the standard industry measurement of a 20-foot equivalent unit, the "**TEU**") and can carry a wide range of products. Goods that fit into this category include marble, chrome and aluminium.
- Bulk cargo: commodity cargo that is transported unpackaged in large quantities. It can either be dry ("**dry bulk**") or liquid ("**liquid bulk**"). Major dry bulk cargo products include iron ore, coal, grain, bauxite/ alumina and phosphate rock. Liquid bulk cargo is typically oil and gas.
- General or break bulk cargo: good that requires special handling at port and which are typically transported in bags, boxes, crates or barrels. They must be loaded and unloaded individually. Goods that fit into this category include motor vehicles (transported in roll on/roll off vessels), refrigerated cargo in reefer vessels, large pieces of equipment or other items that do not fit in containers.

Recent trends in maritime trade and transportation

World seaborne trade has grown significantly over the last three decades years in line with the growth of merchandise trade, and maritime transport remains one of the most cost-effective means of transporting goods internationally. In recent years, merchandise trade has benefited from the liberalisation of international trade policies, with the emergence of new trading partners and access to new markets facilitated by growing trade and co-operation agreements, and the increased movement of manufacturing from consumer countries with higher production costs to countries with lower production costs ("**off-shoring**"). The opening of economies, particularly China, has facilitated trade, and off-shoring has enhanced trade as intermediate and finished goods are more likely to be produced outside of the country of final consumption.

Global seaborne trade growth



Source: World Bank Economic Prospects June 2016, UNCTAD Report—Developments in International Seaborne Trade, UNCTAD Report—Review of Maritime Transport 2015

According to the UNCTAD, in 2012 and for the first time on UNCTAD's record, the volume of international trade carried by sea surpassed 9 billion tons, and rose to over 10 billion tons in 2015. With estimated growth of 3-5% annually, the volume of world seaborne trade has continued to outpace growth in the world economy.

Development of Global Seaborne Trade (million tons loaded)

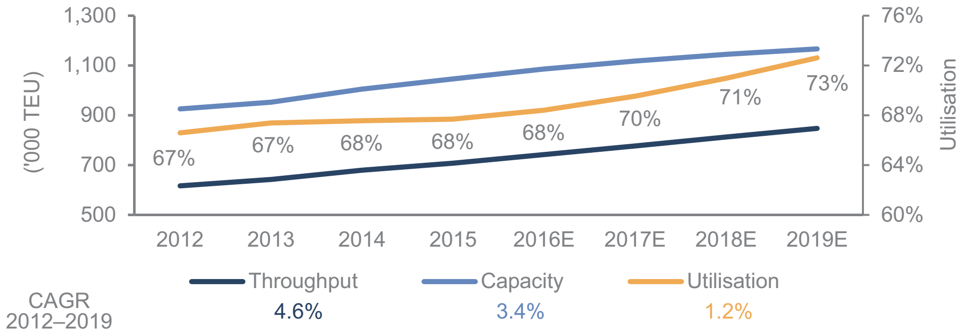
	Container	Other dry cargo	Main Bulks(*)	Oil and Gas	Total
1980	102	1,123	608	1,871	3,704
1985	152	819	900	1,459	3,330
1990	234	1,031	988	1,755	4,008
1995	371	1,125	1,105	2,050	4,651
2000	598	1,928	1,295	2,163	5,984
2005	1,001	1,975	1,711	2,422	7,109
2006	1,076	2,112	1,814	2,698	7,700
2007	1,193	2,141	1,953	2,747	8,034
2008	1,249	2,173	2,065	2,742	8,229
2009	1,127	2,004	2,085	2,642	7,858
2010	1,280	2,022	2,335	2,772	8,409
2011	1,393	2,112	2,486	2,794	8,785
2012	1,464	2,150	2,742	2,841	9,197
2013	1,544	2,218	2,923	2,829	9,514
2014	1,640	2,393	2,985	2,825	9,843
2015	1,687	2,463	2,951	2,947	10,048
CAGR 1980-2015	**8.4%**	**2.3%**	**4.6%**	**1.3%**	**2.9%**

Source: UNCTAD, Review of Maritime Transport report, 2016 (Figure 1.2.: International seaborne trade)

(*) Main bulks includes iron ore, grain, coal, bauxite/alumina and phosphate

Key trends in global maritime trade:

- Developing countries continue to contribute to both growth and volume of seaborne merchandise trade. In 2015, 60% and 62% of world seaborne trade have been loaded and unloaded in developing countries' ports respectively (*source: UNCTAD, Review of Maritime Transport, 2016*). The graph below shows overall development in global port volume:

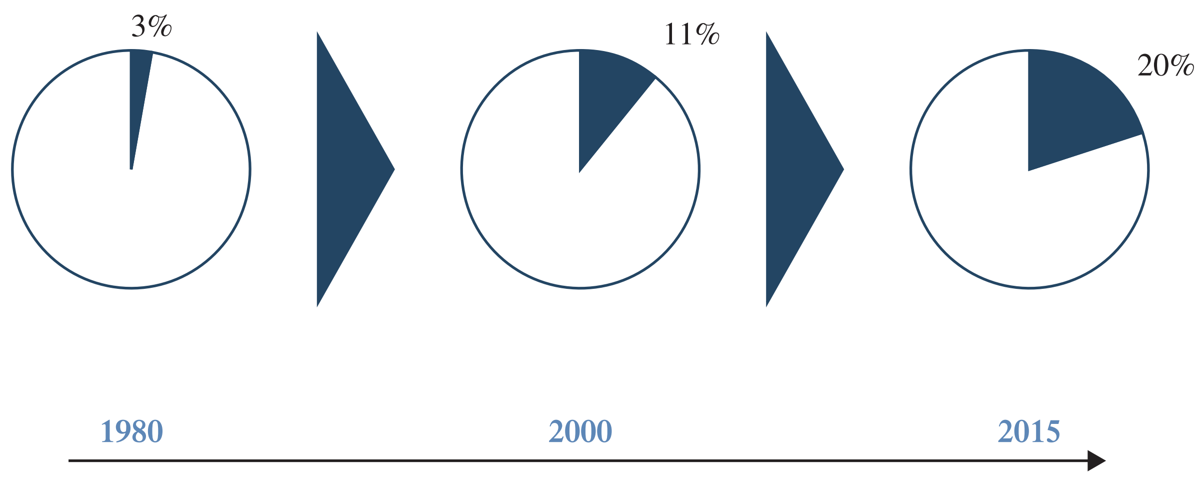


- Over the last decade, Chinese domestic demand has been a significant contributor to the growth in the volume of world seaborne trade, particularly in imports of dry bulk commodities. This is driven by China's ongoing urbanisation and continuing infrastructure development requirements despite a relative slowdown in China's economic expansion and its attempt to shift away from investment- towards consumption-led growth, as well as increased intra-Asian and other South-South trade flows have been the main force driving the expansion (*source: UNCTAD, Review of Maritime Transport, 2016, 2014 and 2013*).
- In 2013, intra-regional merchandise trade was larger than trade between different regions. The rise of trade blocks within more regions may continue to support intra-regional trade growth for the next 20 years. The key trade routes that will dominate global seaborne trade with the strongest growth are Intra-Far East, between Oceania and Far East, Far East and Latin America, and Far East and the Middle East (*source: Qinetiq, Global Marine Trends 2030 report, 2013*).
- With the peak in 2012 of global ship orders, reflecting the time lag in the impact of the 2008/2009 global financial crisis and the turning point of the largest historical shipbuilding cycle, the overall contracting of new vessels in 2015 is down by 40%, according to Clarkson's Research. China will see the largest growth in fleet ownership above all regions, growing from 15% in 2010 to 19%-24% in 2030, rivalling Greece and the rest of the European countries. Japan, with a large fleet ownership share today, will shrink from 12% in 2010 to 5.6%-6.7% in 2030 (*source: UNCTAD, Review of Maritime Transport, 2014 and Qinetiq, Global Marine Trends 2030 report, 2013*).

Impact of containerisation in the maritime transport industry

According to UNCTAD, containerised trade has been the fastest-growing market segment. It accounted for over 20% of global seaborne trade by volume in 2015 (*source: UNCTAD Review of Maritime Transport 2015*). The chart below shows growth in containerised trade as a percentage of seaborne trade:

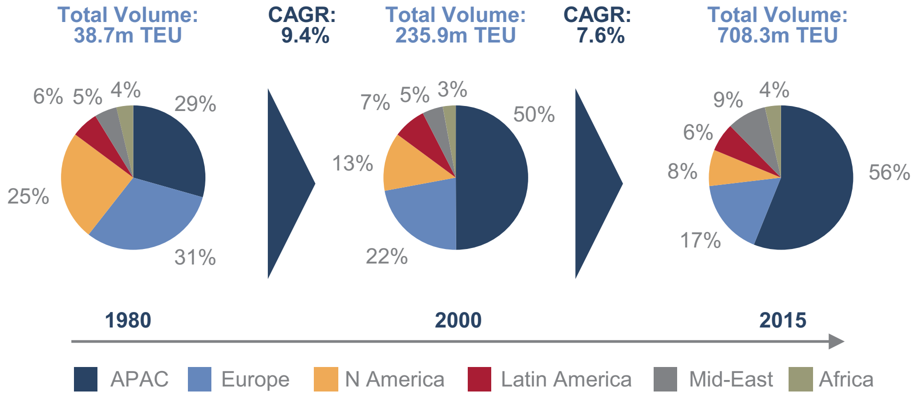
Containerised trade as a percentage of seaborne trade



Source: UNCTAD Review of Maritime Transport 2015

Growth was mainly generated by increased demand for imports in developing regions, with container trade volumes expanding strongly on the non-mainlane East-West, North-South and intraregional lanes. East coast and north American ports gained volumes mostly as a result of the congestion at west coast ports in 2015 (an 8% increase) and China continue to post the largest increment of 5.4m in 2015 TEU (*source: Drewery—Container Forecaster Quarterly 2016 Q1*). The following graph shows the volume of the global container trade by region:

Global container trade by region

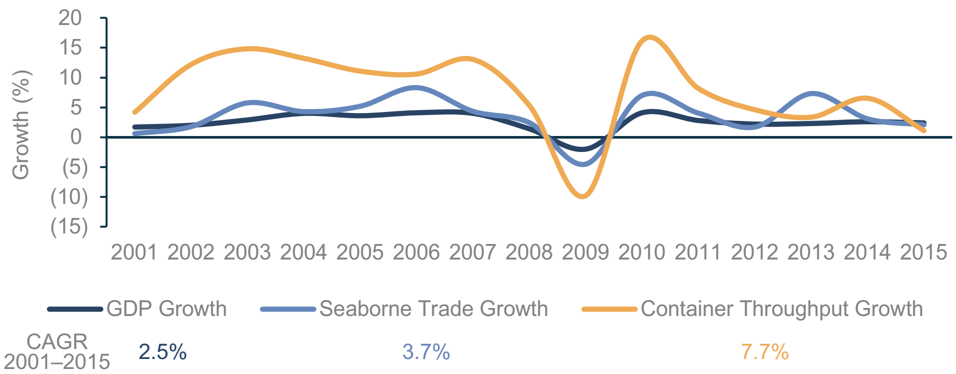


Source: Drewer Container Forecaster Quarter 1 March 2016

Following are certain key developments in the Container market:

- Increasing container ship sizes (such as the CSCL Globe (Hyundai Heavy Industries) with a 19,000 TEU capacity, and the Maersk Triple-E class with a 18,000 TEU capacity); which offer reduced fuel usage and greater economies of scale.
- A rise of 'mega alliances' between the world's largest container lines, driven by the competitive advantages resulting from lines seeking to lower port and shipping costs, in order to allow for a move towards investment in larger container ships.
- The South Asia-Middle East region is expected to experience the highest growth in container trade for the next decade. Recovery in Russia and Ukraine transhipment traffic is expected to prop up European container trade growth. With the developed economies still struggling, India is promising to be the most significant centre of growth (*source: Drewery Container Forecaster 2016*).
- Asia continues to lead the global demand for container port services (in 2016, 14 of the world's 20 leading container ports by throughput were Asian). Compared to shipping, which is affected by an oversupply of vessels and declining freight rates, the container port business is growing (*source: Drewery Container Forecaster 2016*).

Global containerised trade is projected to have grown by 2.1% in 2016, according to Drewery Container Forecaster, with China and developing economies remaining the major driver (*source: Drewery Container Forecaster Q1 2016*). The graph below shows development in the growth of the container trade:

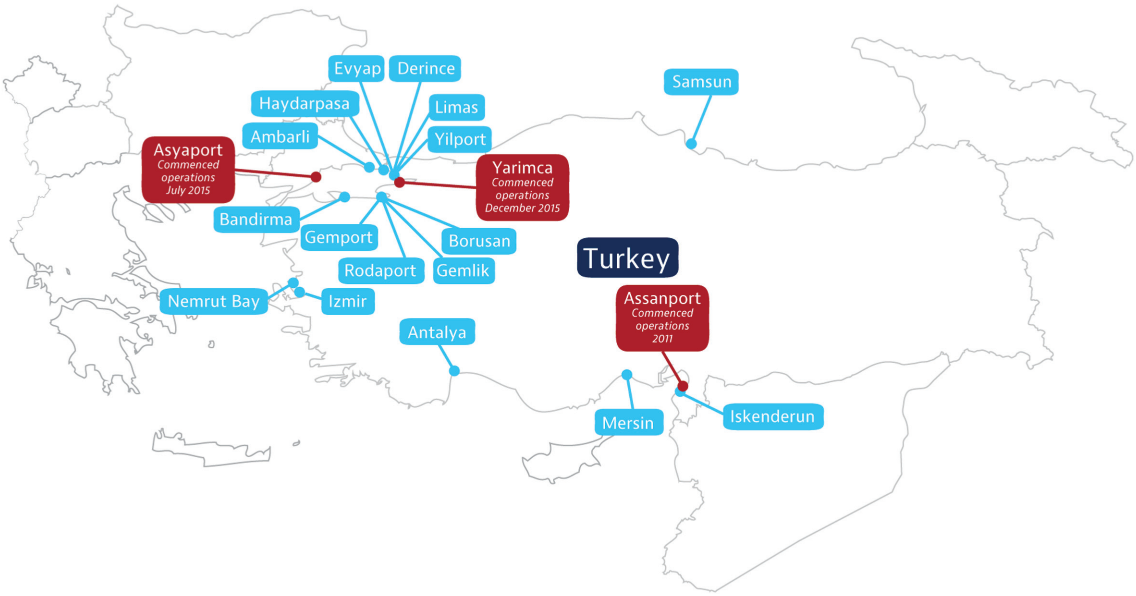


Source: World Bank Economic Prospects June 2016, UNCTAD Report—Developments in International Seaborne Trade, UNCTAD Report - Review of Maritime Transport 2015

Maritime transport industry in Turkey

Overview of main commercial ports in Turkey

Turkey consists of three distinct port regions: the Black Sea region and the Marmara Sea region in the north and northwest of Turkey, the Aegean Sea region in the west of Turkey and the Mediterranean Sea region in the south and southwest of Turkey. Most of Turkey's container throughput is handled in southern and western Turkey, namely at the non-Black Sea ports in the Mediterranean, Aegean and Marmara Seas. The following graph highlights the major container ports in Turkey:



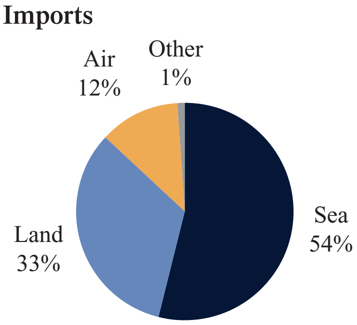
Container handling at Turkey ports ('000 TEU), 2014—2015

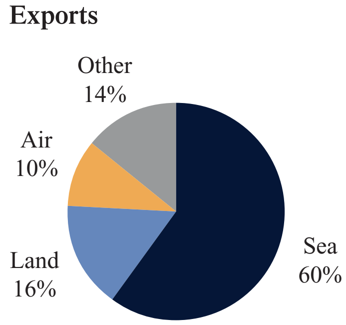
Port	2014	2015	Growth 2015 vs 2014	Market share 2014	Market share 2015	Market share 2015 vs 2014
Ambarli	3,488	3,090	-11.4%	41.4%	37.8%	↓
Mersin	1,483	1,441	-2.8%	17.6%	17.6%	↑
Izmir	681	656	-3.6%	8.1%	8.0%	↓
Evyap	523	605	15.8%	6.2%	7.4%	↑
Nemrut Bay	540	585	8.2%	6.4%	7.1%	↑
Sedef/Yilport	354	375	5.8%	4.2%	4.6%	↑
Gemport/Gemlik	389	369	-5.0%	4.6%	4.5%	↓
Borusan	227	226	-0.6%	2.7%	2.8%	↑
Antalya	189	179	-5.7%	2.2%	2.2%	↓
Iskenderun	106	139	31.3%	1.3%	1.7%	↑
Asyaport	0	129	na	0.0%	1.6%	↑
Haydarpassa	128	121	-5.1%	1.5%	1.5%	↓
Assanport	107	91	-14.5%	1.3%	1.1%	↓
Rodaport	102	89	-12.7%	1.2%	1.1%	↓
Samsun	48	52	9.4%	0.6%	0.6%	↑
Bandirma	25	19	-26.0%	0.3%	0.2%	↓
Limas	26	13	-48.2%	0.3%	0.2%	↓
Yarimica	0	2	na	0.0%	0.0%	↑
Derince	8	0	na	0.1%	0.0%	↓
Turkey total	**8,423**	**8,183**	**-2.9%**			

Source: Drewry Maritime Research

The charts below show the international freight trade volume in Turkey, in 2015, as well as Turkey's principal worldwide trade partners.

Turkey's imports and exports 2015





Source: Turkish Statistical Institute—Foreign Trade Statistics

In US$ billions	Turkey exports	Turkey imports
2015	143.84	207.23
2014	157.72	242.22
2013	151.80	251.66

Turkey main trading partners 2015

2015 by Country, in US$ '000	Exports	Imports
Germany	—	24,873,457
UK	—	21,351,884
Iraq	8,549,967	20,401,757
Italy	6,887,399	11,141,462
USA	6,395,842	10,639,042
France	5,845,032	7,597,687
Switzerland	5,675,424	7,057,439
Spain	4,742,270	6,096,254
UAE	4,681,255	5,613,515
Iran	3,663,760	5,588,524
	49.0%	48.1%

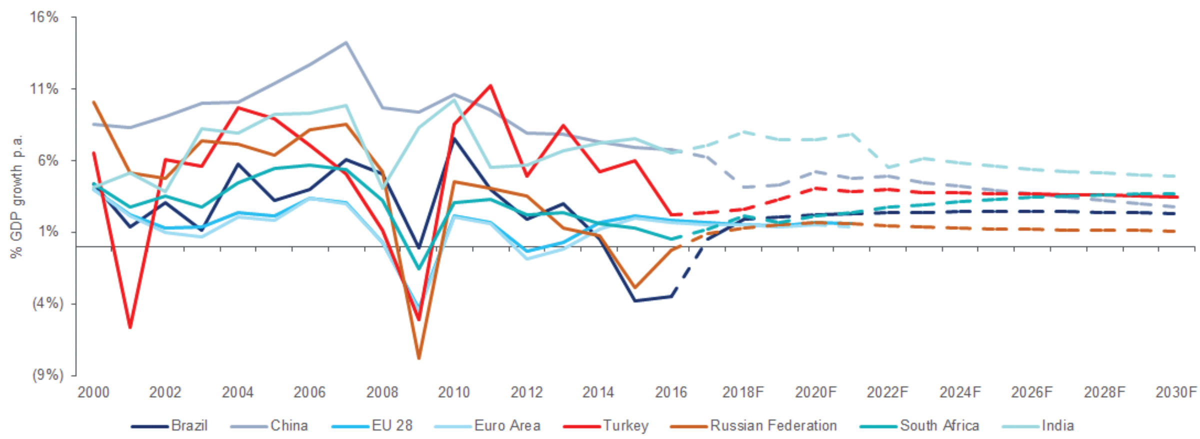
Source: Turkish Statistical Institute—Foreign Trade Statistics

Strengths of the maritime transport industry in Turkey

Growth of GDP and seaborne trade in Turkey

The GDP growth rate of Turkey is expected to be in line with other emerging market economies over the next decade. The country's GDP is growing at a higher pace than the EU-28 region, and with its heavy reliance on maritime trade, Turkey presents a supportive environment for commercial ports.

% GDP growth (historical & forecast)

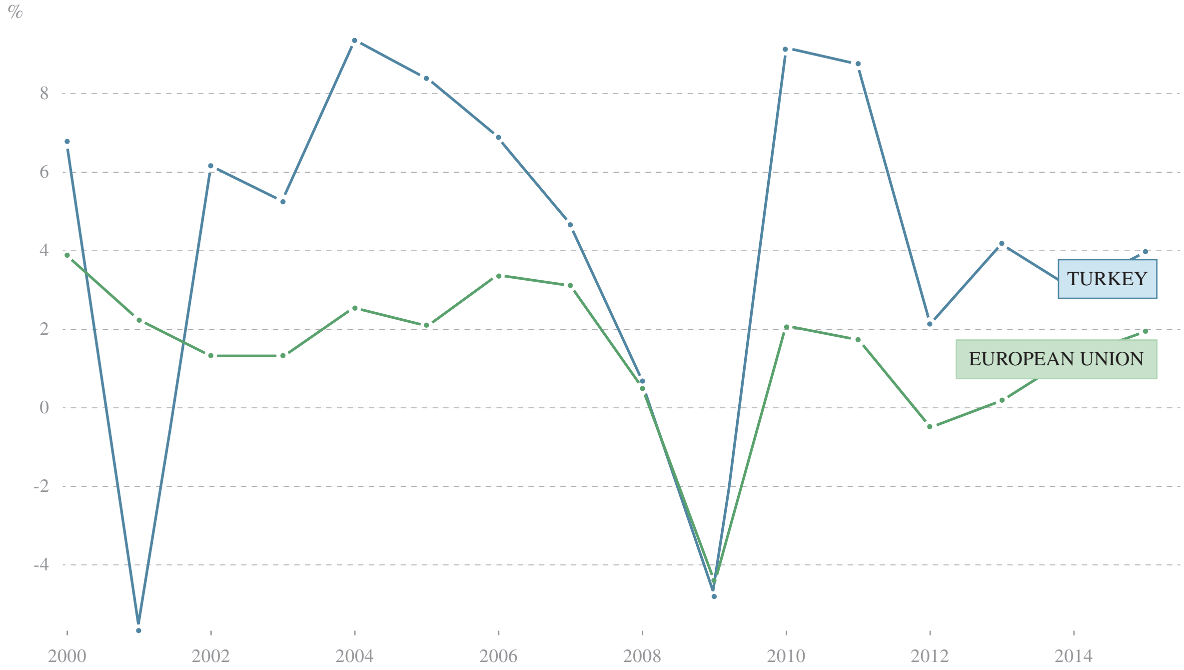


Source: EIU, 2017

Furthermore, Turkey's national policies support an aggressive program of bilateral and multi-lateral trade growth. In 2011, the Asian Development Bank ("**ADB**") signed Trade Finance Program ("**TFP**") agreements with five banks to support Turkish exports to developing Asian countries. Additionally in 2012, Turkey and China announced a goal to boost bilateral trade from the current $24 billion to $100 billion over the next eight years. On 17 February 2015, Turkey and Pakistan announced new trade liberalisation initiatives, agreeing to work towards a Free Trade Agreement to enhance bilateral trade to $3 billion in the next two years and then to further boost it to $5-10 billion in the next few years.

The chart below shows historical growth comparisons between Turkish GDP and European Union GDP.

Turkish growth profile (in comparison to European Union GDP)

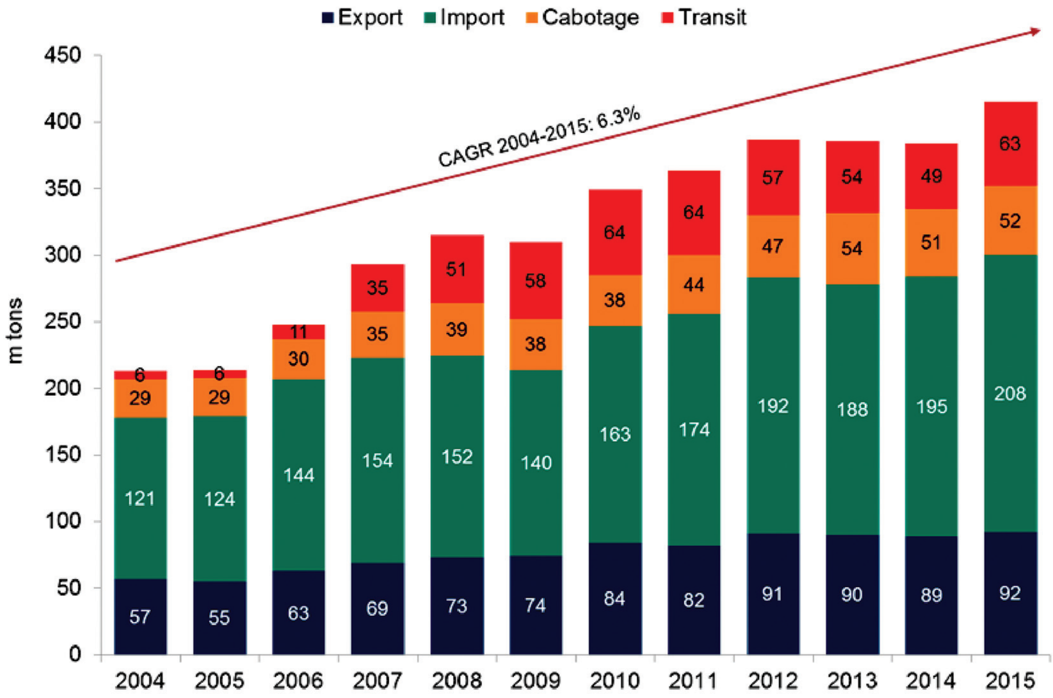


Source: World Development Indicators

One of the key strengths of the Turkish maritime transport industry is Turkey's strategic geographic location, between the Mediterranean and the Black Sea, in the centre of trade among Europe, Asia and the Middle East. Its accessible 8,333 km-long coastal line, provide distinct advantages in global seaborne trade.

The cargo handled by Turkish ports has experienced a sustained growth averaging 6.0% p.a. in the 2004-2014 period as shown in the chart below.

Cargo handling at Turkish ports (million tons)

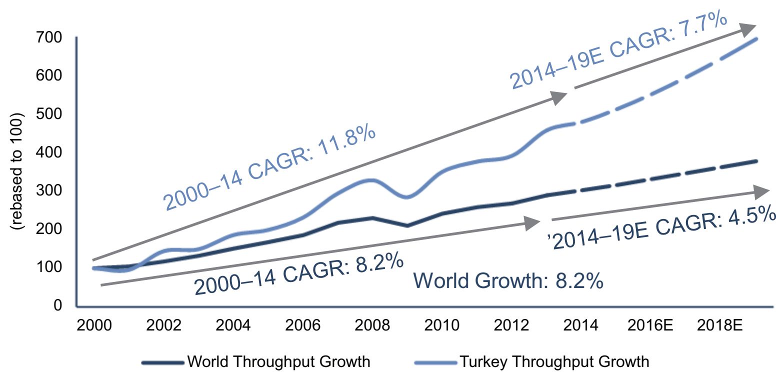


Source: Ministry of Transport and Maritime Affairs and Communications

Trend towards containerisation in Turkey

In view of recent research that suggests that containerisation has been a stronger driver of globalisation than trade liberalisation, Turkey has recorded strong container growth of 12.6% per annum since 2000, as shown in the chart below. During the global economic crisis since 2008, Turkey's container traffic has shown relative resilience in comparison to some of its main trade partners, reflecting the country's success in finding new export and import markets.

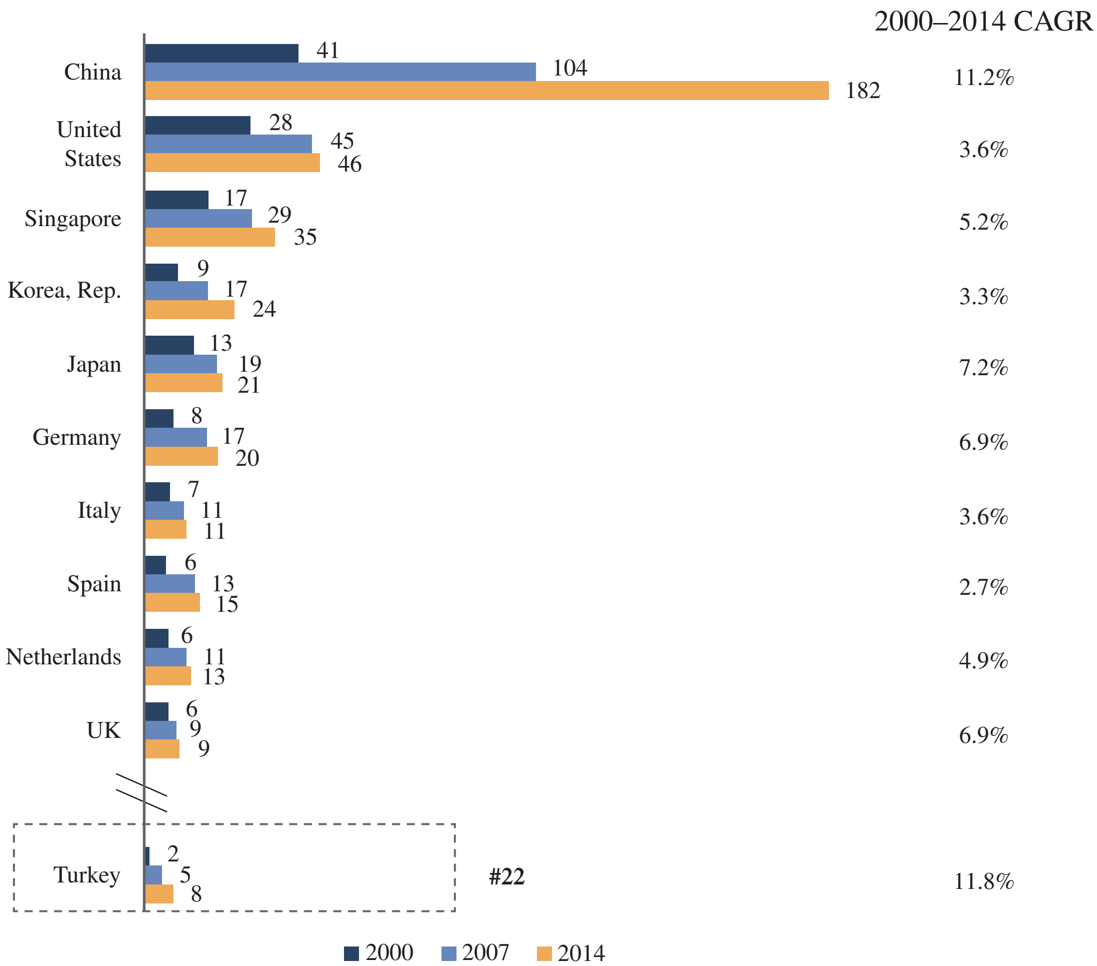
Container throughput growth—Turkey vs World, rebased to 100



Source:D rewery Annual Forecast 2015, Turkish Statistical Institute Maritime Association

It is widely accepted that there is a close relationship between GDP growth and general cargo and container traffic. Turkey is no exception: in the last ten years, container handling volumes have grown 4.4 times faster than the real GDP. Based on the GDP forecast from the EIU and assessment of the current country's multiple, Arup estimates that Turkey's container traffic will grow at a rate of 8% per annum between 2015 and 2020 to reach a total volume of 12 million TEUs at the end of the period.

Container throughput—Turkey in a world context (TEUm)

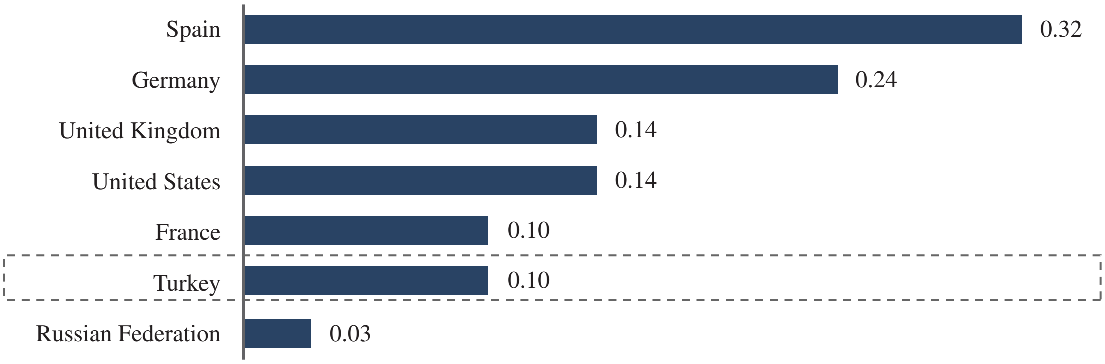


Source: World Bank, World Bank Indicators

Although Turkey has a relatively low level of containerisation, as compared to other EU countries, the opportunity for future container growth is likely to be strong as penetration rates increase. Current containerisation levels in the mature ports of Turkey are about 40% to 50%, with smaller ports lagging behind. Compared to the average level of containerisation in the EU of approximately 78%, this suggests a potential scope for increase.

The following exhibit compares TEUs per head for Turkey and selected trade partners. Clearly Turkey has potential to grow significantly as compared to other mature markets such as Spain, Germany, UK and USA.

Containers per head 2014 (TEUs/person)



Source: World Bank

Studies for the World Bank have shown that that liner shipping connectivity, measuring the capacity of a country to carry its containerised foreign trade using liner shipping, had a stronger impact on trade costs than the indicators for "logistics performance", "air connectivity", "costs of starting a business" and "lower tariffs" combined. Over the past decade, UNCTAD's Liner Shipping Connectivity Index has provided an indicator of each coastal country's access to the global liner shipping network. The table below shows the growth of liner shipping connectivity in Turkey over the past decade.

Liner shipping connectivity index (maximum value in 2004 = 100)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Turkey	25.6	27.1	27.1	32.6	35.6	32.0	36.1	39.4	53.2	52.1	52.4	52.0

Source: World Bank Indicators and UNCTAD, Review of Maritime Transport, 2014

Key industries utilising maritime transport in Turkey

Turkey has an abundance of the resources required in the manufacture of cement. Combined with a skilled work force and a strong industrial base, these resources allow Turkey to produce large quantities of cement, benefiting from economies of scale. Turkey is an important regional and global player in the production and export of cement. It is the fourth global producer of cement in weight behind China, India and the United States (by order of importance), the country's total production being c.63,900 metric tonnes in 2012 and c.71,300 metric tonnes in 2013 (*source: U.S. Geological Survey, Mineral Commodity Summaries, February 2014; Turkish Cement Manufacturing Association*).

Cement Grinding Plants	17
Integrated Cement Plants	50
Total Cement and Clinker Capacity	202.6mtons/yr
Total Mean Capacity per Plant	2.6mtons/yr

To date, fluctuation in Turkey's domestic cement demand and consumption has been offset by strong export growth. The table below provides the cement exports from Turkey and domestic sales for the twelve-year period ending in 2015.

Historical trends in cement in Turkey

	Domestic sales *(tons)*	Exports *(tons)*
2004	30,670,610	8,206,317
2005	35,083,198	7,737,666
2006	41,609,584	5,638,351
2007	42,456,000	6,619,842
2008	40,574,007	10,584,662
2009	39,986,237	14,027,538
2010	47,720,000	15,063,000
2011	52,250,880	11,061,092
2012	53,930,192	9,702,083
2013	60,940,404	9,627,438
2014	63,175,930	7,652,557
2015	63,696,663	7,398,826

Source: Turkish Cement Manufacturing Association (TCMA), 2015

Trends in cement and clinker domestic sales and export in Turkey in 2015

	Cement (tons)		Clinker (tons)
	Domestic sales	Exports	Exports
January 2015	3,019,550	406,610	264,153
February 2015	3,060,688	471,460	346,818
March 2015	5,008,297	763,378	392,190
April 2015	5,813,188	773,069	281,984
May 2015	6,684,291	759,971	256,383
June 2014	5,918,811	615,052	124,725
July 2015	5,044,184	577,301	205,751
August 2015	6,442,381	552,059	176,571
September 2015	5,240,446	550,093	108,365
October 2015	6,103,705	639,023	445,608
November 2015	6,036,345	665,051	152,751
December 2015	5,224,777	625,759	306,856

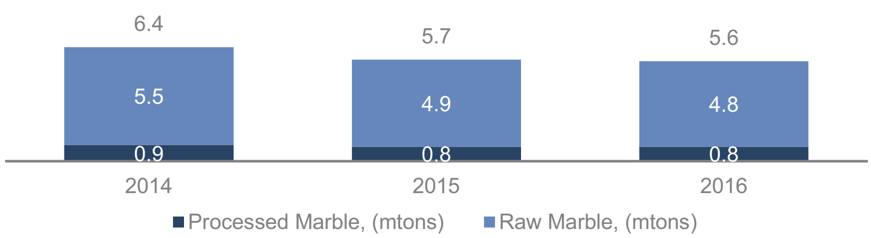
Source: Turkish Cement Manufacturing Association (TCMA), 2015

Key drivers of the country's cement and clinker export include the growing construction markets in the Middle East and North Africa ("**MENA**"), the western Mediterranean (France, Spain, Italy and Malta) and the Black Sea (Russia, Georgia, Bulgaria) as well as China. The short-term outlook suggests that there will be continued high demand from construction in non-Gulf Cooperation Council countries.

Marble Exports

Turkey still benefits from significant untapped marble resources due to its location on the Alpine-Himalayan belt. With growing marble use in China, there has been a 3.7% increase in exports to China from 2005 to 2014. The chart below shows marble exports between 2014 and 2016.

Turkish marble exports between (million tons)



GPH Product Diversification Initiatives

Source: Turkish Statistical Institute (Turkstat)

Port Akdeniz has experienced in 2016 a healthy growth in processed marble, which will add to the diversity of the products offered. The Indian market provides a good opportunity for marble business as the market has very recently released import limitations in respect of Turkish marble.

Food and Agriculture

In addition to the cement sector which relies heavily on maritime transport routes in Turkey, Turkey has a large and growing food and agriculture industry that corresponds to 7% of GDP and 21% of the employment levels in the country. In a growing market with increasing investments in food and agriculture, Turkey aims to be among top 5 producers globally by 2023 as part of its targets set for the agriculture sector. Exporters in this market are increasingly shifting towards refrigerated container shipments from trucks as the traditional mode of transportation.

Antalya is one of the provinces in Turkey particularly active in greenhouse farming and exports a large share of fresh fruits and vegetables. While Antalya hit a record in 2013 in terms of the value of fruit and vegetables exported, the value of exports shrank in 2014 mainly due to lower imports from Russia amid the financial crisis.

Value and Share of Fresh Fruits and Vegetables exports from Antalya)

	Exports (US$)	Share (%)
	Antalya Exports (US$ '000)	**Share (%)**
2010	399.147	18,3%
2011	402.555	17,2%
2012	398.260	18,2%
2013	428.303	18,2%
2014	406.546	17,0%
2015	354.559	17,0%
2016	289.771	14,6%

Source: Turkish Exporters Assembly

Maritime transport industry in Montenegro

Despite the continued euro zone recession in 2013, economic activity in Montenegro surpassed expectations, and real GDP grew by 3.5% in 2013 year-on-year. Exports are expected to benefit from a pick-up in growth in euro zone markets in 2015-2016.

The Port of Bar is Montenegro's main commercial port. Historically it was the main port for Yugoslavia and still serves as an important node for trade from ex-Yugoslav neighbours. In particular it serves as the main port for Belgrade.

Liner shipping connectivity index (maximum value in 2004 = 100)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Montenegro	–	–	–	–	3.2	0.0	4.5	4.0	1.4	2.4	2.9	3.3

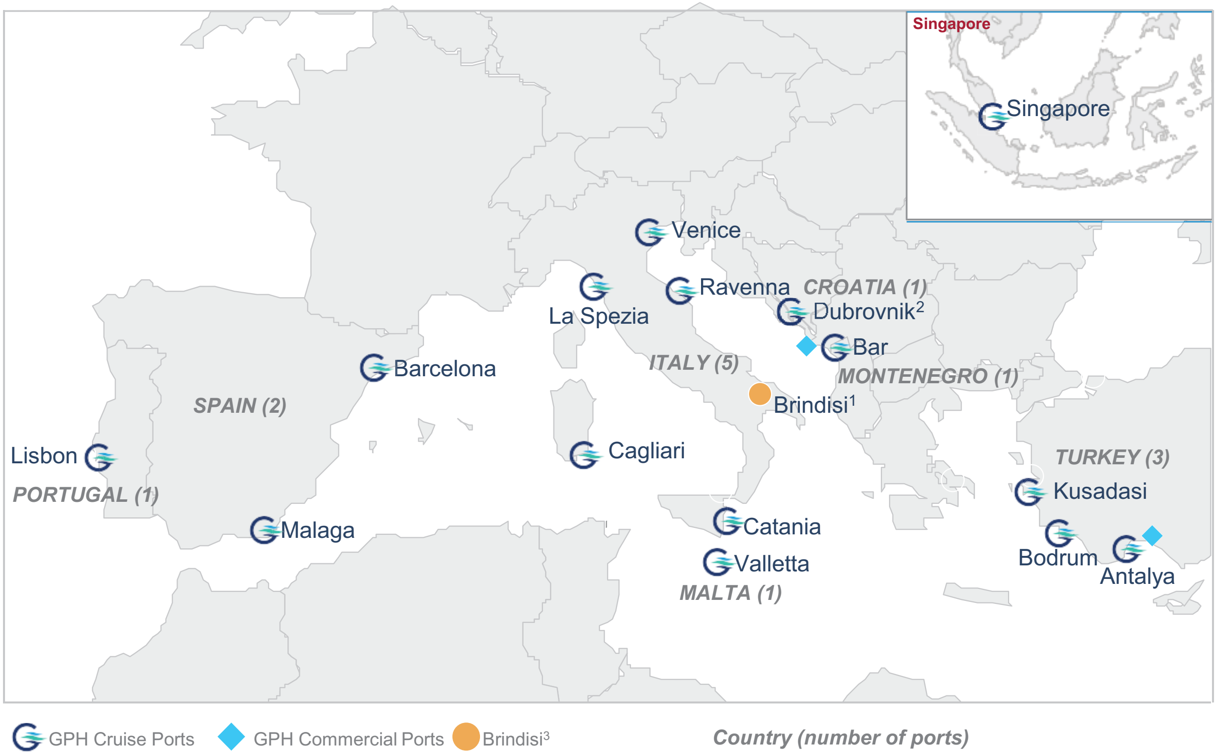
Source: World Bank Indicators

PART X—THE BUSINESS

Introduction

The Group is the world's largest independent cruise port operator by number of ports and passenger volume, with a diversified and strategically located portfolio of fourteen ports in eight countries, serving cruise liners, ferries, yachts and mega-yachts. As the sole global consolidator of cruise ports, the Group has built on its "first-mover" advantage to establish a strong platform that represents a "one stop shop" offering integrated services to global cruise lines and their customers. The cruise industry is the fastest growing category of the leisure travel market, based on revenue growth according to the Cruise Lines International Association. The Group aims to drive significant inorganic and organic growth by continuing to improve passenger numbers and yield growth, as well as expanding the number of ports it operates and improving its cross-selling of value-added activities to both cruise operators and passengers. In addition to the cruise operations, the Group is a commercial port operator which specialises in container, bulk and general cargo handling, as well as serving cargo ships. The Group operates a high capacity commercial port in Turkey with a strong position in export traffic and a strategically important commercial port in Montenegro. In 2016, on a consolidated basis, the Group generated revenue of US$114.9 million and Segmental EBITDA of US$80.9 million.

The Group operates under long-term concessions, with an average length when granted of 23 years, that it obtains through tenders or bilateral negotiations. The terms of these concessions vary, but most of the Group's concessions are pre-paid (with no or minimal ongoing annual concession fees), have no capital expenditure requirements (excluding general maintenance obligations) and provide the Group with substantial commercial freedom in operating the terminals, with a majority of concessions allowing the Group to set tariffs at its own discretion. The majority of the Group cruise ports are located in cities/destinations with only one cruise port, and as such, the concession agreements generally grant the Group exclusivity in each location. Management believes that regulatory protection for incumbents and significant logistical hurdles for new operators provide the Group with a competitive advantage in renewing these concessions. Below is additional information about the Group's cruise and commercial port operations.



Notes:

(1) GPH holds a 25% stake in the company which is currently negotiating the Brindisi concession agreement with the Port Authority as the winner of the tender

(2) The tender for Port of Gruž (Dubrovnik) was awarded to a GPH-controlled partnership in October 2015. In February 2016, a preliminary concession agreement was signed and the final concession agreement remains subject to negotiations with the relevant authority

Source: Company Information

- ***Largest independent cruise port operator***: The Group is the only independent cruise port operator with a diversified and strategically located asset portfolio, forming the world's largest cruise port network by number of ports and passenger volume, which includes operations at Barcelona, Venice, Lisbon, Málaga, Valletta, Cagliari, Catania, Ravenna, La Spezia, Singapore and Adria-Bar, as well as Kuşadası, Bodrum and Akdeniz-Antalya. The Group has an established presence in two of the top five Mediterranean cruise ports by number of turnaround passengers (Barcelona and Venice), and has built a reputation as a "one stop shop" offering multiple integrated port solutions across its global cruise port network to global cruise line operators. In 2016 the cruise port operations generated 46.7% of the Group's revenue and 45.6% of its Segmental EBITDA.
- ***Commercial port operator.*** The Group operates a high capacity, commercial port in Akdeniz-Antalya on southern Turkey's Mediterranean coast with a strong position in export traffic. It also owns a majority interest in the operating company of the cargo terminal at the Port of Adria-Bar, a commercial port in Montenegro that represents an important link in the chain of intermodal transport in the Balkan region. In 2016 the commercial port operations generated 53.3% of the Group's revenue and 54.4% of its Segmental EBITDA.

The following table sets out the Group's key performance indicators, across all the Group's ports (including partially-owned affiliates), with the number of passengers not adjusted pro rata by date of acquisition.

	2014	2015	2016
Cruise Port Operations:			
Number of ports(1)	7	8	14
Total passengers(2)	3,747,899	4,817,240	7,782,130
Turnaround passengers(2)	1,524,364	1,915,347	3,263,402
Transit passengers(2)	2,223,535	2,901,893	4,518,728
Vessel calls(3)	1,753	2,136	3,194
Revenue ('000)	US$26,980	US$47,028	US$53,635
Yield (revenue per passenger)	US$18.9	US$14.8	US$15.1
Segmental EBITDA(4) ('000)	US$20,382	US$34,427	US$36,917
Segmental EBITDA(4) Margin	75.5%	73.2%	68.8%
% of Group's total revenue	29.8%	44.6%	46.7%
% of Group's Segmental EBITDA(4)	32.9%	46.2%	45.6%
Capital expenditure ('000)	US$7,944	US$1,772	US$3,345
Creuers (Barcelona and Málaga):			
Total passengers(2)	1,988,544	2,197,088	2,276,413
Turnaround passengers(2)	1,022,897	1,150,649	1,287,787
Transit passengers(2)	965,647	1,046,439	988,626
Vessel calls(3)	740	757	796
Revenue ('000)	US$5,617	US$24,691	US$27,113
Yield (revenue per passenger)	US$11.1	US$11.2	US$11.9
Segmental EBITDA(4) ('000)	US$4,775	US$16,187	US18,032
Ege Ports-Kuşadası:			
Total passengers	622,184	637,669	405,243
Turnaround passengers	N/A	N/A	N/A
Transit passengers	622,184	637,669	405,243
Vessel calls	458	513	278
Revenue ('000)	US$16,350	US$17,347	US$11,650
Yield (revenue per passenger)	US$29.6	US$1130.6	US$33.5
Segmental EBITDA(4) ('000)	US$12,754	US$14,189	US$8,976
Valletta Cruise Port:			
Total passengers	—	—	682,501
Turnaround passengers	—	—	114,162
Transit passengers	—	—	568,339
Vessel calls	—	—	317
Revenue ('000)	—	—	US$11,838
Yield (revenue per passenger)	—	—	US$17.3
Segmental EBITDA(4) ('000)	—	—	US$5,859

	2014	2015	2016
Other cruise ports:			
Total passengers(2)	1,047,029	1,210,193	3,432,716
Turnaround passengers(2)	501,467	624,186	1,793,290
Transit passengers(2)	635,704	690,020	1,819,113
Vessel calls(3)	555	559	1,269
Revenue (‘000)	US$5,013	US$4,990	US$3,034
Segmental EBITDA(4) (‘000)	US$2,853	US$4,051	US$4,050
Commercial Port Operations:			
Number of ports	2	2	2
Annual TEU traffic	228,532	217,521	213,869
Annual general cargo (throughput)	1,222,799	968,698	634,112
Annual bulk cargo (throughput)	651,169	492,257	767,312
Revenue (‘000)	US$63,704	US$58,453	US$61,234
Yield (revenue per TEU)	US$170.8	US$169.2	US$185.2
Yield (revenue per tonnes)	US$6.6	US$7.6	US$9.8
Segmental EBITDA(4) (‘000)	US$41,544	US$39,705	US$44,016
Segmental EBITDA(4) Margin	65.2%	67.9%	71.9%
% of Group’s total revenue	70.2%	55.4%	53.3%
% of Group’s Segmental EBITDA(4)	67.1%	53.6%	54.4%
Capital expenditure (‘000)	US$4,533	US$6,116	US$5,409
Port Akdeniz-Antalya:			
Annual TEU traffic	189,346	178,471	172,039
Annual cargo (throughput)	1,644,897	1,095,686	1,319,241
Revenue (‘000)	US$54,439	US$49,925	US$53,351
Segmental EBITDA(4) (‘000)	US$38,926	US$37,459	US$41,288
Port of Adria-Bar:			
Annual TEU traffic	39,186	39,050	41,830
Annual cargo (throughput)	229,071	365,269	82,183
Revenue (‘000)	US$9,265	US$8,528	US$7,883
Segmental EBITDA(4) (‘000)	US$2,618	US$2,246	US$2,728

Note:

(1) Number of ports includes ports owned by partially-owned affiliates.

(2) Number of passengers not adjusted pro rata by date of acquisitions, and includes ports owned by partially-owned affiliates.

(3) Number of calls not adjusted pro rata by date of acquisition, and includes ports owned by partially-owned affiliates.

(4) Refer to Note 5 of Part XX (*Historical Financial Information*) of this prospectus for a reconciliation of Segmental EBITDA to total profit before income tax. Segmental EBITDA, as calculated by Group, represents earnings before interest, tax, depreciation and amortisation excluding the effects of exceptional and other non-cash income and expenses comprising of project expenses, bargain purchase gains and reserves, board member leaving fees, employee termination payments, unallocated expenses, finance income, finance costs, and including the share of equity-accounted investees which is fully integrated into GPH cruise port network (“Adjusted EBITDA” or “Segmental EBITDA”). Segmental EBITDA is a supplemental performance measure that has not been prepared in accordance with IFRS and prospective investors should not consider it as an alternative to the applicable IFRS measure.

Competitive Strengths

Provider of key infrastructure and services to the cruise industry with differentiated exposure, attractive concession frameworks and strong competitive position

The Group is the world’s largest independent cruise port operator, based on 2015 annual passenger numbers and number of ports operated. Cruise ports represent an essential component of the “cruise value chain” since they provide the gateway to the destinations cruise lines use to attract passengers. In addition, integrated port services (including the amenities they offer) are crucial to cruise passenger satisfaction. The Group has a collection of highly attractive terminal locations with a strong position across both the Eastern and Western Mediterranean and established presence in leading ports with high passenger traffic. In particular, the Group has an established presence in two of the largest Mediterranean cruise ports. In 2015, Barcelona was the most visited port in the Mediterranean by passenger traffic with 2,540,000 passengers. Venice was the third most visited port with 1,582,000 passengers (*source*: *Cruise Activities in Medcruise Ports, Statistics 2015*). Management estimates that approximately 85% of Mediterranean cruise itineraries currently visit at least one port operated by the Group. The Group’s expansion into Barcelona, Málaga, Lisbon, Dubrovnik[1], Valletta and Venice, has enabled the Group to further consolidate its Mediterranean network and enhance its negotiating position with cruise line operators,

[1] The tender for Port of Gruž (Dubrovnik) was awarded to a GPH-controlled partnership in October 2015. In February 2016, a preliminary concession agreement was signed and the final concession agreement remains subject to negotiations with the relevant authority.

particularly in connection to the provision of bundled offers on cruise itineraries (incentives to cruise lines calling at multiple ports across the Group's network in one itinerary, for example, a proposition for cruise lines to incorporate a number of the Group's ports into the itinerary, including Barcelona as the homeport and additional stops proposed at Valletta, Catania and Cagliari), and cross-selling of additional services to cruise lines, such as water and waste treatment services.

The Group also benefits from attractive, long-term concessions, the average length of which, as of when granted, is 23 years. Consistent with its expansion strategy of targeting long-term concession opportunities, management expects the addition of new ports to increase the Group's average length of concessions. In addition, most of the Group's concessions are pre-paid, have no capital expenditure requirements and provide the Group with substantial commercial freedom in operating the terminals (for example, the ability to enter into bilateral agreements with third party operators for the provision of ancillary services, see *"—Overview of Operations*. The Group's concession framework includes seven ports where the Group may set tariffs at its own discretion in consultation with the applicable Port Authority. In addition, at Lisbon Cruise Port, the Group has recently obtained approval from the port authority for a 10% tariff increase in 2015 and a further 20% increase in 2016. In 2016 the Group also increased fees for each passenger by €1 at the Valletta Cruise Port.

Management believes that the Group benefits from its strong competitive position, having achieved a size that would be difficult to replicate since potential new operations face high initial capital requirements, long construction lead times and lengthy licence and regulatory approval processes, each (for a new entrant) on a local, port by port basis, and coastal development limiting construction of new ports. Management also believes that it has a competitive edge for concession renewal based on such regulatory protection for incumbents and the significant logistical hurdles for new operators. The Group's reputation as a leading professional cruise port operator with a proven track record, represents one such hurdle, as local authorities and governments considering potential concessionaires tend to prefer operators, such as the Group, with previous experience in the industry and existing reputation with the cruise lines.

Management believes that its competitive advantages position the Group to capitalise on expected cruise industry growth, particularly given its strategic geographic locations and incumbent position in the Mediterranean. As a result of the continued high consumer demand, cruise lines are expected to increase their cruise ship passenger capacity by 38% from 2016 to 2022 (*source*: *Cruise Industry News 2016-2017*), which will increase demand for cruise port capacity. According to Cruise Industry News 2016-2017, the cruise industry is expected to grow from 2015 to 2022 at a CAGR of 5.2% with expansion primarily in Europe (which is expected to have a CAGR of 6.4% over the period). According to Cruise Industry News 2016-2017, new ship orders in Europe would provide additional capacity for European passenger numbers to increase by 50% from 6.3 million in 2016 to 9.6 million by 2022.

Integrated cruise terminal platform offering a superior branded value proposition to all stakeholders

The Group is a full-service provider of cruise port services, and operates the only integrated platform of cruise ports in the world. From May 2016, the Group has been rolling out its proprietary cruise port operating system 'PortALL', an operating software utilised to significantly improve financial and operational transparency across its port network and to ensure data-driven implementation of initiatives across its ports. PortALL provides standardised operations covering all port functions with centralised real-time management reporting, including key metrics to monitor port operations. The Group has also consolidated its practices and guidelines into a GPH Codes and Policies Book, which assists in standardising its operational model across all of the Group's ports. PortALL and GPH Codes and Policies Book allow the Group to quickly integrate new ports into its portfolio and to leverage synergies across its network. The Group believes that PortALL represents a key innovation in the evolution of its industry, and management believes there is an opportunity to licence/sell PortALL as a service to out-of-network ports in the future.

Management believes that the Global Ports brand is increasingly attractive to both cruise lines and cruise passengers, as it represents a high level of security, a standardised, high quality service and a diverse offering of passenger amenities. The Group-operated ports provide a consistent range of quality services, including retail shopping, internet connectivity options and, anticipated in 2018, on-shore excursion activities. As such, the Group aims to position its ports as an integral part of cruise passengers' experience. In addition, the Group's ports adhere to a strict set of security practices beyond industry and ISPS standards. At some of its ports, the Group offers cruise lines additional security services, which include private patrols and scuba divers, for extra fees depending on the security level at a particular port. The Group is developing new methodologies for passenger, crew and customer screening and extending security measures to the surroundings of the concessions areas for ground transportation and goods logistics.

Management believes the Group is an attractive and preferred partner for cruise lines. Within the fragmented cruise port market the Group's "one-stop shop" offering of integrated services, its reputation as a leading reliable port operator and its scale in the Mediterranean make the Group a key partner to cruise lines operating in Europe. Because port fees represent only a small portion (approximately 3% according to Cruise Market Watch) of the cruise lines' operating costs, management believes cruise lines are willing to pay a premium for quality destinations and services. Management believes that this dynamic provides opportunities for tariff increases as well as for increasing revenues through the provision of ancillary services, see "*—Competitive Strengths—Compelling retail and ancillary services growth potential supported by high and resilient passenger and vessel volumes*" and "*—The Group's Strategy—Drive yield enhancement through focused implementation of attractive incremental B2C and B2B revenue opportunities and other initiatives*". In addition to adding to overall passenger satisfaction across multiple ports, management has sought to leverage the Company's unique position to provide attractive pricing models for cruise lines. For example, the Group provides bundled itineraries, offering tariff incentives to vessels calling at multiple ports across the Group's network. Bundled itineraries have helped the Group minimise idle capacity across its network of ports and increase total passenger numbers. The Group also works with cruise lines to offer new itineraries that help the lines increase their "repeat business". Further, management believes that cruise line operators prefer to have ports operated by an independent partner, such as the Group, rather than by one of their competitors.

Management believes that the Group is also the partner of choice for cruise lines, governments or local authorities seeking to divest ports or enhance port utilisation, being the only global consolidator in the cruise terminal industry. Further, management believes that the Group has a strong reputation for reliability as well as a track record of enhancing ports to increase their attractiveness and passenger numbers to the mutual benefit of all stakeholders connected with these ports. Accordingly, management believes that the Group has a competitive advantage in pursuing acquisition opportunities.

Compelling retail and ancillary services growth potential supported by high and resilient passenger and vessel volumes

Cruise industry constituted the fastest growing category of the leisure travel market, based on revenue according to Cruise Lines International Association, and to meet this increasing consumer demand cruise lines are deploying more ships and larger vessels, which creates greater demand for port services. In addition, the cruise sector has proven to be resilient even during economic downturns because the cruise lines have used flexible pricing to promote high occupancy and passenger numbers, which maintain port revenues. Management believes this allows the Group to maintain its passenger numbers despite short-term economic fluctuations.

In 2016, more than seven million passengers visited a Group-operated port, and management believes there is significant potential to sell additional services to this large and attractive "captive" customer base. The Group has been considering the development of a "GPH Guest Service Centre", a one-stop shop for passenger services at each port, including retail shopping, a hub to sell value added services to passengers and an information centre for passengers. In particular, management believes there is significant potential for increasing revenue from its retail business. The Group has developed enhanced retail offerings at Ege Ports-Kuşadası and Valletta Cruise Port, which include diverting traffic through the Group's retail space, increasing the retail area where possible and actively managing retail to improve sales and bring in the relevant brands. The Group is looking to replicate these offerings at its other ports. The Group is currently in discussions with a duty free operator to install additional retail operations and to manage existing duty free retail operations across a number of the Group's terminals, an opportunity that is the direct result of the Group's scale and integrated network. In addition, the retail operations are expected to benefit from the Group's other initiatives such as traffic management and retail space design and the Group will be able to increase the leasing rates for retail space within its terminals.

The Group's continuous passenger research shows that cruise passengers prioritise internet connectivity and independence in selecting their own excursions without relying on their cruise line. The Group is introducing products and services to meet these needs and improve passenger experience, including mobile data services (including in-terminal internet and pocket Wi-Fi), in-city and intercity transportation, city retail experience (couponing), luggage storage and, anticipated in 2018, shore excursions. See "*—The Group's Strategy—Drive yield enhancement through focused implementation of attractive incremental B2C and B2B revenue opportunities and other initiatives*".

The Group has also been enhancing its service offering to cruise lines and vessels. New products and services provided to cruise lines and vessels visiting the Group's ports include green energy, fibre optic internet connections, water provisioning and waste disposal services.

Significant identified expansion opportunities as sole global consolidator in the cruise terminal industry

The Group has developed a global, unified approach to negotiating attractive tariff, investment and concession structures. Based on this approach and the strength of its reputation and experience, management believes the Group is the preferred, and in some cases the only potential, operator for new concessions. Management believes there is a clearly identified pipeline of acquisition opportunities, including ports operated by public owners, such as local municipalities and governmental agencies, that are looking to conduct privatisation schemes for undermanaged or under-invested assets (which often have notable growth potential), the sale of ports by cruise lines to reliable partners, and new port developments to address larger vessels' capacity and sizes.

Management believes that the Group will continue to benefit from existing industry relationships that support the identification of new leads and on-going opportunity monitoring. These relationships include RCCL, which is the second largest cruise operator in the world with a global market share of 23% based on worldwide passengers, according to Cruise Market Watch, Carnival Group and MSC Cruises S.A., Temasek, the investment company owned by the government of Singapore which is the Group's indirect partner in the Singapore Cruise Port (through SATS Ltd), and Bouygues Bâtiment International, a global operator for major construction projects, which is the Group's consortium partner in the Dubrovnik Cruise Port. The Group expects to continue to benefit, in particular, from its relation with RCCL in expanding to global markets. The Group also intends to use its partnership with SATS Ltd for access to acquisition and new development opportunities in Asia and has reached an understanding with SATS Ltd to explore port acquisition opportunities in the region. The Group's recent acquisition of the Italian ports, presents a further opportunity for the Group to improve its partnerships with Carnival and MSC Cruises S.A. Moreover, management maintains strong and supportive relationships with local governments, businesses and local and international members of the cruise tourism industry through its business development team.

In seeking to acquire new ports, management expects the Group will benefit from its "first mover" advantage as the sole global consolidator of cruise ports, the current environment of limited competition and the Group's critical scale as a significant barrier to competition. In addition, management believes that the Group's proven track record of acquisitions and swift implementation of best practices within newly acquired ports makes the Group a preferred counterparty for future port acquisitions. The Group is regularly contacted by governments, state municipalities and regional port authorities and invited to bid in tender processes as well as bilateral negotiations for new cruise ports.

Commercial port operations provide a robust base underpinned by a strong competitive position, leading operational efficiency and high barriers to entry

The Group's main commercial port operations are strategically located in Antalya on the southern coast of Turkey near key shipping lanes in the Mediterranean and at Bar in Montenegro. Antalya's hinterland is characterised by marble and cement factories and extraction of minerals, with marble exports to China, cement exports to the MENA region, export and import of metals, granite, coal, aluminium, chemicals and agriculture. Several hundred mines operate within a 300 kilometre radius of Port Akdeniz-Antalya, which has positioned itself as a strategic export gateway to diverse global markets. Turkey contains 40% of the world's marble reserves and exports marble to over 200 countries, according to Drewry. The comparative ease of getting the outputs from these factories to the port allows the Group to charge premium prices relative to peers. The Group also has the flexibility to raise tariffs (subject to competition limits), given limited competition and absence of any government regulation on pricing. The Antalya region is currently focussed on diversifying its cargo base, and has increased imports 5% in 2015, primarily through additional imports of PVC and furniture.

In addition, management believes that the location of Port Akdeniz-Antalya creates a strong barrier to potential competitors. The next closest commercial ports, Mersin and Iskenderun, are located approximately 353 kilometres and 492 kilometres from Antalya (point to point on land), respectively, and the significant road haulage costs from the Antalya hinterland to these ports effectively prevents direct competition, particularly where the additional transportation would result in increased costs for producers of commodity products. In addition, as the region to the port's west and northwest is primarily devoted to leisure and tourism management believes it is unlikely that regulatory and environmental approvals would be granted for a new major commercial port in the region. In addition to geographic barriers, any competing port would also require high capital investment and a long lead-time for construction. As a result, management expects Port Akdeniz-Antalya to continue as the main commercial port for its region.

The Port of Adria-Bar also benefits from its strategic position. Adria-Bar represents an important link in the intermodal transport chain in the region. In addition to being the primary port for Montenegro, it integrates the rail and road networks and serves as a regional gateway to landlocked countries such as Bosnia and Herzegovina, Serbia and Macedonia. It also benefits from a "free zone" exemption from customs duties and taxes.

The Group holds a 30 year concession at both Antalya (which currently runs through 2028) and at Port of Adria-Bar (which currently runs through 2043). For further information of the terms of these concession agreements, see Part XVII *(Additional Information—Material Contracts—Concession Agreements*).

Strong track record of cash generation and financial performance with high margins and resilient and diversified cash flows

The Group has maintained strong cash conversion[2] and generation in excess of 85% (average last three years), even with continued strong organic growth. This cash generation has been supported by the Group's strong concession framework, which has resulted in predictable and stable volumes and fees, as well as relatively low capital expenditure requirements. The Group also has a resilient business model benefitting from multiple cash flow streams that are diversified in terms of geography, segment (cruise and commercial operations), retail services, customers and currency. In 2016, the Group derived 46.7% of its revenues from its cruise port operations and 53.3% from its commercial port operations.

Through, the acquisition of Creuers, Valletta, Dubrovnik[3], Venice and the additional Italian cruise ports (Ravenna, Cagliari and, Catania) over the last three years, the Group has achieved a significant additional geographic diversification in its ports portfolio. Furthermore, the introduction of a wider range of retail and passenger services, as well as new services for cruise and cargo ships, has provided additional diversification of revenue streams. These factors are expected to enhance the resilience of the Group's total revenues and Segmental EBITDA.

The Group also benefits from a natural hedge against certain currency exchange movements, since the Group's Western Mediterranean ports' revenue generated in Euro approximately matches their Euro-denominated debt and operating expenses. Port Akdeniz-Antalya (the Group's Turkish commercial port) receives revenue in, and incur debt in, US Dollars, while its operating costs are primarily in Turkish Lira. Accordingly, a stronger US Dollar generally increases the profitability of Port Akdeniz-Antalya.

In its commercial port operations, management believes its margins are sustainable in light of the low degree of local competition and the lack of regulatory tariff restrictions. Management also believes the Group's ports have potential for additional higher margin container handling activities, premium tariffs for servicing cargo that requires additional expertise and equipment, and additional value added cross-selling of ancillary port activities. In its cruise port operations, given the high percentage of fixed costs in the business, the Group has targeted growth in passenger numbers and tariffs, to continue to improve its margins.

Experienced management team with an established international track record of operational excellence and effective strategy

The Group has a highly experienced management team with a total of 80 years of combined experience in the maritime sector, covering port acquisitions, business turnaround, port operations and marketing. The Group's senior management team has been strengthened over the past five years with the addition of 3 senior managers with significant international and cruise operating experience to support the current footprint and future growth. Management has an extensive track record of transforming businesses it acquires and adding value at the ports through implementation of best practices, such as PortALL and the GPH Codes and Policies Book. It has cruise port expertise, particularly on how to run, optimise and market cruise ports. In addition, management has a strong track record of identifying and integrating acquisition targets, as demonstrated by the Group's recent successful acquisitions (Valletta Cruise Port, Venice Cruise Port, Ravenna Cruise Port, Cagliari Cruise Port and Catania Cruise Port) which have further enhanced the Group's reputation in the market. This strong international track record is a product of the management's over 20 years of experience with mergers and acquisitions, corporate finance and cruise port development. In addition, the management has a strong track record of being able to turnaround underperforming assets, such as the improvement of operational performance at Port Akdeniz-Antalya and Port Adria-Bar.

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2 Cash conversion calculated as (Segmental EBITDA and unallocated expenses—CAPEX)/(Segmental EBITDA and unallocated expenses). For further information on cash conversion, see Part III (*Presentation of Information — 2.Non-IFRS financial measures*).

3 The tender for Port of Gruž (Dubrovnik) was awarded to a GPH-controlled partnership in October 2015. In February 2016, a preliminary concession agreement was signed and the final concession agreement remains subject to negotiations with the relevant authority.

The Group's Strategy

Build on highly differentiated value proposition and ongoing roll-out of branded high quality service offering to drive increased passenger flow across the platform

The Group will continue to position Global Ports as the leading cruise port brand, supported by its position as the sole port consolidator, as well as its fully integrated PortALL operating platform and GPH Codes and Policies Book to streamline and standardise its network operation. Management believes that the Global Ports brand and its global marketing capabilities will continue to give the Group advantages over its competitors. In particular, management believes that the attractiveness of the Group's platform to cruise lines and passengers, due to its network of ports in attractive locations, superior retail and ancillary services and branded value proposition, has the potential to result in increased passenger flow at its ports.

Drive yield enhancement through focused implementation of attractive incremental B2C and B2B revenue opportunities and other initiatives

The Group's pricing mechanism is commercially driven. Across its integrated platform, the Group applies a consistent tariff methodology, monitoring and adjusting its pricing based on its centralised data analysis. For instance, within a relatively short timeframe since the acquisition of Valletta Cruise Port in November 2015, the Group found that it could maximise revenues at Valletta Cruise Port by changing the sheltering (berthing) fee from being based on length overall (LOA) to being based on tonnage (GRT) as the size and tonnage of ships has been increasing in recent years. This represents a direct application of best practice, based on the analysis of pricing the Group's other cruise ports.

The Group will continue to roll out additional products and services to cruise lines, passengers and the local public to create new revenue streams. The Group intends to expand the ancillary services that it currently provides to cruise lines and vessels visiting its ports, including green energy, fibre optic internet connections and providing water and waste disposal services. The Group is also introducing connectivity products and services (such as mobile WiFi), transportation, city retail experience (couponing), luggage storage and, anticipated in 2018, shore excursions.

In addition, the Group is seeking to further monetise the passenger traffic within its ports (nearly eight million passengers passed through the Group's ports in 2016), renting concession areas for events and as retail offices and outlets, and parking. In addition, the Group has been leveraging space for advertising to cruise lines, passengers and locals. For example, the Group has recently entered into an agreement with the TAV Group regarding the selling and renting of advertisement space in all terminals in which the Group operates. The Group has further created a new retail space plan incorporating a serpentine, walk through design, and the Group is in discussions with a major duty free operator to manage the existing duty free retail operations and install additional duty free shops across a number of the Group's cruise ports. The Group has developed enhanced retail offerings at Ege Ports-Kuşadası and Valletta Cruise Port, which include diverting traffic through the Group's retail space, increasing the retail area where possible and actively managing retail to improve sales and bring in the relevant brands. The Group is looking to replicate these offerings at its other ports.

Continue cruise terminal platform expansion through targeted, disciplined acquisitions in selected strategic locations across the globe

The Group intends to further expand and diversify its cruise port portfolio through targeted port acquisitions, either individually or with selected partners. In Asia, the Group aims to expand its cruise operations surrounding the main regional homeports, such as Singapore and Hong Kong. In the Caribbean, the Group is seeking homeports and marquee ports to penetrate the market and establish a foothold in the region. In the Mediterranean, the Group remains focused on key ports in terms of strategic location and passenger numbers. In sourcing and securing new opportunities, management believes the Group is a preferred operator for new concessions.

The Group uses a systematic "project funnel" approach to its strategic expansion. Using this approach, new opportunities proceed through a series of well defined phases: project screening; pre-feasibility and due diligence; concession negotiation and financing; and closing and integration of the newly acquired ports into the Group's portfolio.

The Group actively pursues opportunities and monitors potential public and private acquisitions, and in this regard the Group benefits from the extensive experience of its management and its partnerships and industry contacts. The Group focuses on targets that have attractive locations (for example, close to high profile tourist and historical sites) or are currently undervalued or undermanaged. The Group believes partnerships can increase the chances of an investment being successful, but its preference is to acquire majority ownership in new ports. In entering new markets, the Group focuses on marquee ports (see *Part IX (Industry Overview—Cruise Destination Regions: the Mediterranean Sea—Main Mediterranean Cruise Areas and Ports)*) and, when assessing opportunities in regions in which the Group has existing operations, the focus is on a port's financial profile.

The Group has identified twelve potential cruise port acquisition targets, and is at various phases of the "project funnel" process with respect to these acquisition targets, as described below.

Concession Agreement and Financing Negotiation

- *Brindisi (Italy)*—in July 2016, the Group commenced negotiations with Brindisi Cruise Port S.r.l., a company which operates Brindisi Cruise Port, regarding the purchase of a 23.75% stake in Brindisi Cruise Port. The share purchase agreement has been agreed between the parties and the Group anticipates that the closing of the transaction will take place in the first half of 2017. The Group estimates that the acquisition cost and the capital expenditure in relation to the project will be less than US$25 million.
- *Penghu (Taiwan)*—on 16 March 2016, the Group signed a joint venture agreement with RCCL and Taiwan International Ports Corporation and the consortium (consisting of the Group, RCCL and Taiwan International Ports Corporation) was awarded a 50-year concession for the construction and operation of the cruise port on Penghu Island, Taiwan on 4 May 2016. The Group holds an effective stake of 40.8% in the consortium. The project consists of converting an existing military dock into a one ship cruise dock capable of handling an Oasis class ship. Since being awarded the concession the consortium has been negotiating the concession agreement with the tendering authority in Taiwan, as well as preparing feasibility and engineering studies to be submitted to the relevant ministry in Taiwan. The Group anticipates that the signing of the concession agreement will take place in the second quarter of 2017 and estimates that the acquisition cost and the capital expenditure in relation to the project will be approximately US$36 million

Pre-feasibility and due diligence

The Group currently has ten potential cruise port acquisition targets in the pre-feasibility and due diligence phase of the "project funnel", and considers Nassau Cruise Port, Hainan Cruise Port, Zadar Cruise Port, Livorno Cruise Port and Katakolon Cruise Port to be the closest opportunities to reaching the next stage of the process.

- *Nassau (Bahamas)*—The Group met with government officials, including the chief advisor to the Prime Minister, in September 2016 to discuss a long-term concession agreement to operate and invest in the Nassau Cruise Port. In November 2016 the Group had a subsequent meeting with government officials, including the Prime Minister to further discuss a comprehensive plan for operating the cruise port. In November 2016, the Group appointed two advisors to prepare such comprehensive plan and is preparing an unsolicited offer to the Government of Bahamas. The unsolicited offer has been submitted to the Bahamas Government, and is current pending approval. The Group estimates that the acquisition cost and the capital expenditure in relation to the project will be more than US$50 million.
- *Havana (Cuba)*—The Group has been in bilateral discussions with the Cuban governmental authorities since 2015. The Group submitted a conceptual proposal in February 2016, had discussions with the Ministry of Economy in March 2016 and with the Ministry of Transport in June 2016. the Group presented a formal proposal to the government authority in charge of the Havana Cruise Port project on 7 November 2016. the Group anticipates that a tender process will commence in the first half of 2017 and it is planning to submit a formal bid with its partner Bouygues Construction. The Group estimates that the acquisition cost and the capital expenditure in relation to the project will be more than US$50 million.
- *Zadar (Croatia)*—The Group expects the tender for international and domestic operations at Zadar Cruise Port to be announced in the first half of 2017. The tender is for the operation and management of the newly built terminal at Gazenica Cruise Port-Zadar. The Group estimates that the acquisition cost and the capital expenditure in relation to the project will be less than US$25 million.
- *Livorno (Italy)*—The Group, through Creuers, submitted a bid on 10 October 2016 to tender for the sale of a 66% stake in Livorno 2000, a company holding concession rights for the cruise and ferry operations at Livorno Cruise Port. The bid was submitted by a consortium consisting of Creuers (which holds an 80% interest) and Aloschi Bros of Italy. The port predominantly handles ferry traffic with approximately 1.7 million ferry passengers a year, and approximately 800,000 cruise passengers, and the tender for the Livorno Cruise Port has an important ferry element. Two other bids have been submitted by consortia including entities which have ferry operations in Italy (Moby Lines consortium and Grimaldi Group

consortium). The Port Authority's tender commission reviewed the technical and economic offers of the submitted bids (three in total, all of which were confirmed to have met the criteria prescribed by the invitation to tender), and provisionally resolved that the offer submitted by the consortium consisting of Creuers and Aloschi Bros of Italy is the second best offer. A winning bid will be finally determined by the tender commission on the basis of verification of the requirements of the offers. The Group anticipates that the winning consortium will be announced in the first half of 2017.

- *Katakolon*—following the privatisation of the Piraeus Port Authority in July 2016, the other major and secondary ports in Greece, including Katakolon port, are in the process of being privatised. The Group is closely following the privatisation process and has been involved in discussions with governmental authorities. In January 2017 the group discussed the privatisation of the Katakolon port with the deputy minister responsible for the privatisation process. On the basis of the discussions the Group anticipates that a tender process for cruise operations at the Katakolon Cruise Port will be announced in the first half of 2017. The Group estimates that the acquisition cost and the capital expenditure in relation to the project will be between US$25 million and US$50 million.
- *Istanbul*—The Group had preliminary discussions with the Turkish governmental authorities in November 2016 regarding a new cruise port project in Istanbul's Zeytinburnu district and submitted a conceptual plan and unsolicited proposal to the Prime Minister in February 2017. The Group understands that such conceptual plan will be the basis of a tender to be announced by the Ministry of Transport, Maritime Affairs and Communications of Turkey for the concession rights to build and operate the planned new cruise port. The Group anticipates that the tender will be announced before the end of 2017 and estimates that the acquisition cost and the capital expenditure in relation to the project will be more than US$50 million.
- *Gibraltar*—The Group has been invited by the Government of Gibraltar for discussions regarding a concession agreement for the operation of Gibraltar Cruise Port, and in October and November 2016 had two meetings with the Chief Minister to discuss a concession agreement in return for GPH's investment into the infrastructure and superstructure of the port, as well as a more effective marketing of the port. The Group appointed a traffic advisor to prepare a report for improvement of the overall cruise experience at the port and the Group is planning to present its proposal to the Chief Minister in May 2017 and start concession discussions subsequently. The Group estimates that the acquisition cost and the capital expenditure in relation to the project will be less than US$25 million.
- *St. Petersburg*—The Group has approached the St. Petersburg city government for a long-term concession to operate the St. Petersburg Cruise Port in return for a one-off payment and capital expenditure commitment. In January 2017 the Group appointed a Russian investment bank to coordinate discussions with the St. Petersburg city government and is continuing bilateral discussions with the city government. The Group estimates that the acquisition cost and the capital expenditure in relation to the project will be more than US$50 million.
- *La Goulette (Tunisia)*—The Group has been involved in discussions with local and governmental authorities regarding an agreement to operate a concession at Cruise Port La Goulette in Tunisia, including discussions with the Minister of Tourism in January 2017. The Group sent an unsolicited of proposal to the Minister of Tourism in February 2017. The Group estimates that the acquisition cost and the capital expenditure in relation to the project will be less than US$25 million.
- *Hainan (China)*—the cruise port project in Hainan Island is planned as part of the South China Sea Pearl Eco-Island project. The investment in the cruise port project Terminal will be undertaken by Hainan Airlines Group. The Group, through Creuers, has prepared and submitted to the Hainan Airlines Group a pre-feasibility study of a future cruise port on the Eco-Island project. If the construction of the cruise port goes ahead, the Group (through Creuers), should be invited to bid for a tender to operate such cruise port. The Group estimates that the acquisition cost and the capital expenditure in relation to the project will be between US$25 million and US$50 million.

The Group does not have any definitive agreement with respect to any of its acquisition targets, and even if the Group does enter into such an agreement in the future, it would be subject to customary closing conditions. Accordingly, there can be no assurance or guarantee that any of the potential acquisitions will be completed. See Part II *(Risk Factors—Risks Relating to the Group's Investments and Strategy—The Group may not be able to identify and successfully acquire additional port facilities in line with its growth strategy* and *Risk Factors—The Group is exposed to risks related to the acquisition and integration of new ports*).

In addition, the Group has identified additional port locations as potential acquisition targets which are at the stage of project screening: six in the Caribbean (Oranjsted (Aruba), Willemstad (Curacao), St. Lucia, Georgetown (Barbados), Grand Cayman (Cayman Islands) and La Romana (Dominican Republic)), two in Asia (Krabi (Thailand) and Melaka (Malaysia)) and one in Europe (Tenerife). The Group has not commenced any detailed discussions in connection with these nine potential acquisition targets and so, in addition to the considerations mentioned in the immediately preceding paragraph, there can be no assurance or guarantee that such ports will be available for acquisition in future.

The Group expects that additional acquisition targets will be identified in the short and medium term. Although the primary focus under the group's strategy is the acquisition of cruise ports as set out above, the Group will remain open to opportunistic acquisition of commercial ports.

Havana Cruise Port tender and sanctions

The Group intends to participate with a joint venture partner in a tender which is expected to be announced by the Government of Cuba in the first half of 2017 to renovate and operate the cruise port in Havana, Cuba ("**Havana Cruise Port**"). At this stage, there can be no certainty as to the outcome of the tender process and whether The Group will be successful in its bid. The Group is however taking steps designed to ensure that if the bid is successful, the proceeds of this Offer will not be used in connection with the Havana Cruise Port. For further information, see *"—Investment Opportunities—Havana Cruise Port tender and sanctions"*.

Continue diversification and expansion of cargo volumes through numerous operational initiatives

The Group plans to roll out improvements in its commercial ports. In Port-Akdeniz-Antalya, the Group intends to:

- introduce flexible pricing, such as incentives and discounts based on volume to attract potential cargo and to continue seeking new customers (an initiative which started in the middle of 2016);
- improve value added services, such as storage, inspection, weighing, stripping and stuffing to attract new businesses, with a view to diversifying the port's customer portfolio reducing its dependency on marble and increasing revenue generation in future. To this end:
  - the Group has invested in new IT infrastructure and to renovate new areas for storage and inspection services,
  - Port-Akdeniz-Antalya has established a specific area reserved and maintained for project cargo;
- diversify its cargo base in order to balance out the volume of imports to exports;
- improve the port's ancillary revenues and yield, which includes weighing, mixing and warehousing by increasing investment for the development of the port's storage area; and
- focus on containerisation, by capturing and containerising goods that are currently transported by trucks such as furniture, and the logistics of new categories of goods, such as fresh produce and livestock feed.

In Port of Adria-Bar, since its acquisition in December 2013, the Group has implemented a significant program of investment and restructuring to modernise the port facilities which has resulted in improved operating efficiency. A principle goal of these efforts is to improve the port's container operations. In addition, the Group intends to:

- implement new operational software that will improve operations;
- increase marketing and sales efforts in landlocked countries like Serbia and in surrounding areas; and
- target the introduction of roll on/roll off car export operations at the port.

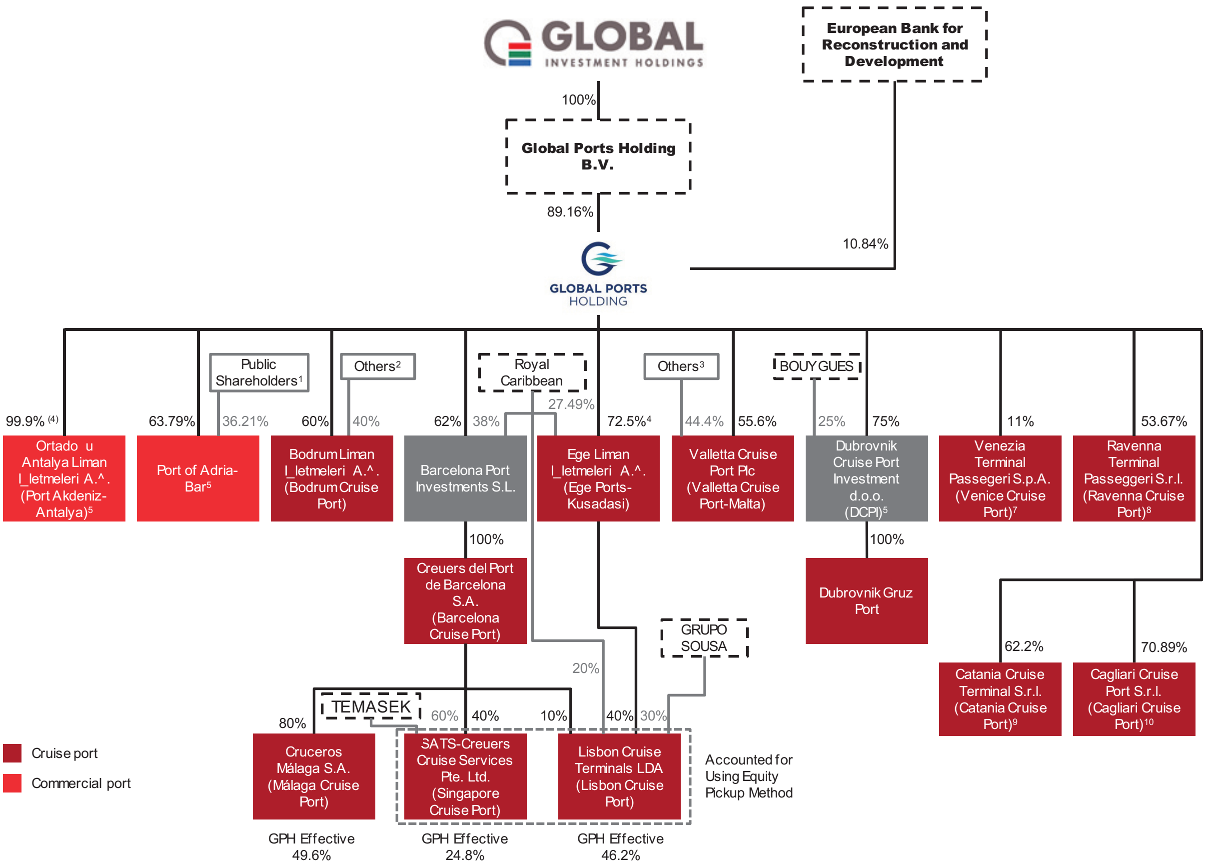
Maintain high margins and cash flow conversion

The Group will continue to focus on high cash flow conversion. Management believes its margins are sustainable in light of the geographic extent of its ports and low degree of competition, as well as pre-paid concessions and relatively low capital expenditure requirements, and the diversification of revenue streams. Management also believes the Group's ports have significant potential to enhance margins, including through the addition of higher margin cruise port services and commercial container handling activities, premium tariffs for servicing cargo that requires additional expertise and equipment, and additional value added cross-selling of ancillary port activities. Given the high percentage of fixed costs in the business, the Group has targeted growth in business volumes and sales mix, to continue to improve its margins.

To further increase revenue, the Group is seeking to continue to improve cash flow from its existing operations through a disciplined approach to capital expenditure, building on the low structural capital expenditure required in the cruise port industry. The Group is seeking to align its capital expenditure with changes in demand for its services (assessing on an ongoing basis whether demand levels exceed existing capacity at a given port) while maintaining port facilities and equipment in accordance with international standards. Additionally, the Group will continue to control capital expenditure by shifting equipment between ports in a given region where it is possible to do so, rather than investing in new equipment, and to utilise central purchasing across the network to reduce the costs of acquiring new equipment. To help optimise operating costs, the Group centralises all shared services, which include treasury, finance, IT, human resources, procurement and legal. Non-core activities, such as general cargo handling, the loading and unloading of containers, luggage handling, security, cleaning and cargo transportation within the port are outsourced to third parties whom management believes can provide services at a lower cost and vary service levels to match demand. Moreover, the Group continuously reviews business and operating processes to manage variances in revenue and operating costs with a view to consistently increasing Segmental EBITDA as a percentage of sales.

Group Structure

The following chart provides information about ownership interests in the Group's cruise and commercial ports, immediately following Admission.



Notes:

(1) 35.5% of Container Terminal General Cargo JSC-Bar is listed on the Montenegro Stock Exchange and publicly held.

(2) Yüksel Çağlar (a Turkish businessman and entrepreneur) holds 30% of the shares in Bodrum Liman and Setur (duty-free operator owned by the Koç Group of Turkey) holds 10%.

(3) Two privately held investment vehicles with 36.4% and 8.0% shares, respectively.

(4) Türkiye Denizcilik Işletmeleri holds 1 share in Ortadoğu Antalya Liman Işletmeleri A.Ş. and Ege Liman Işletmeleri A.Ş.

(5) Port Akdeniz-Antalya also has cruise operations.

(6) The tender for Port of Gruž (Dubrovnik) was awarded to a GPH-controlled partnership in October 2015. In February 2016, a preliminary concession agreement was signed and the final concession agreement remains subject to negotiations with the relevant authority.

(7) Global Liman, as part of a consortium with Costa Crociere S.p.A., MSC Cruises S.A. and Royal Caribbean Cruises Ltd., owns a non-controlling stake in Venezia Terminal Passegeri S.p.A. which operates the Venice Cruise Port.

(8) Global Liman owns indirectly a 53.67% stake in Ravenna Terminal Passegeri S.r.l. which operates the Ravenna Cruise Port.

(9) Global Liman owns indirectly a 62.2%% stake in Catania Cruise Terminal S.r.l. which operates the Catania Cruise Port.

(10) Global Liman owns indirectly a 70.89% stake in Cagliari Cruise Port S.r.l. which operates the Cagliari Cruise Port.

Group's History

The Group was established in 2004. Since then the Group has achieved the following milestones:

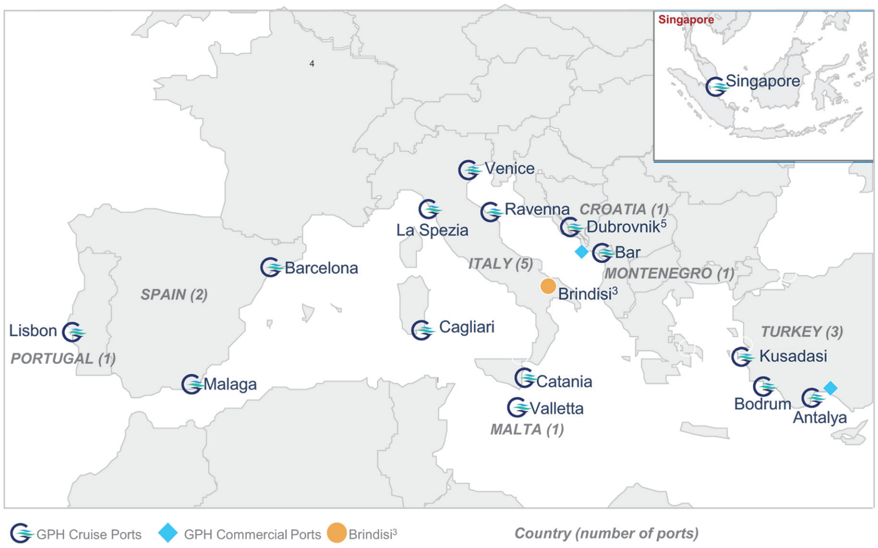
- **2003**—A sister company of the Group, Ege Ticaret Ltd. Şti., acquired an interest in Ege Ports-Kuşadası in Turkey, through Ege Liman. The interest was transferred to the Group on 6 July 2005.
- **2006**—The Group acquired an interest in Port Akdeniz-Antalya in Turkey.
- **2008**—The Group acquired an interest in Bodrum Cruise Port in Turkey.
- **2013**—The Group acquired a non-controlling interest in Creuers (Barcelona) and on 1 July 2013, Global Liman won a tender for the privatisation of the cargo terminal in Port of Adria-Bar in Montenegro.
- **2014**—The Group acquired a majority interest in BPI, which owns Creuers (Barcelona). The Group further acquired interests in Creuers (Málaga) and Marina Bay Cruise Terminal (Singapore). The Group, through a consortium, also won the tender for the construction and operation of a new cruise terminal at the Lisbon Cruise Port.
- **2015**—The Group, through a consortium with Bouygues Bâtiment International, won the tender to operate Dubrovnik (Port of Gruž). The Group also completed the acquisition of a majority interest in Valletta Cruise Port. In September 2015, EBRD acquired a 10.84 per cent. stake in Global Liman.
- **2016**—The Group, through a consortium, acquired a non-controlling interest in Venice Cruise Port.
- **2016**—The Group acquired interests in Ravenna Cruise Port, Cagliari Cruise Port and Catania Cruise Port.

Overview of Operations

The Group is the world's largest independent cruise port operator by number of ports and passenger volume, with a diversified and strategically located portfolio of fourteen ports in eight countries, serving cruise liners, ferries, yachts, mega-yachts and cargo ships. In addition to terminal and marine services, the Group provides bundled products and services to cruise lines (including discounts for multiple stops in a single cruise itinerary), provision of necessary and cost effective services to cruise ships (including fibre internet, fresh water and waste removal services and LNG), provision of additional services to cruise passengers to improve their travel experience (including retail services, extended security services, mobile WiFi and InCity/Intercity transportation) and positioning the cruise ports as a point of interest for the local public and customers.

In addition to the cruise platform operations, the Group is a commercial port operator, which specialises in container, bulk and general cargo handling, operating a high capacity commercial ports in Turkey and Montenegro with a strong position on export traffic.

The map below shows the location of the Group's ports.



Notes:

(1) GPH holds a 25% stake in the company which is currently negotiating Brindisi concession agreement with the port authority.

The Group has a long-term concession framework which includes a number of concessions where the Group may set tariffs at its own discretion and is not subject to capital expenditure requirements. In addition, the Group has options to extend certain concessions, including Creuers (Barcelona), Creuers (Málaga) and Marina Bay Cruise Terminal (Singapore), and the Group has made applications to extend these concessions. The table below sets out the Group's concession framework. See Part XVII *(Additional Information—Material Contracts—Concession Agreements*) for descriptions of the material terms of the concession agreements.

Port	Concession expiry	Potential concession extension	No Future Capex obligation?	Pre-paid concession?	Tariff discretion?	Basis and status of concession extension	Cost of concession extension
Akdeniz-Antalya	2028	Up to 19 years (Until 2047) provided that the legal proceedings succeed	✓	✓	✓	**Turkish Constitutional Court precedent**: Global Liman's initial application for extension rejected. Global Liman has appealed this rejection. Case pending before Council of State.	Subject to the Privatisation Administration's discretion; however, the Group expects it to be on a pro rata basis
Ege Ports-Kusadasi	2033	Up to 19 years (Until 2052) provided that the legal proceedings succeed	✓	✓	✓	**Turkish Constitutional Court precedent**: Global Liman's initial application for extension rejected. Global Liman has challenged this rejection. Council of State reversed decision in Global Liman's favor and remanded the case for new hearing.	Subject to the Privatisation Administration's discretion; however, the Group expect it to be on a pro rata basis
Bodrum	2019	Up to 37 years (Until 2056) provided that the legal proceedings succeed	✓	✓	✓	**Turkish Constitutional Court precedent:** Global Liman won three different lawsuits at the first instance court level to extend the concession until 2056. Currently, one of the lawsuits is pending before Council of State and the other two are before the second instance court.	Subject to the relevant Administration's (DLH) discretion; however, the Group expects it to be on a pro rata basis
Creuers (Barcelona)	2030 (Adossat) 2027 (WTC)	Up to 50 years (Until 2053 for Adossat, and 2050 for WTC)	✓	✓	✗(2)	**Adossat Agreement**: automatic extension option provides for 3 years (until 2033). **Statutory** (***ampliación***): Creuers made an application to extend the concession period by 10 years.	**Statutory (*ampliación*):** Creuers must make a commitment to contribute economically to a port infrastructure investment project planned by Barcelona Port Authority (in the event of the extension of the concession).
Creuers (Málaga)	2038 (Levante) 2041 (Palmeral)	Up to 50 years (Until 2058 for Levante, and 2061 for Palmeral)	✓	✓	✗(2)	**Malaga Levante Agreement:** provides for extensions of up to 15 years (in total). **Statutory (*ampliación*):** Creuers made an application to extend both the Levante and Palmeral the concession periods by 12 years (until 2050 for Levante, and 2054 for Palmeral).	**Statutory (*ampliación*):** Creuers must make a commitment to contribute economically to a port infrastructure investment project planned by Malaga Port Authority (in the event of the extension of the concession).

Port	Concession expiry	Potential concession extension	No Future Capex obligation?	Pre-paid concession?	Tariff discretion?	Basis and status of concession extension	Cost of concession extension
Marina Bay Cruise Terminal (Singapore)	2022	Extension for 5 + 5 years by mutual agreement of the parties	✓	✓	✗(2)	Application to extend concession made and currently under review.	NA
Lisbon	2049	No extension option.	2017	✗	✗(1)(2)	NA	NA
Adria-Bar	2043	No extension option.	2017	✓	✓(2)	NA	NA
Valletta	2066	No extension option.	✓	✓	✗(2)	NA	NA
Ravenna	2020	No extension option. (4)	✓	✗	✓ (2) (5)	NA.	Since Ravenna concession is based on a Service Contract, the assumption is that the cost of extension should mainly depend on the commercial results during the concession period.
Venice	2024	2060(2)	✓	✓	✓(2)(4)	The Consortium is in advanced stage discussion with the Ministry of Transport for extending Venice Concession for a minimum of 35 years, in return of building a new cruise terminal in Chioggia or Montesyndial, in addition to existing berths of Porto di Venezia for large ships for an investment of EUR 80 million.	Consortium is currently in the advance stage of discussions with the Ministry of Transport for extending Venice Cruise Port concession for a minimum of 35 years, in return for building a new cruise terminal at Chioggia or Montesyndial, in addition to existing berths of Porto di Venezia for large ships.
Cagliari	2027	✓(4)	✓	✗	✓(2)	Application to extend concession for 10 years made to the Port Authority and currently under review.	Depends on the kind and costs of the new investments.
Catania	2026	✓(6)	✓	✗	✗(2)	The application to the Port Authority for extension of the concession term will be submitted by the end of the concession term.	Depends on the kind and costs of the new investments.
Dubrovnik(3)	2056	No extension option.	2019	✗	✗(7)	NA	NA

Notes:

(1) Obtained approval for a 10% tariff increase in 2015, 20% tariff increase for 2016.

(2) Tariff change subject to relevant authorities' approval.

(3) The tender for Port of Gruž (Dubrovnik) was awarded to a GPH-controlled partnership in October 2015. In February 2016, a preliminary concession agreement was signed and the final concession agreement remains subject to negotiations with the relevant authority.

(4) Until recently, the term of certain Italian port concessions was extended without necessarily following a public tender and/or a public procedure. However, by entering into force of the new regulation in 2017, an extension will go through a public procedure. For the purpose of the extension/renewal, the investments already made by the concessionaire in the concession area and/or activities carried out therein by the concessionaire will be taken into account.

(5) The port has discretion to decide the tariffs within the limits designated by the Ravenna Port Authority.

(6) The term may be extended through an application to the Port Authority, for a number of years based on the amount of the new investments that the concessionaire undertakes to carry out.

(7) Subject to a maximum cap (which is expected to significantly exceed the current tariff levels).

Cruise Port Operations

Overview

The Group is the only independent cruise port operator with a diversified and strategically located asset portfolio, forming the world's largest cruise port network, which includes operations at Barcelona, Venice, Lisbon, Málaga, Valletta, Cagliari, Catania, Ravenna La Spezia, and Singapore, as well as Kuşadası, Bodrum and Akdeniz-Antalya. In 2016 the Group's cruise port operations generated 46.7% of the Group's revenue and 45.6% of the Group's Segmental EBITDA.

The following tables provide information regarding the cruise and ferry port features and operations of Creuers (Barcelona), Creuers (Málaga), Ege Ports-Kuşadası, Valletta Cruise Port, Bodrum Cruise Port, Port Akdeniz-Antalya, Lisbon Cruise Port, Venice Cruise Port, Ravenna Cruise Port, Cagliari Cruise Port, Catania Cruise Port, Marina Bay Cruise Terminal (Singapore) and Port of Adria-Bar as of 31 December 2016.

Features as of 1 December 2016	Total quay length (m)	Terminal area (m²)	Comm-mercial area (m²)	Total ship capacity (p/year)	Conce-ssion end	No. of cruise passen-gers	Turn-around passen-gers	Transit passen-gers	No. of ferries	No. of ferry passen-gers	Total gross tonnage
Creuers (Barcelona)	2,934	27,000	1,258	2,190	2026-2033	1,833,567	1,197,852	635,715	—	—	—
Creuers (Málaga)	1,312	16,815	826	1,460	2044	442,846	89,935	352,911	—	—	—
Ege Ports-Kuşadası	1,437	25,180	3,468	2,000	2033	347,478	—	347,478	607	57,765	13,601,143
Valletta	1,327	46,197	6,519	1,095	2066	682,501	114,162	568,339	—	—	—
Bodrum	690	22,340	1,080	1095	2019	61,268	—	61,268	506	67,516	2,459,582
Port Akdeniz-Antalya	1,732	35,000	420	730	2028	45,405	44,475	930	—	—	950,952
Lisbon	1,455	65,000	98	1825	2049	522,444	47,632	474,812	—	—	—
Venice	3,450	47,267	5,000	4,380	2024	1,855,670	1,188,549	667,121	—	—	—
Ravenna	300	600	—	730	2020	45,613	675	44,938	—	—	—
Cagliari	1,080	10,000	36	1,460	2027	258,066	16,627	241,439	—	—	—
Catania	1,300	7,000	135	2,190	2026	99,825	2,319	97,506	—	—	—
Marina Bay Cruise Terminal (Singapore)	720	28,000	531	730	2022	535,765	493,013	42,752	—	—	—
Port of Adria-Bar	1,400	527,000	—	2,100	2043	8,660	—	8,660	—	—	—

Notes:
(1) Market share calculated compared to respective country total ship calls.

Cruise Port Revenue

The Group's cruise port operations derive their revenue from:

- Terminal revenue, including landing fees, luggage fees, and passenger security fees based on the number of cruise ship passengers and motorboat revenue;
- Maritime revenue, including pilotage, towage, mooring, sheltering, security, provision of fresh water and waste removal services (determined mainly on the basis of the ship's gross tonnage);
- Retail revenue, including duty-free revenue and revenue from the rental of retail store space, facilities and office space; and
- Ancillary Service revenue, from business to business (B2B) services to cruise lines, cruise ships, retailers and advertisers, including green energy, fibre optic internet connections, and water and waste disposal services to the cruise ships, and from business to customer (B2C) services to passengers, crew and local customers, including mobile WiFi and, anticipated in 2018, shore excursions.

Terminal revenue, maritime revenue, retail revenue and service revenue derived from the Group's cruise port operations accounted for 27.1%, 7.4%, 11.3% and 0.4%, respectively of the Group's consolidated revenue in 2016.

Turnaround vs. Transit Passengers

A cruise Homeport is where cruise ship passengers embark to start their cruise and disembark at the end of their cruise (with such passengers categorised as "**turnaround passengers**"), as well as the location where cruise ship supplies are loaded for the trip. Conversely, where cruise ports function as intermediary stops on a cruise ship's itinerary ("**ports of call**"), passengers visiting the ports are categorised as "**transit passengers**".

Since turnaround passengers embark to start their cruise and disembark at the end of their cruise at cruise Homeports, this allows the cruise port to charge a ship's passenger capacity twice, as well as charging luggage fees for embaracation and disembaraction of each passenger. In addition, at Creuers (Barcelona), the total fees charged on a turnaround passenger is 4 times higher as compared to fees charged on a transit passenger due to luggage fees charged for turnaround passengers, as well as double the amount of landing and security fees. The table below shows the split between turnaround and transit passengers at the Group's cruise ports, in 2016:

	Turnaround	Transit
Creuers (Barcelona)	1,197,852	635,715
Creuers (Málaga)	89,935	352,911
Ege Ports-Kuşadası	—	347,478
Valletta Cruise Port	114,162	568,339
Bodrum Cruise Port	—	61,268
Port Akdeniz-Antalya	44,475	930
Lisbon Cruise Port	47,632	474,812
Venice Cruise Port	1,188,549	667,121
Ravenna	675	44,938
Cagliari	16,627	241,439
Catania	2,319	97,506
Marina Bay Cruise Terminal (Singapore)	493,013	42,752
Port of Adria-Bar	—	8,660

Port Services

In addition, the Group also derives revenue in its capacity as port authority, hence contributing to maritime revenue, for Ege Ports-Kuşadası, Bodrum Cruise Port and Port Akdeniz-Antalya. This allows the Turkish ports in the Group's cruise network to charge additional high margin revenues for vessel handling, which is a significant driver in terms of revenue per passenger. Equally, as vessel handling fees vary with the ship size, expressed in GRT, and correlate to number of ships, the cruise port's individual capacity and ability to host the largest class of ships, has an impact on revenues.

Creuers (Barcelona)

In September 2014, the Group completed its acquisition of cruise port operations in Barcelona. Global Liman holds a 62% interest in a holding company, Barcelona Port Investments S.L, ("**BPI**"), with RCCL holding the remaining 38%. BPI owns 100% of Creuers del Port de Barcelona, S.A. ("**Creuers**" or "**Creuers (Barcelona)**"), which in turn operates five of the six cruise terminals and six of the seven piers at the Barcelona cruise port ("**Barcelona Cruise Port**").

Creuers (Barcelona) holds a 100% interest in two twenty-seven year port concessions (terminating on 1 January 2027 for the World Trade Centre (the "**WTC**") wharf and on 3 June 2030 for the Adossat wharf, both with an extension option for up to 50 years). Global Liman has made an application to extend its concessions, the application is currently under review. Global Liman further holds an annually renewed operating licence for Terminal B (previously Terminal C, in 2000 Terminal B of the Adossat wharf was closed and as a consequence, Terminal C was renamed as Terminal B from that year onwards) which has been renewed until 2017.

Creuers (Barcelona) also holds an 80% interest in Cruceros Málaga, S.A. which holds the port operation rights for Creuers (Málaga) (terminating in 2038 with respect to the Levante terminal and in 2041 with respect to the Palmeral terminal) and a 40% interest in SATS Creuers Cruise Services which holds the port operation rights for the Marina Bay Cruise Terminal, Singapore (terminating in 2022).

For the year ended 31 December 2016, Creuers generated revenues of US$27.1 million and Segmental EBITDA of US$18.0 million, with 23.6% of the Group's total revenues and 22.3% of the Group's Segmental EBITDA generated by Creuers.

The following table provides a breakdown of Creuers's revenue streams for the period indicated.

	For the year ended 31 December 2016		
	2014[(1)]	**2015**	**2016**
	(Amounts in US$'000)		
Terminal	4,755	21,420	23,471
Maritime	—	—	—
Retail (including duty free)	554	1,995	2,228
Service	308	1,276	1,414
Total revenue	5,617	24,691	27,113
	(Amounts in US$)		
Revenue per passenger	11.1	11.2	11.9

Notes:

(1) Revenue for the last three months of 2014, in accordance with the consolidation of Creuers(Barcelona) from September 2014.

Overview

Barcelona is one of the leading tourist destinations in Europe for local and international visitors, attracting 8,303,649 visitors in 2015, according to Turisme de Barcelona. The port is ideally positioned to service cruise traffic destined to both the city of Barcelona itself and the region of Catalonia, both of which have strong historic, natural and cultural attractions for tourists.

Barcelona Cruise Port is the leading international cruise terminal operator in Europe, offering international expertise and access to a network of key cruise-line operators. Barcelona Cruise Port has become the largest cruise port in Europe, with an annual throughput of 2,540,302 cruise passengers in 2015 (*source: BPA*). According to BPA, the port is the fourth largest cruise Homeport in the world after the Caribbean ports and the busiest turnaround base in the Mediterranean.

Creuers (Barcelona) operates five of the six cruise terminals at Barcelona Cruise Port: the WTC wharf—which has three piers with two terminals, (Terminal S and Terminal N, as E is only a pier that uses Terminal N or Terminal S), and the Adossat wharf—which has three terminals and three piers (Terminal A, Terminal B and Terminal C). With the addition of Terminal D (which is operated by Costa Crociere), Barcelona Cruise Port has six terminals in total.

With six separate piers, three of which have a quay length of more than 700 meters, and five terminals, Creuers (Barcelona) can receive the largest class of cruise ship including the RCCL Oasis class vessels and a number of permutations of smaller and medium class vessels. Terminals A, B and C are each equipped with two mobile gangways that enable passengers to avoid crossing with pier traffic. The facilities in all the cruise port terminals fully comply with ISPS. The terminal buildings house various duty-free shopping areas, ATMs, cafés, bars, restaurants, travel agencies, ferry ticketing agencies and souvenir stores, and offer internet access and international calling access.

Creuers (Barcelona) operations

Barcelona Cruise Port's total ship capacity is 2,190 per year. Across the five cruise terminals operated by Creuers (Barcelona), turnaround passengers numbered 1.2 million in 2016, making it one of the busiest turnaround bases in the Mediterranean, with modern facilities to accommodate the new generation of cruise ships and a leader in security and specific logistics for cruise traffics.

The following table provides information regarding the cruise port features and operations of Creuers (Barcelona) as of 31 December 2016. As set out in the table, the majority of passengers at Creuers (Barcelona), 94%, travel through the Adossat wharf.

	Terminal A	Adossat Terminal B	Terminal C	Terminal N	WTC Terminal S	Terminal E
Features as of 31 December 2016						
Indoor area (*m*²)	6,500	6,500	4,000	5,000	5,000	—
Berthing line (*meters*)	700	700	700	230	424	160
Ship length (*meters*)	No limit	No limit	No limit	164	253	205
Draught (*meters*)	12	12	12	8	8	8
Quay width (*meters*)	21	26	22	14	14	20
Quay height (*meters*)	2.1	2.1	2.1	2.5	2.5	2.5
Passenger capacity	4,500 turnaround	4,500 turnaround	3,000 turnaround	800 turnaround	1,400 turnaround	1,500 transit
Distance to Barcelona (km)	2	2	2.5	0.4	0.4	0.4
Concession term	27 years (extendible to 30 years)	Operating licence	27 years (extendible to 30 years)	27 years (extendible to 30 years)	27 years (extendible to 30 years)	27 years
Concession end	2030	2017[1]	2030	2027	2027	2027
2016 Cruise Operations:						
No. of cruise passengers	636,385	696,047	394,773	—	106,362	—
Turnaround passengers	448,620	400,267	297,925	—	51,040	—
Transit passengers	187,765	295,780	96,848	—	55,322	—

Notes:

(1) Operating licence at Terminal B of the Adossat wharf is renewed annually.

Creuers (Barcelona) revenue

As Creuers acts as a cruise terminal operator at Barcelona Cruise Port, with the port services being offered to cruise vessels by the Barcelona Port Authority ("**BPA**"), Creuers (Barcelona) charges a fee per passenger and a security fee to cruise passengers that utilise the cruise terminal buildings as transit passengers, and additional luggage fees for embarking and disembarking passengers (the cruise Homeport passengers). Creuers (Barcelona) derives its revenue from cruise-related services including landing fees and port services provided to the individual cruise ships, and duty-free revenue from revenue from the rental of retail store space located in the terminals. The tariffs at Creuers (Barcelona) are decided annually in advance by the BPA, although the pricing of the tariffs is determined by Creuers (Barcelona) and no additional discounts are currently applied. The tariffs applicable to the port's services currently comprise a base fee plus a surcharge for any additional service, equipment, facility or time committed. The base fee charged by Creuers (Barcelona) in 2016 was €3.32, payable on a per capita basis in respect of all passengers, with a further fee of €9.52 or €10.95 for weekdays and weekends, respectively, charged per turnaround passenger.

The retail concession revenues generated at Creuers (Barcelona) currently consist of a fixed fee per passenger collected as rent from subleases and some €/m² rent received from rented office space. As part of its strategy, GPH management intends to maximise rental revenues received from retail concessions by renting the commercial spaces in its terminal buildings on €/m² basis, increasing the m² of the space in the existing terminal buildings designated to commercial enterprises, and extending the existing duty free offering available at Creuers (Barcelona), particularly by entering an arrangement with one international duty free operator, across all its cruise network.

The following table provides a breakdown of Creuers (Barcelona)'s revenue streams for the period indicated.

	For the year ended 31 December 2016		
	2014[C1)]	2015	2016
	(Amounts in US$'000)		
Terminal	3,804	19,563	20,899
Maritime	—	—	—
Retail (including duty free)	396	1,629	1,813
Service	181	1,208	1,554
Total revenue	**4,381**	**22,400**	**24,266**
	(Amounts in US$)		
Revenue per passenger	**12.5**	**12.6**	**13.2**

Notes:

(1) Revenue for the last three months of 2014, in accordance with the consolidation of Creuers(Barcelona) from September 2014.

Creuers (Barcelona)'s customers

Barcelona Cruise Port has served up to 52 different cruise lines in a season. Systematic investments made since 2005 have ensured that Creuers (Barcelona) provides cutting edge cruise facilities and Homeport call opportunities for the newest generation of cruise ships.

RCCL, as operators of Oasis of the Seas (Oasis), have completed 26 Homeport calls at Creuers (Barcelona) in 2015. Oasis is one of the largest cruise ships in the world, with a capacity of 6,350 passengers and 2,150 crew members, and measuring an immense 360 meters in length. As such, the Creuers (Barcelona) is the only terminal operator in the Mediterranean capable of receiving Homeport cruise calls from this class of ships. These Homeport calls marked the first time the Oasis had ever been deployed outside the Caribbean region. A continuous fixed concourse connects Terminal A and B, enabling easy operation of cruise Homeport calls by Oasis class ships by splitting its passengers through the two terminals.

In 2016, Creuers (Barcelona) received 546 cruise calls bringing in 1.8 million cruise passengers, of which 1.2 million were turnaround passengers and 600,000 were transit passengers. For 2017, Creuers (Barcelona) has received, as of January 2017, bookings for 567 cruise calls, with a total passenger potential of 1.8 million, of which 1.2 million are turnaround passengers and 600,000 are transit passengers.

Investments in Creuers (Barcelona)

Creuers (Barcelona) is one of the largest cruise terminals in Europe with facilities that are capable of hosting the leading cruise ships. With total investments of €15 million, Terminal A was inaugurated in April 2008. Following a total investment of €10 million, Terminal B was inaugurated in April 2005. As a result of significant investment in Terminals A, B and C, Creuers (Barcelona) has been able to welcome the latest generation ships, including the Oasis class ships. The first Voyage class cruise Homeport call was in 2005, the first Epic and Liberty class cruise ships called in 2012 and three Homeport calls by Oasis class ships were made in September 2014. The Oasis class ships continued to call at Barcelona during 2015 and 2016. Following a total investment of €14.5 million, the WTC is capable of receiving medium size vessels at Terminal N and two vessels at Terminal S. Located at Barcelona Wharf, these two international cruise terminals are located within walking distance of the city centre.

Barcelona Cruise Port's Competitors

Barcelona Cruise Port competes directly with the combined ports of the Balearic Islands, in particular Palma de Mallorca Cruise Port (located on the southern coast of Mallorca Island approximately 310 kilometres from Barcelona Cruise Port) and the cruise port of Marseilles (located on the French Riviera approximately 360 kilometres from Barcelona Cruise Port). The main peer ports to Barcelona Cruise Port in the Mediterranean are considered to be Civitavecchia (the port nearest to Rome), and Venice Cruise Port (in which Global Liman acquired a non-controlling stake in July 2016). The reasons for considering these to be Barcelona's peers are a combination of fact that their passenger throughputs are far in excess of any other Mediterranean ports and that these cruise ports serve "must see" or "marquee" cities. Despite this, Barcelona remains the busiest port in the Mediterranean, by number of passengers, and GPH is confident that it retains the competitive advantage over its peers, especially given its place in the centre of an unrivalled cruise port network in the Mediterranean.

The following table shows passenger throughputs for the three ports since 2003:

	2003	2004	2005	2006	2007	2008	2009
Barcelona	1,049,230	1,024,851	1,228,561	1,402,643	1,765,838	2,074,554	2,151,465
Civitavecchia	558,520	659,277	983,171	1,268,477	1,586,101	1,818,616	1,802,938
Venice	689,836	677,976	815,153	885,664	1,003,529	1,215,088	1,420,980
	2010	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Barcelona	2,347,976	2,657,244	2,408,634	2,599,232	2,364,292	2,540,302	2,398,000
Civitavecchia	1,938,000	2,577,438	2,393,570	2,538,259	2,140,039	2,271,652	2,046,000
Venice	1,617,011	1,786,416	1,775,944	1,815,823	1,733,839	1,582,481	1,535,000

Source: G. P. Wild (International) Limited from Cruise Europe, MedCruise, individual ports and other trade sources, 2014.

Creuers (Málaga)

As part of the acquisition of Creuers, Global Liman acquired a controlling (80%) stake in Cruceros Málaga, S.A. which holds the port operation rights at the Levante Terminal and the Palmeral Terminal for Creuers (Málaga). The port operation rights at the Levante Terminal terminate in 2038 and the port operation rights at the Palmeral Terminal terminate in 2041. Pursuant to the amendment of the concession agreement the extension of the concession at the Levante Terminal for 10 years can be decided by the Málaga Port Authority upon the request of Cruceros Málaga, S.A. Such extension has been requested by Cruceros Málaga, S.A.

Creuers (Málaga) consists of a single wharf 1,312 meters long and a small shopping centre housing duty free and souvenir shops. The port's total ship capacity is 1,460 per year.

The port had 250 calls and 442,846 passengers visiting in 2016 of which 89,935 were turnaround passengers and 352,911 were transit passengers. For 2017 it has received, as of January, bookings for 245 calls, with a total passenger potential of 478,000 of which 133,000 are turnaround passengers and 345,000 are transit passengers.

Ege Ports-Kuşadası

Overview

Global Liman holds a 72.5% in interest in Ege Liman İşletmeleri A.Ş. ("**Ege Liman**"), with RCCL holding a 27.49% interest and the TDI owns one share. Ege Liman holds a 30 year operating concession at Ege Ports-Kuşadasi that terminates in 2033.

Since the Group acquired its shares in Ege Liman in the second half of 2003, the number of ships visiting Ege Ports-Kuşadası increased by approximately 155%, rising from 347 in 2004 to reach 885 in 2016. Total passenger arrivals, which includes ferry passengers, increased from approximately 275,805 in 2004 (the first full year in which the Group operated the port) to 405,243 in 2016, representing a CAGR of approximately 3% over the period.

Ege Ports-Kuşadası is a cruise and ferry port located in the town of Kuşadası on Turkey's Aegean coast and has established itself as one of the major destinations in the Mediterranean cruise market following a major promotion campaign by Ege Liman and the addition of luxurious, modern facilities in 2004. Global Liman management believes that Ege Ports-Kuşadası's popularity is largely due its close proximity to important archaeological sites. These include the archaeological site at Ephesus. Ephesus is a major tourist attraction and is still undergoing excavation. It is home to the Temple of Artemis, one of the seven wonders of the ancient world. The port is also close to the House of the Blessed Virgin Mary, a Christian shrine reputed to be the final home of the Virgin Mary. According to GPH management's estimates, approximately 75% of cruise passengers visiting Ege Ports-Kuşadası participate in land excursions to Ephesus organised by the cruise line operators, thereby generating significant income for such operators.

Ege Ports-Kuşadası operations

For the year ended 31 December 2016, Ege Ports-Kuşadası generated US$11.7 million in revenues and Segmental EBITDA of US$9.0 million, with 10.1% of the Group's total revenues and 11.1% of the Group's Segmental EBITDA were generated by Ege Ports-Kuşadası.

Following the extension of the length of the existing two piers by 50% in 2011, Ege Ports-Kuşadası can berth either: four large vessels; two large vessels and four small vessels; or quantum class vessels (348 meter vessels, the largest cruise ships). Additionally, there are two roll-on/roll-off ramps and a quay to service ferry traffic. The terminal building houses a 4,450 square meter duty-free shopping area with forty-three shops, as well as first aid facilities and offices for ship and cruise operators and tour agencies. Ege Ports-Kuşadası was the first port in Turkey to be ISPS compliant and to receive ISPS certification in 2004. The port was also the first port in Turkey to have its certification renewed in 2009.

Ege Liman's application for the extension of concession at Ege Ports-Kuşadası was rejected by the Privatisation Administration. Ege Liman filed a lawsuit with administrative court challenging the rejection and seeking the grant of concession extension. The case was rejected by the first instance court, and Ege Liman appealed the unfavourable court decision and the Council of State reversed the lower court's decision in favour of Ege Liman. The relevant public authorities applied to the Council of State for reversal of the judgment and the case is pending.

Ege Ports-Kuşadası revenue

The following table provides a breakdown of Ege Ports-Kuşadası's revenue streams for the periods indicated.

	For the year ended 31 December 2016		
	2014	**2015**	**2016**
	(Amounts in $'000)		
Terminal	5,185	5,603	3,542
Maritime	6,637	7,238	4,496
Retail (including duty free)	3,622	3,605	3,202
Service	906	901	410
Total revenue	**16,350**	**17,347**	**11,650**
Revenue per passenger	**29.6**	**30.6**	**33.5**

Although the cruise season runs from March until the end of the November, currently Ege Ports Kuşadası's cruise calls are concentrated on several days each week from August to October in any given year. Ege Ports-Kuşadası's management is working with cruise lines to extend their calls year-round and to every day of the week.

On 7 October 2003, Ege Liman and Setur entered into a duty-free lease agreement, pursuant to which Ege Liman agreed to lease one duty-free shop in Ege Ports-Kuşadası's terminal facilities to Setur in return for a mininum 30% share of Setur's duty-free revenue from those shops. Pursuant to the lease, Setur obtained the exclusive right to operate the duty-free shop. In 2016, the minimum guarantee for the year was suspended, due to the political and economic situation in Turkey. Ege Liman and Setur have agreed a minimum guarantee for the period from 15 September 2016 to 14 September 2020 of €9.2 million. Setur is a subsidiary of Koç Holding A.Ş., one of the largest conglomerates in Turkey and a leading Turkish duty-free operator with stores at major airports and ports in Turkey. The lease will expire on 31 December 2034.

Ege Ports-Kuşadası customers

Ege Ports-Kuşadası has served up to 17 different cruise lines and 278 cruise ships in 2016, covering the entire range from budget to premium and luxury cruise lines. Three main customers or customer groups (Greek cruise lines, Carnival Corporation, and RCCL) account for a significant portion, 67% of Ege Ports-Kuşadasıı's cruise traffic in 2016. According to GPH management, Greek cruise lines currently make three regular calls per week to Ege Ports-Kuşadası, providing over 33% of Ege Ports-Kuşadası's total cruise calls. Carnival Corporation, the world's largest cruise group based on passengers carried annually, annual revenue and total number of ships in the fleet, accounts for approximately 8% of calls to Ege Ports-Kuşadası, with approximately 22 calls per year made by five brands within its organisation (including Princess Cruises, Holland America Line, Cunard, P&O Cruises and the Yachts of Seabourn). It has a worldwide market share of 47.7% of passengers and 41.8% of revenue. RCCL accounts for approximately 27% of calls to Ege Ports-Kuşadası, with brands such as Celebrity Cruises, Royal Caribbean Cruises, Azamara Cruise Club, TUI Cruises and Rhapsody of the Seas making 74 calls per year. The remaining cruise passengers are brought to Ege Port-Kuşadası by a variety of boutique and niche cruise operators, which typically operate at the upper end of the cruise market, carrying smaller numbers of passengers on more expensive luxury cruises or operating adventurous, thematic (i.e., music, culinary) or academic cruises.

In 2016, Ege Ports-Kuşadası had total of 278 cruise calls bringing in 347,478 cruise passengers and a total of 607 ferry calls bringing in 57,765 ferry passengers with a total of 405,243 passengers visiting the port in 2016. For

2017, Ege Ports-Kuşadası has received, as of 31 January, bookings for 207 cruise calls and 740 ferry calls, with a total passenger potential of 362,000, of which 361,200 are cruise passengers and 800 are ferry passengers.

Investments in Ege Ports-Kuşadası

In April 2005, Ege Liman completed an investment of approximately US$9.7 million in a new passenger terminal and related facilities, including the Scala Nuova shopping and retail services complex. During 2010, 2011 and 2012, in order to further extend the port capacity, GPH management completed an investment of approximately US$4.2 million to strengthen and extend the two existing piers, as well as maintaining and improving existing facilities. This increased the capacity by over 48%. The port can now handle more, and larger, cruise ships. In 2014, Global Liman purchased a new 65 BP tugboat costing approximately €5.5 million.

Ege Ports-Kuşadası's competitors

Ege Ports-Kuşadası competes with İzmir Port, which is located on the Aegean coast approximately 100 km from Ege Ports-Kuşadası, as well as other Mediterranean cruise ports. GPH management believes that Ege Ports-Kuşadası's close proximity to well-known historical sites confers a strong competitive advantage over these competitors. Such sites include the classical site of Ephesus, which is still undergoing excavation, home to the Temple of Artemis, one of the seven wonders of the ancient world. Another important historical site nearby is the House of the Blessed Virgin Mary, a Christian shrine reputed to be the final home of the Virgin Mary. In addition, GPH management believes Ege Ports-Kuşadası serves a large diversified group of cruise lines focused on the mid and upper end of cruise market, whereas İzmir Port primarily serves budget cruise line operators.

Valletta Cruise Port

Overview

On 15 November 2015, Global Ports Europe B.V. ("**Global BV**"), a Group company established in Netherlands for the investments made through European ports, acquired 55.60% of shares in Valletta Cruise Port PLC (formerly VISET Malta plc) ("**Valleta Cruise Port**" or "**VCP**") through holding companies of Global Ports Melita Ltd. ("**GP Malta**") and Perquisite Holdings Ltd. ("**Perquisite**"). VCP was set up to develop the Valletta Waterfront, situated on the Grand Harbour, Malta, for the purpose of the operation and management of a cruise liner passenger terminal and an international ferry passenger terminal together with complementary leisure facilities.

Under a licence granted by the Malta Maritime Authority, VCP is responsible for the handling of international cruise and ferry passengers. Valletta Cruise Port was awarded a 65-year concession from 22 November 2001 and operates terminal services and duty-free/retail operations. The concession includes the lease of 46,197 square metres of land and buildings on the land side of the quays under a Build, Operate and Transfer arrangement.

Malta is strategically positioned in the centre of the Mediterranean offering endless possibilities for Eastern and Western itineraries, with the potential addition of North African destinations back to itineraries. Malta's diminutive size makes all attractions within close proximity.

Valletta Cruise Port operations

For the year ended December 2016, Valletta Cruise Port generated US$11.8 million in revenues, with a Segmental EBITDA of US$5.9 million, with 10.3% of the Group's total revenues and 7.2% of the Group's Segmental EBITDA EBITDA were generated by Valletta Cruise Port.

Established in 2002, Valletta Cruise Port is the only licensed cruise and ferry terminal operator in Malta. It consists of a single wharf 1,935 meters long, with an annual total ship capacity of 1,095 ships. The port is situated in a natural deep water harbour, with ease of access to all sized ships, all year round. There are three passenger facilities with the main terminal located in the historic Magazino Hall. It is fully modernised and equipped with state of the art technology. Fibre optic and WiFi links from the Magazino Hall to the ship allow for simultaneous on-board registration and check-in. The facilities are easily capable of processing a minimum of 500 guests per hour. In addition, Valletta Cruise Port is just ten minutes away from Malta International Airport, with convenient travel links for both homeport and turnaround operations.

Valletta Cruise Port revenue

The following table provides a breakdown of Valletta Cruise Port's revenue streams for the period indicated.

	For the year ended 31 December 2016
	(Amounts in US$'000)
Terminal	4,751
Maritime	—
Retail (including duty free)	6,864
Service	223
Total revenue	**$11,838**
Revenue per passenger	**$ 17.3**

Valletta Cruise Port customers

As a gateway to Malta's capital city Valletta, an ancient walled city, it welcomed in excess of 680,000 cruise passengers in 2016. Whilst in port, passengers can step off the ship immediately onto the Valletta Waterfront, a landmark on the island of Malta which offers modern sea passenger terminal facilities and is a shopping, dining and entertainment location. The Valletta Waterfront is close to the UNESCO World Heritage City of Valletta, as well as the UNESCO World Heritage Site of the historic town of Floriana, with beautifully restored 18th century warehouses and bastions, built during the Baroque period.

In 2016 Valletta Cruise Port received 317 cruise calls bringing in 682,501 cruise passengers, of which 114,162 were turnaround passengers, making Valletta Cruise Port a potential medium-sized turnaround port candidate, and 586,339 were transit passengers. For 2017, Valleta Cruise Port has received, as of 31 January, bookings for 337 cruise calls, with a total passenger potential of 737,000, of which 224,000 are turnaround passengers and 513,000 are transit passengers.

Other Group Cruise Ports

The Group's other cruise ports include Bodrum Cruise Port, Port Akdeniz-Antalya (cruise port operations), Ravenna Cruise Port, Cagliari Cruise Port and Catania Cruise Port, as well as Marina Bay Cruise Terminal (Singapore), Lisbon Cruise Port and Venice Cruise Port as equity accounted investees.

The following table provides a breakdown of the Group's other cruise ports' revenue streams for the periods indicated.

	For the year ended 31 December		
	2014(1)	2015(1)	2016(1)
	(Amounts in US$'000)		
Terminal	2,563	2,511	1,310
Maritime	1,269	1,499	881
Retail (including duty free)	875	752	726
Service	306	228	117
Total revenue	**5,013**	**4,990**	**3,034**
Revenue per passenger	**16.8**	**14.6**	**16.6**

Notes

(1) The Group's other cruise ports were comprised of Bodrum Cruise Port and Port Akdeniz-Antalya (cruise port operations).

Bodrum Cruise Port

Global Liman holds a 60% interest in Bodrum Yolcu Limanı İşletmeleri A.Ş. ("**Bodrum Liman**"), which holds a 12 year Build Operate Transfer ("**BOT**") concession at Bodrum Cruise Port that terminates in 2019.

Bodrum Cruise Port is a port located on Turkey's Aegean coast, which commenced operations as a privatised port in the second quarter of 2008 and is positioned to service cruise, ferry and mega-yacht traffic around the Bodrum Peninsula and between Turkey and Greece. Bodrum is one of the most popular holiday resorts in Turkey for local and international visitors by number of visitors received. In addition to its luxury tourist destination characteristics, Bodrum hosts some very important historical sites, including the Castle of Saint Peter, the Museum of Underwater Archaeology, King Mausolus's Mausoleum (one of the seven wonders of the ancient world), and a Roman amphitheatre. The surrounding area is known for its nightlife, beaches, natural beauty and history. GPH management believes that the range of amenities and attractions on offer in Bodrum and the surrounding area makes it an attractive new cruise destination for cruise liners to add to their itinerary. Furthermore, GPH management believes that the range of amenities on offer is also very different to those on offer at Ege Ports-Kuşadası which is located two hours by road from Bodrum Cruise Port, meaning that cruise lines have the option to call into both ports on the same itinerary.

With a total quay length of 660 meters the port can berth Oasis class vessels (360 meter ships), two large cruise ships or four smaller ships. In addition to two long quays of 350 meters and 330 meters, which can accommodate the largest vessels cruising the regions waters, the port houses quays for smaller ferries and mega-yachts. Bodrum Cruise Port also includes three roll-on/roll-off ferry ramps. The terminal building houses a duty-free shopping area, ATM, café, bar, restaurant, travel agency, ferry ticketing agency and souvenir store, and offers internet access and international calling access.

Bodrum Liman's application for the extension of concession at Bodrum Cruise Port until 2056 was rejected by the Ministry of Transportation, Maritime Affairs and Communication, the Ministry of Finance and Bodrum District Governorate respectively. Bodrum Liman filed three lawsuits with administrative courts challenging these rejections and seeking the grant of concession extension. Bodrum Liman's claims to extend the concession until 2056 were upheld by the courts of first instance. The Ministry of Transportation, Maritime Affairs and Communication appealed one of the decisions and this case is still pending before the Council of State. The other two decisions were challenged by the Ministry of Finance and Bodrum District Governorate, these cases are before the courts of second instance.

For the year ended 31 December 2016, Bodrum Cruise Port generated US$2.2 million in revenues and Segmental EBITDA of US$1.1 million, with 1.9% of the Group's total revenues and 1.4% of the Group's Segmental EBITDA generated by Bodrum Cruise Port. In 2016 Bodrum Cruise Port received 44 cruise calls and bringing in 61,268 cruise passengers and 506 ferry calls bringing in 67,516 ferry passengers, with a total of 128,784 passengers visiting the port in 2016. For 2017, Bodrum Cruise Port has received, as of 31 January, bookings for 41 cruise calls and 592 ferry calls, with a total passenger potential of 146,000, of which 74,000 are cruise passengers and 72,000 are ferry passengers.

Port Akdeniz-Antalya—cruise port operations

Global Liman holds a 99.99% interest in Ortadoğu Antalya Liman İşletmeleri A.Ş. ("**Ortadoğu Antalya**"), and the TDI owns one share. The commercial port at Akdeniz-Antalya ("**Port Akdeniz-Antalya**") has a small cruise port operation that in 2016 generated less than 3% of Ortadoğu Antalya's total revenue. Ortadoğu Antalya holds a 30 year operating concession that terminates in August 2028.

Port Akdeniz-Antalya is located in Antalya on the Mediterranean coast. The port is in close proximity to popular and heavily-visited beaches, hotels and golf resorts as well as being close to important archaeological sites including the ancient cities of Perge and Aspendos.

Port Akdeniz-Antalya has three berths for cruise vessels, a marina with 250 berths and a dry dock with capacity for 150 yachts. The terminal building houses a duty-free shopping area. Located only 25 kilometres from the airport, Ortadoğu Antalya commenced turnaround/cruise Homeport operations in 2010 and intends to transform Port Akdeniz-Antalya into a major turnaround/cruise Homeport serving the Mediterranean.

Ortadoğu Antalya's application for an extension of concession until 2047 was rejected by the Privatisation Administration and TDI. Ortadoğu Antalya filed a lawsuit with administrative court challenging the rejection and seeking the grant of concession extension. The case was rejected by the first instance court, Ortadoğu Antalya appealed the negative court decision and the case is still pending before the Council of State.

For the year ended December 2016, Ortadoğu Antalya—cruise port operations generated US$0.9 million in revenues, with a Segmental EBITDA of US$0.8 million, with 0.7% of the Group's total revenues and 1.1% of the Group's Segmental EBITDA generated by Ortadoğu Antalya – cruise port operations. The port had 16 calls and 45,405 passengers visiting in 2016 and for 2017 it has received, as of January, bookings for 16 calls, with a total passenger potential of 51,000.

Lisbon Cruise Port

On 17 January 2014, Global Liman announced that, together with its joint bidding partners RCCL, Creuers and Grupo Sousa, it had won the tender for operation rights over three cruise terminals (on an exclusive basis during the first 15 years) and a BOT concession agreement for a new cruise terminal at the Port of Lisbon, which terminate in 2049 ("**Lisbon Cruise Port**"). Physical delivery of the concession area by the Lisbon Port Authority to Lisbon Cruise Terminals, Lda. took place on 26 August 2014. Global Liman holds a 46.2% interest (of which 40% is held directly and 6.2% is held indirectly through Global Liman's 62% interest in BPI's 100% holding in Creuers) in a holding company, Lisbon Cruise Terminals Lda, with RCCL, Creuers and Grupo Sousa each holding 20%, 10%, and 30%, respectively. Global Liman has already obtained approval from the port authority for a 10% tariff increase in 2015 and has obtained approval for a further 20% tariff increase in 2016.

The Port of Lisbon is located on the banks of the Tagus estuary and is an important port of call for cruises between the Atlantic Coast and Europe, the western Mediterranean and the north of Europe, the Atlantic Isles and the north of Africa as well as for Trans-Atlantic trips.

The Lisbon Cruise Port currently consists of three cruise terminals (and various commercial terminals, which are outside the scope of the concession), and the tender was with respect to the construction of a new cruise terminal. The construction and relevant equipment was estimated to require capital expenditure of €22 million (of which €10 million was incurred by 31 December 2016, and will have an annual cruise passenger capacity of at least 550,000 once the new cruise terminal is fully operational. Of the €22 million capital expenditure, 36% is via an equity partner contribution, 64% of the construction project was financed with external financing, with the equity share of Global Liman's commitment estimated at €3-4 million. The construction is expected to be completed by June 2017.

Lisbon Cruise Port had 311 calls and 522,444 passengers visiting in 2016, of which 47,632 were turnaround passengers and 474,812 were transit passengers. For 2017 it has received, as of January, bookings for 2,171 calls, with a total passenger potential of 534,000, of which55,000 are turnaround passengers and 479,000 are transit passengers.

Marina Bay Cruise Terminal, Singapore

As part of the acquisition of Creuers, Global Liman acquired a 40% interest in SATS Creuers Cruise Services ("**SAT Creuers**"). The remaining 60% interest is held by SATS Ltd, Singapore's leading service provider to the aviation industry and other businesses in hospitality, food, healthcare, freight and logistics.

SAT Creuers holds the port operation rights for the Marina Bay Cruise Terminal, Singapore. The port operation rights terminate in 2022. Under the terms of the concession agreement signed with the Singapore Tourism Board, the length of concession awarded to SATS Creuers is 10 years, with the option to renew the agreement for 5 + 5 years at the discretion of the Singapore Tourism Board. Global Liman has made an application to the Singapore Tourism Board to exercise this option to extend its concession.

Built to accommodate the arrival of the larger mega-ships to the Asian cruise market (cruise ships with a GRT of more than 100,000 and passenger capacity of more than 3,000 passengers), Marina Bay Cruise Terminal consists of two identical 360m long piers, with the ability to berth ships of up to 220,000 GRT. It is one of the largest cruise terminals in Asia, due to its capacity to accommodate two such ships at a time.

Marina Bay Cruise Terminal had 122 calls and 535,765 passengers visiting in 2016 , of which 493,013 were turnaround passengers and 42,752 were transit passengers.

Venice Cruise Port

In 2016 Global Liman acquired, as part of an international consortium an indirect non-controlling stake of 11.0% in Venezia Terminal Passeggeri S.p.A. ("**VTP**"), a company which operates the Venice Cruise Port. The consortium (the "**VI Consortium**"), formed by Global Liman together with Costa Crociere S.p.A, MSC Cruises S.A. and Royal Caribbean Cruises Ltd, indirectly owns a 44.48% share in VTP, by acquiring a 65.98% stake in APV Investimenti S.p.A (owned by Venice Port Authority) of Italy ("**APVS**") which in turn owns a 53% stake in VTP, from its shareholder APVS are Venetto Sviluppo ("**VS**") and by acquiring a stake in Finpax S.r.l. ("**Finpax**") which in turn owns a 22.15% stake in VTP. The Venice Port Authority granted VTP a public concession for the occupancy and use of an area at the Venice Cruise Port, the concession will expire on 31 May

2024. See Part XVIII *(Additional Information—Material Contracts—Concession Agreements—Venice Cruise Port)*. VS has a put option to sell its shares in APVS partially or completely, while this option can be exercised between 15 May 2017 and 15 November 2018, if VS exercises the put option completely, the VI Consortium will own a 99% stake in APVS and accordingly a 71.51% stake in VTP.

Venice is one of the most prominent tourist destinations in the world. Venice Cruise Port covers an area of more than 260,000 square meters, with the terminals covering 47, 267 square meters. Venice Cruise Port's unique geographic location (15 minute walk to the city centre) and good connections with the rest of Europe, makes it one of the most important Homeports in Europe. The port's total ship capacity is 4,380 per year. Its multiple passenger terminals allow it to cater for cruise ships, ferries, fast ships sailing to the coast of Istria, yachts and mega yachts. Cruise ships account for a large share of its transit passengers. Ferries are also a major user of the port with a number of shipping companies offering services that connect Venice to the Eastern Mediterranean. In addition, hydrofoils and fast ships connect the city to Slovenian and Croatian coasts.

Venice Cruise Port is the largest Homeport in the Mediterranean, with 548 calls and 1,855,670 passengers visiting in 2016, of which 1,188,549 were turnaround passengers and 667,121 were transit passengers. In addition, Venice Cruise Port had 18,670 river passengers, and 93,501 hydrofoil passengers in 2016.

Additional Italian Cruise Ports (Ravenna, Cagliari and Catania)

In July 2016, Global Liman commenced negotiations with the operating companies of several cruise ports in Italy (including Ravenna, Cagliari and Catania) regarding the share purchase of these cruise ports. In September 2016, Global Liman, through its wholly owned subsidiary Ports Operation Holdings, acquired a 51% stake in Ravenna Terminal Passeggeri S.r.l. ("**RTP**"), which operates Ravenna Cruise Port. As of November 2016, Global Liman has indirectly purchased shares of the companies operating Cagliari Cruise Port and Catania Cruise Port, in addition to shares of the company operating La Spezia Cruise Port in Portovenere. As a result, Global Liman owns a 53.67% stake in RTP which operates Ravenna Cruise Port, a 70.89% stake in Cagliari Cruise Port S.r.l. ("**CCP**") which operates Cagliari Cruise Port, a 62.2% stake in Catania Cruise Terminal S.r.l. ("**CCT**") which operates Catania Cruise Port and a 28.5% stake in La Spezia Cruise Facility S.c.a.r.l which operates La Spezia Cruise Port in Portovenere. In December 2016, Global Liman transferred its entire shareholding in Ports Operation Holdings to its wholly-owned subsidiary, Global Ports Netherlands B.V.

The Ravenna Port Authority granted RTP a concession for the provision of port services at Ravenna Cruise Port. The concession will expire on 31 December 2020. The Cagliari Port Authority granted CCP a concession to build and manage Cagliari Cruise Port. The concession will expire on 31 December 2027. The Catania Port Authority granted CTT a concession for the provision of the port services at Catania Cruise Port. The concession will expire on 12 June 2026. See Part XVIII *(Additional Information—Material Contracts—Concession Agreements—Ravenna Cruise Port, Cagliari Cruise Port and Catania Cruise Port)*.

Ravenna Cruise Port had 44 calls and 45,613 passengers visiting in 2016, of which 675 were turnaround passengers and 44,938 were transit passengers. Cagliari Cruise Port had 108 calls and 258,066 passengers visiting in 2016, of which 16,627 were turnaround passengers and 241,439 were transit passengers. Catania Cruise Port had 69 calls and 99,825 passengers visiting in 2016, of which 2,319 were turnaround passengers and 97,506 were transit passengers. GPH management believes that the addition of Catania, Cagliari and Ravenna cruise ports, together with the acquisition of Venice Cruise Port, will enhance the Group's presence in Italy and improve its marketing power.

Port of Gruž (Dubrovnik)

In October 2015 the partnership of Global Liman and Bouygues Bâtiment International (Global Liman has a 75% interest and Bouygues has a 25% interest in the partnership) was awarded the tender for a 40-year concession for cruise port operations at Port of Gruž (Dubrovnik), in return for building a new terminal, shopping complex, multi-storey parking lot and a bus terminal. In February 2016, a preliminary concession agreement was signed. The final concession agreement remains subject to negotiations with the port authorities.

Dubrovnik, a Croatian city in the region of Dalmatia, is one of the most prominent tourist destinations in the Mediterranean Sea and a key tourist destination in the Adriatic Sea. Port of Gruž is an international maritime passenger port of Dubrovnik. Located in the south-western corner of Croatia, the port is a key destination on Eastern Mediterranean cruise itineraries, among stops like Athens and Venice and the Greek Isles. It is situated approximately 3 km from the old town of Dubrovnik and 20 km from the airport. The port has a relatively undeveloped retail market, representing potential for growth in the retail business.

The construction of the new terminal, shopping complex, multi-storey parking lot and bus terminal will start in the third quarter of 2017 and is expected to be completed at the end of 2018. The estimated cost of the construction is approximately €60 -70 million and up to 70% of the works is planned to be financed through a consortium of development and commercial banks.

Commercial Port Operations

Overview

The Group operates a high capacity, commercial port in Antalya on southern Turkey's Mediterranean coast with a strong position in export traffic. It also owns a controlling interest in the operating company of the cargo terminal at the Port of Adria-Bar, a commercial port in Montenegro that represents an important link in the chain of intermodal transport in the region. In 2016 the Group's commercial port operations generated 53.3% of the Group's revenue and 54.4% of its Segmental EBITDA.

The following table provides information regarding the commercial features and operations of Port Akdeniz-Antalya and Port of Adria-Bar as of 31 December 2016.

	Port Akdeniz-Antalya	Port of Adria-Bar
Features as of 31 December 2016		
Total quay length (*meters*)	1,732	1,440
Port area (*m²*)	183,778	527,000
Total ship capacity (*per year*)	2,970	2,100
Concession term	30 years	30 years
Concession end	2028	2043
Commercial Operations for the Year ended 31 December 2016:		
Total commercial ships served	618	218
Total gross tonnage (kt)	1,319,240	82,183
Capacity utilisation	23%	11%
Cargo ships served	198	50
Average tonnage per call	6,663	1,644
Container ships served	248	168
Total TEU	172,039	41,830
Average TEU per call	694	249
Yield (revenue per TEU)	US$206	US$100
Yield (revenue per tonnes)	US$8.4	US$32.6

The Group's commercial port operations derive their revenue primarily from container handling, dry bulk cargo handling and general cargo handling. The Group also derives vessel services revenue (comprised of pilotage, towage, sheltering, mooring, electricity, provision of fresh water, waste removal services and security provided to ships calling) in its capacity as port authority for Port Akdeniz-Antalya.

Cargoes handled in the port are classified as containers, dry bulk cargo and general cargo.

- Containers are large, sealable metal boxes built according to international standards, usually in 20-foot or 40-foot lengths. Containers can be used to ship a wide variety of cargoes. Containers are stackable and can be stored outdoors. They offer significantly higher efficiency than bulk and general cargo because they can easily be on- or off-loaded from train or truck to ship. Efficient operation of a container terminal requires specialised equipment for loading and unloading containers from vessels and transporting within the port as well as computerised systems for tracking containers and managing their logistics. Containers handled by the Group principally contain marble, cement, and chromium.
- Dry bulk cargo is any cargo, other than a liquid or a gas, which is homogeneous and shipped in bulk. Bulk cargo is not shipped in self-contained packaging, but loaded onto and unloaded from vessels by pouring or dumping the cargo using specialised scoops or other equipment attached to cranes, which are typically the same type of cranes used for general cargo. The Group principally handles dry bulk comprised of bulk cement, coal, clinker, aluminium hydroxide and fertiliser.
- General cargo is any kind of cargo which is shipped in its own package or on pallets and is loaded and unloaded using cranes. General cargo is often referred to as break-bulk cargo and requires additional

handling at port. Some general cargo may require covered storage to protect it from adverse weather conditions, while other types can be stored on open ground. The Group principally handles general cargo comprised of cement, particleboard, aluminium, marble and barite.

In addition to the handling services for cargo loaded and unloaded at the port, port management also provides services for vessels docking at Port Akdeniz-Antalya and at Antalya Free Trade Zone docks. Vessel services offered at the port include pilotage, towage, sheltering, mooring, electricity, provision of freshwater, waste removal and security services. Pilotage, towage, and mooring services are offered to arriving and departing vessels, vessels on buoys or anchored vessels to ensure safe vessel movement in and around the port. Provision of fresh water and waste removal services are also offered to vessels as extra sources of revenue for the port.

The following table sets forth container, dry bulk and general cargo volumes of Port Akdeniz-Antalya and Port of Adria-Bar for the periods indicated.

Port Akdeniz-Antalya	**For the year ended 31 December**		
	2014	**2015**	**2016**
Container (TEU)	189,346	178,471	172,039
General cargo (tonnes)	1,644,897	1,095,686	1,319,241

Port of Adria-Bar	**For the year ended 31 December**		
	2014	**2015**	**2016**
Container (TEU)	39,186	39,050	41,830
General cargo (tonnes)	229,071	365,269	82,183

Source: UMA and GPH management

In its capacity as port authority for Port Akdeniz-Antalya, the Group obtains revenues from pilotage and towage services provided to all ships visiting the port.

Competition within the Turkish commercial port sector is primarily driven by the characteristics and location of the ports, their hinterland resources and the port infrastructure.

Port Akdeniz-Antalya

Between 2006 and 2010, Global Liman acquired a 99.99% interest in Ortadoğu Antalya, a company that was awarded 30-year operating rights for Port Akdeniz-Antalya pursuant to a Transfer of Operation Rights Agreement (the "**Port Akdeniz-Antalya TOORA**") executed on 31 August 1998 by the Privatisation Administration, the TDI and Ortadoğu Antalya. One share in Ortadoğu Antalya is held by TDI.

Overview

Port Akdeniz-Antalya is located in the city of Antalya on southern Turkey's Mediterranean coast. Antalya is a principal trading centre and its surrounding area encompasses seven organised industrial zones and the Antalya Free Trade Zone. As of 31 December 2014 the city of Antalya had a population of approximately 1,068,000 inhabitants. The surrounding area is rich in chromium ore, marble, barite and aluminium. The area has a thriving agricultural sector due to its fertile soils and suitable climate. Tourism is also thriving in the area due to popular and heavily-visited beaches, hotels, golf resorts and important archaeological sites.

Port Akdeniz-Antalya —commercial port operations

For the year ended 31 December 2016, Port Akdeniz-Antalya—commercial port operations generated US $53.4 million in revenues and Segmental EBITDA of US $41.3 million, with 46.4% of the Group's total revenues and 51.0% of the Group's Segmental EBITDA generated by Port Akdeniz-Antalya—commercial port operations.

Port Akdeniz-Antalya encompasses a total area of 183,778 square meters, and has ten berths that can accommodate container, dry bulk cargo and general cargo vessels. The port can handle 5.0 million tonnes of dry bulk and general cargo a year, and 500,000 TEU per year.

Container operation capacity utilisation and general and bulk cargo capacity utilisation were approximately 34.4% and 26.4% in the year ended 31 December 2016 respectively. In the same period, 46% of the bulk and general cargo were export cargo while 54% were import cargo. As far as the containerised loads are concerned, 50% were unloaded containers while 50% were loaded containers.

The following table sets forth the principal types of cargo handled at Port Akdeniz-Antalya for the periods indicated.

	Total Cargo Volume		
	For the year ended 31 December		
Type of Cargo	**2014**	**2015**	**2016**
Container (TEU)	**189,346**	**178,471**	**172,039**
Dry bulk cargo (tonnes)			
Bulk cement	58,784	13,788	36,710
Clinker	—	—	—
Coal	163,379	257,058	421,608
Fertiliser	89,720	49,085	88,067
Aluminium hydroxide	56,079	55,850	30,974
Asphalt	7,012	—	—
Wheat	24,550	—	—
Barite	23,087	8,900	26,809
Iron ore	43,696	10,498	47,224
Sunflower pulp	22,830	—	—
Woodchips	162,032	71,179	94,384
Other	—	25,899	21,536
Total dry bulk cargo	**651,169**	**492,257**	**767,312**
General cargo (tonnes)			
Cement	867,255	531,221	486,116
Particleboard	44,403	10,075	7,735
Marble	4,398	4,284	9,401
Aluminium	27,290	4,608	22,000
Fertiliser	9,848	1,858	—
Coal	—	—	—
Barite	—	—	—
PVC	—	—	—
Other	40,534	51,383	26,677
Total general cargo	**993,728**	**603,429**	**551,929**

From 2006, when Global Liman initially acquired its 39.8% holding Ortadoğu Antalya, Port Akdeniz-Antalya increased its annual container volumes from 53,663 TEU, to 126,404 TEU in 2010 (when Global Liman increased its holding in Ortadoğu Antalya to 99.8%), reaching 172,039 TEU in 2016, which represented a CAGR of 12.4% from 2006 until 2016.

During the first three years of operation under GPH ownership (2007-2009), total bulk and general cargo volume of Port Akdeniz-Antalya increased by approximately 145%. The port experienced a significant increase in cargo volumes between 2009 and 2016 due to a surge in container traffic as a result of the increased export of minerals such as marble, chromate, cement and clinker. Container handling volume increased by 189% between 31 December 2009 and 31 December 2016.

The Group's main commercial port operations are strategically located in Antalya on the southern coast of Turkey near key shipping lanes in the Mediterranean and at Bar in Montenegro. Antalya's hinterland is characterised by marble and cement factories, with marble exports to China, cement exports to the MENA region, export and import of metals, granite, coal, aluminium, chemicals and agriculture. Several hundred mines operate within a 300 kilometre radius of Port Akdeniz-Antalya, which has positioned itself as a strategic gateway to diverse global markets for exporters. The comparative ease of getting the outputs from these factories to the port allows Global Liman to charge premium prices relative to peers. Global Liman also has the leeway to raise tariffs under market limits, given lack of competition and absence of any government regulation on pricing.

GPH management believes that the recent increase in marble quarrying licences issued between 2010 and 2016 in relation to areas surrounding Port Akdeniz-Antalya and increased exports of fruit and vegetables will result in sustained container handling growth rates at the port. The Turkish government has also announced that it intends to connect Antalya to the Turkish High-Speed Rail Network as part of a program of infrastructure improvements to be completed in connection with the one hundredth anniversary of the founding of the Turkish Republic in 2023. GPH management believes that once the rail connection is completed. it will significantly expand the catchment area of Port Akdeniz-Antalya. Additionally, according to government agencies, and following the commencement of existing investment and future infrastructure projects, GPH management believes that this will result in the movement of machinery, equipment and other technical materials through Port Akdeniz-Antalya itself.

Port Akdeniz-Antalya revenue

While during the first five years of the concession term (up to August 2003), tariffs were subject to certain limits, Port Akdeniz-Antalya is now able to determine tariffs at its own discretion. The following table provides a breakdown of Port Akdeniz-Antalya's revenue streams for the periods indicated.

	For the year ended 31 December		
(Amounts in US$ '000)	**2014**	**2015**	**2016**
Container Revenue	34,147	34,203	35,423
General Cargo Revenue	5,747	3,768	5,065
Bulk Cargo Revenue	4,435	3,947	5,985
Vessel revenue	6,854	5,626	4,888
Rental and similar income	1,389	1,449	1,244
Other revenue(1)	1,867	932	746
Total revenue	**54,439**	**49,925**	**53,351**

Notes:

(1) Other revenue includes marina equipment and office rental revenue, electricity revenue and ISPS revenue.

Port Akdeniz-Antalya customers

Port Akdeniz-Antalya's commercial customers include over 50 carriers and cargo customers. Companies shipping their goods through the port are predominantly engaged in the cement, coal, aluminium, fertiliser, marble, chromium, barite and wheat sectors. In the year ended 31 December 2016, the top five, ten and twenty commercial customers accounted for approximately 59%, 71% and 81%, respectively of Port Akdeniz-Antalya's total revenues. Port Akdeniz-Antalya currently serves three of the world's top 15 container lines as measured by total TEU capacity and current market share: MSC Gemi Acenteliği Anonim Şirketi ("**MSC**"), representing Mediterranean Shipping Co.; Belstar Denizcilik ve Taşımacılık Anonim Şirketi representing ZIM Integrated Shipping Services Ltd. ("**ZIM**"); and Botros & Levante Taşımacılık ve Ticaret Limited Şirketi representing CMA CGM S.A. ("**CMA**"). Arkas Denizcilik ve Nakliyat Anonim Şirketi ("**Arkas Line**"), the biggest inland water carrier in the Mediterranean and Black Sea Regions of Turkey, also started offering services in Port Akdeniz-Antalya in October 2012. Arkas Line provides container services in every part of Turkey and links services with feeder ships to international carriers through hub ports. Arkas Line has contributed Port Akdeniz-Antalya with domestic sea transportation using Turkish Flag vessels. In addition to the aforementioned customers, Martı Konteyner Hizmetleri Anonim Şirketi, representing China Ocean Shipping Company ("**COSCO Line**"), began operations in September 2013, increasing the number of lines to five. As a result of increased congestion at İzmir Port, MSC and ZIM lines have redirected some of their services to Port Akdeniz-Antalya. GPH management expects this will result in sizeable increases in container handling at Port Akdeniz-Antalya. GPH management is also exploring opportunities to enhance its relationships with container lines.

Investments in Port Akdeniz-Antalya

In 2014, 2015 and 2016, Ortadoğu Antalya invested US$3.8 million, US$4.3 million and US$1.4 million, respectively, in Port Akdeniz-Antalya.These investments included refurbishing the port's cranes and marine service fleet, acquiring new handling equipment and yard equipment, acquiring a new tugboat, building a new office building, improving infrastructure (paving the terminal area and maintaining, refurbishing and rebuilding cruise terminals, administrative facilities, fire- fighting equipment and facilities) and enhancing compliance with the ISPS Code.

In Port Akdeniz-Antalya, GPH management expects yearly average maintenance capital expenditure of $1.5 million.

In order to improve value added services at Port Akdeniz-Antalya, the Group has invested to set up new IT infrastructure and to renovate new areas for storage and inspection services. In addition Port-Akdeniz-Antalya has a special area reserved and maintained for project cargo.

Port Akdeniz-Antalya's competitors

According to GPH management, Port Akdeniz-Antalya currently has no direct competition in its immediate vicinity. Its closest competitors are Mersin and Iskenderun ports, are located approximately 353 kilometres and 492 kilometres from Antalya (point to point on land), further east along the Mediterranean coast. According to GPH management, competition from these ports is limited due to the distance between these ports and Port Akdeniz-Antalya's surrounding area and the increased transportation costs associated with transporting goods from the surrounding area to these ports. GPH management is not aware of any new port projects planned for the areas surrounding Port Akdeniz-Antalya.

Port of Adria-Bar

On 15 November 2013 Global Liman purchased a 54.1% interest in Container Terminal and General Cargo JSC-Bar, the company that operates the cargo terminal at Port of Adria-Bar, which has an operating concession for thirty years which terminates in 2043. Global Liman has subsequently acquired additional shares, bringing its interest to 63.79%. The concession agreement between the Government of Montenegro and Container Terminal and General Cargo JSC-Bar ("**CTGC**") was entered in to on 27 December 2013. See Part XVIII *(Additional Information—Material Contracts—Concession agreements—Port of Adria-Bar*). As Montenegro's main commercial port and with an annual capacity of 805,000 tonnes, and more than 500,000 TEU, the Port of Adria-Bar represents an important link in the chain of intermodal transport in the region because of its integration with the Belgrade-Bar railway and road traffic network. In addition to serving the needs of Montenegro the port is well positioned to act a regional gateway to landlocked countries such as Bosnia and Herzegovina, Serbia and Macedonia., and benefits from a "Free Zone" regime which covers the entire area of the port provides exemption from customs duties, taxes and other duties.

Port of Adria-Bar operations

As of 31 December 2016, the number of container vessels that visited the Port of Adria-Bar has decreased by 18%, a decrease of 53 vessels from 288 vessels in 2015, to 235 vessels during the same period in 2016. However, the total volume of containers handled by the Port of Adria-Bar increased by 7.1% from 39,050 TEU to 41,830 TEU for 2015 and 2016, respectively. The total volume of cargo handled by the Port of Adria-Bar decreased by 77.5% from 365,269 tonnages to 82,183 tonneages for 2015 and 2016, respectively. As a result of these decreases, the Port of Adria-Bar has generated a 7.6% lower revenue of US$7.9 million in 2016, compared to US$8.5 million in 2015. Segmental EBITDA of the Port of Adria-Bar increased to US$2.7 million during 2016, compared to US$2.2 million for the same period in 2015.

Port of Adria-Bar revenue

Tariffs are regulated pursuant to the terms of the concession agreement with the Montenegro Port Authority. The following table provides a breakdown of Port Adria-Bar's revenue streams (based on 100% ownership) for the periods indicated.

	For the year ended 31 December		
	2014	**2015**	**2016**
(Amounts in US$'000)			
Container Revenue	4,917	3,765	4,106
General Cargo Revenue	2,141	3,074	2,402
Bulk Cargo Revenue	—	—	—
Rental and similar income	299	265	347
Other revenue(1)	1,908	1,424	1,028
Total revenue	**9,265**	**8,528**	**7,883**

Notes:
(1) Other revenue includes marina equipment and office rental revenue, electricity revenue and ISPS revenue.

Investments in Port of Adria-Bar

Under the terms of the Port of Adria-Bar concession agreement, GPH has undertaken a significant investment programme and social plan, with the aim of modernising the port facilities and improving the operational efficiency of the port. Under the investment programme, the Group invested €10.5 million in port superstructure including investing in reefer warehousing capacity and renting a warehouse for bagging cement, equipment investment, to mobile harbour cranes, and reinforcing the quay to enable the port to handle up to 500 TEU of cargo pursuant to the terms of the concession agreement.

Currently all perishable cargo that arrives at the Port of Adria-Bar from conventional ships, as well as container ships, is loaded directly into a reefer truck. Global Liman expects to invest in reefer warehousing capacity of 1500m^2 with potential to expand further. In addition, cement is an important cargo for the Port of Adria-Bar and Container Terminal General Cargo JSC-Bar plans to rent a dedicated warehouse for bagging cement, with an annual capacity of 25,000 tonnes. Other investments include an acquisition of a ship to shore gantry crane and quay well revampment at the port.

Since 2014, CTGC has developed a various social initiatives, including a programme for training and retrenching employees, in consultation with local and national regulators and labour unions, the establishment of a successful management trainee programme, and has subsidised employees to attend training and acquire additional qualifications, as well as the provision of English lessons to employees.

Port of Adria-Bar's customers

GPH management believes that Port of Adria-Bar is geographically well placed to capture a share of the increasing cargo volumes in Montenegro. Montenegro has strong export/import ties with neighbouring Serbia, with 35.5% of all exports destined for Serbia and 29.0% of all imports to Montenegro coming from Serbia. The Port of Adria-Bar's proximity to Serbia compared to neighbouring ports is favourable and will increase the attractiveness of the port to operators. The steel and aluminium export market in Serbia presents an opportunity for the Port of Adria-Bar. The port is strategically located near the Kombinat Aluminijuma Podgorica (KAP) aluminium mill. Key clients of the Port of Adria-Bar, include producers of ferrous metal products such as Serbia Steel, a Toscelik Steel factory, Mital Steel and a Fiat car factory, and producers of non-ferrous metal products (especially aluminium) such as Mostar, KAP and Impol Seval Aluminium. GPH management expects that the steel market is likely to grow as demand in the Balkans region recovers. As demand grows, the Group believes that the Port of Adria-Bar is well positioned to capture a share of the aluminium and steel export market, particularly with Serbia, where it already has strong market ties.

The Group also expects that the construction of new highways and the improvement of the rail network in Montenegro will reduce journey times and increase efficiency for transit operators operating between the Port of Adria-Bar and Serbia. This will make access to Serbia more favourable and increase the attractiveness of the Port of Adria-Bar with transit operators, maximising upon its strategic location and connectivity in the Balkans. According to GPH management, the Port of Adria-Bar should capitalise on the expected developments and consequently improve access to Serbia relative to its competitors to capture increased market share and capture increased volumes as the general cargo and transit market continues to recover.

Investment Opportunities

As part of its global expansion strategy, the Group continuously monitors potential public and private acquisitions around world. The Group's management has a strong track record of identifying acquisition targets executing acquisitions and integrating these operations into the portfolio.

The primary focus of the Group's expansion strategy is the cruise port operations. The Group focuses on targets that are in promising locations (for example, close to high profile tourist and historical sites) but are currently undervalued or mismanaged. An important element for identifying cruise port opportunities is identifying assets that provide opportunities to enhance the passenger experience and expand the services offered by building shopping complexes and leisure centres to create additional revenue sources. The Group will also consider opportunistic acquisition of commercial ports with the following characteristics: non-container commercial ports with the potential to be converted into container ports; and/or container ports with inefficient container operations because of outdated equipment or facilities, with the aim of reducing the inefficiencies and ramping up operations. The Group uses a "project funnel" approach to strategic expansion. The "project funnel" approach consists of several phases—project screening, pre-feasibility and due diligence of the project, negotiations of the concession agreement and of any financing arrangements for the project, and closing of the transaction and integration of the newly acquired ports into the Group's portfolio.

Havana Cruise Port tender and sanctions

GPH intends to participate with a joint venture partner in a tender which is expected to be announced by the Government of Cuba in the first half of 2017 to renovate and operate the cruise port in Havana, Cuba. At this stage, there can be no certainty as to the outcome of the tender process and whether GPH will be successful in its bid. GPH is however taking steps designed to ensure that if the bid is successful, the proceeds of this Offer will not be used in connection with the Havana Cruise Port.

The U.S. government has imposed comprehensive economic sanctions against a number of countries, including Cuba. The economic sanctions and export controls related to Cuba are generally implemented through the Cuban Assets Control Regulations, 31 CFR Part 515, and complementary U.S. export controls targeting Cuba under the Export Administration Regulations, 15 C.F.R. Part 730 *et seq.* (the "**Cuban Embargo Regulations**"). Subject to limited exceptions, the Cuban Embargo Regulations prohibit almost all direct or indirect commercial, investment, trade and other business activity involving Cuba, Cuban property or Cuban nationals by (a) U.S. citizens and permanent residents, wherever located; (b) persons located within the U.S.; (c) legal entities organised under the laws of the U.S.; or (d) any entity, wherever organised and doing business, that is owned or controlled by a person or entity described in clause (a) or (c) ((a)-(d) collectively, "**U.S. Persons**"). The implementation and enforcement of these sanctions is administered by the U.S. Department of the Treasury, Office of Foreign Assets Control ("**OFAC**") and, in the case of export controls, the U.S. Commerce Department, Bureau of Industry and Security.

As GPH is neither owned nor controlled by U.S. Persons, it is not prevented under the Cuba Embargo Regulations from acquiring and developing Havana Cruise Port. However, the prohibitions under the Cuba Embargo Regulations extend to U.S. Persons facilitating (which includes financing, approving, processing and referring) Cuba-related transactions by non-U.S. persons and the supply of items (i.e., goods, software, technology) subject to U.S. jurisdiction.

At this stage, the financial arrangements relating to Havana Cruise Port have not been settled. However, GPH and its operating subsidiaries have sufficient available funds not to require the application of any of the proceeds of the Offer towards the acquisition or development of Havana Cruise Port.

Accordingly, if it is successful in the tender for Havana Cruise Port GPH has undertaken with the Underwriters not to apply, and to procure that no subsidiary or holding company of GPH will apply, any of the proceeds of the Offer in the acquisition or development of Havana Cruise Port. Specifically:

- GPH will undertake not to use, contribute, or otherwise make available any part of the proceeds of the Offer, directly or indirectly, to, or for the benefit of, any person or entity (whether or not related to GPH) (i) for the purpose of financing the activities or business of, other transactions with, or investments in, Havana Cruise Port or (ii) in a manner that would cause a violation of any economic sanctions or trade restrictions applicable administered or enforced by the U.S. government, the United Nations Security Council, the European Union, or Her Majesty's Treasury (collectively, "**Sanctions**"), by GPH, its subsidiaries or affiliates, the underwriters or their subsidiaries or affiliates, or GPH's current or future shareholders.
- GPH will put in place financial controls to ensure that no GPH subsidiary that provides funding for the acquisition or development of Havana Cruise Port will receive any of the proceeds of the Offer.
- GPH will establish internal financial controls to ensure that no proceeds of the Offer are used, contributed, or made available, directly or indirectly, for any activities, business, transactions, or investments involving Cuba and will require its external auditor, or other qualified and independent external party, to verify the adequacy and effectiveness of those controls at least once per year for a period of five years from the date of the Offer.
- With respect to the Havana Cruise Port, GPH will require contractors to certify that they will not involve U.S. persons or U.S. origin goods and services in a manner that would cause a violation of Sanctions. GPH will further implement policies and practices to ensure that no U.S. persons or U.S.-origin goods and services within GPH will have any involvement in the Havana Cruise Port and will take measures to ensure that none of its employees who are U.S. citizens or permanent resident aliens/ Green Card holders are involved directly or indirectly in Havana Cruise Port once and if established for the purpose of managing the port.

However, any profits earned and dividends declared from the Havana Cruise Port will not be segregated, and GPH's earnings and dividends may include funds derived from operations in Cuba. Although GPH does not believe that the Havana Cruise Port's contribution to GPH's future earnings and profits will be material or likely to result in a violation of Sanctions by investors who are U.S. Persons, no assurances as to the U.S. authorities' future interpretation of the Cuban Embargo Regulations can be made.

GPH also intends to adapt its group-wide policies and practices to monitor compliance with relevant local and international laws and regulations (including Sanctions), anti-money laundering rules, anti-corruption rules as well as codes of good conduct, and require its suppliers to comply with the same standards. GPH intends its operations to comply with all applicable Sanctions and other laws. However, the foregoing laws are complex and subject to interpretation, and there can be no assurance that these efforts will be successful. If GPH violates Sanctions or other applicable laws, such violations could have a material impact on GPH's business and reputation.

Employees

As at 31 December 2014, 2015 and 2016, the Group employed 679, 702 and 666 people, respectively.

The following table shows the number of employees by port as at 31 December 2016:

	Number of employees
Port Akdeniz-Antalya	164
Port of Adria-Bar	368
Creuers del Port de Barcelona	20
Ege Ports- Kuşadası	32
Valletta Cruise Port	45
Other Cruise Port	14
Global Liman	23
Total	**666**

Part of Ortadoğu Antalya's employees are unionised and their employment terms are governed by a collective bargaining agreement with the Liman-İş Union. The current agreement expires on 31 December 2019.

GPH management believes it maintains good relations with its employees. The Group outsources the provision of some of its port services to sub-contractors.

EBRD Partnership

In September 2015 the European Bank for Reconstruction and Development (the "**EBRD**") subscribed to shares equal to a 10.84% stake in Global Liman for a total consideration of €53.4 million. The main reasons for a partnership with EBRD were to accelerate the Group's growth and further enhance Global Liman's corporate governance.

From Admission, the EBRD will enjoy certain rights pursuant to the framework deed described in Part XVIII (*Additional Information*) (the "**EBRD Framework Deed**"). The purpose of the EBRD Framework Deed is to provide EBRD with certain rights, in view of the fact that following Admission, it will cease to have the benefit of certain minority shareholder rights that it currently enjoys pursuant to the shareholders' agreement in place at the Global Liman level.

The main provisions of the EBRD Framework Deed provide:

(a) a right for EBRD to nominate one member of the Board of Directors (but such right not to be exercised unless Thomas Maier ceases to be a director and only whilst EBRD holds at least 5% of the voting shares in the Company), provided always that any such nominee must be independent of Global Investments Holdings;

(b) an undertaking from the Company that none of the policies in place at the Group level (as adopted at the Board meeting of 12 April) will be amended without the consent of EBRD, unless required by applicable law or regulation; and

(c) certain information rights for EBRD with respect to environmental and social matters affecting the Company and the Group.

Insurance

The Group maintains insurance policies covering both its assets and employees in line with both Loan Market Association insurance standards and general business practices in the jurisdictions in which it operates. The Group's management believes that the policy specifications and insured limits are adequate. Insured risks include fire, lightning, flooding, theft, vandalism, terrorism, marine pollution and public liability. The Group also maintains earthquake insurance up to the amount of capital invested in the insured property. In addition, the Group maintains terminal operators liability coverage for losses up to US$10.0 million for Ege Ports-Kuşadası and US$60.0 million for Port Akdeniz-Antalya. In addition, the Group maintains terminal operators liability coverage for losses up to US$60.0 million joint insurance policy covering all Turkish Ports and Port of Adria.

The Group also maintains insurance policies in accordance with its existing project finance facilities. However, once these facilities are repaid in full, there is no obligation on the Group to maintain insurance policies at current levels. The Group's strategy is to maintain the current levels of insurance cover however there can be no assurance that it will do so.

Intellectual Property Rights

The "Port Akdeniz-Antalya" logo No. 2007/26836 has been registered as a trademark of Ortadoğu Antalya on 2 May 2008 and renewed for a period of 10 years starting from 17 May 2017. The trademark "EGEPORTS" No. 2003/18956 has been registered in the name of Ege Liman on 20 October 2004 and renewed for 10 years starting from 21 July 2013. The logo "ege ports" No. 2006/13939 has been registered as trademark of Ege Liman on 9 October 2008 and renewed for a period of 10 years starting from 6 April 2016. The "Bodrum Cruise Port" logo No. 2010/64712 has been registered as a trademark of Bodrum Liman (Bodrum Yolcu Limanı İşletmeleri A.Ş.) on 4 February 2013 for a protection period of 10 years starting from 11 October 2010.

The "GPH" logo No. 2010/54202 has been registered as a trademark of Global Liman on 21 February 2012 for a protection period of ten years starting from 19 August 2010, and the "Global Ports Holding" logo No. 2010/36307 was registered on 7 January 2014 for a protection period of ten years starting from 2 June 2010. The "kusadasiglobalrun" No. 2014/68500 has been registered as a trademark of Global Liman on 19 August 2015 for a protection period of ten years starting from 22 August 2014. Additionally, logos "global ports" with the application No. 2010/36308 and "global liman işletmeleri" with the application No. 2010/36309 were registered in the name of Global Liman Işletmeleri. However, lawsuits regarding these logos have been filed before the Court and the lawsuits are ongoing.

On 22 August 2014, Global Liman made trademark applications for "Antalyaglobalrun" No. 2014/68496, "Barcelonaglobalrun" No. 2014/68498, "Barglobalrun" No. 2014/68495, "Bodrumglobalrun" No. 2014/68497, "globalrun" No. 2014/68499 which are currently pending.

Legal Proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had during the 12 months preceding the date of this Prospectus, significant effects on the Company's and/or the Group's financial position or profitability, except for (a) Ortadoğu Antalya, Ege Liman and Bodrum Liman's applications for extension of their operation rights, (b) legal challenge against the privatisation tender process of Ege Ports-Kuşadası, and (c) a fee claim by the Ministry of Environment and Forestry for the allocation of land from the TDI and the Ministry of Environment and Forestry may request such fees from Port Akdeniz-Antalya. See Part XVIII (*Additional Information—Litigation*), for further information in connection to material legal proceedings.

PART XI—DIRECTORS, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE

Board of Directors

Pursuant to the provisions of CA 2006 and the Articles of Association, the Board is responsible for the management of the Company and approves all major decisions of the Company.

The Board currently consists of seven members, three of whom were nominated by Global Investment Holdings. Global Investment Holdings has the right to nominate three Board members pursuant to the Relationship Agreement (summaried in Part XVIII Aditional Information). The remainder of the Board members are independent of the controlling shareholder. However, pursuant to the EBRD Framework Deed (also summaried in Part XVIII Aditional Information), EBRD has the right, for so long as it continues to hold at least 5% of the voting shares in the Company, to nominate one member of the Board, provided that such Board member is independent of the controlling shareholder.

The Board acknowledges that Thomas Maier (as an ex-employee of EBRD) and, for that matter, any director nominated by EBRD would not be considered independent for the purposes of the UK Corporate Governance Code. The rest of the Board nonetheless consider his role to be akin to that of an independent director for two reasons.

First, the unique nature of the EBRD, which is owned by 65 countries from five continents, as well as the European Union and the European Investment Bank and is therefore distinguishable from an ordinary private sector investor. The Board notes that the EBRD is committed to the highest standards of corporate governance and so views Thomas Maier's connection to the EBRD in a positive light.

Secondly, the fact that Thomas Maier is in fact independent of the controlling shareholder, which the rest of the Board considers to be significant from a governance perspective. As such, when Thomas Maier's board seat is combined with those of The Rt. Hon. Peter Benjamin Mandelson, Thierry Deau and Jerome Bernard Jean August Bayle, a majority of directors are independent of the controlling shareholder, Global Investments Holdings.

The Board meets regularly, at least once a quarter, and is instrumental in planning the medium and long-term strategy of the Company. Board resolutions are passed by a simple majority of directors present at a meeting.

The following table sets out the name, age and position of the members of the Board as at the date of this Prospectus:

Name	Age	Position	Term
Mehmet Kutman	57	Chairman and Co-Founder	1 year (annual re-election)
Ayşegül Bensel	54	Vice Chairman	1 year (annual re-election)
Lord Mandelson	64	Board Member—Independent	1 year (annual re-election)
Thierry Déau	48	Board Member—Independent	1 year (annual re-election)
Jérôme Bernard Jean Auguste Bayle	69	Board Member—Independent	1 year (annual re-election)
Thomas Josef Maier	58	Board Member (EBRD appointee)	1 year (annual re-election)
Ercan Nuri Ergül	49	Board Member	1 year (annual re-election)

The business address of each Director is: Rıhtım Cad. No: 51, Karaköy 34425, Istanbul.

Mehmet Kutman (Chairman and Co-Founder)

Mr. Kutman was appointed as a member of the Board of the Company on 11 April 2017, and has acted as Chairman of the Group since June 2012. In addition to being actively involved in the business development and project management of the Company on a transaction-by-transaction basis, Mr. Kutman is the chairman of the board of directors of GIH, Ortadoğu Antalya, Ege Liman and Bodrum Liman. Prior to founding GIH in 1990, Mr. Kutman was Project Manager at Net Holding AŞ., the holding company of a Turkish corporate group involved in tourism and related sectors, from 1989 to 1990. Between 1984 and 1989, he resided in the United States, where he served as Vice President of North Carolina National Bank, Sexton Roses Inc. and Philip Bush & Associates. Mr. Kutman holds a BA degree from Boğaziçi University and an MBA from the University of Texas.

Ayşegül Bensel (Vice Chairman)

Mrs. Bensel was appointed as a member of the Board of the Company on 12 April 2017, and has served as Vice Chairman of the Group since June 2012. Mrs. Bensel also serves as a member of the board of directors of GIH, Ortadoğu Antalya and Bodrum Liman, and is currently Managing Director of the Real Estate Division of GIH. In addition, she has served as a member of the board of directors of Dağören Enerji, Global Enerji, Global Insurance, Mavi Bayrak and Torba, and Chairman of the board of directors of Salıpazarı İnşaat. Until the sale of Global Hayat in 2005, Mrs. Bensel was Chairman of the board of directors of Global Hayat and had served as its Chief Executive Officer since its formation in 2003. Mrs. Bensel has also been a member of the board of directors of Global Securities since its formation in 2004. In addition, she has also served as the CEO of Pera Reit Company. Previously, Mrs. Bensel was Co-Director of Research within Global Securities from 1998 to 1999, and Assistant Director of Research from 1993 to 1998. Prior to joining Global Securities as an equity research analyst in 1991, Mrs. Bensel was a manager in foreign exchange dealings in the Turkish banking sector. Mrs. Bensel holds a BA in Business Administration and Finance from Hacettepe University, Ankara.

The Right Honorable Peter Benjamin Mandelson (Independent Board Member)

Lord Mandelson was appointed as a member of the Board of the Company on 12 April 2017. He is a former European Trade Commissioner and British First Secretary of State. As Trade Commissioner between 2004 and 2008, he negotiated trade agreements with many countries and led European negotiations in the WTO Doha World Trade Round. Prior to this, he was Minister without Portfolio, Secretary of State for Trade and Industry, Northern Ireland Secretary and Secretary of State for Business, Innovation and Skills in the British government under Tony Blair and Gordon Brown between 1997 and 2010. He was Member of Parliament for Hartlepool in the UK from 1992 until 2004 and Director of Campaigns and Communications for the Labour party between 1985 and 1990. Lord Mandelson is President of the Great Britain China Centre, a non-departmental public body which encourages dialogue and collaboration between Britain and China, and is President of the German British Forum, the UK's primary bilateral forum for promoting dialogue on German-British business, social and political issues. He is Chancellor of Manchester Metropolitan University and is also President of the Policy Network think tank and Senior Adviser to Lazard.

Thierry Déau (Independent Board Member)

Mr. Déau was appointed as a member of the Board of the Company on 12 April 2017. He graduated from Ecole Nationale des Ponts et Chaussées engineering school in Paris and began his career in Malaysia with the construction firm of GTM International. He then joined France's Caisse des Dépôts et Consignations where he held several positions with its engineering subsidiary Egis Projects, moving up from project manager, then director of concession projects to his appointment as Chief Executive Officer of Egis in 2001. In addition to being in charge of international operations for the Egis Group executive committee and serving on its risk management committee, Mr. Déau was a member (and/or Chairman) of the boards of several subsidiaries. Mr. Déau founded Meridiam in 2005 with the support of the Crédit Agricole group. He is currently Meridiam's Chairman and Chief Executive Officer, as well as its main shareholder, along with several members of the team.

Jérôme Bernard Jean Auguste Bayle (Independent Board Member)

Mr. Bayle was appointed as a member of the Board of the Company on 12 April 2017. He has held top executive positions in various countries for Tetra Pak for 32 years. Among others, as the former Managing Director of Tetra Pak Turkey, he was also responsible for developing Tetra Pak operations in the region, including Central Asia and the Caucasus. He has also worked in the Balkans. Since then, Mr. Bayle has established Magnetic North, a management consulting firm providing mentoring and consulting services to large multinational companies in the greater Middle East region, with a particular emphasis on human resources, organisational processes and development. Mr. Bayle holds a Master's degree in Business and Finance from France's Dauphine Université. He is also an alumnus of the Swiss Business School İMD. He has garnered numerous awards during his professional career, and has been recognised for his many contributions to business and social organisations.

Thomas Josef Maier (Board Member)

Mr. Maier was appointed as a member of the Board of the Company on 12 April 2017. He was, until 30 April 2017, the Managing Director for Infrastructure at the European Bank for Reconstruction and Development (EBRD). As such, he oversaw the Bank's operations in the Municipal and Environmental Infrastructure and Transport sectors. Mr. Maier joined the EBRD as Senior Project Manager in August 1993 and later worked as Senior Banker on the Romania, Moldova, Croatia and Ukraine country team. In 1999, he moved to the Municipal and Environmental Infrastructure team as Deputy Director and became Team Director in October 2001. Previously, Mr. Maier worked at NatWest Markets engaged in acquisitions, management buy-outs and highly leveraged transactions in the UK and Western Europe. Mr. Maier is a German national and holds a degree in Public Management and an MA in Development Economics.

Ercan Nuri Ergül (Board Member)

Mr. Ergül was appointed as a member of the Board of the Company on 11 April 2017. He is also a board member of Sekom, the leading Turkish network systems integrator provider, and smg Multimedia, a provider of in-store audio marketing solutions. Between 2006 and 2013 he was managing director and partner of Bedminster Capital Management LLC, a private equity firm. Between 1995 and 2004 he was a director of Global Securities, an investment bank. He has a BSc with a major in Mechanical Engineering from the Middle East Technical University and a MBA with a concentration in Finance from the Hough Graduate School of Business, University of Florida.

Senior Management Team

The following table sets out the name, age and position of the senior managers of Global Liman who are not members of the Board as at the date of this Prospectus:

Name	Age	Position
Emre Sayın	50	Chief Executive Officer
Stephen Xuereb	45	Chief Operating Officer—Global Liman & General Manager—Valletta Cruise Port
Ferdağ Ildır	51	Chief Financial Officer
Arpak Demircan	41	Chief Business Development Officer
Carla Salvado	51	Director of Cruise Marketing
Özgür Sert	40	General Manager—Port Akdeniz-Antalya
Sedat Kara	32	General Manager—Port of Adria-Bar GM
Aziz Güngör	41	General Manager—Ege Ports-Kuşadası & Bodrum Cruise Port
Ricardo Ferreira	38	General Manager—Lisbon Cruise Terminals
Carles Domingo	83	General Manager—Creuers Barcelona
Lionel Wong	42	General Manager—SATS Crueurs Singapore
Susana Gutierrez	42	General Manager—Cruceros Malága
Gonca Uygun	52	Bodrum Cruise Port Manager

Emre Sayın (Chief Executive Officer)

Mr. Sayın was appointed Chief Executive Officer of the Company on 12 April 2017. After graduating from the Department of Industrial Engineering, Boğaziçi University, Mr. Sayın completed his postgraduate degree in Systems Engineering at Rutgers and Princeton Universities. He began his career as Management Expert at Merrill Lynch, Princeton in 1992. In 1993, he joined Unilever and worked in high level positions for eight years in various departments including Marketing and Management of chain stores. Following Unilever he moved to Microsoft where he was the Marketing Deputy General Manager for the subsequent three years. He continued his career as the General Manager of Kodak until 2005.

Mr. Sayın worked in high-level positions such as Chief Commercial Officer, Consumer and Chief Marketing Officer at Turkcell reporting directly to the CEO, for seven years. Over the past three years, he has worked as Chief Business Development Officer at VEON (formerly Vimple Com), Amsterdam, and Senior Advisor at Verizon, New York.

Stephen Xuereb (Chief Operating Officer—GPH & General Manager—Valletta Cruise Port)

Stephen Xuereb was appointed Chief Operating Officer of the Group in 2016. He has served as the General Manager of Valletta Cruise Port since June 2014. He has been employed by the company since its inception in 2002, and was appointed as Group Chief Financial Officer in 2009. He was responsible for establishing the finance and administration function, overseeing the financing of the €37 million capital intensive project, and playing an active role in developing the cruise line business and ancillary support services in Malta. Mr. Xuereb has over 20 years of senior management experience, 13 of which in the cruise industry. He has previously held positions in the audit and financial advisory sectors, as well in the retail, property and hospitality industries. Mr. Xuereb is a Fellow of the Chartered Institute of Accountants and a Henley MBA graduate.

Ferdağ Ildır (Chief Financial Officer)

Ms. Ildır was appointed Chief Financial Officer of the Group in 2010. Previously, she was the Chief Financial Officer at Ege Ports-Kuşadası, Bodrum Cruise Port and Port Akdeniz-Antalya. She has been involved in all of the Group’s past port projects, taking an active role in the formation of the current portfolio. Between 2010 and 2012, besides port operations, she was also responsible for the energy operations before joining Global Ports Holding. Ms. Ildır was Accounting Division Manager at the Teba Group from 2004 to 2005. She held various positions at Arthur Andersen and Ernst & Young until 2004. Ms. Ildır holds a BSc degree in Economics from Dokuz Eylül University.

Arpak Demircan (Chief Business Development Officer)

Mr. Demircan was appointed Deputy Chief Executive Officer of the Group in 2010. Since 2007, he had been the Vice President of Business Development at Global Investment Holdings. From 2004 to 2007, Mr. Demircan held a range of positions within the Business Development department of Global Investment Holdings. In this capacity, he assumed establishing the Group’s portfolio of ports, and also led a number of M&A and major privatisation transactions in the infrastructure and transportation sectors, both in Turkey and abroad. Mr. Demircan serves on the Board of Directors of Port Akdeniz-Antalya, Ege Ports-Kuşadası and Bodrum Cruise Port. He holds a BSc degree in Industrial Engineering from Eastern Mediterranean University, and an MBA degree with a concentration in Finance from United States International University-San Diego, California.

Carla Salvado (Director of Cruise Marketing)

Ms. Salvado was appointed Director of Cruise Marketing of the Group in 2016. She began her professional career at Port of Barcelona in 1992 and was first active in the cruise industry in 2003. She holds a Bachelor’s degree in Economics and Business Sciences from Pompeu Fabra University, Spain. She successfully completed the Program for Management Development (PMD) at ESADE and attended the Value Innovation Program at INSEAD, Paris. She worked as Secretary General of MedCruise, the Association of the Mediterranean Cruise Industry between 2003 and 2006. She joined Barcelona Port Authority in 2006 as Cruise Manager, where in 2010, she was appointed Marketing and Cruise Director. She has taken roles in the Board of Directors at Creuers del Port de Barcelona, Cruceros Malága, and MedCruise. In September 2014, she was appointed President of MedCruise Association. She is also member of the Passenger Committee Network of European Sea Ports Association (ESPO).

Özgür Sert (General Manager—Port Akdeniz-Antalya)

Mr. Sert has been the General Manager at Port Akdeniz-Antalya since late 2012. Prior to his appointment as Commercial Manager at Port Akdeniz-Antalya, Mr. Sert had been Business Development Manager at Global Liman. The holder of an ocean-going master’s license, he graduated from Istanbul Technical University’s Maritime Faculty in 2000. He also worked as a merchant marine between 2000 and 2007, and as an Operations Manager in Ship Management, Agency & Container Terminals between 2006 and 2011.

Sedat Kara (General Manager—Port of Adria-Bar)

Mr. Kara was appointed General Manager of Port of Adria-Bar in December 2015, having joined of Global Liman at Port Akdeniz-Antalya in 2012. Since then, he has overseen Commercial Activities at Port Akdeniz-Antalya and Port of Adria-Bar. He was transferred from Port Akdeniz-Antalya to Port of Adria-Bar in November 2013. He was also the Commercial Coordinator at Bar—MNE. Sedat Kara graduated from Dokuz Eylül University, Izmir from the Department of Maritime Business and Management in 2009.

Aziz Güngör (General Manager—Ege Ports-Kuşadası & Bodrum Cruise Port)

Mr. Güngör has been the General Manager of Ege Ports-Kuşadası since 2006. He also serves as the General Manager at Bodrum Cruise Port since 2008. Prior to starting his career at of Global Liman, he served as the Marina Manager at Setur Kusadasi Marina and as the Sales and Marketing Director at Setur Marinas Group, a privately operated marina chain, which is a subsidiary of Koç Holding, the largest private holding company in Turkey. Mr. Güngör served as a Board Member of DTB (Turkish Marine Tourism Association) between 2011 and 2013 and as a Board Member of MedCruise (Association of Mediterranean Cruise Ports) in 2014. At present, he has served as a Board Member at TÜRKLİM (Port Operators Association of Turkey) since 2014. Aziz Güngör began his career in the marine tourism sector in 1994 as a management trainee in the Tourism Division of Koç Holding (Koç Group) and has held a variety of executive positions within the Group since 2006. Aziz Güngör holds a Bachelor’s degree in Tourism Administration and Hospitality Management from Mediterranean University, Turkey.

Ricardo Ferreira (General Manager—Lisbon Cruise Terminals)

Mr. Ferreira has served as General Manager at Lisbon Cruise Port since June 2014. Prior to his appointment, Mr. Ferreira had worked as Hotel & Resort Operations Manager (Deputy GM) at Praia D'El Rey Marriott Golf & Beach Resort, from November 2013 until June 2014, and as Operations Director of Sonae Turismo, and Troia Resort Apartamentos Turisticos, between January 2013 and October 2013. He received a PGG in the General Management Program from the Lisbon School of Business & Economics in 2011, and a degree in Corporate Sciences from Universidade Fernando Pessoa in 2009.

Carles Domingo (General Manager—Creuers Barcelona)

Mr. Domingo Pages has been the General Manager at Creuers (Barcelona) since 1999. Mr. Domingo Pages was previously the Vice-President of Standard Electrical Materials at ABB Spain S.A., and General Manager at Metron S.A., a Spanish subsidiary of Swiss Company Brown Boveri. He holds a Doctorate in Engineering from Escola Superior d'Enginyers Industrials de Barcelona, and completed the Management Development Program at IESE Business School in Barcelona. He launched his career as General Manager at Mapor S.A., a container handling and logistics company based out of the Port of Barcelona, where he was a special contractor for the transportation to the site of NASA components for satellite tracking stations in Spain.

Lionel Wong (General Manager—SATS Creuers Singapore)

Mr. Wong has been the General Manager at SATS Creuers Cruise Singapore since January 2016. He was previously the Regional Head of Corporate Business Development at SATS, and was responsible for establishing and developing SATS's business operations and scope through strategic partnerships, joint ventures, and mergers and acquisitions in the Middle East, ASEAN, Japan, and South Korea regions. Mr. Wong was also previously responsible for the Low-Cost Carrier Catering division of Asia Pacific Star (APS) Pte Ltd, a subsidiary of SATS, where he spearheaded innovative drives to optimise operations, manage costs and drive revenues by implementing ambient shelf-stable ready-to-eat meals featured on some low cost airline customers today. He also revamped marketing and ancillary revenue streams by creating fresh approaches to marketing and promotions with a B2C focus. Mr. Wong holds a Master's degree in Business Administration from Murdoch University, Perth, Australia.

Susana Gutierrez (General Manager—Cruceros Malága)

Ms. Gutierrez has been the General Manager at Cruceros Málaga since 2008. Prior to that, Ms. Gutierrez had worked for three years as Planning and Coordination Manager at Málagaport, also coordinating Málaga Port Services' publicity and commercialisation activities. Ms. Gutierrez graduated from the University of Málaga with a Translation and Interpreting degree, holds a Cruise Ship Industry Master's degree from Cambridge University, and has completed Professional Cruise Ship Education at the Med Cruise Association and received Port Facility Security Certification from Universidad Politècnica de Catalunya.

Gonca Uygun (Bodrum Cruise Port Manager)

Mrs. Uygun is the Harbour Manager at Bodrum Cruise Port. Having held the position of Operations Manager of D-Marin Turgutreis Marina for eight years, she was the Managing Director of several privately owned marinas. She was also previously the Marina Manager at Kemer Turkiz Marina in the Antalya region, Aganlar Boat and Shipyard in Bodrum, Marinturk Pendik Marina in İstanbul, before joining GIH. Mrs. Uygun holds a Bachelor's degree in Management from Middle East Technical University, Turkey. She is a Member of SKAL Turkey (the International Association of Travel and Tourism Professionals).

Remuneration and Benefits

The aggregate remuneration paid to members of the Board and the Group's senior management in 2014, 2015 and 2016 was US$4.7 million, US$2.7 million and US$2.1 million, respectively, as set out in the table below.

	2014	**2015**	**2016**
		(US$)	
Salaries	2,803	2,118	1,761
Bonus	875	49	34
Attendance fees to Board of Directors	498	480	253
Termination benefits	534	50	34
Total	**4,710**	**2,697**	**2,082**

There are no outstanding loans granted by any Group company to any of its directors and no Group company has issued any guarantees of any indebtedness of any of its directors or executive officers.

Conflicts of interests

There are no potential or actual conflicts of interest between any duties of the members of the Board or senior management towards the Company and their private interests and/or other duties.

Directors' and senior managers' shareholdings

The directors and senior managers of the Company do not have any direct ownership of shares of the Company. However, Mehmet Kutman owns approximately 35% of GIH, which immediately before Admission owns a 89.16% indirect interest in the Company.

Corporate Governance

The Company has implemented various corporate actions to further enhance its corporate governance.

In the future the Company intends to apply for all of its Shares to be admitted to the premium listing segment of the Official List maintained by the FCA. Following the Offer, the Company intends to continue enhancing its corporate governance and prepare to comply with the obligations applicable to a company listed on the premium listing segment of the Official List.

The Company has updated its website and created a page dedicated to investor relations, which includes relevant contact details, the Company's annual reports and detailed corporate governance information for investors.

On 12 April 2017 the Board constituted three commitees, being:

- the Nomination Committee;
- the Audit and Risk Committee; and
- the Remuneration Committee.

The Terms of Reference for each of the Committees will be made available on the Company's website.

The following table sets out the Board committees on which each of the Directors sit as of the date of this Prospectus:

Name	Committees
Mehmet Kutman	None (Chairman of the Board)
Ayşegül Bensel	Nomination Committee, Remuneration Committee
Lord Mandelson	Nomination Committee (Chair and also Senior Independent Director)
Thierry Déau	Nomination Committee, Audit and Risk Committee
Jérôme Bernard Jean Auguste Bayle	Audit and Risk Committee, Remuneration Committee
Thomas Josef Maier	Remuneration Committee
Ercan Nuri Ergül	Audit and Risk Committee

A majority of the members of each of the Commitees of the Board are independent of the majority shareholder, Global Investments Holdings.

Board evaluation

The Company will introduce a formal annual evaluation of the performances of the Committees, the Board, and the individual Board members. The evaluation will be done annually as an internal assessment carried out by the Board's Chairman, and once every three years carried out by an external consultant.

Group Policies

In addition, at the Board meeting held on 12 April 2017, the following policies were adopted by the Company, to have application at the Group level:

- Market Soundings Policy;
- Securities Dealing Policy;

- Inside Information Disclosure Policy;
- Related Party Transaction Policy;
- Treasury Management Policy;
- Code of Ethics;
- Compliance and Internal Audit Policy;
- Declaration of Code of Conduct Compliance;
- Environmental Policy;
- Financial Reporting Policy;
- Sanctions Compliance Policy;
- Anti Bribery and Corruption Policy;
- Cost, Travel and Advance Policy;
- Finance Management Policy;
- Human Rights Policy; and
- Sponsorship, Donation & Scholarship Policy.

Ethics code

One of the Group Policies approved on 12 April 2017 was the Code of Ethics, which is substantially in line with best international practices. The Code of Ethic sets out guidelines for actions and decisions within the Company and towards its stakeholders. It drives the day to day actions of all employees, guides behaviour toward internal and external stakeholders, represents the basis for decisions made by the Company, and defines how the Company and its employees interact and respond to ethics issues relating to the Company.

Related party transaction policy

Another of the Group Policies approved on 12 April 2017 was the Related Party Transaction Policy, which is a policy setting out how conflicts of interests and related party transactions shall be dealt with by the management and by the Board. The policy also appoints an officer responsible for monitoring and reporting about the implementation of the policy to the Board and the Company's shareholders.

PART XII—SELECTED FINANCIAL INFORMATION

The Company was incorporated in preparation for the Offer on 20 February 2017. To provide selected historical financial information for the Company's business, the following tables set forth, for the periods indicated, selected consolidated historical financial information of the Group derived from the Historical Financial Information included in Part XX (*Historical Financial Information*) of this Prospectus.

Prospective investors should read the following information in conjunction with "*Presentation of Financial Information*", "*Operating and Financial Review*" and the Historical Financial Information set out in Part XX *(Historical Financial Information).*

Consolidated balance sheet

	As at 31 December		
	2014	**2015**	**2016**
	(US$ '000)	*(US$ '000)*	*(US$ '000)*
Consolidated Statement of Financial Position Data			
Non-current Assets			
Property and equipment	95,730	119,771	115,765
Intangible assets	452,118	462,277	426,081
Goodwill	12,860	12,860	14,515
Equity-accounted investees	1,214	6,627	17,168
Other investments	10	8	8
Deferred tax assets	5,010	3,804	3,047
Other non-current assets	12,319	13,047	11,412
	579,261	**618,394**	**587,996**
Current assets			
Trade and other receivables	8,804	10,801	11,922
Due from related parties	47,255	38,142	31,501
Other investments	15,073	16,907	14,602
Other current assets	10,374	8,008	6,263
Income tax receivable	—	—	1,505
Prepaid taxes	1,642	158	1,815
Cash and cash equivalents	45,095	77,423	44,310
	128,243	**151,439**	**111,918**
Total assets	**707,504**	**769,833**	**699,914**
Current liabilities			
Loans and borrowings	30,210	36,621	43,659
Other financial liabilities	—	261	140
Trade and other payables	13,264	14,665	14,463
Due to related parties(1)	482	701	581
Current tax liabilities	2,026	1,900	1,814
Provisions	608	412	1,199
	46,590	**54,560**	**61,856**
Non-current liabilities			
Loans and borrowings	306,651	314,528	299,020
Other financial liabilities	—	2,156	2,524
Derivative financial liabilities	1,160	953	1,131
Deferred tax liabilities	97,986	104,170	97,173
Long-term provisions	13,338	14,178	14,858
Employee benefits	1,552	1,464	1,287
	420,687	**437,449**	**415,993**
Total liabilities	**467,277**	**492,009**	**477,849**
Net assets	**240,227**	**277,824**	**222,065**

	As at 31 December		
	2014	2015	2016
	(US$ '000)	*(US$ '000)*	*(US$ '000)*
Equity			
Share capital	31,050	33,836	33,836
Share premium account	—	54,539	54,539
Legal reserves	10,117	9,917	12,424
Hedging and translation services	49,673	17,103	(2,944)
Retained earnings	84,104	78,488	43,622
Equity attributable to equity holders of Global Liman	**174,944**	**193,883**	**141,477**
Non-controlling interests	**65,283**	**83,941**	**80,588**
Total equity	**240,227**	**277,824**	**222,065**

Consolidated income statement and other comprehensive income

	For the year ended 31 December		
	2014	**2015**	**2016**
	(US$ '000)	*(US$ '000)*	*(US$ '000)*
Revenue	90,684	105,481	114,869
Cost of sales	(56,290)	(67,259)	(72,083)
Gross profit	**34,394**	**38,222**	**42,786**
Other income	618	572	475
Gain on bargain purchase	5,733	5,190	—
Selling and marketing expenses	(470)	(317)	(808)
Administrative expenses	(10,767)	(11,300)	(16,204)
Other expenses	(6,285)	(7,839)	(5,508)
Operating profit	**23,223**	**24,528**	**20,741**
Finance income	11,344	25,127	17,511
Finance costs	(28,108)	(36,392)	(35,272)
Net finance costs	**(16,764)**	**(11,265)**	**(17,761)**
Share of profit of equity-accounted investees	19,088	671	2,219
Profit before tax	**25,547**	**13,934**	**5,199**
Tax benefit / (expense)	(1,965)	2,526	(925)
Profit for the year	**23,582**	**16,460**	**4,274**
Profit for the year attributable to:			
Owners of Global Liman	21,865	14,157	2,208
Non-controlling interests	1,717	2,303	2,066
	23,582	**16,460**	**4,274**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of defined benefit liability	(12)	34	50
Income tax relating to items that will not be reclassified subsequently to profit or loss	2	(7)	(10)
	(10)	**27**	**40**
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences	1,191	13,078	25,200
Cash flow hedges—effective portion of changes in fair value	(1,228)	93	(247)
Losses on a hedge of a net investment	(20,405)	(64,629)	(59,569)
Income tax relating to items that will not be reclassified subsequently to profit or loss	4,388	12,903	11,975
	(16,054)	**(38,556)**	**(22,641)**
Other comprehensive loss for the year, net of income tax	**(16,064)**	**(38,528)**	**(22,601)**
Total comprehensive income / (loss) for the year	**7,518**	**(22,068)**	**(18,327)**
Total comprehensive income/(loss) attributable to:			
Owners of the company	9,129	(18,386)	(17,799)
Non-controlling interests	(1,611)	(3,682)	(528)
	7,518	**(22,068)**	**(18,327)**
Basic and diluted earnings per share	**33.0**	**21.0**	**3.0**

Consolidated cash flow statement

	For the year ended 31 December		
	2014	2015	2016
	(US$ '000)	*(US$ '000)*	*(US$ '000)*
Cash flows from operating activities			
Profit for the year	23,582	16,460	4,274
Adjustments for:			
Depreciation and amortization expense	30,738	38,184	40,556
Bargain purchase gain	(5,733)	(5,190)	—
Share of profit of equity-accounted investees, net of tax	(19,088)	(671)	(2,219)
Finance costs (excluding foreign exchange differences)	22,751	25,257	27,237
Finance income (excluding foreign exchange differences)	(4,830)	(5,130)	(3,922)
Foreign exchange differences on finance costs and income, net	(1,157)	(8,862)	(5,553)
Income tax (benefit) / expense	1,965	(2,526)	925
Employment termination indemnity reserve	334	299	172
Provisional charges	1,927	2,783	3,740
Operating cash flow before changes in operating assets and liabilities	**50,489**	**60,604**	**65,210**
Changes in:			
- trade and other receivables	(2,952)	(4,111)	(2,059)
- other current assets	(5,820)	4,268	(1,205)
- related party receivables	10	46	3
- other non-current assets	(2,286)	(733)	3,189
- trade and other payables	1,578	(740)	776
- related party payables	33	279	(53)
- provisions	(4,970)	(741)	(1,524)
Cash generated by operations before benefit and tax payments	**36,082**	**58,872**	**64,337**
Employee benefits paid	(462)	(183)	(229)
Income taxes paid	(5,318)	(6,192)	(4,478)
Net cash generated from operating activities	**30,302**	**52,497**	**59,630**
Investing activities			
Acquisition of property and equipment	(12,364)	(7,146)	(8,296)
Acquisition of intangible assets	(192)	(73)	(99)
Proceeds from sale of property and equipment	—	36	38
Financial investments	2,343	331	4,511
Interest received	137	282	600
Investment in equity-accounted investee	—	(4,781)	(8,576)
Acquisition of subsidiary (net)	24,615	(24,950)	(2,181)
Advances given for tangible assets	(391)	(367)	(2,247)
Net cash (used in)/from investing activities	**14,148**	**(36,668)**	**(16,250)**
Financing activities			
Increase in share capital	—	57,325	—
Change in due from related parties	(38,870)	1,334	910
Change in due to related parties	(8,495)	62	295
Dividends paid	(13,974)	(23,256)	(37,617)
Interest paid	(18,597)	(21,173)	(26,255)
Proceeds from borrowings	292,781	27,021	12,486
Repayments of borrowings	(243,642)	(18,337)	(17,608)
Net cash (used in)/from financing activities	**(30,797)**	**22,976**	**(67,789)**
Net increase in cash and cash equivalents	**13,653**	**38,805**	**(24,409)**
Effect of foreign exchange rate changes on cash and cash equivalents	11,015	(10,401)	(10,279)
Cash and cash equivalents at beginning of year	**19,972**	**44,640**	**73,044**
Cash and cash equivalents at end of year	**44,640**	**73,044**	**38,356**

Additional Financial Information

	For the year ended 31 December		
	2014 *(US$ '000)*	**2015** *(US$ '000)*	**2016** *(US$ '000)*
Total revenue for reportable segments	90,684	105,481	114,869
Total external revenues	**90,684**	**105,481**	**114,869**
Segmental EBITDA[1]	61,926	74,132	80,933
Exceptional & other non-cash items	14,230	(7,837)	(12,406)
Unallocated expenses	(3,107)	(2,912)	(5,011)
Finance income	11,344	25,127	17,511
Finance costs	(28,108)	(36,392)	(35,272)
Depreciation and amortisation	(30,738)	(38,184)	(40,556)
Total profit before tax	**25,547**	**13,934**	**5,199**

(1) Segmental EBITDA is a non-IFRS financial measure. This measure is presented as a supplemental measure of the Group's operating performance. It has limitations as an analytical tool, and investors should not consider it as a substitute for analysis of the Group's operating results as reported under IFRS. For further information on this limitation, see Part III *(Presentation of Information—Non IFRS financial measures)*.

PART XIII—OPERATING AND FINANCIAL REVIEW

The following discussion should be read together with the Historical Financial Information and the notes thereto and the other information included elsewhere in this Prospectus. This section contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those discussed in such forward-looking statements as a result of various factors, including those discussed under Part II (Risk Factors) and on pages 31-32 "Forward-Looking Statements".

Overview

The Group is the world's largest independent cruise port operator by number of ports and passenger volume, with a diversified and strategically located portfolio of fourteen ports in eight countries, serving cruise liners, ferries, yachts and mega-yachts. As the sole global consolidator of cruise ports, the Group has built on its "first-mover" advantage to establish a strong platform that represents a "one stop shop" offering integrated services to global cruise lines and their customers. The cruise line industry is among the fastest growing segment of the tourist business, based on revenue growth according to Cruise Lines International Association. The Group aims to drive significant organic and inorganic growth by expanding the number of ports it operates and improving its cross-selling of value-added activities to both cruise operators and passengers. In addition to the cruise operations, the Group is a commercial port operator which specialises in container, bulk and general cargo handling, as well as serving cargo ships. The Group operates a high capacity commercial port in Turkey with a strong position in export traffic and a strategically important commercial port in Montenegro. In 2016, on a consolidated basis, the Group generated revenue of US$114.9 million excluding the contribution of equity-accounted investees (Venice Cruise Port, Lisbon Cruise Port and Singapore Port and La Spezia Cruise Port). In 2016 the Group generated segmental EBITDA of US$80.9 million including share of profit of equity-accounted investees. See Part III (*Presentation of Information—Non-IFRS Financial Measures—Segmental EBITDA*) for a reconciliation of Segmental EBITDA to total profit before income tax.

Below is additional information about the Group's cruise and commercial port operations.

	2014	2015	2016
Cruise Port Operations:			
Number of ports	5	5	7
Total passengers	1,425,442	3,176,885	3,547,006
Turnaround passengers	358,997	1,309,044	1,446,424
Transit passengers	1,066,445	1,876,841	2,100,582
Vessel calls	822	1,418	1,458
Revenue ('000)	US$26,980	US$47,028	US$53,635
Yield (revenue per passenger)	US$18.9	US$14.8	US$15.1
Segmental EBITDA[(1)] ('000)	US$20,382	US$34,427	US$36,917
Segmental EBITDA[(1)] Margin	75.5%	73.2%	68.8%
% of Group's total revenue	29.8%	44.6%	46.7%
% of Group's Segmental EBITDA[(1)]	32.9%	46.2%	45.6%
Capital expenditure	US$7,944	US$1,772	US$3,345
Creuers (Barcelona and Málaga):			
Total passengers	504,435	2,197,088	2,276,413
Turnaround passengers	194,693	1,150,649	1,287,787
Transit passengers	309,742	1,046,439	988,626
Vessel calls	217	757	796
Revenue ('000)	US$5,617	US$24,691	US$27,113
Yield (revenue per passenger)	US$11.1	US$11.2	US$11.9
Segmental EBITDA[(1)] ('000)	US$4,775	US$16,187	US18,032
Ege Ports-Kuşadası:			
Total passengers	622,184	637,669	405,243
Turnaround passengers	N/A	N/A	N/A
Transit passengers	622,184	637,669	405,243
Vessel calls	458	513	278
Revenue ('000)	US$16,350	US$17,347	US$11,650
Yield (revenue per passenger)	US$29.6	US$1,130.6	US$33.5
Segmental EBITDA[(1)] ('000)	US$12,754	US$14,189	US$8,976

	2014	2015	2016
Valletta Cruise Port:			
Total passengers	—	—	682,501
Turnaround passengers	—	—	114,162
Transit passengers	—	—	568,339
Vessel calls	—	—	317
Revenue (‘000)(2)	—	—	US$11,838
Yield (revenue per passenger)	—	—	US$17.3
Segmental EBITDA(1) (‘000)	—	—	US$5,859
Other cruise ports:			
Total passengers	298,823	342,128	182,849
Turnaround passengers	164,304	158,395	44,475
Transit passengers	134,519	183,733	138,374
Vessel calls	147	148	67
Revenue (‘000)(3)	US$5,013	US$4,990	US$3,034
Segmental EBITDA(1) (‘000)	US$2,853	US$4,051	US$4,050
Commercial Port Operations:			
Number of ports	2	2	2
Annual TEU traffic	228,532	217,521	213,869
Annual general cargo (throughput)	1,222,799	968,698	634,112
Annual bulk cargo (throughput)	651,169	492,257	767,312
Revenue (‘000)	US$63,704	US$58,453	US$61,234
Yield (revenue per TEU)	US$170.8	US$169.2	US$185.2
Yield (revenue per tonnes)	US$6.6	US$7.6	US$9.8
Segmental EBITDA(1) (‘000)	US$41,544	US$39,705	US$44,016
Segmental EBITDA(1) Margin	65.2%	67.9%	71.9%
% of Group’s total revenue	70.2%	55.4%	53.3%
% of Group’s Segmental EBITDA(1)	67.1%	53.6%	54.4%
Capital expenditure	US$4,533	US$6,116	US$5,409
Port Akdeniz-Antalya:			
Annual TEU traffic	189,346	178,471	172,039
Annual cargo (throughput)	1,644,897	1,095,686	1,319,241
Revenue (‘000)	US$54,439	US$49,925	US$53,351
Segmental EBITDA(1) (‘000)	US$38,926	US$37,459	US$41,288
Port of Adria-Bar:			
Annual TEU traffic	39,186	39,050	41,830
Annual cargo (throughput)	229,071	365,269	82,183
Revenue (‘000)	US$9,265	US$8,528	US$7,883
Segmental EBITDA(1) (‘000)	US$2,618	US$2,246	US$2,728

Notes:

(1) Refer to Note 5 of Part XX (*Historical Financial Information*) of this prospectus for a reconciliation of Segmental EBITDA to total profit before income tax. Segmental EBITDA, as calculated by Group, represents earnings before interest, tax, depreciation and amortisation excluding the effects of exceptional and other non-cash income and expenses comprising of project expenses, bargain purchase gains and reserves, board member leaving fees, employee termination payments, unallocated expenses, finance income, finance costs, and including the share of equity-accounted investees which is fully integrated into GPH cruise port network (“Adjusted EBITDA” or “Segmental EBITDA”). Segmental EBITDA is a supplemental performance measure that has not been prepared in accordance with IFRS and prospective investors should not consider it as an alternative to the applicable IFRS measure.

(2) The financial statements of VCP for the period ended 30 November 2015 have been included in the consolidated historical financial information as explained in Note 3(e) to Part XX (*Historical Financial Information*).

(3) Excludes contribution of equity-accounted investees.

Basis of Presentation

The Company was incorporated in preparation for the Offer on 20 February 2017, and at the date of Admission it will have conducted no business other than holding the shares of GPH. Consequently, limited historical financial information relating to the Company is available. To provide historical financial information for the Company’s business, this Prospectus contains historical financial information for GPH and its consolidated subsidiaries.

Segment Reporting

As set out in Note 5 of Part XX (*Historical Financial* Information), the Group's reportable segments are as follows:

- Creuers, Valletta Cruise Port and Ege Ports-Kuşadası, which fall under the Group's cruise port operations; and
- Port Akdeniz-Antalya (commercial port operations) and Port of Adria-Bar (commercial port operations), which both fall under the Group's commercial port operations.

The Group also presents information about operating segments that are not reportable in "Other" cruise port operations, which includes the results of Bodrum, Antalya (cruise port operations), Port of Adria-Bar (cruise port operations), the Group's Italian ports and the Group's share of profit of equity-accounted investees (Venice Cruise Port, Lisbon Cruise Port, La Spezia Cruise Port and Singapore Port) (in the case of segmental EBITDA but not revenue).

Major Factors Affecting Consolidated Financial Results

The most significant factors affecting the Group's consolidated financial results are described below:

Demand for cruise and commercial port services

The Group's results depend on demand for the services of its individual ports, which can be influenced by a number of factors.

Cruise port demand

Cruise port operations, which accounted for 46.7% of the Group's total consolidated revenues in 2016, has been increasing as a percentage of the Group's total consolidated revenues over time (29.8% in 2014 and 44.6% in 2015) with the Group's strategy of focusing on acquiring cruise ports. The profitability of the Group's cruise port operations is largely driven by the proportion of transit and turnaround passengers (see "*—Product Mix*").

The Group's cruise ports generate revenue in a number of different manners. Principally, these are derived from terminal tariffs charged for calls from cruise liners, ferries, yachts and mega-yachts, and include landing fees (charged per passenger for cruise ships) and vessel handling fees. The Group's Turkish cruise ports also derive revenue from the provision of port authority services, which includes pilotage, towage, sheltering and mooring fees.

The Group further derives revenue from retail and duty free-concessions in its cruise ports. For example, at Kuşadası Cruise Port the Group receives revenue from Setur (a duty-free operator owned by the Koç Group of Turkey) in relation to Kuşadası Cruise Port's duty-free operations and rental income from the Scala Nuova shopping complex in Kuşadası. The Group is currently in discussions with a duty free operator to install additional retail operations and to manage existing duty free retail operations across all of the Group's terminals, an opportunity that is the direct result of the Group's scale and integrated network.

The Group also generates revenue from the provision of other services to passengers, such as Wi-Fi and shore excursions. The Group is developing a number of initiatives to broaden the range of such services (see *Part X (The Business—The Group's Strategy—Drive yield enhancement through focused implementation of attractive incremental B2C and B2B revenue opportunities and other initiatives*).

Demand for cruise port services will be affected by decisions taken by cruise liners regarding fleet size and route expansion and regarding which ports and regions to include in their itineraries. Between 2014 and 2015 cruise fleets expanded moderately as a result of difficult economic conditions in Europe and the United States. During that period cruise lines added only 7 new cruise ships which increased global passenger capacity by approximately 19,000 beds, according to *Cruise Industry News*. In 2016, 11 new vessels were added with additional capacity of 28,500 beds. A large proportion of these ships were sent to Europe. In 2014, RCCL and other cruise lines changed the itineraries of some of their Mediterranean cruise ships to the Far East, which resulted in ship calls at Creuers (Barcelona) decreasing by 99 calls, or 16.2%, to a total of 513 calls during 2014 as compared to 612 calls during 2013. However, the number of calls increased to 523 calls in 2015 and 546 calls in 2016 because new ships were deployed to the Mediterranean by various cruise lines to replace ships previously redeployed to the Far East (*source: CLIA 2016 Industry Outlook Report*). In 2016, Mediterranean cruise itineraries began to shift from the East Mediterranean to the West Mediterranean, as a result of concerns regarding political tensions in the Eastern Mediterranean as well as changes in demand. This resulted in a higher number of cruise ship calls at the Group's West Mediterranean ports, for example Creuers (Barcelona and Málaga) increasing from 757 cruise ship calls in 2015 to 796 cruise ship calls in 2016, and a lower number of cruise ship calls at the Group's Turkish ports, decreasing from 661 cruise ship calls in 2015 to 338 cruise ship calls in 2016. In addition, regulatory changes may also affect passenger numbers. For example, new regulations introduced in 2014 which prohibited larger ships in excess of 96,000 GRT entering Venice reduced cruise passenger numbers at Venice Cruise Port from 1.84 million in 2014 to 1.69 million in 2015.

The Group's revenues have become increasingly diversified in terms of geography, services, customers and currency, which has reduced the effect of isolated trends, such as the shift of cruise itineraries from the East to West Mediterranean discussed above, on the Group's consolidated results. With the acquisition of Creuers, Valletta, Dubrovnik[4], Venice and the additional Italian cruise ports (Cagliari, Catania and Ravenna), the Group has achieved a significant additional geographical diversification in its cruise ports portfolio. It has also introduced additional retail and a range of ancillary passenger services, as well as new services for cruise and cargo ships. For example, the Group's rental income increased from US$5.3 million in 2014 to US$13.5 million in 2016, whereas the Group's port services revenue decreased from US$21.0 million in 2014 to US$14.5 million in 2016. The Group's landing fees increased from US$9.9 million in 2014 to US$ 31.1 million in 2016. The Group's management believes that its cruise port portfolio is diversified and expects that the attractions accessible to passengers calling at its ports will continue to generate consistent demand. For example, Ege Ports-Kuşadası is in close proximity to the ancient city of Ephesus, which attracted 1.4 million, 1.6 million and 1.7 million visitors in 2014, 2015 and 2016, respectively, according to the Tourism Ministry's Central Directorate of Circulating Capital. Additionally, Creuers (Barcelona) is the only cruise port in the Mediterranean with the facilities required to act as Homeport for the "Oasis" class cruise ships such as RCCL's 'Allure of the Seas' and 'Oasis of the Seas'. The Group's revenues are diversified in terms of currency as the Group's Turkish ports receive revenue in US Dollars and the Group's Western Mediterranean ports receive revenue in Euro.

Demand for cruise port calls and services also correlates with changes in consumer preferences for cruise travel over other forms of leisure, and the popularity of the Group's cruise port locations as tourist destinations. It may also be affected by the levels of disposable income available for leisure travel, which is influenced by global economic conditions generally, and those of cruise passengers' home countries in particular. Cruise tourism has been one of the fastest growing sectors of the tourist industry for the past 25 years. There were more than 22.2 million cruise passengers in 2015 globally, and this number is expected to increase to 31.8 million in 2022 (source: *Cruise Industry News State of the Industry Annual Report 2016-2017*). However, political and economic uncertainties and terrorist and other incidents may shift demand from one region to another, as seen in the shift of cruise lines' itineraries from East Mediterranean to West Mediterranean mentioned above.

Given their high level of fixed costs, cruise lines have used flexible pricing to promote high occupancy of the cruise ships and high passenger numbers, and such high occupancy and passenger numbers maintain the Group's cruise port revenues. In addition, given that port landing fees make up a low proportion (less than 3%) of the cruise lines' overall cost base, the Group's management believes cruise lines retain a focus on the overall quality of port operations over the fees charged. The Group's management believes this has allowed the Group to maintain its terminal revenue despite short-term economic fluctuations. In addition, to reduce their total fuel costs major cruise lines have been increasing the size and passenger capacity of their ships, particularly for budget cruise lines as compared to luxury cruise lines, and this trend has in recent years increased the number of passengers while decreasing the number of ship calls. The net effect of this trend has been to increase the Group's cruise port revenues, as the Group's terminal revenue, is driven by the number of passengers.

The Group's ports' results may also be affected by competition as well as capacity constraints, which may become more significant as the size of vessels continue to increase. However, the Group's management believes that its expansion programs will help the Group address such issues. See Part X *(The Business—The Group's Strategy*).

Commercial port demand

Commercial port operations have generated the majority of the Group's total consolidated revenues in the periods under review, accounting for 70.2%, 55.4% and 53.3% of the Group's total revenue in 2014, 2015 and 2016, respectively. The proportion of the Group's total consolidated revenues generated by commercial port operations decreased over the three-year period due to the Group's focus on and growth in the cruise port

[4] The tender for Port of Gruž (Dubrovnik) was awarded to a GPH-controlled partnership in October 2015. In February 2016, a preliminary concession agreement was signed and the final concession agreement remains subject to negotiations with the relevant authority.

operations including through cruise port acquisitions. Commercial port operations generate revenues primarily from container handling, dry bulk cargo handling, general cargo handling, vessel handling and project cargo handling in connection with the export of commodity products used mainly in construction, which are produced in the regions close to the port. From October 2014, Port Akdeniz-Antalya has been concentrating on a new revenue source and developing its product portfolio, the export of fresh fruit and vegetables from Antalya and project cargo, namely the import of industrial and heavy machinery and equipment for infrastructure projects in the Mediterranean region. The Group was also issued a license to export furniture from 1 January 2015. Management believes that these initiatives will continue to diversify Port Akdeniz-Antalya's cargo and revenues, in particular project cargo, which contributed US$2.1 million to Port Akdeniz-Antalya's revenues in 2016 compared to US$0.2 million in 2015.

The share of import cargo has also increased in the periods under review, particularly imports of PVC and furniture in Antalya. The Group also derives revenues in its capacity as port authority for Port Akdeniz-Antalya, which includes pilotage, towage, sheltering and mooring fees.

Commercial port revenues are primarily affected by demand for the products produced in the hinterland surrounding Port Akdeniz-Antalya. The most significant portion of these revenues relates to the export of marble to global markets in general, and block marble to China in particular. Substantial revenues are also derived from the export of cement to the Middle East, North Africa, West Africa and South America, as well as the export of chromium to Northern Europe primarily for treating steel and for chrome plating, the export of agricultural products to Russia and transport of various goods within Turkey. Demand for these products is influenced by levels of construction activity—in particular the use of block marble in China (which is typically used in luxury construction projects though increasingly used for general construction projects), cement in the Middle East and chromium in Northern Europe (which are widely used for general construction purposes)—which is sensitive to, among other things, changes in general economic conditions. The recession in Chinese construction sector and accumulated marble stocks in China resulted in Turkey's marble exports to China decreasing by 13% in 2015. This, in turn, resulted in a decline in container volumes at Port Akdeniz-Antalya. In May 2016 Chinese authorities launched an investigation into declarations of marble imports to China, (ending in October 2016). This resulted in the decrease of container volumes at Port Akdeniz-Antalya during that period. In addition, in July 2016 a coup d'état attempted in Turkey against state institutions and its aftermath impacted international trade in general and the trade of marble specifically as several buyers of marble exited the Turkish market for several weeks.

The economic downturn in the Middle East due to the Arab Spring had a material negative effect on construction activity in the Middle East and North Africa, and the export of cement to these regions. The decline in the export of construction materials has continued, although it has been partially offset by increased export of bulk cargo, chromium, coal and project and other cargo as well as increasing imports into Turkey. It has also been partially offset by increased Turkish marble exports to India in 2016 resulting from an easing of Indian restrictions on the import of marble at the end of 2016. Demand for products produced in the hinterland surrounding Port Akdeniz-Antalya, which are largely commodities, is also affected by whether the prices of these products are competitive with the prices that these goods could be obtained from other regions. See Part IX *(Industry Overview—Maritime Transport Industry in Turkey—Cargo Handling at Turkish Ports*).

Port of Adria-Bar derives its revenue from the export and import of steel, aluminium, cement and timber. The Port of Adria-Bar's revenue was negatively affected by the temporary closure of Serbian steel factory Hesteel Serbia Iron & Steel d.o.o. Beograd (formerly Železara Smederevo d.o.o.) in early 2016. After privatisation of the factory in the middle of 2016, the factory reopened and initially focused on selling its steel in the domestic Serbian market. As a result, the export of steel through the Port of Adria-Bar decreased significantly in 2016. However, following discussions between the management of Port of Adria-Bar and the factory's new Chinese owners, the factory has begun to increase its steel exports in 2017.

Commercial port revenues are also affected by the commercial development of the hinterland surrounding Port Akdeniz-Antalya. Construction, particularly the construction of factories and energy projects, in the area has increased the Group's project cargo revenues, which relate to the handling of special equipment and supplies for large-scale construction projects. Regional development has also contributed to increasing levels of imports into the Antalya region.

Other factors affecting commercial port service revenue include changes in transportation patterns of commercial shipping lines (which is primarily driven by the demand for commodities near commercial ports, as well as the export and import capabilities of commercial ports) and the rate of containerisation in Turkey, Montenegro and globally as the Group derives higher margins from containerised products. Containers generally contain higher value products than the commodities that comprise general and bulk cargo and are subject to higher prices. At the same time, containers require less labour to load and unload than general and bulk cargo (such as cement and coal); since such cargo is lower in value, handling thereof is subject to lower margins and lesser pricing flexibility. In line with the global trend, containerisation has been increasing in Turkey and Montenegro, but it remains lower than the global average. See Part IX *(Industry Overview—Maritime Transport Industry in Turkey—Cargo Handling at Turkish Ports*). The Group expects that containerisation will continue to increase in Turkey, Montenegro and globally due to the lower costs and greater speed that it generally offers, and that such an increase would drive additional shipping volumes through Port Akdeniz-Antalya.

Product Mix

In its cruise port operations, the Group's revenues are impacted by the nature of passenger traffic, particularly the transit or turnaround passenger mix. Demand for cruise Homeports is based upon local infrastructure (i.e. hotel and airport capacity and transport), security and proximity to intended ports of call. Turnaround passengers generate higher fees and higher margins than transit passengers, as the port collects fees when passengers embark on their itinerary and disembark at the end. Homeports also charge additional fees for luggage handling at the beginning and end of cruise journeys of such passengers, which would not apply in the case of transit passengers. Management believes that cruise lines are particularly focused on the quality of Homeports as it plays a major role in the overall passenger experience, including through efficient embarking and disembarking of passengers and loading and unloading of luggage. Accordingly, cruise lines are willing to accept higher service tariffs for increased quality of service. The Group has been increasing its proportion of turnaround passengers, particularly through the addition of the Barcelona cruise port, at which more than 65% of passengers in 2016 were turnaround passengers. The vast majority of these turnaround passengers in Barcelona were served by the Group's terminals as the one terminal in Barcelona not operated by the Group (Terminal D) is privately operated by Carnival and has only one berth. To a lesser extent, the addition of Malaga has also contributed to the increase in turnaround passengers in the periods under review. The proportion of turnaround passengers at the Group's cruise ports increased from 25.2% in 2014 to 41.1% in 2015, primarily due to the proportion of turnaround passengers at Creuers. In 2016 the proportion of turnaround passengers at the Group's cruise ports decreased slightly to 40.8%.

Yield per passenger is best understood on a port by port basis. For the years ended 31 December 2014, 2015 and 2016, Creuers' yields (revenue per passenger) were US$11.1, US$11.2 and US$11.9, Ege Ports-Kuşadası's yields were US$26.3, US$27.2 and US$28.7, and the Group's other cruise ports' yields were US$16.8, US$14.6 and US$16.6. Valletta Cruise Port's yield for the year ended 31 December 2016 was US$17.3. For detailed discussion of the Group's cruise revenue see "*—Revenue*".

Among the Group's non-home ports, the Turkish ports generally contribute higher revenue and higher margins. This principally reflects greater discretion in setting fees, additional revenues from tax-free shopping available outside the EU and a primarily Turkish Lira denominated cost base. In addition, port services provided by the Group in its Turkish ports have higher margins due to low Turkish Lira denominated costs in relation to such services.

As part of the Group's strategy it intends to begin offering bundled services to cruise lines, namely price incentives to cruise lines calling at multiple ports across the Group's network. Management believes that this has the potential to reduce overall margins, reflecting the discount to the price of services offered within the bundle, as well as increase passenger volumes and revenues in the future. See Part X *(The Business—Competitive Strengths—Integrated cruise terminal platform offering a superior branded value proposition to all stakeholders*) and Part X*(The Business—The Group's Strategy—Drive yield enhancement through focused implementation of attractive incremental B2C and B2B revenue opportunities and other initiatives*).

As noted above, within the commercial port service segment the Group derives higher margins from containerised products as the fees for containerised cargo are higher and the movement of containers requires less labour. Accordingly, increased containerisation has had a positive effect on the Group's commercial port revenues during the period under review. The Group also provides additional services at Port Akdeniz-Antalya, such as storage, inspection, weighing, stripping and stuffing to diversify its services, and increase yields and revenue.

For the years ended 31 December 2014, 2015, and 2016, the Group's revenues per TEU were: US$278.8, US$268.7 and US$286.3, respectively, and the Group's revenues per ton were: US$34.0, US$40.0 and US$43.7, respectively. For detailed discussion of the Group's commercial revenue see "*—Revenue*".

Pricing

The tariffs the Group charges for its services impact the Group's consolidated revenue and profitability. Tariffs for services at the Group's ports in Turkey and Montenegro have been regulated by the Port Akdeniz-Antalya TOORA, the Ege Ports-KuşadasıTOORA, the Bodrum Cruise Port BOT Agreement and by Port of Adria-Bar TOORA agreement since 1998, 2003, 2007 and 2013 respectively. Under these concessions the Group is permitted to set the tariffs for its services, subject to any restrictions imposed by local competition laws. Tariffs at the Group's Turkish ports have, in the period 2014 to 2016, increased with at least US Dollar inflation, and in 2016 all tariffs at the Group's Turkish ports were converted from US Dollars to Euro at an exchange rate of one USD to one EUR (implying a tariff increase of about 10%). For the Group's West Mediterranean cruise port operations, other than Venice, Cagliari and to a limited extent Ravenna (where tariffs can be set within limits prescribed by the port authority), tariffs are set by the applicable port authorities, in consultation with the individual cruise port's management team, enabling the cruise port to offer new services to cruise vessels, engage in discussions regarding tariff levels and request tariff level increases (to date, such discussions have not resulted in any tariff decreases). For instance, at Lisbon Cruise Port the Group obtained approval from the port authority for a 10% tariff increase in 2015 and a further 20% increase in 2016, and increased its fees in Lisbon in 2015 and 2016 accordingly. In 2016 the Group also increased the passenger fee charged by Valletta by €1.00 and the security fees charged by Barcelona by 12%.

The tariffs applicable to the Group's services currently comprise a base fee plus a surcharge for any additional service, equipment, facility or time committed. For both its cruise port and commercial port operations, the Group sets tariffs annually in advance. The Group also applies volume discounts for certain services that are designed to encourage customers to direct more cargo and passengers to one of the Group's ports. The Group adjusted tariffs in each of the years during the period under review in line with cruise port and commercial port demand. Tariffs for yachts and mega-yachts are based on the length and width of the vessel according to industry classifications, and are not based on number of passengers. For the years ended 31 December 2014, 2015, and 2016, the Group's fees were: for containers, US$180.2, US$185.0.0 and US$205.9 per TEU, respectively; for general cargo, US$5.8, US$6.3 and US$9.2 per ton, respectively; for bulk cargo, US$6.8, US$8.0 and US$7.8 per ton per ton, respectively; for bulk cargo, US$6.8, US$8.0 and US$7.8 per ton, respectively. See "*—Product Mix*".

The Group expects to generally increase all tariffs, at least in line with USD/EUR inflation. In addition the Group is currently discussing specific tariff increases at its ports, subject to approvals of the respective port authorities, including a 36% turn-around tariff increase at Málaga in 2018, new tariff structure (2.5 times higher than current tariffs) at Dubrovnik[5] after the completion of new terminal building in early 2019, two 6-7% tariff increases at Valletta in 2017 and 2018 and tariff increases at Venice in 2018 (a €1 tariff increase for cruise (turnaround and transit) passengers and a €3 tariff increase for ferry passengers). A 25% tariff increase at Lisbon to be implemented in 2018 (after completion of a new cruise terminal in 2017) has already received approval from the Lisbon Port Authority,

In addition, all of the Group's ports have discretion in setting the rates for ancillary services provided to ships and the for rental revenues from duty free shops and marinas, and the Group is working to add ancillary business to business (B2B) and business to customer (B2C) services to generate additional revenue. See Part X *(The Business—The Group's Strategy)*.

Acquisitions and Investments

The Group's results for the three years ended 31 December 2016, have been affected by acquisitions and investments.

- *BPI and Creuers*. The Group acquired 43.0% and 57.0% interests in Creuers on 30 December 2013 and 30 September 2014, respectively, through Barcelona Port Investments, S.L. ("**BPI**") which is a special purpose joint venture between the Global Liman and Royal Caribbean Cruises Ltd. The total consideration for these acquisitions was €87.2 million. Creuers has the concession rights of Adossat and World Trade Centre wharfs in Barcelona Cruise Port with an 80.0% controlling interest in Malaga Port and a 40.0% non-controlling interest in Singapore Port. BPI was recognised as an equity-accounted investee in the Group's financial statements as at and for the year ended 31 December 2013 and as at and for the nine months ended 30 September 2014. In 2015, the first full year of consolidation of the interest, BPI contributed US$24.7 million to the Group's total revenue, and US$27.1 million to 2016 revenue.

[5] The tender for Port of Gruž (Dubrovnik) was awarded to a GPH-controlled partnership in October 2015. In February 2016, a preliminary concession agreement was signed and the final concession agreement remains subject to negotiations with the relevant authority.

- *Valletta Cruise Port (Malta)*. On 30 November 2015, Global Ports Europe B.V (“**Global BV**”), a wholly-owned subsidiary of the Company established in Netherlands for the investments made into European ports, acquired 55.60% of shares in Valletta Cruise Port PLC (formerly VISET Malta plc) (“**Valleta Cruise Port**” or “**VCP**”) for consideration of €22.7 million (US$26.9 million). In 2016, the first full year of consolidation of Valletta, it contributed US$11.8 million to the Group’s total revenue.
- *Lisbon Cruise Terminals*. On 12 December 2013, Global Liman announced that it, together with its joint bidding partners RCCL, Creuers and Grupo Sousa—Investimentos SGPS LDA (“**Grupo Sousa**”), had submitted an offer for the construction and operation rights of a new cruise terminal to be constructed at the Lisbon Cruise Port. The Group holds a 40.0% interest in the holding company—Lisbon Cruise Terminals Lda, and RCCL, Creuers and Grupo Sousa each hold 20.0%, 10.0%, and 30.0%, respectively. On 17 January 2014, the Group announced that the tender commission had selected the consortium as the winning bidder. On 26 August 2014, the consortium signed a concession agreement granting Lisbon Cruise Terminals, Lda an exclusive 15 year operating rights concession over the three existing terminals and a BOT agreement for the new terminal. Construction of the new cruise terminal commenced in late 2014 and was completed before the start of the 2017 season. The total cost of construction was €22 million. Since its acquisition, the Group’s share of profits generated by Lisbon Cruise Terminals has been reflected in the Group’s financial statements as profits from an equity-accounted investee. A 10% tariff increase in 2015 and a further tariff increase in 2016, as well as revenue from ancillary services (rental of advertising spaces, rental of equipment and water supplied to ships) and berthing of commercial ships, have increased the profit margin at Lisbon Cruise Terminals from 4.5% in 2014 to 37.2% in 2016. The Group aims to further increase its shareholding in Lisbon Cruise Terminals, Lda.
- *Port of Adria-Bar*. On 1 July 2013, the Group participated in the privatisation of the cargo terminal in Port of Adria-Bar. By 30 December 2013, the Group had indirectly acquired 62.1% of the shares in Port of Adria-Bar from the Montenegro government through Container Terminal and General Cargo JSC-Bar, which has an operating concession for 30 years (terminating in 2043) for €8.1 million. During 2014, the Group acquired an additional 1.7% of the shares in Container Terminal and General Cargo JSC-Bar in a series of small transactions on the Montenegro Stock Exchange, increasing its share in Port of Adria-Bar to 63.8%. In 2014, the first full year of consolidation of the Port of Adria-Bar, it contributed US$9.3 million to the Group’s total revenue, and US$8.5 million and US$7.9 million in 2015 and 2016, respectively.
- *Dubrovnik Cruise Port*. In October 2015 the partnership of the Group and Bouygues Bâtiment International (the Group has a 75.0% interest and Bouygues has a 25.0% interest in the partnership) was awarded the tender for a 40-year concession to operate the cruise port in return for building a new terminal, shopping complex, multi-storey parking lot and a bus terminal. In February 2016 a preliminary concession agreement was signed. The final concession agreement remains subject to negotiations with the relevant authority.
- *Venice Cruise Port*. In 2016 the Group, as part of an international consortium (the “**VI Consortium**”) formed by the Group together with Costa Crociere S.p.A, MSC Cruises S.A. and Royal Caribbean Cruises Ltd (each having 25.0% share in the VI Consortium), acquired an indirect non-controlling stake in Venezia Terminal Passeggeri S.p.A. (“**VTP**” or “**Venice Cruise Port**”). The VI Consortium owns a 44.48% share in VTP and, as such, the Group owns an 11.12% share in VTP. The Venice Cruise Port has been operational since 1999. VTP was recognised as an equity-accounted investment in the Group’s financial statements beginning in 2016.
- *Additional Italian Cruise Ports*. In July 2016 the Group commenced negotiations with the operating companies of several cruise ports in Italy (including Ravenna, Cagliari, Catania and Brindisi[6]) regarding the share purchase of these cruise ports. In September 2016 the Group, through its wholly owned subsidiary Ports Operation Holding, acquired a 51.0% stake in Ravenna Terminal Passeggeri S.r.l. (“**RTP**”), which operates Ravenna Cruise Port. As of November 2016, Ports Operation Holding had purchased shares of the companies operating Cagliari Cruise Port and Catania Cruise Port, in addition to shares of a company operating La Spezia Cruise Port in Portovenere. As a result, the Group owns a 53.67% stake in RTP which operates Ravenna Cruise Port, a 70.89% stake in Cagliari Cruise Port S.r.l. which operates Cagliari Cruise Port, a 62.2% stake in Catania Cruise Terminal S.r.l. which operates Catania Cruise Port and a 28.5% stake in La Spezia Cruise Facility S.r.l. which operates La Spezia Cruise Port in Portovenere. Ravenna Cruise Port, Cagliari Cruise Port and Catania Cruise Port were acquired at the end of 2016 and did not generate any revenue for the Group in 2016. La Spezia Cruise Port was recognised as an equity-accounted investment in the Group’s 2016 financial statements but did not generate any revenue for the Group in 2016.

[6] GPH holds a 25% stake in the company which is currently negotiating the Brindisi concession agreement with the Port Authority as the winner of the tender.

As part of the global expansion strategy of its cruise business, the Group continuously monitors potential public and private acquisition opportunities all around world. The Group's expansion strategy focuses on targets that are in promising locations (for example, close to high profile tourist and historical sites) but in the Group's view are currently undervalued or undermanaged and/or would complement the current network (with a focus on Europe and Asia—especially building on the alliance with Temasek in South East Asia, through SATS-Creuers). An important element for identifying cruise port opportunities is identifying assets that provide opportunities to enhance the passenger experience and expand the services offered. The Group aims to achieve this, by building shopping complexes and leisure centres to create additional revenue sources. It also leverages its experience to optimise retail rental and maximise duty free revenue. See Part X *(The Business—The Group's Strategy)*.

As the largest cruise port operator in the world by number of ports owned and by passenger volume, management believes the Group has critical mass that enhances its negotiating power with customers and suppliers. In its cruise port expansion strategy, the Group aims to expand its network of ports so as to maximise the opportunity for all Mediterranean cruise itineraries to include at least one port operated by the Group. Management believes this would further strengthen the Group's position when negotiating fees with cruise line operators.

Seasonality

Generally, the number of cruise liner port calls and cargo volumes are lower during the winter months of December to February than at other times of the year, although this seasonality is more pronounced in the cruise operations as compared to the commercial port operations. The third quarter is the busiest for cruise port calls as the cooler, dry weather of autumn is attractive to tourists. In the third quarter of 2014, 2015 and 2016, total cruise port calls were 588, 680 and 658, respectively, as compared to 452, 549 and 514 in the fourth quarter of the same periods. While the third quarter tends to be the busiest period of the year, the Group's Western Mediterranean ports usually see less seasonality in terms of the number of calls than the Turkish ports in the Group's portfolio. For instance, the Group's Turkish ports together saw 272, 296, and 118 calls made in third quarter of 2014, 2015 and 2016, respectively as compared to 135, 135, and 52 in the fourth quarters of the same years. Creuers (Barcelona and Málaga) together saw 221, 203, and 254 calls made in third quarter of 2014, 2015 and 2016, respectively as compared to 217, 234, and 235 in the fourth quarters of the same years. The first quarter is the least busy for cruise port calls, both at the Group's Turkish ports and the Group's Western Mediterranean ports. In the first quarter of 2014, 2015 and 2016, total cruise port calls were 97, 126 and 114 respectively. The Group's Turkish ports together saw 8, 19 and 11 calls made in first quarter of 2014, 2015 and 2016, respectively, and Creuers (Barcelona and Málaga) together saw 63, 66 and 52 calls made in first quarter of 2014, 2015 and 2016, respectively.

The Group does not currently vary its tariffs on a seasonal basis (for instance, by reducing rates during the winter months). It does, however, offer a limited number of cruise lines discounts on days where there is spare capacity at a cruise port. The Group is currently working to develop a more dynamic pricing model, which would link tariffs to the capacity of the Group's ports with a view to regulating the demand for visits over the course of the year.

According to its strategy, the Group plans to expand further into other regions, particularly the Caribbean and Asia-Pacific. Management believes this geographic expansion will tend to decrease the Group's overall seasonality.

Exchange rates

The Group's Turkish ports receive cruise revenues in Euros, receive commercial revenues in, and incur majority of their debt in, US Dollars, while their operating costs are primarily in Turkish Lira (representing 70% of their total operating costs in 2016). The Group's Western Mediterranean ports receive revenue in Euro (representing 34% of total revenue in 2016) and their debt and operating expenses are in Euro. Therefore, the Group is exposed to transaction risk, that is the risk arising from a mismatch in the currency mix of its revenue and expenses, and fluctuations among the US Dollar, the Euro and the Turkish Lira impact the Group's financial results. Because the Group's reporting currency is the US Dollar, it is exposed to translation risk that is the risk that income and expense items generated in other currencies are translated into US Dollar for financial reporting purposes. As such, an appreciation of the US Dollar against the Euro will tend to reduce the Group's Euro-denominated revenues, as reported in US Dollars. An appreciation of the US Dollar against the Turkish Lira has a positive effect on the Group's results as it reduces the Group's Turkish operating costs, as expressed in US Dollars. A depreciation of the US Dollar against these currencies generally has the opposite effects. The match between revenues and the currency of debt provides some degree of a natural hedge against currency fluctuations affecting borrowing costs. As at 31 December 2016 the Group had US Dollar-denominated debt of US$261.8 million, Euro-denominated debt of €75.4 million, and Turkish Lira-denominated debt of TL4.9 million.

The Turkish Lira depreciated against the US Dollar by 8.6% in 2014, 25.3% in 2015 and 21.5% in 2016. The Euro depreciated against the US Dollar by 11.6% in 2014, 10.2% in 2015 and 4.3% in 2016. The net effect of depreciation of Turkish Lira against US Dollar was an increase in Segmental EBITDA of 6% in 2014, 4% in 2015 and 1% in 2016. The depreciation of Euro against the US Dollar also affected total revenue and expenses, as presented in US Dollars. This resulted in a decrease in revenue of US$0.02 million in 2014, US$ 6.5 million in 2015 and US$0.2 million in 2016. As a result of the depreciation of the Euro against the US Dollar, the translation difference resulted in a decrease in expenses of US$0.01million in 2014, US$2.9 million in 2015 and US$0.1 million in 2016.

See Part XII *(Operating and Financial Review—Quantitative and Qualitative Disclosures about Market Risk—Foreign currency risk)* and Part II *(Risk Factors—The Group's business may be affected by exchange rate and inflation fluctuation*).

Taxation

The Group's operations are subject to taxation in accordance with the laws of the jurisdictions in which it operates. Set out below are key tax rates for the main jurisdictions in which the Group operates

Turkey

The Turkish corporate tax rate is 20% for the periods under review. There is no Group consolidation for tax purposes in Turkey. In addition, in Turkey the tax legislation does not permit a parent company, its subsidiaries and associates to file a consolidated tax return. Each subsidiary is taxed based on its individual profit or loss.

The Turkish International Ship Registry Law is designed to accelerate the development of the Turkish maritime sector by providing tax incentives for the registration of ships in Turkey. In addition to providing incentives for ships to register in Turkey, the law exempts from taxation services provided at Turkish ports by Turkish flagged vessels. Accordingly, the Group does not pay tax on services provided to Turkish vessels at Port Akdeniz-Antalya, and services provided to such vessels at Ege Ports-Kuşadası and Bodrum Cruise Port are also exempt from VAT.

The dividend withholding tax in Turkey is 15%.

Spain

Creuers is subject to corporation tax in Spain. The Spanish corporate tax rate has declined from 30% in 2014 to 28% in 2015 and 25% in 2016.

Netherlands

The corporate tax rate in the Netherlands is 25%.

Malta

The corporate tax rate in Malta is 35%.

Montenegro

The corporate tax rate in Montenegro is 9%.

Italy

The corporate tax rate in Italy is 28%.

Results of Operations

The Company was incorporated in preparation for the Offer on 20 February 2017. To provide selected consolidated results for the Company's business, set forth below are the consolidated results for the Company's subsidiary, Global Liman, for the periods shown, derived from the Historical Financial Information included in Part XX (*Historical Financial Information*) of this Prospectus. The results are also shown as a percentage of revenue.

	For the year ended 31 December					
	2014		2015		2016	
	(Amounts In US$ '000)	(% of total)(1)	(Amounts In US$ '000)	(% of total)(1)	(Amounts In US$ '000)	(% of total)(1)
Revenue:						
Cruise revenue	26,980	29.8	47,028	44.6	53,635	46.7
Commercial revenue	63,704	70.2	58,453	55.4	61,234	53.3
Total revenue	**90,684**	**100.0**	**105,481**	**100.0**	**114,869**	**100.0**
Cost of sales:						
Cruise cost of sales	14,039	15.5	28,766	27.3	33,405	29.1
Commercial cost of sales	42,251	46.6	38,493	36.5	37,689	32.8
Total cost of sales	**56,290**	**62.1**	**67,259**	**63.8**	**72,083**	**62.8**
Gross profit	**34,394**	**37.9**	**38,222**	**36.2**	**42,786**	**37.2**
Other income	618	0.7	572	0.5	475	0.4
Gain on Bargain purchases	5,733	6.32	5,190	4.92	—	—
Selling and marketing expenses	(470)	(0.5)	(317)	(0.3)	(808)	(0.7)
Administrative expenses	(10,767)	(11.9)	(11,300)	(10.7)	(16,204)	(14.1)
Other expenses(2)	(6,285)	(6.9)	(7,839)	(7.4)	(5,508)	(4.8)
Operating profit	**23,223**	**25.6**	**24,528**	**23.3**	**20,741**	**18.1**
Finance income	11,344	12.5	25,127	23.8	17,511	15.2
Finance costs	(28,108)	(31.0)	(36,392)	(34.5)	(35,272)	(30.7)
Net finance costs	**(16,764)**	**(18.5)**	**(11,265)**	**(10.7)**	**(17,761)**	**(15.5)**
Share of profit of equity-accounted investee	**19,088**	**21.0**	**671**	**0.6**	**2,219**	**1.9**
Profit before tax	**25,547**	**28.2**	**13,934**	**13.2**	**5,199**	**4.5**
Tax (benefit) / expense	(1,965)	(2.2)	2,526	2.4	925	0.8
Profit for the year	**23,582**	**26.0**	**16,460**	**15.6**	**4,274**	**3.7**
Profit for the year attributable to:						
Owners of the Company	21,865	24.1	14,157	13.4	2,208	1.9
Non-controlling interests	1,717	1.9	2,303	2.2	2,066	1.8
	23,582	**26.0**	**16,460**	**15.6**	**4,274**	**3.7**
Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss						
Re-measurement of defined benefit liability	(12)	(0.013)	34	0.032	50	0.044
Income tax relating to items that will not be reclassified subsequently to profit or loss	2	0.002	(7)	(0.007)	(10)	(0.009)
	(10)	(0.011)	**27**	0.025	**40**	0.035
Items that may be reclassified subsequently to profit or loss						
Foreign currency translation differences	1,191	1.3	13,078	12.4	25,200	21.9
Cash flow hedges—effective portion of changes in fair value	(1,228)	(1.4)	93	0.09	(247)	(0.2)
Losses on a hedge of a net investment	(20,405)	22.5	(64,629)	61.3	(59,569)	(51.9)
Income tax relating to items that will not be reclassified subsequently to profit or loss	4,388	4.8	12,903	12.2	11,975	10.4
	(16,054)	**17.7**	**(38,555)**	**(36.6)**	**(22,641)**	**(19.7)**
Other comprehensive loss for the year, net of income tax	**(16,064)**	**17.7**	**(38,528)**	**(36.5)**	**(22,601)**	**(19.7)**

	For the year ended 31 December					
	2014		2015		2016	
	(Amounts In US$ '000)	(% of total)(1)	(Amounts In US$ '000)	(% of total)(1)	(Amounts In US$ '000)	(% of total)(1)
Total comprehensive income/(loss) for the year	**7,518**	**8.3**	**(22,068)**	**(20.9)**	**(18,327)**	**(16.0)**
Total comprehensive income/(loss) attributable to:						
Owners of the company	9,129	10.1	(18,386)	(17.4)	(17,799)	(15.5)
Non-controlling interests	(1,611)	(1.8)	(3,682)	(3.5)	(528)	(0.5)
	7,518	**8.3**	**(22,068)**	**(20.9)**	**(18,327)**	**(16.0)**
Basic and diluted earnings per share	**33.0**	**—**	**21.0**	**—**	**3.0**	**—**
Earnings before interest, tax, depreciation and amortisation (Segmental EBITDA)(3):						
Cruise Segmental EBITDA	20,382	22.5	34,427	32.6	36,917	32.1
Commercial Segmental EBITDA	41,544	45.8	39,705	37.6	44,016	38.3
Segmental EBITDA	**61,926**	**68.3**	**74,132**	**70.3**	**80,933**	**70.5**

Notes:

(1) Represents the percentage to the total consolidated revenues of Global Ports Holding. See "—*Segment Reporting*".

(2) Includes expenses not attributable to the cruise or commercial operations: primarily project expenses such as costs of participating in tenders, financing projects, and non-operational / provisional expenses.

(3) Segmental EBITDA, as calculated by Group, represents earnings before interest, tax, depreciation and amortisation excluding the effects of exceptional and other non-cash income and expenses comprising of project expenses, bargain purchase gains and reserves, board member leaving fees, employee termination payments, unallocated expenses, finance income, finance costs, and including the share of equity-accounted investees which is fully integrated into GPH cruise port network ("**Adjusted EBITDA**" or "**Segmental EBITDA**"). Segmental EBITDA is a supplemental performance measure that has not been prepared in accordance with IFRS and prospective investors should not consider it as an alternative to the applicable IFRS measure. See Part XX (*Historical Financial Information*) for a reconciliation of Segmental EBITDA to total profit before income tax.

Current trading and prospects

The Group's financial performance for the first three months of 2017 has been in line with management's expectations. The Group's business is seasonal with the lowest activity in the first quarter for both the cruise and commercial segments. As a result, no trend for the full year can be discerned from the first-quarter results. For the period from 1 January 2017 to 31 March 2017, there were no significant changes compared to the same period in the previous year. The newly acquired Italian Ports (i.e., Ravenna, Cagliari and Catania) have been consolidated in the Group's income statement for the first time in the first quarter of 2017, but they have not significantly impacted the Group's first-quarter results. Revenues for the first three months of 2017 are broadly in line with the first quarter of 2016. The Group's financial results in terms of EBITDA for the first quarter of 2017 show a moderate increase over the first quarter of 2016, with the increase primarily due to an increase in operational efficiency resulting in higher margin in both segments.

Revenue

The Group's revenue consists of cruise revenue and commercial revenue. Cruise revenue includes landing fees (based on the number of cruise ship passengers, vessel handling and ferry services fees, comprising of services provided to cruise ships including passenger landing, luggage handling and security fees), port services revenue (provision of port services including pilotage, towage, shelter and mooring fees), rental income and income from duty-free (duty-free revenue, and rental income from retail space at the Group's cruise ports leased to third parties),domestic water sales revenue and other revenue (income from provision of other services such as shore excursions and Wi-Fi). Commercial revenue consists of container and cargo revenue (handling fees based upon gross tonnage, for bulk and general cargo, and number of containers) port services revenue and other revenue.

The table below shows the Group's revenue for the periods indicated.

Revenue by Segment:	For the year ended 31 December 2014 (Amounts In US$ '000)	2014 (% of total)[1]	2015 (Amounts In US$ '000)	2015 (% of total)[1]	2016 (Amounts In US$ '000)	2016 (% of total)[1]
Cruise:						
Creuers (Barcelona and Málaga)	5,617	6.2	24,691	23.4	27,113	23.6
Ege Ports-Kuşadası	16,350	18.0	17,347	16.4	11,650	10.1
Valletta Cruise Port	—	—	—	—	11,838	10.3
Other	5,013	5.5	4,990	4.7	3,034	2.6
Total cruise revenue	**26,980**	**29.8**	**47,028**	**44.6**	**53,635**	**46.7**
Commercial:						
Akdeniz-Antalya	54,439	60.0	49,925	47.3	53,351	46.4
Port of Adria-Bar	9,265	10.2	8,528	8.1	7,883	6.9
Total commercial revenue	**63,704**	**70.2**	**58,453**	**55.4**	**61,234**	**53.3**
Total revenue	**90,684**	**100.0**	**105,481**	**100.0**	**114,869**	**100.0**
Revenue by type:						
Container revenue[2]	39,064	43.1	37,967	36.0	39,529	34.3
Port service revenue[3]	21,031	23.2	19,637	18.6	14,458	12.6
Cargo revenue[4]	12,322	13.6	10,790	10.2	13,452	11.7
Landing fees[5]	9,855	10.9	27,334	25.9	31,148	27.1
Rental income[6]	5,297	5.8	6,455	6.1	13,544	11.8
Income from duty free[7]	1,418	1.6	1,319	1.3	1,068	0.9
Domestic water sales[8]	652	0.7	1,286	1.2	973	0.8
Other revenue[9]	1,045	1.2	693	0.7	697	0.6
Total	**90,684**	**100.0**	**105,481**	**100.0**	**114,869**	**100.0**

Notes:

(1) Represents the percentage to the total consolidated revenues of Global Ports Holding. See "*—Segment Reporting*".

(2) Container revenues comprise of services provided for container cargo handling including sea and land services, recognised on completion of service provided.

(3) Port service revenues comprise of services provided to ships and motorboats (pilotage, towage, tugboat rents, etc.) recognised on completion of service provided.

(4) Cargo revenues comprise of services provided for general and bulk cargo handling including sea and land services, recognised on completion of service provided.

(5) Landing fees comprise of services provided to cruise ships including passenger landing, luggage handling, security fees, etc. recognised on completion of service provided.

(6) Rental income comprises rental income from marina and shopping centres. Rental income is recognised in profit or loss on a straight line basis over the term of the lease.

(7) Rent income from duty free is recognised in profit or loss on a straight line basis over the term of duty-free stores.

(8) Water sales provided to ships recognised on completion of service provided.

(9) Other revenues are presented in profit or loss on completion of service provided.

Years Ended 31 December 2015 and 2016

The Group's revenue increased by US$9.4 million, or 8.9%, from US$105.5 million in 2015 to US$114.9 million in 2016. This increase was mainly attributable to US$11.8 million of additional revenue derived from the full-year consolidation of Valletta Cruise Port in 2016.

Cruise port revenue

Cruise port revenue increased by US$6.6 million, or 14.0%, from US$47.0 million in 2015 to US$53.6 million in 2016. Overall, the Group's passenger numbers increased by 370,121, or 11.7%, from 3,176,885 passengers in 2015 to 3,547,006 passengers in 2016. The percentage increase of revenue was higher than the percentage increase in passenger numbers due to the increased proportion of turnaround passengers at Creuers, as discussed below. The full-year consolidation of Valletta Cruise Port in 2016 contributed US$11.8 million of revenue. The increase was also attributable to a US$2.4 million increase in revenue from Creuers, reflecting the increase of cruise passengers at Creuers due to two visits of "Oasis" class cruise ships at the Barcelona Port and the shift of cruise traffic from East Mediterranean to West Mediterranean due to the political situation in Turkey, which resulted in a 67% decrease in cruise passengers at all Turkish ports between 2015 and 2016, based on cruise passengers statistics for the year 2016 from Maritime Trade General Directorate of the Republic of Turkey Ministry of Transport, Maritime and Communications. The Group's increase in revenue in 2016 was partially offset by a US$5.6 million, or 32.4%, decrease in revenue from Ege Ports-Kuşadası, reflecting lower cruise passenger numbers, with similar reductions at the Group's other Turkish ports.

Ship calls at Creuers increased by 39, or 5.2%, to a total of 796 calls during 2016, as compared to 757 calls during 2015. The number of passengers increased by 79,000, or 3.6%, from 2,197,000 passengers in 2015 to 2,276,000 passengers in 2016. Creuers' revenue increased by US$2.4 million, or 9.7%, from US$24.7 million in 2015 to US$27.1 million in 2016, which was mainly attributable to higher passenger numbers due to the shift of cruise traffic from East Mediterranean to West Mediterranean, "Oasis" class cruise ships visiting the Barcelona Port and a shift from transit to turnaround passengers at both Barcelona Port and Málaga Port, with the proportion of turnaround passengers at Creuers increasing from 52.4% in 2015 to 56.6% in 2016.

Ship calls at Ege Ports-Kuşadası decreased by 235, or 45.8%, to a total of 278 calls during 2016, as compared to 513 calls during 2015. The number of passengers decreased by 232,000, or 36%, from 638,000 passengers in 2015 to 405,000 passengers in 2016. Revenue decreased by US$5.6 million, or 32.4%, from US$17.3 million in 2015 to US$11.7 million in 2016, which was mainly attributable to the decrease of cruise passengers at Ege Ports-Kuşadası due to concerns about the political situation in Turkey.

Ship calls at Valletta Cruise Port increased by ten, or 3.3%, to a total of 317 calls during 2016, as compared to 307 calls during 2015. The number of passengers increased by 15,000, or 2%, from 668,000 passengers in 2015 to 683,000 passengers in 2016, and the Group increased the per passenger fee charged by Valletta Cruise Port by €1.00 in 2016. Valletta Cruise Port was consolidated into the Group from 1 January 2016, and it contributed US$11.8 million to the Group's revenue in 2016.

Ship calls at the Group's other ports decreased by 81, or 54.7%, to a total of 67 calls during 2016, as compared to 148 calls during 2015. The number of passengers decreased by 159,000, or 46.5%, from 342,000 passengers in 2015 to 183,000 passengers in 2016. The revenue from these ports decreased by US$2.0 million, or 40.0%, from US$5.0 million in 2015 to US$3.0 million in 2016, which was mainly attributable to the decrease of cruise passengers at Bodrum Cruise Port and Port Akdeniz-Antalya due to concerns about the political situation in Turkey and the shift of cruise traffic from East Mediterranean to West Mediterranean.

The Group also derives retail revenues from shopping centres located at its cruise ports from both duty free and general sales. The Group's rental income increased by US$7.1 million, or 109.2%, from US$6.5 million in 2015 to US$13.5 million in 2016, mainly due to the full-year consolidation of Valletta Cruise Port in 2016. The Group's income from duty free decreased by US$0.2 million, or 15.4%, from US$1.3 million in 2015 to US$1.1 million in 2016, mainly due to a lower of income from duty free sales at Group's Turkish ports in parallel to the decrease in the number of passengers which was offset by an increase in income from duty free sales at Valletta.

At Creuers (Barcelona) the retail area is leased to a single agency which pays rent at a rate of €0.9 (US$1.0) per passenger using the terminal. A similar arrangement is in place at Cruceros (Málaga), where the lessor agency which pays rent at a rate of €0.9 (US$1.0) per passenger using the terminal as well as an average monthly rental of €5,000 (US$5,400). At Valletta Cruise Port, the construction of the retail area was completed at the beginning of 2016 and the Group received revenue from retail and advertising services. In 2016 revenue from travel shopping at Valletta Cruise Port amounted to €4.4 million (US$4.9 million), rental income amounted to €1.4 million (US$ 1.6 million), retail kiosk income amounted to €0.3 million (US$0.4 million) and revenue from parking fees amounted to €0.2 million (US$0.2 million). In 2016, retail revenues at Ege Ports-Kuşadası amounted to US$3.2 million. A similar agreement is in place in respect of Bodrum Cruise Port, where retail revenues amounted to US$0.7 million in 2016. In 2015, retail revenues at Ege Ports-Kuşadası amounted to US$3.3 million and retail revenues at Bodrum Cruise Port amounted to US$0.7 million.

The Group's landing fees increased by US$3.8 million or 13.9%, from US$27.3 million in 2015 to US$31.1 million in 2016, mainly due to the full-year consolidation of Valletta Cruise Port in 2016 and a shift from transit to turnaround passengers at Creuers. The Group's port services revenue decreased by US$5.1 million or 26.0%, from US$19.6 million in 2015 to US$14.5 million in 2016, mainly due to the decrease of ship calls at the Group's Turkish ports resulting in the decrease of revenue from pilotage and towage services.

Commercial port revenue

Commercial port revenue for the Group increased by US$2.7 million, or 4.6%, from US$58.5 million in 2015 to US$61.2 million in 2016. This increase was mainly attributable to higher revenue from project cargo, which increased from US$0.5 million in 2015 to US$3.8 million in 2016.

The revenue at Port Akdeniz-Antalya increased by US$3.4 million, or 6.8%, from US$50.0 million in 2015 to US$53.4 million, which was attributable to US$2.1 million of project cargo revenue in 2016 (representing an increase of US$1.9 million from US$0.2 million in 2015). The remainder of the increase in revenue was attributable to increases in the volumes of general and bulk cargo. Total container revenue for Port Akdeniz-Antalya remained steady from 2015 to 2016. The price per TEU for Port Akdeniz-Antalya increased by 13.0% from US$185.0 per TEU in 2015 to US$209.0 per TEU in 2016 due to additional fees for value added services, primarily re-weighing of containers in the port as required by new International Maritime Organization regulations. However, this price per TEU increase was offset by the 6,432 TEU, or 4%, decrease in the total number of containers handled at Port Akdeniz-Antalya to a total of 172,039 TEU in 2016, as compared to 178,471 TEU in 2015. The decrease in the total number of containers in 2016 was mainly due to a temporary investigation, from May 2016 till October 2016, launched by Chinese authorities in relation to marble imports, and due to the political situation in Turkey, in particular the coup attempt in July 2016. Such decrease in the total number of containers in 2016 was despite a recovery in levels of marble exports to China in the first and fourth quarters of 2016, following a 13% decrease of Turkey's marble exports to China in 2015.

General and bulk cargo volumes at Port Akdeniz-Antalya increased by 20.4% or 223,555 tonnes, between the two years. The increase in general and bulk cargo volumes was mainly due to an increase in the volumes of cement and the volumes of coal, used as energy input for cement producers. In addition, the increase in general and bulk cargo volumes was due to an increase in the import of woodchips (used to make particleboard) in 2016, compared to 2015 when the import of woodchips declined due to heavy imports of woodchips and accumulation of stocks in 2014. General cargo 'per ton handled' prices increased by 45%, or US$ 2.9, from US$ 6.3 in 2015 to US$ 9.2 in 2016 (including the effect of project cargo) and bulk cargo 'per ton handled' prices decreased by 4%, or US$0.2, from US$8.02 in 2015 to US$7.8 in 2016. The per unit price increases were primarily due to surcharge fees for additional services relating to the handling of environmentally sensitive material, as required by new regulations. Increased marketing activities at Port Akdeniz-Antalya resulted in the increase in project cargo and a new container line, COSCO Container Lines, making regular calls at Port Akdeniz-Antalya in 2016.

The revenue at Port Adria-Bar decreased by US$0.6 million, or 7.1%, from US$8.5 million in 2015 to US$7.9 million in 2016, which was mainly attributable to the steel factory in Serbia closing in early 2016 and reopening at the end of 2016 (as discussed above). This decrease was partially offset by a €1.5 million (US$1.6 million) revenue from project cargo at Port Adria-Bar in 2016. Port of Adria-Bar handled 41,830 TEU in 2016 compared to 39,050 TEU in 2015. The volume of general cargo passing through the Port of Adria-Bar was 82,183 tonnes with an average unit price of €29.5 (US$32.6) for 2016, as compared to 365,269 tonnes with an average unit price of €8.3 (US$9.2) for 2015.

Years Ended 31 December 2014 and 2015

The Group's revenue increased by US$14.8 million, or 16.3%, from US$90.7 million in 2014 to US$105.5 million in 2015, which reflected higher cruise revenue offset by a decrease in commercial revenue, as described below.

Cruise port revenue

Cruise port revenue increased by US$20.0 million, or 74.1%, from US$27.0 million in 2014 to US$47.0 million in 2015. This increase was mainly attributable to US$19 million of additional revenue derived from the full-year consolidation of Creuers in 2015, whereas the 2014 financial statements only included revenue for the last three months of 2014 (totalling US$5.6 million) after the acquisition of a majority stake in Creuers on 30 September 2014. Prior to 30 September 2014, Creuers was recognised as equity-accounted investee by the Group (see Part XIII *(Operating and Financial* Review—*Results of Operations—Share of profit of equity-accounted investees*)). The increase was also attributable to a US$1.0 million increase in revenue from Ege Ports-Kuşadası, reflecting a 3% increase in passenger numbers, tariff increases (contributing US$0.3 million) and additional tug boat revenue.

Ship calls at Creuers increased by 17 calls, or 2.3%, to a total of 757 calls during 2015, as compared to 740 calls during the year ended 31 December 2014 (in the three months ended 31 December 2014, the number of calls received at Creuers was 217, compared to 234 calls received at Creuers in the three months ended 31 December 2015). The number of passengers increased by 200,000, or 12.7%, from 1,579,000 passengers in 2014 to 1,779,000 passengers in 2015 (in the three months ended 31 December 2014, the number of passengers welcomed at Creuers was 513,000, compared to 573,000 passengers welcomed at Creuers in the three months ended 31 December 2015). Revenue increased by US$19.1 million, or 341.1%, from US$5.6 million in 2014 to US$24.7 million in 2015 which was attributable to the full-year consolidation of Creuers in 2015. The increases in the number of calls, the number of passengers and in revenue at Creuers in 2015 were due to additional ship deployments, including "Oasis" class cruise ships, resulting in the increase of passenger numbers in Europe from 6.4 million in 2014 and 6.6 million in 2015.

Ship calls at Ege Ports-Kuşadası increased by 55 calls, or 12%, to a total of 513 calls during 2015, as compared to 458 calls during 2014. The number of passengers increased by 15,000, or 2.4%, from 622,000 passengers in 2014 to 638,000 passengers in 2015. Revenue increased by US$0.9 million, or 5.5%, from US$16.4 million in 2014 to US$17.3 million in 2015, which was attributable to a 3% tariff increase (in respect of a regulation requiring ships with more than GRT 90,000 to have two tugboats and a pilot) and new landing fee for ships longer than 300 meters.

Ship calls at Valletta Cruise Port increased by 5 calls or 1.7%, to a total of 307 calls during 2015, as compared to 302 calls during 2014. The number of passengers increased by 151,000, or 29.2%, from 518,000 passengers in 2014 to 668,000 passengers in 2015. However, as the Group acquired its interest in Valletta in November 2015, this port did not contribute to the Group's 2014 or 2015 revenues.

Ship calls at the Group's other ports remained at the same level, being 147 calls during 2014 and 148 calls in 2015. The number of passengers increased by 43,000, or 14.4%, from 299,000 passengers in 2014 to 342,000 passengers in 2015, mainly due to the number of passengers at Bodrum Cruise Port. The relative increase in number of passengers compared to the number of calls is related to the change in marketing strategy driven in Bodrum, namely a shift from high-end low capacity cruise ships to medium level higher passenger capacity cruise ships. The revenue remained at the same level, being US$5.0 million in both 2014 and 2015.

The Group's rental income increased by US$1.2 million, or 22.6%, from US$5.3 million in 2014 to US$6.5 million in 2015, mainly due to the full-year consolidation of Creuers in 2015. The Group's income from duty free decreased by US$0.1, or 7.1%, from US$1.4 in 2014 to US$1.3 million in 2015, mainly due to a slight decrease in per passenger income from duty free sales at Bodrum Cruise Port, related to a shift in the passenger base from high to medium budget cruise lines.

The Group's landing fees increased by US$17.4 million or 175.8%, from US$9.9 million in 2014 to US$27.3 million in 2015, mainly due to the full-year consolidation of Creuers in 2015. The Group's port services revenue decreased by US$1.4 million or 6.7%, from US$21.0 million in 2014 to US$19.6 million in 2015, mainly due to a decrease in the services provided to navy ships. In 2014, Port Akdeniz welcomed 11 navy ships (one of which was an aircraft carrier of foreign nationality), while in 2015, Port Akdeniz only welcomed 6 Turkish navy ships, which received special discounts due to Turkish regulations.

Commercial port revenue

Commercial port revenue for the Group decreased by US$5.2 million, or 8.2%, from US$63.7 million in 2014 to US$58.5 million in 2015, of which US$4.5 million, or 7.1%, was attributable to lower volume at Port Akdeniz-Antalya. The volume decrease was most significantly due to a recession in the Chinese construction sector and accumulated marble stocks in China; which decreased Turkish marble exports to China. US$0.7 million of the decrease was attributable to Port of Adria-Bar, where the decrease was primarily due to the effect of currency translation.

Total container revenue remained at the same level for Port Akdeniz-Antalya. An increase in price per TEU for Port Akdeniz-Antalya from US$180.3 in 2014 to US$191.6 in 2015 resulted from a 6% increase in surcharge fees which increased revenues per TEU; revenues were further increased by increased imports of containerised cargo, particularly imports of PVC and furniture in Antalya. These increases were offset by a decrease in the total number of containers handled at Port Akdeniz-Antalya by 10,875 TEU, or 5.7%, to a total of 178,471 TEU in 2015, as compared to 189,346 TEU in 2014. The decline in container numbers was mainly caused by a recession in China's construction sector in 2014 and accumulated marble stocks in China, causing a decrease in Turkish marble exports to China by 13% in 2015 (*source*: *Turkish Statistical Institute*). Marble exports began to improve marginally from the third quarter of 2015 and the Group's efforts to diversify its cargo mix also helped offset lower marble exports. For instance, Port Akdeniz-Antalya handled 77 containers of furniture imports in 2014, and this number increased to 1,723 in 2015, which generated revenue of US$0.5 million and 1% increase in the commercial port revenue in 2015. The port also experienced higher imports from new customers, mainly for PVC.

General and bulk cargo volumes at Port Akdeniz-Antalya decreased by 33.4% or 549,211 tonnes between the two years. This was offset by general cargo 'per ton handled' prices increasing by US$0.44 and bulk cargo 'per ton handled' increasing by 18%, or US$1.21, from US$6.81 in 2014 to US$8.02 in 2015. The per unit price increases were primarily driven by the provision of additional services relating to the handling of environmentally sensitive material in compliance with new environmental regulations in 2015. The decrease in general and bulk cargo volumes was directly related to the decrease in cement volumes as cement producers and exporters in Turkey concentrated on the domestic market rather than foreign markets, and this led to management's decision to focus on higher margin container cargo. In addition, the decrease in general and bulk cargo volumes was attributable to a decrease in woodchip imports in 2015 due to heavy imports of woodchips and accumulation of stocks in 2014, and to a decrease in iron imports.

The Port of Adria-Bar handled a similar level of containers in 2014 and 2015 (39,050 TEU in 2015 compared to 39,186 TEU in 2014). The decrease in US Dollar based revenue, amounting to US$0.7 million, was directly related to the effect of currency translation as the Euro depreciated against the US Dollar. In Euro, revenue increased by €0.7 million from €6.9 million in 2014 to €7.6 million in 2015. The increase was mainly due to the volume increase in general cargo by 59% or 136,198 tonnes from 229,071 tonnes in 2014 to 365,269 tonnes in 2015 as a result of the operation of Serbian steel factory Hesteel Serbia Iron & Steel d.o.o. Beograd (formerly Železara Smederevo d.o.o.) in 2015. The 59% volume increased contributed only a 10% increase in revenue because general cargo carries a lower price than containerised cargo and contributes less to total revenues.

Cost of sales

Cost of sales primarily comprises amortisation of the port operation rights, personnel, depreciation of assets, subcontractor crane and insurance expenses, as well as commission fees to government authorities.

The Group's depreciation and amortisation expense relates to tangible assets such as property and equipment, but also to intangible assets and in particular port operation rights. The value of port operation rights reflects the difference between the net asset value of the port and the actual amount paid for the acquisition of the respective port, and recorded in functional currency of respective port. Such value of port operation rights is amortised on a straight line basis until the end of concession of the respective port. The total cost of port operation rights increased from US$358.9 million on 1 January 2014 to US$544.6 million on 31 December 2014, with US$187.0 million created from Creuers acquisition and US$1.0 million being deducted as currency translation differences. The accumulated amortisation of port operation rights increased from US$73.7 million on 1 January 2014 to US$94.6 million on 31 December 2014. The amortisation expense of port operation rights in 2014 was US$21.7 million and US$0.9 million was deducted as currency translation differences. The total cost of port operation rights increased from US$544.6 million on 1 January 2015 to US$581.9 million on 31 December 2015, with US$62.7 million created through acquisition accounting of Valletta Cruise Port and US$25.5 million being deducted as currency translation differences. The accumulated amortisation of port operation rights increased from US$94.6 million on 1 January 2015 to US$121.3 million on 31 December 2015. The amortisation expense of port operation rights in 2015 was US$28.7 million and US$2.0 million was deducted as currency translation differences. The total cost of port operation rights decreased from US$581.9 million on 1 January 2016 to US$573.0 million on 31 December 2016, with US$9.0 million being deducted as currency translation differences. The accumulated amortisation of port operation rights increased from US$121.3 million on 1 January 2016 to US$148.8 million on 31 December 2016. The amortisation expense of port operation rights in 2016 was US$29.9 million and US$2.5 million was deducted as currency translation differences.

The table below shows the Group's cost of sales by segment and by type for the periods indicated.

	For the year ended 31 December					
	2014		2015		2016	
	(Amounts in US$ '000)[(1)]	*(% of total)*	*(Amounts in US$ '000)*[(1)]	*(% of total)*	*(Amounts in US$ '000)*	*(% of total)*
Cruise:						
Creuers	5,614	10.0	20,142	30.0	20,699	28.7
Ege Ports-Kuşadası	4,332	7.7	4,610	6.9	4,078	5.7
Valletta Cruise Port	—	—	—	—	6,541	9.0
Other	4,093	7.3	4,014	6.0	3,053	4.2
Total cruise cost of sales	**14,039**	**24.9**	**28,766**	**42.8**	**34,371**	**46.3**
Commercial:						
Akdeniz-Antalya	33,731	60.0	32,015	47.6	32,139	44.6
Port of Adria-Bar	8,520	15.1	6,478	9.6	5,573	7.7
Total commercial cost of sales	**42,251**	**75.1**	**38,493**	**57.2**	**37,712**	**52.3**
Total cost of sales	**56,290**	**100.0%**	**67,259**	**100.0**	**72,083**	**100.0**
Cost of sales by type:						
Depreciation and amortisation expenses	29,852	53.0	36,459	54.2	37,575	52.8
Personnel expenses	12,936	23.0	13,414	19.9	13,789	19.4
Shopping mall expenses	345	0.6	358	4.0	3,360	1.9
Commission fees to government authorities and pilotage expense	1,201	2.1	2,370	1.2	3,204	0.9
Subcontractor crane and container service expenses	3,548	6.3	2,685	3.5	2,783	3.2
Security expenses	1,102	2.0	1,735	2.6	1,866	2.6
Repair and maintenance expense	1,038	1.8	1,676	2.5	1,716	2.4
Insurance expenses	713	1.3	966	1.1	1,102	0.8
Energy usage expenses	628	1.1	823	1.4	786	1.6
Fuel expenses	1,263	2.2	809	1.2	642	0.8
Fresh water expenses	285	0.5	752	0.8	601	0.3
Container transportation expenses	856	1.5	746	0.5	600	4.7
Waste removal expenses	320	0.6	333	0.5	215	0.3
Tugboat rent expenses	450	0.8	549	1.1	200	0.8
Port rental expenses	141	0.3	131	0.2	154	0.2
Expenses in relation to replacement provisions	526	0.9	1,853	2.8	1,939	2.7
Other expenses	1,086	1.9	1,600	2.4	1,551	2.1
Total	**56,290**	**100.0**	**67,259**	**100.0**	**72,083**	**100.0**

Years Ended 31 December 2015 and 2016

The Group's total cost of sales increased by US$4.8 million, or 7.0%, from US$67.3 million in 2015 to US$72.1 million in 2016. This increase was mostly due to the 2016 full-year consolidation of Valletta Cruise Port into the Group which added US$6.5 million to cost of sales in 2016. In particular, the consolidation of Valletta resulted in increased depreciation, amortisation, personnel and shopping mall expenses. Cost of sales as percentage of revenues decreased slightly from 63.8% in 2015 to 62.8% in 2016, mainly due to depreciation of the Turkish Lira against the US Dollar. Excluding the effect of the consolidation of Valletta Cruise Port, the total cost of sales decreased 2.5% to US$65.5 million, mostly due to decrease in expenses denominated in Turkish Lira as a result of depreciation of the Turkish Lira against the US Dollar, although the effect on cost of sales of the decrease in the number of containers handled was also subject to the devaluation of the Turkish Lira.

Although real wages at the Turkish ports increased approximately 6 to 8 per cent. in 2016, reflecting adjustments for inflation, the significant depreciation of the Turkish Lira reduced the personnel expenses in Turkey in US Dollar terms. Subcontractor crane and container service expenses at Port Akdeniz-Antalya also decreased as such expenses vary with the number of containers handled (the number of containers at Port Akdeniz-Antalya decreasing in 2016 compared to 2015).

Cruise port operations cost of sales

The total cost of sales of the cruise port operations increased 16% from US$28.8 million in 2015 to US$33.4 million in 2016 as a result of the full year consolidation of Valletta Cruise Port and higher costs at Creuers, offset by the decrease in costs at Ege Ports-Kuşadası.

The total cost of sales of Creuers increased 3% from US$20.1 million in 2015 to US$20.7 million in 2016 as the higher passenger traffic resulted in an increase in variable costs, including for outsourced luggage handling services and security, at the port.

The total cost of sales of Ege Ports-Kuşadası decreased by 10.9% from US$4.6 million in 2015 to US$4.1 million in 2016 as a result of the depreciation of the Turkish Lira against the US Dollar reducing the Turkish Lira-denominated fixed costs, which make up approximately 60% of total costs at Ege Ports-Kuşadası. Variable costs decreased due to the decrease of cruise passengers at Ege Ports-Kuşadası.

The total cost of sales of Valletta Cruise Port was US$6.5 million in 2016.

The total cost of sales of the Group's other ports decreased by 22.5% from US$4.0 million in 2015 to US$3.1 million in 2016, primarily as a result of the depreciation of the Turkish Lira against the US Dollar.

Commercial port operations cost of sales

The total cost of sales of the commercial port operations decreased 2.1% from US$38.5 million to US$37.7 million in 2016, primarily as a result of the depreciation of the Turkish Lira against the US Dollar, the decrease in variable costs for subcontracted services at Port Akdeniz-Antalya and the decrease of personnel costs at Port of Adria-Bar.

The cost of sales of Port Akdeniz-Antalya remained steady at US$32.0 million in 2015 and US$32.1 million in 2016. The decrease in Turkish Lira based expenses and variable costs (based on number of containers) for subcontracted services was partially offset by a 15% increase in subcontractor expenses due to an increase in bulk cargo operations.

The cost of sales of the Port of Adria-Bar decreased 13.8% from US$6.5 million in 2015 to US$5.6 million in 2016 as a result of a decrease of personnel costs resulting from efficiency measures taken at Port of Adria-Bar.

Years Ended 31 December 2014 and 2015

The Group's total cost of sales increased by US$11.0 million, or 19.5%, from US$56.3 million in 2014 to US$67.3 million in 2015. This increase was mostly due to full-year consolidation in 2015 of the 2014 acquisition of Creuers. This consolidation resulted in significant increases in amortisation expenses, depreciation expenses, personnel expenses and subcontractor expenses. Costs of sales as percentage of revenues increased slightly from 62.1% in 2014 to 63.8% in 2015, mainly due to the costs of integrating Creuers. It also reflected the lower margin of Creuers to the Group's Turkish ports (where tariffs are less regulated and port services provided), given Creuers' regulated tariffs and its Euro-denominated cost base.

The significant increase from 2014 to 2015 in depreciation and amortisation expenses resulted primarily from the full-year consolidation of Creuers in 2015, as Creuers added annual operating depreciation of approximately $8.0 million. The consolidation of Creuers also increased commission fees to government entities in 2015, which include yearly concession payments of Creuers, as well as increasing personnel costs. However, the increase in personnel costs was partially offset by decreases in the wages at the Group's Turkish ports, which represented approximately 45% of the Group's total personnel costs in 2015. Although real wages at the Turkish ports increased approximately 7% in 2015, reflecting adjustments for inflation, the significant devaluation of the Turkish Lira reduced the personnel expenses in Turkey in US Dollar terms. Subcontractor crane and container services expenses are invoiced in Turkish Lira and the reduction in this line item in 2015 was primarily a result of the Turkish Lira's devaluation.

Cruise port operations cost of sales

The total cost of sales of the cruise port operations increased 105.7% from US$14.0 million in 2014 to US$28.8 million in 2015 primarily as a result of the consolidation of Creuers into the Group's full year 2015 financial statements.

The total cost of sales of Creuers increased 259% (nearly threefold) from US$5.6 million in 2014 to US$20.1 million in 2015 principally as a result of the acquisition of the additional stake in Creuers on 30 September 2014 and its consolidation into the full year 2015 financial statements.

The total cost of sales of Ege Ports-Kuşadası increased 7% from US$4.3 million in 2014 to US$4.6 million in 2015, principally as a result of increases in personnel expenses and tug boat rentals related to new regulation coming into force in the middle of 2014, representing an increase of US$0.3 million of the cost of sales of Ege Ports-Kuşadası in 2015 compared to 2014, while the depreciation of the Turkish Lira against the US Dollar partially offset the increase.

The total cost of sales of the Group's other ports decreased 2% from US$4.09 million in 2014 to US$4.01 million in 2015. The main reason for the decrease was the depreciation of the Turkish Lira against the US Dollar.

Commercial port operations cost of sales

The total cost of sales of the commercial port operations decreased 9% from US$42.3 million in 2014 to US$38.5 million in 2015, principally as a result of decline in commercial port volumes.

The cost of sales of Port Akdeniz-Antalya decreased 5.3% from US$33.8 million in 2014 to US$32.0 million in 2015, principally as a result of decline in both cargo and container volumes (related to variable based outsourcing expenses), as well as a decrease in Turkish personnel expenses (incurred in the Turkish Lira but reported in US Dollars), due to the depreciation of the Turkish Lira against the US Dollar. The translation effect resulting from the depreciation of the Turkish Lira was partially offset by an inflation adjustment to wage rates.

The cost of sales of the Port of Adria-Bar decreased 23.5% from US$8.5 million in 2014 to US$6.5 million in 2015, mainly as a result of a decrease in costs of sales per TEU related to the modernisation of machinery and operational efficiencies (see Part X *(The Business—Port of Adria-Bar—Investments in Port of Adria-Bar)*), as well as the effect of the Euro depreciating against the US Dollar.

Gross Profit

The Group's gross profit for the year ended 31 December 2016 was US$42.8 million, representing an increase of US$4.6 million, or 12%, from US$38.2 million for the year ended 31 December 2015, principally due to the factors discussed above.

The Group's gross profit for the year ended 31 December 2015 was US$38.2 million, representing an increase of US$3.8 million, or 11%, from US$34.4 million for the year ended 31 December 2014, principally due to the factors discussed above.

Gain on bargain purchase

Where the purchase price for an acquisition is less than the fair value of the net assets purchased, the difference is recognised as a gain on bargain purchase

	For the year ended 31 December					
	2014		2015		2016	
	(Amounts in US$ '000)	*(% of total)*	*(Amounts in US$ '000)*	*(% of total)*	*(Amounts in US$ '000)*	*(% of total)*
Gain on bargain purchase	5,733	100	5,190	100	—	—

The Group recorded no gain on bargain purchase in 2016, as compared to US$5.2 million of gain on bargain purchase in 2015 as the consideration transferred for the acquisition of Ravenna, Cagliari, and Catania together with the proportionate share of non-controlling interest exceeded the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed resulting in a goodwill of US$2.1 million. For further information see Note 6(c) of Part XX (*Historical Financial Information*).

The Group recorded US$5.2 million of gain on bargain purchase in 2015, as compared to US$5.7 million of gain on bargain purchase in 2014, representing a decrease of US$0.5 million between the two years. The acquisition of additional 13% of BPI's interest resulted in a bargain gain of US$5.7 million which was accounted for as gain on bargain purchase for the year ended 31 December 2014. The acquisition of Valletta Cruise Port's interest resulted in bargain gain of US$5.2 million for the year ended 31 December 2015.

Selling and marketing expenses

Selling and marketing expenses include personnel costs and other expenses related to sales and marketing, including advertising and promotion, consultancy and travel expenses.

	For the year ended 31 December					
	2014		2015		2016	
	(Amounts in US$ '000)	*(% of total)*[2]	*(Amounts in US$ '000)*	*(% of total)*[2]	*(Amounts in US$ '000)*	*(% of total)*
Advertising and promotion expense	178	37.8	154	48.4	562	69.6
Personnel expenses	—	—	124	39.0	180	22.3
Travelling expenses	10	2.1	7	2.2	48	5.9
Representation expenses	24	5.1	28	8.8	13	1.6
Commission expenses	241	51.2	—	—	—	—
Other	17	3.6	4	1.6	5	0.6
Total	**470**	**100.0**	**317**	**100.0**	**808**	**100.0**

In 2016, selling and marketing expenses were US$0.8 million, compared to US$0.3 million in 2015. The increase was mainly driven by increased selling and marketing expenses resulting from the full integration of Valletta Cruise Port, representing US$0.5 million, including marketing costs incurred prior to the integration, and additional marketing personnel at the port. In addition to its cruise operations, a portion of Valletta Cruise Port may be booked for private events and the higher advertising and promotion expenses primarily related to the marketing of this facility. Representation expenses decreased due to fewer Group attendees at trade fairs in line with a revised marketing approach. Travelling expenses increased mainly due to travel in connection with the integration of Valletta Cruise Port, the increase in the Group's port acquisitions and implementation of the Group's expansion strategy.

In 2015, selling and marketing expenses were US$0.3 million, compared to US$0.5 million in 2014. The decrease in selling and marketing expenses was mainly related to special promotional materials created and expensed in 2014, which the Group has continued to use in 2015. A reorganisation made in 2015 at Port of Adria-Bar shifted some personnel expenses under general and administrative expenses to selling and marketing expenses. Commission expenses incurred in 2014 resulted from to the shift of calls by a cruise company, Norwegian Cruise Lines ("**NCL**"), from İzmir Port to Ege Ports-Kuşadası. As short notice was given to passengers of the shift from İzmir Port to Ege Ports-Kuşadası, in advance of the 2014 season, the Group agreed to a one-time commission payment to NCL, to contribute to any compensation or cancellation costs incurred by NCL.

Administrative expenses

Administrative expenses include personnel costs, consultancy expenses, depreciation and amortisation, communication, office operating and other expenses.

	For the year ended 31 December					
	2014		2015		2016	
	(Amounts in US$ '000)	*(% of total)*	*(Amounts in US$ '000)*	*(% of total)*	*(Amounts in US$ '000)*	*(% of total)*
Personnel expenses	5,065	47.0	4,877	43.2	5,591	34.5
Depreciation and amortisation expenses	886	(11.9)	1,725	14.4	2,981	17.8
Consultancy expenses	1,281	8.2	1,630	15.3	2,879	18.4
Legal Fees	184	10.3	458	6.4	882	4.5
Taxes other than on income	1,105	1.7	725	4.1	732	5.4
Travelling expenses	294	2.7	296	2.6	687	4.2
Allowance for doubtful receivables	740	2.5	(103)	1.8	680	1.6
IT expenses	270	1.4	206	1.1	260	1.0
Communication expenses	135	1.3	218	1.9	252	1.6
Vehicle expenses	155	0.8	126	0.7	154	0.7
Stationery expenses	81	0.7	80	0.5	115	0.6
Office operating expenses	70	0.6	60	0.6	92	0.3
Rent expenses	13	0.1	13	0.1	70	0.4
Repair and maintenance expenses	62	6.9	71	0.9	50	4.2
Other expenses	426	4.0	918	8.1	779	4.8
Total	**10,767**	**100.0**	**11,300**	**100.0**	**16,204**	**100.0**

In 2016, administrative expenses were US$16.2 million, as compared to US$11.3 million in 2015, representing an increase of US$4.9 million, or 43.4%, between the two periods. Of the 43% increase, 10% of this increase was primarily related to increased consultancy expenses in connection with the introduction of a new operating model, including the preparation of GPH Codes and Policies Book, as well as consultancy expenses arising from legal and tax advice obtained in connection with the integration of newly acquired ports. The consolidation of Valletta Cruise Port into the Group's full year 2016 financials resulted in a US$1.8 million represented 16% of the 43% increase in administrative expenses. Legal fees (including accommodation expenses) and travelling expenses also increased due to expenses associated with the increase in the Group's port portfolio and the Group's expansion strategy, accounting for an addition 3.5% of the 43% increase. Personnel expenses increased due to a provision for claims in connection with the payment of past wages at the Port of Adria-Bar, representing an 6.3% incremental effect, with respect to the overall 43% increase. Allowance for doubtful receivables also resulted in a further 6.9% of the 43% increase, as a result of a provision for non-payment of rent by the retail company operating the duty free concession at Barcelona Port. The Group is currently in discussions with the retail company regarding the restructuring of its debt and future rental payments.

In 2015, administrative expenses were US$11.3 million, as compared to US$10.8 million in 2014, representing an increase of US$0.5 million, or 4.6%, between the two years. The increase was primarily related to an increase in consultancy expenses arising from legal and tax advice obtained in connection with the integration of newly acquired ports, increased reporting requirements with the inorganic growth and representation expenses (mainly driven from new business development processes). Communications expenses also increased in parallel to the increase in the Group's portfolio, as did expenses attributable to administrative personnel supporting headquarters and newly integrated ports. Also in 2015 the Port of Adria-Bar reversed provision in allowances for doubtful receivables, upon receipt of payment.

Other expenses

Other expenses include provision expenses as well as impairment losses, charitable donations, VAT receivable allowances and other expenses incurred outside the ordinary course of business.

	For the year ended 31 December					
	2014		2015		2016	
	(Amounts in US$ '000)	*(% of total)*	*(Amounts in US$ '000)*	*(% of total)*	*(Amounts in US$ '000)*	*(% of total)*
Project expenses[(1)]	5,128	81.6	6,607	84.3	2,686	48.8
Concession fee expenses	598	9.5	499	6.4	497	9.0
Provisions	—	—	—	—	207	3.8
Other	559	8.9	733	9.4	2,118	38.4
Total	**6,285**	**100.0**	**7,839**	**100.0**	**5,508**	**100.0**

Notes:

(1) Project expenses primarily relate to expenses incurred in new acquisition projects and Group's financing .

The Group recorded US$5.5 million of other expenses in 2016, as compared to US$7.8 million in 2015, representing a decrease of US$2.3 million, or 29.5%, between the two periods. The decrease was mainly due to lower project expenses as the project expenses in connection with the acquisition of Valletta Cruise Port at the end 2015 were higher than the project expenses in connection with the acquisitions of the Italian cruise ports at the end of 2016. The Group took advantage of a "tax amnesty" programme in Turkey, which offered discounted tax rates in an effort to generally encourage the payment of taxes within the country, to receive a discounted rate on the Group's payment of tax in Turkey.

The Group recorded US$7.8 million of other expenses in 2015, as compared to US$6.3 million in 2014, representing an increase of US$1.5 million, or 23.8%, between the two periods. The increase was mainly due to an increase in project expenses in 2015 as a result of the increased number of projects under the Group's acquisition strategy.

Segmental EBITDA

Segmental EBITDA of represents earnings before interest, tax, depreciation and amortisation excluding the effects of exceptional and other non-cash income and expenses comprising of project expenses, bargain purchase gains and reserves, board member leaving fees, employee termination payments, unallocated expenses (which include headquarter's costs and operational expenses), finance income, finance costs, and including the Group's share of profit of equity-accounted investees which is fully integrated into GPH cruise port network ("**Adjusted EBITDA**" or "**Segmental EBITDA**").

Segmental EBITDA is a supplemental performance measure that has not been prepared in accordance with IFRS and prospective investors should not consider it as an alternative to the applicable IFRS measure. See Part III (*Presentation of Information—Non-IFRS Financial Measures—Segmental EBITDA*) for a reconciliation of Segmental EBITDA to total profit before income tax.

The table below sets out information relating to the Group's Segmental EBITDA:

	For the year ended 31 December					
	2014		2015		2016	
	(Amounts in US$ '000)[1]	*(% of total)*	*(Amounts in US$ '000)*[1]	*(% of total)*	*(Amounts in US$ '000)*	*(% of total)*
Creuers	4,775	7.7	16,187	21.8	18,032	22.3
Ege Ports-Kuşadası	12,754	20.6	14,189	19.1	8,976	11.1
Valletta Cruise Port	—	—	—	—	5,859	7.2
Other	2,853	4.6	4,051	5.5	4,050	5.0
Cruise Segmental EBITDA	**20,382**	**32.9**	**34,427**	**46.4**	**36,917**	**45.6**
Akdeniz-Antalya	38,926	62.9	37,459	50.5	41,288	51.0
Port of Adria-Bar	2,618	4.2	2,246	3.0	2,728	3.4
Commercial Segmental EBITDA	41,544	67.1	39,705	53.6	44,016	54.4
Segmental EBITDA	**61,926**	**100.0**	**74,132**	**100.0**	**80,933**	**100.0**

Years Ended 31 December 2015 and 2016

The Group's Segmental EBITDA for the year ended 31 December 2016 was US$80.9 million, representing an increase of US$6.8 million, or 9.2%, from US$74.1 million for the year ended 31 December 2015. This increase was primarily attributable to the effects of the consolidation of Valletta Cruise Port into the Group's full year 2016 financials and the depreciation of the Turkish Lira against the US Dollar. The higher Segmental EBITDA was also attributable to a US$1.5 million increase in Segmental EBITDA from equity accounted investments (Venice Cruise Port, Lisbon Cruise Port and Singapore Port), increases in cruise revenue at Creuers and commercial revenue at Port Akdeniz-Antalya, which were partially offset by a decrease in cruise revenue from the Group's Turkish ports due to the political situation in Turkey.

Cruise Segmental EBITDA

The Segmental EBITDA of the Group's cruise port operations increased by US$2.5 million, or 4.9%, from US$34.4 million in 2015 to US$36.9 million in 2016 as a result of the consolidation of Valletta Cruise Port into the Group's full year 2016 financials.

The Segmental EBITDA of Creuers increased by US$1.8 million, or 11.1%, from US$16.2 million in 2015 to US$18.0 million in 2016 as a result of an increase in the number of passengers, and streamlining of operations at, Creuers (Barcelona) and Cruceros (Málaga). Operational enhancements included centralising certain employees in Creuers (Barcelona) and terminating certain consultancy services.

The Segmental EBITDA of Ege Ports-Kuşadası decreased by US$5.2 million, or 36.6%, from US$14.2 million in 2015 to US$9.0 million in 2016 as a result of revenue decreasing by US$5.6 million due to lower passenger traffic in Turkey.

The Segmental EBITDA of the Group's other ports remained steady at US$4.1 million in 2015 and 2016. Although revenue decreased by US$2.0 million in 2016 as a result of the decrease of cruise passengers at Bodrum Cruise Port and Port Akdeniz-Antalya, this was fully offset by the contributions to Segmental EBITDA by equity—accounted investments (Venice Cruise Port, Lisbon Cruise Port and Singapore Port), which collectively contributed an additional US$1.5 million in Segmental EBITDA in 2016.

Commercial Segmental EBITDA

The Segmental EBITDA of the Group's commercial port operations increased by US$4.3 million, or 10.8%, from US$39.7 million in 2015 to US$44.0 million in 2016 as a result of higher revenue from increased project cargo, which generally has a margin of between 85% and 95%.

The Segmental EBITDA of Port Akdeniz-Antalya increased by US$3.8 million, or 10.1%, from US$37.5 million in 2015 to US$41.3 million in 2016 as a result of an increase in revenue from high-margin project cargo, as well as an increase in the average price per TEU from US$185 to US$209. Revenue from project cargo at Port Akdeniz-Antalya in 2016 was US$ 2.1 million.

The Segmental EBITDA of Port of Adria-Bar increased by US$0.5 million, or 22.7%, from US$2.2 million in 2015 to US$2.7 million in 2016 as a result an increase in revenue from high-margin project cargo, and decreased cost of sales as a result of efficiency measures taken at Port of Adria-Bar. Revenue from project cargo at Port of Adria-Bar in 2016 was US$1.7 million. The increase was partially offset by the closing of the Serbian steel factory from early 2016 through the end of 2016.

Years Ended 31 December 2014 and 2015

The Group's Segmental EBITDA for the year ended 31 December 2015 was US$74.1 million, an increase of US$12.2 million or 19.7% from US$61.9 million for the year ended 31 December 2014. The increase was driven chiefly by full year consolidation of Creuers in 2015, offset by the decrease in commercial port volumes at Port Akdeniz-Antalya, as described below.

Cruise Segmental EBITDA

The Segmental EBITDA of the Group's cruise port operations increased by US$14.0 million or 68.6% from US$20.4 million in 2014 to US$34.4 million in 2015 as a result of the consolidation of Creuers for the full year 2015, whereas the 2014 financial statements only include Creuers' Segmental EBITDA for the last three months of 2014.

The Segmental EBITDA of Creuers increased by US$11.4 million or 237.5% from US$4.8 million in 2014 to US$16.2 million in 2015 as a result of full consolidation of Creuers into the full year 2015 financial statements. The positive effect on Segmental EBITDA from Creuers was, however, reduced in US Dollar terms by the depreciation of the Euro against the US Dollar.

The Segmental EBITDA of Ege Ports-Kuşadası increased by US$1.4 million or 10.9% from US$12.8 million in 2014 to US$14.2 million in 2015 mainly as a result of the depreciation of the Turkish Lira against the US Dollar and the effective management of costs vis-à-vis an increase in passenger volume.

The Segmental EBITDA of the Group's other ports increased by US$1.2 million or 41.4% from US$2.9 million in 2014 to US$4.1 million in 2015 as a result of the Turkish Lira depreciation, and a strategy to increase passenger volume at Bodrum Cruise Port by targeting high passenger ships rather than the luxury, lower passenger ships which had made up a significant number of calls at the port.

Commercial Segmental EBITDA

The Segmental EBITDA of the Group's commercial port operations decreased by US$1.8 million or 4.3% from US$41.5 million in 2014 to US$39.7 million in 2015 due to the decrease in the volumes of cargo at Port Akdeniz-Antalya.

The Segmental EBITDA of Port Akdeniz-Antalya decreased by US$1.4 million or 3.6% from US$38.9 million in 2014 to US$37.5 million in 2015 as a result of a decrease in the volumes of containers and general cargo (cement and woodchips). This was partially offset by tariff increases.

The Segmental EBITDA of the Port of Adria-Bar decreased by US$0.4 million or 15.4% from US$2.6 million in 2014 to US$2.2 million in 2015 as a result of the depreciation of the Euro against the US Dollar. The reduction was partially offset by increased volumes of general cargo and the realisation of cost efficiencies at the Port of Adria-Bar since its acquisition in December 2013.

Operating Profit

The Group's operating profit in 2016 was US$20.7 million, a US$3.8 million or 15.5% decrease from US$24.5 million in 2015 as a result of the foregoing factors.

The Group's operating profit in 2015 increased by US$1.3 million or 5.6% from US$23.2 million in 2014 to US$24.5 million in 2015 as a result of the foregoing factors.

Net finance costs

Net finance costs comprise foreign exchange gain/loss, interest income/expense, dividend income commission incurred on letters of guarantee and gain/loss in the fair value of financial assets.

The Group incurred net finance costs of US$17.8 million in 2016, as compared to net finance costs of US$11.3 million in 2015, representing an increase of US$6.5 million, or 57.5%, between the two periods. The increase was primarily related to US$3.4 million currency translation expenses from Euro to US Dollar and from Turkish Lira to US Dollar, as well as €1.5 million (US$1.6 million) of additional interest expenses incurred in connection with the financing of the acquisition of Valletta and its consolidation into the Group's full year 2016 financials.

The Group incurred net finance costs of US$11.3 million in 2015, as compared to net finance costs of US$16.8 million in 2014, representing a decrease of US$5.5 million, or 32.8%, between the two years. The decrease is mainly related to the refinancing carried out by the Group in 2014. Total interest expense incurred in connection to the Group's existing borrowings decreased, in addition to one-off closing fees incurred in 2014, which was partially offset by the costs incurred in connection to the financing for the acquisition of the majority stake in Creuers in September 2014.

Share of profit of equity-accounted investees

For the year ended 31 December 2016 Venice Cruise Port, the Lisbon Cruise Port, Singapore Port and La Spezia Cruise Port were the equity-accounted investments of the Group. La Spezia Cruise Port was recognised as an equity-accounted investment in the Group's 2016 financial statements but did not generate any revenue for the Group in 2016. For the years ended 31 December 2014 and 2015, the Lisbon Cruise Port and Singapore Port were the equity-accounted investments of the Group, Creuers was recognised as an equity-accounted investment until the controlling interest was acquired at 30 September 2014.

	For the year ended 31 December		
	2014	**2015**	**2016**
	(Amounts in US$ '000)		
Venice Cruise Port (25%):			
Revenue	—	—	2,798
Expenses	—	—	(236)
Profit / (loss) and total comprehensive income for the year	—	—	2,562
Group's share of profit / (loss)	**—**	**—**	**640**
Lisbon Cruise Port (50%):			
Revenue	1,340	3,131	5,201
Expenses	(1,280)	(2,208)	(3,267)
Profit / (loss) and total comprehensive income for the year	60	923	1,934
Group's share of profit / (loss)	**30**	**462**	**967**
Singapore Port (40%):			
Revenue	7,088	8,285	10,351
Expenses	(7,673)	(7,762)	(8,822)
Profit / (loss) and total comprehensive income for the year	(585)	523	1,529
Group's share of profit / (loss)	**(234)**	**209**	**612**
Total of the Group's share of profit / (loss)	**(204)**	**671**	**2,219**

In 2016 Venice Cruise Port had revenue of US$2.8 million and profit of US$2.6 million. The Group's share of profit at Venice Cruise Port was US$0.6 million.

In 2016, revenue at Lisbon Cruise Port was US$5.2 million, as compared to revenue of US$3.1 million in 2015, representing an increase of US$2.1 million, or 66%, between the two periods. In 2015 revenue at Lisbon Cruise Port was US$3.1 million, as compared to revenue of US$1.3 million in 2014, representing an increase of US$1.8 million, or 134%, between the two periods. In 2016 the Group's share of profit at Lisbon Cruise Port was US$1.0 million, as compared to US$0.5 million in 2015, representing an increase of US$0.5 million between the two periods. In 2015 the Group's share of profit at Lisbon Cruise Port was US$0.5 million, as compared to US$0.03 million in 2014, representing an increase of US$0.47 million between the two periods. These increases in share of profit at Lisbon Cruise Port, as well as the increase in profit margin generated by Lisbon Cruise Port from 4.5% in 2014 to 37.2% in 2016, were due in part to the 2% increase in the number of passengers at Lisbon Cruise Port as well as a 10% tariff increase in 2015 and a further 20% tariff increase in 2016. The increases were also driven by increased revenue from ancillary services such as:

- advertising (which increased by US$80,000, from US$52,000 in 2015 to US$ 131,000 in 2016);
- water services (which increased by US$365,000, from US$44,000 in 2015 to US$ 409,000 in 2016);
- crane, forklift and conveyor services (which increased by US$340,000, from US$22,000 in 2015 to US$361,000 in 2016);
- revenue from rental of advertising spaces and equipment (which increased by US$108,000, from US$169,000 in 2015 to US$277,000 in 2016); and
- a tariff charged for the provision of out-of-hours berthing services to ships (which increased by US$192,000 from US$48,000 in 2015, to US$240,000 in 2016).

As such, despite a relatively modest increase in passengers, revenue per passenger tripled between 2014 and 2016.

In 2016, revenue at Marina Bay Cruise Terminal was US$10.4 million, as compared to revenue of US$8.3 million in 2015, representing an increase of US$2.1 million between the two periods. In 2015 revenue at Marina Bay Cruise Terminal was US$8.3 million, as compared to revenue of US$7.1 million in 2014, representing an increase of US$1.2 million between the two periods. In 2016, profit at Marina Bay Cruise Terminal was US$1.5 million, as compared to revenue of US$0.5 million in 2015, representing an increase of US$1.0 million between the two periods. In 2015 profit at Marina Bay Cruise Terminal was US$0.5 million, as compared to a loss profit of US$0.6 million in 2014, representing an increase of US$0.9 million between the two periods. In 2016 the Group's share of profit at Marina Bay Cruise Terminal was US$0.6 million, as compared to US$0.2 million in 2015, representing an increase of US$0.4 million between the two periods. In 2015 the Group's share of profit at Marina Bay Cruise Terminal was US$0.2 million, as compared to a share of loss of US$0.2 million in 2014, representing an increase of US$0.4 million between the two periods. These increases were mainly due to higher passenger numbers and operational enhancements introduced at the port.

In addition, a gain on bargain purchase of US$17.5 million from the acquisition of the additional stake in Creuers in September 2014, of which the Group's share of 49% is included in share of profit of equity-accounted investees in the income statement.

Income tax benefit / (expense)

In 2016, income tax expense was US$0.9 million, as compared to a tax benefit of US$2.5 million in 2015, representing an increase of US$3.4 million, between the two periods. The increase was primarily due to the effect of the tax benefit created in 2015 in connection with the decrease of the Spanish corporate tax rate from 30% in 2014 to 28% in 2015 and 25% in 2016 and adjustment of deferred tax provisions. Also, in 2016, a tax credit arose in BPI following a successful appeal to the Spanish tax authorities to eliminate the double domestic taxation arising from the Group's 2013 and 2014 acquisitions of interests in Creuers. Excluding the effect of this tax credit in 2015 and 2016, the total tax expense of Group increased from US$3.1 million in 2015 to US$4.0 million in 2016, which was in line with inorganic growth from 2015 to 2016.

In 2015, income tax benefit was US$2.5 million, as compared to a tax expense of US$2.0 million in 2014. The tax benefit created in 2015 mainly related to the decrease in the Spanish tax described above. Deferred tax liabilities were booked during the purchase of Creuers at the tax rate of 30%, and the reduction in rate created a tax benefit of US$5.6 million. Excluding the effect of this benefit, the total tax expense of Group increased from US$2.0 million in 2014 to US$3.1million in 2015, which was in line with inorganic growth from 2014 to 2015.

Profit for the year

Years Ended 31 December 2015 and 2016

The Group's profit for the year ended 31 December 2016 was US$4.3 million, a decrease of US$12.2 million, or 73.9%, from US$16.5 million for the year ended 31 December 2015. This decrease was partially attributable to the tax benefit created in 2015 in connection with the purchase of Creuers and the decrease of revenue at the Group's Turkish ports due to cruise passenger concerns about the political situation in Turkey. The decrease was partially offset by the increase of the revenue at Creuers and the consolidation of Valletta Cruise Port into the Group's full year 2016 financial statements.

Years Ended 31 December 2014 and 2015

The Group's profit for the year ended 31 December 2015 was US$16.5 million, a decrease of US$7.1 million, or 30.1%, from US$23.6 million for the year ended 31 December 2014. The decrease is mainly related to US$17.5 million bargain purchase gain booked during the acquisition of the additional stake in Creuers in September 2014. Excluding this adjustment, net profit increased by US$10.4million, or 172%, from 2014 to 2015, which was in line with the inorganic growth of the Group's business.

Other comprehensive income/ (loss) for the year, net of income tax

In 2016, the Group's other comprehensive loss for the year, net of income tax, was US$22.6 million, as compared to a loss of US$38.5 million in 2015, representing a decrease in loss of US$15.9 million, or 41.3%, between the two periods. This decrease was mainly driven by lower profit for the year 2016, which was partially offset by a higher foreign currency translation gain in 2016, in connection to the Group's investment hedging made in relation to the Group's financing (hedging foreign exchange losses of the US Dollar against the Turkish Lira), as set out in Note 22 of the Historical Financial Information.

In 2015, the Group's other comprehensive loss for the year, net of income tax, was US$38.5 million, as compared to a loss of US$16.1 million in 2014, representing an increase in loss of US$22.4 million, or 139.1%, between the two periods. The difference is mainly driven by investment hedging made in relation to the Group's financing, hedging foreign exchange losses of the US Dollar against the Turkish Lira, as well as translation reserves created from the Euro and the Turkish Lira depreciating against the US Dollar. The Group's interest rate hedge in connection with the loan used to acquire Creuers resulted in an incremental decrease on hedging reserves as a result of the decrease in 2015 in EURIBOR rates compared to 2014. Also actuarial gains/losses from benefit liabilities are reclassified under equity as other comprehensive income. For further information, see Note 25 of the Historical Financial Information.

Liquidity and Capital Resources

Historically, the Group's liquidity needs have arisen principally from the need to finance its acquisitions and any capital expenditures. In the periods under review, the Group has met most of its liquidity needs out of net cash generated from bank borrowings and operating activities. In general, the Group's cruise and commercial port customers pay tariffs approximately seven to ten days in advance, which GPH management believes assists the Group in managing its liquidity needs.

The Group has incurred long-term borrowings, amounting to US$299.0 million as of 31 December 2016, constituting 87.2% of total borrowings of US$342.7 million, primarily used to finance the Group's acquisitions.

The Group provides for its liquidity by seeking to maintain a sizeable balance in cash and cash equivalents, and by accessing global funding sources. For the mid-term outlook, the Group has estimated maintenance capital expenditure in the range of US$4m per annum. The Group's total acquisition pipeline, as set out in Part X *(The Business—The Group's Strategy—Continue cruise terminal platform expansion through targeted, disciplined acquisitions in selected strategic locations across the globe)*, is estimated to be between US$700 million and US$900 million.

Cash flows

The following table sets forth the Group's cash flows for the periods presented.

	For the year ended 31 December		
	2014	2015	2016
	(Amounts in US$ '000)		
Operating cash flow before changes in operating assets and liabilities	**50,489**	**60,604**	**65,210**
Changes in:			
- trade and other receivables	(2,952)	(4,111)	(2,059)
- other current assets	(5,820)	4,268	(1,205)
- related party receivables	10	46	3
- other non-current assets	(2,286)	(733)	3,189
- trade and other payables	1,578	(740)	776
- related party payables	33	279	(53)
- provisions	(4,970)	(741)	(1,524)
Cash generated by operations before benefit and tax payments	**36,082**	**58,872**	**64,337**
Employee benefits paid	(462)	(183)	(229)
Income taxes paid	(5,318)	(6,192)	(4,478)
Net cash generated from operating activities	**30,302**	**52,497**	**59,630**
Net cash (used in)/from investing activities	14,148	(36,668)	(16,250)
Net cash (used in)/from financing activities	(30,797)	22,976	(67,789)
Net)increase in cash and cash equivalents	13,653	38,805	(24,409)
Cash and cash equivalents at the end of the year	**44,640**	**73,044**	**38,356**

Cash flow from operating activities

In general, the Group's customers pay tariffs and fees in advance, which is a source of funding for the Group's working capital requirements. Cash flow from operating activities in 2016 was a net inflow of US$59.6 million, an increase of US$7.1 million, or 10.6%, from US$52.5 million of net inflow from operating activities in 2015. The increase reflected a US$4.6 million increase in operating cash flow before changes in operating assets and liabilities due to the increase in the Group's operations, mainly the increase in passenger numbers at the Group's Western Mediterranean ports and the acquisition of Valletta and its consolidation into the Group's full year 2016 financials. Other current assets decreased by US$1.7 million driven by a decrease in prepaid expenses at Port Adria-Bar (as a result of the decrease in the number of personnel), a decrease in VAT receivables and a decrease in prepaid taxes on Turkish subsidiaries, (driven by tax efficiency adjustments made in 2016).

Cash flow from operating activities in 2015 was a net inflow of US$52.5 million, an increase of US$22.2 million, or 73.3%, from US$30.3 million of net inflow from operating activities in 2014. The operating cash flow before changes in operating assets and liabilities increased by US$10.1 million, mainly driven by the addition of full year Creuers results to consolidation. A significant portion of increase in working capital balance in 2015 is related to the capitalization of the premium paid on the Eurobond issuance in 2014, causing other current assets to increase significantly in 2014, and offsetting the working capital balance compared to 2015.

Net cash generated from/used in investing activities

Net cash flows used in investing activities in 2016 were US$16.3 million, as compared to US$36.7 million used in investing activities in 2015, representing a decrease of US$20.4 million, or 55.6%, generated from investing activities between the two periods. The change was primarily due to the net cash flows used in the acquisition of Valletta Cruise Port in 2015 (US$25.0 million) as well as $4.8m equity investment into Lisbon Cruise Port, compared to the net cash flows used in the acquisitions of Italian cruise ports (approximately US$12 million), which were made entirely through equity finance. Net cash flows used in investing activities in 2015 were US$36.7 million, as compared to US$14.1 million of cash generated from investing activities in 2014. The change was primarily due to the acquisitions of subsidiaries in 2014 and 2015. The acquisition of BPI in 2014 resulted in a US$24.6 million cash inflow on the balance sheet (the acquisition of a majority stake in BPI, amounting US$4.1 million, resulted in full consolidation of Creuers' balance sheet items, which in turn had cash of US$29.4 million, as well as a minor negative working capital effect). The acquisition of Valletta Cruise Port in 2015 resulted in a cash outflow of US$25.0 million (due to lower working capital netted with cash balance, as the financing of the acquisition was in cash, then by project financing, resulting in a cash outflow in investing activities and a cash inflow in financing activities). Following the introduction of a new regulation in 2014, the Group purchased a tug boat for Ege Ports-Kuşadası, in addition to the normal capital expenditures, resulting in a cash outflow of €5.5 million (US$6.7 million) in 2014, offsetting the difference between the two years.

Net cash generated from/used in financing activities

Net cash flows used in financing activities in 2016 were US$67.8 million, as compared to cash inflows of US$23.0 million in 2015, representing a decrease of US$90.8 million, or 394.7%, between the two periods. This was mainly due to the US$57.3 million increase in share capital in 2015 in connection with EBRD's purchase of a 10.84% stake in Global Liman. In addition, dividends paid in 2016 were US$37.6 million, compared to US$23.3 million of dividends paid in 2015. The Group also had lower proceeds from borrowings in 2016 for the Italian Ports as compared to 2015 borrowings to fund the acquisition of Valletta Cruise Port.

Net cash flows from financing activities in 2015 were US$23.0 million, as compared to net cash flows used in financing activities of US$30.8 million in 2014. On 12 November 2015, the Company issued 8,054,299 new shares with a 1 TL par value which were purchased by EBRD for a consideration of US$57.3 million, resulting in the net cash flows difference between the two years. Cash generation is partially offset by payment of dividends. In November 2014 the Company issued a $250 million bond, and 2015 was the first full year of interest payments on this bond.

Change in cash and cash equivalents

The Group's net cash and cash equivalents decreased from US$73.0 million as of the end of 2015 to US$38.4 million as of the end of 2016, a decrease of 47.4%. This was primarily due to the capital increase in 2015, under which EBRD subscribed for 8,054,299 shares for a total of €53.4 million, and the negative impact of foreign currency translation effects of US$10.2 million.

The Group's net cash and cash equivalents increased from US$44.6 million as of 31 December 2014 to US$73.0 million as of 31 December 2015, an increase of 63.7%. This was primarily due to the capital increase in 2015, under which EBRD subscribed for 8,054,299 shares for a total of €53.4 million, after deducting investments and acquisitions made, and the negative impact of foreign currency translation effects of US$10.4 million.

Contractual obligations

The following tables detail the Group's remaining contractual maturity for its non-derivative and derivative financial liabilities with agreed repayment periods as of 31 December 2016. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the balance sheet date. The contractual maturity is based on the earliest date on which the Group may be required to pay:

	Payments due by period					
	Carrying value	**Total cash outflow due to contracts**	**0 to 3 months**	**3 to 12 months**	**1 to 5 years**	**More than 5 years**
	(Amounts in US$ '000)					
Banks loans	338,223	448,228	5,475	39,805	384,298	18,650
Finance lease liabilities	4,456	4,735	432	1,248	3,055	—
Other financial liabilities	2,664	2,883	—	143	1,105	1,635
Trade and other payables	11,134	11,134	2,076	9,058	—	—
Due to related parties	581	581	—	581	—	—
Interest rate swaps	1,131	1,252	—	315	833	104

Capital Expenditures

The table below sets forth the Group's capital expenditures and its maintenance capital expenditure as a percentage of revenue.

	For the year ended 31 December		
	2014	**2015**	**2016**
	(Amounts in US$ '000)		
Total capital expenditure	12,556	7,907	9,015
Maintenance capital expenditure as a % of revenue	5.1%	5.8%	4.4%

The Group has yearly maintenance capital expenditures of US$1.5 million yearly for maintaining the current status of Turkish ports, €1.0 million (US$1.2 million) for Port of Adria-Bar, €0.5 million (US$0.6 million) yearly for Creuers (Barcelona) and Cruceros (Málaga), €0.5 million (US$0.6 million) yearly for Valletta.

- *Creuers*. Creuers (Barcelona) has certain repair and maintenance obligations in accordance with the concession agreements discussed in Footnote 29 to the 2016 Historical Financial Information. In late 2014, Creuers (Barcelona) commenced an investment program on the construction of a new passenger boarding bridge and refurbishment and reorganisation of Terminal C, which was finalised in May 2015 at a total cost of €1.1 million financed from Creuers' internal cash flow. This investment program provided Creuers with capacity to receive new cruise ships above 160,000 GRT, such as RCCL's Voyage class Oasis of the Seas, at both Terminals B and C.
- *Port of Adria-Bar*. The Group had budgeted capital expenditures of €13.5 million (US$13.7 million) for Port of Adria-Bar through 2017, and €10.5 million of this amount has been incurred through the end of 2016. The expenditures mostly represent superstructure investments including investing in reefer warehousing capacity and renting a warehouse for bagging cement, equipment investment, to mobile harbour cranes, and reinforcing the quay to enable the port to handle up to 500 TEU of cargo pursuant to the terms of the concession agreement.
- *Lisbon Cruise Terminals*. The Group had budgeted capital expenditures of €22 million (US$23 million) for the Lisbon Cruise Terminals through 2017, and €10 million (US$10.5 million) of this amount has been incurred through the end of 2016. The expenditures mostly represent the construction of a new terminal.
- *Dubrovnik Cruise Port*.[7] The Group had budgeted capital expenditures of €60-70 million (US$65-75 million) for the Dubrovnik Cruise Port through 2017 and 2018, subject to the concession agreement being signed. The expenditures will mostly represent a new terminal, shopping complex, multi-storey parking lot and a bus terminal.

Currently, the Group does not have any other planned capital expenditure commitments, although it will incur capital expenditures in connection with any new acquisitions (see Part X*(The Business—The Group's Strategy—Continue cruise terminal platform expansion through targeted, disciplined acquisitions in selected strategic locations across the globe).* At its discretion, the Group may make capital expenditures from time to time that are not currently budgeted based on the needs of its operations. The Group's capital expenditures in the year ended 31 December 2016 amounted to US$9.0 million of these budgeted capital expenditures.

Off-Balance Sheet Transactions and Contingent Obligations and Liabilities

As of 31 December 2016, the Group has the following off-balance sheet liabilities:

	Amounts in US$ '000
Letters of guarantee:	
Given to seller for the call options on APVS shares(1)	5,138
Given to Privatisation Administration/Port Authority(1)	4,047
Given to Courts	64
Given to Electricity Distribution Companies	8
Others	520
Total	**9,777**
Operating Lease (as Lessee)	
Less than one year	1,506
Between one and five years	5,247
More than five years	72,109
Total	**78,862**
Operating Lease (as Lessor)	
Less than one year	4,327
Between one and five years	8,013
More than five years	5,592
Total	**17,932**

[7] The tender for Port of Gruž (Dubrovnik) was awarded to a GPH-controlled partnership in October 2015. In February 2016, a preliminary concession agreement was signed and the final concession agreement remains subject to negotiations with the relevant authority.

Notes:

(6) Venetto Sviluppo, the 51% shareholder of APVS, which in turn owns a 53% stake in Venezia Terminal Passegeri S.p.A (VTP), has a put option to sell its shares in APVS partially or completely (up to 51%) to Venezia Investimenti (VI); while this option can be exercised between 15th May 2017 and 15th November 2018. If VS exercises the put option completely, VI will own 99% of APVS and accordingly 71.51% of VTP. The Company has given a guarantee letter in for its portion of 25% in VI, which in turn has given the full amount of call option as guarantee letter to VS.

(7) Relates to a guarantee under the concession agreement for Port Akdeniz-Antalya, Ege Ports Kusadasi, Creuers del Port de Barcelona and Cruceros Málaga.

The Group's obligations under letters of guarantee increased from US$4.9 million in 2015 to US$9.8 million in 2016, an increase of US$4.9 million or 100.0%. The increase was primarily driven by a guarantee letter of US$5.1 million granted to VS in connection to the call option.

In the periods presented, the Group's main operating lease arrangements as lessee are the port rent agreement of Valletta Cruise Port until 2066, Port of Adria-Bar until 2043 and Bodrum Liman until 2019. The Group's main operating leases as lessor are a marina lease for Ortadoğu Antalya (until 2028) and various shopping centre rental agreements of Ege Liman and Bodrum Liman for up to 5 years.

Quantitative and Qualitative Disclosures about Market Risk

The most significant risks facing the Group are discussed below. For further details, please see Note 31 to part XX *(Historical Financial information)*.

Interest rate risk

The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest earning assets and interest-bearing liabilities mature or re-price at different times or in differing amounts. In the case of floating rate assets and liabilities the Group is also exposed to basis risk, which is the difference in re-pricing characteristics of the various floating rate indices, such as six months LIBOR and different types of interest. Risk management activities are aimed at optimizing net interest income, given market interest rate levels consistent with the Group's business strategies.

During the three year period ended 31 December 2016, the Group has not used derivative instruments to hedge interest rate risk.

The table below presents the interest rate profile of the Group's interest-bearing financial instruments as of the dates indicated:

	31 December		
	2014	**2015**	**2016**
	(Amounts in US$ '000)		
Fixed rate instruments			
Financial assets[1]:			
Cash and cash equivalents	25,947	33,328	30,308
Available for sale financial assets	15,073	16,907	14,602
Amounts due from related parties	47,137	38,070	31,433
Financial liabilities:			
Loans and borrowings	(262,067)	(261,023)	(267,094)
Other financial liabilities	—	(2,417)	(2,664)
Total	**(173,910)**	**(175,135)**	**(193,415)**
Effect of interest rate swap	(65,323)	(46,069)	(39,173)
	(239,233)	**(221,204)**	**(233,588)**
Floating rate instruments			
Financial liabilities—loans and borrowings	(74,794)	(90,126)	(75,586)
Effect of interest rate swap[2]	65,323	46,069	39,173
Total	**(9,471)**	**(44,057)**	**(36,413)**

Notes:

(1) Includes Global Investment Holding bonds with a fixed rate of 11% 6-month coupon payment. These were acquired at the end of 2012 and they have a maturity of 30 June 2017 with an annual nominal interest rate of 11% and a nominal amount of US$13.9 million as at 31 December 2016. The acquisition was made at a time when the Group had significant cash balances in excess of capital expenditure requirements.

(2) 75% of the loan to BPI has been hedged by entering into an interest rate swap requiring the Group to pay a fixed interest rate of 0.97 percent and receive Euribor until maturity of the loan (31 December 2023).

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and financial investments.

The Group's management has a credit risk policy in place to monitor the exposure to credit risk on an ongoing basis. The Group has the ability to receive collaterals for its financial assets. Furthermore, the Group obtains letters of guarantee or similar collaterals from third parties for specific agreements and projects, if necessary.

Regarding the credibility of the counterparty, letters of guarantee or advance payments are received as collaterals of trade receivables from port operations. Within the context of credit risk policies described in this paragraph, the Group does not have significant credit risk from port operations.

As of 31 December 2016, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivatives, in the consolidated balance sheet.

Liquidity risk

- Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.
- The Group has access to funding sources from banks and keeps a certain level of assets as cash and cash equivalents required for daily operations of the Group entities. The Group continuously assesses liquidity risk by identifying and monitoring changes in funding required in meeting business goals and targets set in terms of the overall Group strategy.
- Current and future loan needs of the Group are supplied by continuous accessibility of a sufficient number of high quality banks for major subsidiaries of the Group.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Market risk for all subsidiaries is monitored and managed by the Group's Treasury and Fund Management Department. This department uses forward transactions and option contracts to minimise possible losses from money market fluctuations.

Foreign currency risk

Currency risk is defined as the risk that the value of a financial obligation will fluctuate due to changes in foreign exchange rates. The Group is exposed to currency risk mainly through foreign currency denominated financial liabilities. However, the Group has limited exposure to currency risk arising from its US Dollar denominated financial liabilities due to a natural currency hedge. Although operational expense items are denominated in Turkish Lira, the functional currency of the Group's entities is the US Dollar. Thus the Group's exposure to currency risk arising from its US Dollar denominated financial liabilities is limited to the extent that port tariffs are also denominated in US Dollars, providing a natural currency hedge.

The Group has transactional currency exposures with respect to bank borrowings. As the currency in which the Group presents its consolidated financial statements is the US Dollars, the consolidated financial statements are affected by movements in relevant foreign currency exchange rates against the US Dollar. As of 31 December 2016, US$341.3 million, or 99.6%, of US$342.7 million total financial liabilities were denominated in foreign currencies, especially the US$.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities and the net foreign currency exposure of the Group as of 31 December 2016 were as follows:

US$ equivalent in thousands	US$ equivalents	U.S. dollar	Euro	TL
Total assets	58,641	17,323	22,175	63,137
Total liabilities	30,318	21,803	2,786	19,637
Net Foreign Currency Position	**28,323**	**(4,480)**	**19,389**	**43,500**

See also Note 31 to the 2016 Historical Financial Information, which includes a sensitivity analysis of the impact of a 10% strengthening or depreciation of the Turkish Lira against the US Dollar and the Euro.

Capital risk management

The Group seeks to provide superior returns to its shareholders, and ensure that it is not overly dependent upon short and medium term debt that might not be available at renewal. Maintaining the flexibility to invest for growth is a key capital management consideration. The Group manages its capital structure and reacts to changes in economic conditions by varying returns to shareholders, issuing new shares or increasing or reducing borrowings.

The Group is not exposed to any externally imposed capital requirements. The total capital structure of the Group consists of net loans and borrowings (offset by cash and cash equivalents) and equity of the Group (comprising share capital, share premium, legal reserves and retained earnings).

To maintain the financial strength to access new capital at reasonable cost. The Group monitors its net leverage ratio which is operating net loans and borrowings to Segmental EBITDA. The Group is also mindful of potential impacts on the key metrics employed by the credit rating agencies in considering increases to its borrowings. The Group is comfortably in compliance with its bank facility ratio covenants and these measures do not inhibit the Group's operations or its financing plans.

Basis of consolidation

The consolidated historical financial information incorporates the accounts of the Group and the enterprises controlled by it.

Subsidiaries

Subsidiaries are fully consolidated if the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The subsidiaries in which the Group owns a majority shareholding and/or effectively controls operations are as shown below:

	Effective ownership (%)		
	31 December		
	2014	2015	2016
Ege Liman	72.50	72.50	72.50
Ortadoğu Liman	100.00	100.00	100.00
Bodrum Liman	60.00	60.00	60.00
Port of Adria	63.79	63.79	63.79
Malaga Port	49.60	49.60	49.60
Creuers	62.00	62.00	62.00
BPI	62.00	62.00	62.00
Global Depolama	100.00	100.00	100.00
Global BV	—	100.00	100.00
VCP	—	55.60	55.60
Ravenna	—	—	53.67
Cagliari	—	—	70.89
Catania	—	—	62.21

Joint ventures

The Group classifies its interests in joint arrangements as either joint operations (if the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement) or joint ventures (if the Group has rights only to the net assets of an arrangement). When making this assessment, the Group considered the structure of the arrangements, the contractual terms of the arrangements and other facts and circumstances. The Group recognises its interest in a joint venture as an investment and accounts for that investment using the equity method.

The table below demonstrates the rates of the effective ownership and the voting power held in terms of percentages (%) as of 31 December 2014, 2015 and 2016, for all the joint ventures which are under the direct or indirect joint control of the Group and included in the scope of consolidation:

	Effective ownership (%)		
	31 December		
	2014	2015	2016
Lisbon Cruise Port	46.2	46.2	46.2
Marina Bay Cruise Terminal	24.8	24.8	24.8
Venezia Investimenti	—	—	25.0
La Spezia	—	—	28.5

	Voting power held (%)		
	31 December		
Entity	2014	2015	2016
Lisbon Cruise Port	50	50	50
Marina Bay Cruise Terminal	40	40	40
Venezia Investimenti	—	—	25
La Spezia	—	—	30

Criticial Accounting Policies

The Group's accounting policies are integral to understanding the financial condition and results of operations presented in the Historical Financial Information. In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgments, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated historical financial information:

Intangible assets

The Group's intangible assets recognised in a business combination primarily consist of the port operation rights.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets require a fair value exercise to be undertaken at initial recognition in order to allocate the purchase price (cost) to the fair value of the port operation rights. As a result of the nature fair value assessments, the valuation method and the purchase price allocation exercise requires subjective judgements based on a wide range of variables at a point in time. Management engage external specialists to perform these fair value assessments and use all available information to make the fair value determinations.

Judgement is applied by management to determine whether IFRIC 12 'Service Concession Arrangements' applies to port operating rights arising from a service concession arrangement. IFRIC 12 will be applied when there is an arrangement whereby a government or other public sector body contracts with a private operator to develop (or upgrade), operate and maintain the grantor's infrastructure assets, and the private operator charges users for a public services, and when specific conditions are met. The conditions include where the grantor (government or port authorities) controls or regulates what services the Group can provide with the infrastructure, to whom it must provide them to and at what price.

Business combinations

The acquisition of subsidiaries and businesses from third parties are accounted for using the acquisition method.

The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued be the group. Business combinations require a fair value exercise to be undertaken to allocate the purchase price (cost) to the fair value of the acquired identifiable assets, liabilities, contingent liabilities and goodwill. As a result of the nature fair value assessments, the valuation method and the purchase price allocation exercise requires subjective judgements based on a wide range of variables at a point in time. Management engage external specialists to perform these fair value assessments and use all available information to make the fair value determinations.

Allowances for recoverable amounts of cash generating units - goodwill

The Group identifies individual ports as cash-generating units to which goodwill is allocated. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. The Group makes judgements in considering whether the carrying amounts of these cash-generating units are recoverable.

Cash flow forecasts for each port are prepared up to the end of the port usage rights. Management assumes that the expected increase in the intensity of the port activity will increase operational profit. Cash flows used to calculate value-in-use are prepared in functional currencies. A discount rate (decided by management as the cost of equity) is used for discounting these future cash flows. The management perform sensitivity analysis tests on the cash flow forecasts using changes in the key assumptions, to understand the recoverability of goodwill and the feasibility of port operating rights under different cases.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Recognition of deferred tax assets: availability of future taxable profit against which carryforward tax losses can be used

The Group has statutory tax losses available for offsetting against future profits. Deferred tax assets have not been recognised in respect to a portion of these items since it is not probable that future taxable profits will be available and therefore utilized by the Group.

Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

There are pending lawsuits that have been filed against or by the Group. Management have performed an assessment of the possible outcomes of the lawsuits against the Group and the financial impact of these lawsuits at the end of each period. As a result of these assessments, the necessary provisions have been recognised for the potential expenses and liabilities that could be incurred by the Group.

Acquisition of subsidiary: fair value measurements

The fair value of the identifiable monetary assets are assessed to be equal to the carrying value and the fair value of non-monetary assets are determined either by revaluation reports provided by experts or cost.

The fair value of subsidiaries acquired has been determined by using the weighted average of the value based on the market approach and income approach methods prepared by an independent appraisal companies.

According to the income approach method, the enterprise value has been determined by using the discounted cash flow method for cash flows over a specified length of time in the future. The Company value has been determined based on the discounted cash flow method. As part of the valuation process, current and forecast port traffic, existing capacities and capacities which the Group is targeting to have after planned investment have been taken into consideration. Discounted cash flows have been calculated over the remaining period of projections incorporating any commitments of contract articles and planning restructuring operations. In the market approach method, the valuation methods which respect to relative valuation approach and comparable share trading transactions were used based upon Price/Sales and Firm Value standard rates of similar companies.

For further discussion of the Group's significant accounting policies, see Note 3 to the Historical Financial Information.

Adoption of new and revised IFRS standards

In the year ended 31 December 2016, the Group applied a number of amendments to IFRS issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2016. Their adoption has not had any material impact on the disclosures or on the amounts reported in this consolidated historical financial information. At the date of this historical financial information, the Group has not yet applied the following new and revised standards and amendments that have been issued as these are not yet effective and in some cases had not yet been adopted by the EU: IFRS 9 (*Financial Instruments),* IFRS 15 (*Revenue from Contracts with Customers) and* IFRS 16 (*Leases).*

Management's preliminary assessment of the impact of IFRS 9 is that it would not have a material impact on the Group's historical financial information. To date, given the nature of the Group's financial instruments held and/or issued, limited changes to the classification and measurement of financial instruments have been identified. The impact of the hedge accounting requirements of the standard, with certain exceptions, will be applied prospectively from 1 January 2018. Whilst the requirements for hedge accounting are simplified in IFRS 9, the Group does not expect to hedge account significantly more items. Further work will be conducted in 2017 to complete the outstanding reviews and update the assessment for new financial instruments entered into by the Group in 2017.

In relation to IFRS 15, management has commenced their assessment of how IFRS 15 will impact the recognition and disclosure of revenues from revenue arrangements. The work performed to date has identified that, for the majority of the Group's revenue, the application of IFRS 15 will have no impact on the current revenue recognition under IAS 18: 'Revenue'. The principal reason for this is that the Group is only entitled to invoice for services on completion and does not satisfy any of the conditions for recognising revenue over time. Further work is still required in 2017 to complete the reviews and confirm management's initial assessment.

Separately, management is still evaluating whether there will be changes to the amounts deferred on the balance sheet related to costs to obtain contracts under IFRS 15 when compared to the current treatment. Additionally as the business develop new service offerings, the IFRS 15 implications of these will also need to be reviewed. The necessary processes to capture all of the adjustments and additional disclosures required under IFRS 15 will be put into place during 2017.

The implementation of IFRS 16, which was issued in January 2016, is likely to have a significant impact on the Group's future consolidated historical financial information as all leases will be recognised on the balance sheet (with the exception of short-term and immaterial leases) and extensive disclosures will be required by IFRS 16. Initial assessments of the impact of the standard have commenced. The majority of the implementation work will take place in 2017 and therefore it has not been practicable at this stage to quantify the full effect it will have on the Group's consolidated historical financial information upon transition.

The Group's current commitments in respect of operating lease rentals payable, for which all of the underlying lease agreements are likely to be impacted by the implementation of this standard, are set out in Note 28 (d) of Part XX (*Historical Financial Information*). Total committed future operating lease rental payments were USD 78.9 million as at 31 December 2016. The Group is in the process of completing a detailed review of the impact of the aforementioned standards on the results and financial position. Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

Borrowings

The following table sets forth the Group's loans and finance lease obligations as of 31 December 2016.

Loans and borrowings type	Company name	Currency	Maturity	Interest type	Interest rate %	As at 31 December 2016 Principal (US$ 000's)	Carrying value (US$ 000's)
Loans used to finance investments and projects							
Unsecured Eurobonds	Global Liman	USD	2021	Fixed	8.13	250,000	252,600
Secured Loan	Creuers (Barcelona)	EUR	2023	Floating	Euribor + 4.00	37,603	36,644
Secured Loan	Creuers (Malaga)	EUR	2025	Floating	Euribor 3m + 1.75	6,376	6,307
Secured Loan	Valletta Cruise Port	EUR	2029	Floating	Euribor + 3.00	9,389	9,614
Secured Loan	Global BV	EUR	2020	Floating	Euribor + 4.60	20,609	20,546
Secured Loan	Cagliari Cruise Port	EUR	2026	Fixed	2.75	604	604
Secured Loan	Ortadoğu Liman	USD	2016	Fixed	4.40	125	125
Secured Loan	Port of Adria	EUR	2017	Fixed	5.00	796	796
Secured Loan	Port of Adria	EUR	2017	Fixed	8.20	135	135
						325,637	**327,371**
Loans used to finance working capital							
Unsecured Loan	Ege Liman	USD	2017	Fixed	4.50	2,000	2,000
Unsecured Loan	Ege Liman	TL	2017	Fixed	15.60	200	200
Unsecured Loan	Ege Liman	USD	2017	Fixed	4.50	875	875
Unsecured Loan	Ege Liman	USD	2017	Fixed	4.95	900	900
Unsecured Loan	Ege Liman	TL	2017	Fixed	15.60	55	55
Unsecured Loan	Ortadoğu Liman	USD	2017	Fixed	4.95	3,100	3,100
Unsecured Loan	Ortadoğu Liman	TL	2017	Fixed	13.00	375	377
Unsecured Loan	Bodrum Liman	TL	2017	Fixed	15.60	509	509
Unsecured Loan	Global Liman	TL	2017	Fixed	13.00	256	256
Secured Loan	Creuers (Barcelona)	EUR	2024	Floating	Euribor + 4.00	2,529	2,474
Secured Loan	Port of Adria	EUR	2017	Fixed	8.00	107	106
						10,906	**10,852**
Finance lease obligations							
Leasing	Ortadoğu Liman	USD	2020	Fixed	7.35	1,150	1,150
Leasing	Ortadoğu Liman	USD	2019	Fixed	7.35	231	231
Leasing	Ortadoğu Liman	USD	2018	Fixed	7.35	108	108
Leasing	Ortadoğu Liman	USD	2017	Fixed	7.35	96	96
Leasing	Ortadoğu Liman	USD	2019	Fixed	5.75	40	40
Leasing	Ortadoğu Liman	USD	2019	Fixed	7.35	19	19
Leasing	Ege Liman	EUR	2020	Fixed	7.75	2,236	2,236
Leasing	Ege Liman	USD	2020	Fixed	5.50	480	480
Leasing	Ege Liman	USD	2017	Fixed	6.50	26	26
Leasing	Ege Liman	USD	2018	Fixed	6.00	46	46
Leasing	Ege Liman	USD	2017	Fixed	5.75	10	10
Leasing	Ege Liman	USD	2017	Fixed	6.00	14	14
						4,456	**4,456**
						340,999	**342,679**

The following table sets forth the Group's outstanding indebtedness as of 31 December 2016:

	As of 31 December 2016
	(Amounts in US$ '000)
Short term financial liabilities:	
Short term portion of Eurobond issued	19,340
Short-term bank loans	9,068
– TL Loans	*1,397*
– Foreign currency loans	*7,671*
Short-term portion of long-term bank loans	13,710
– TL Loans	—
– Foreign currency loans	*13,710*
Finance lease obligations	1,541
Total	**43,659**
Long-term loans and borrowings:	
Long term portion of Eurobonds issued	233,260
Long-term bank loans	62,845
– TL Loans	—
– Foreign currency loans	*62,845*
Finance lease obligations	2,915
Total	**299,020**
Short & Long-term Total	**342,679**

The Group's borrowings decreased from US$351.1 million as at 31 December 2015 to US$342.7 million as at 31 December 2016 as a result of a decrease in the principal repayments during the year. GPH management believes that its current debt maturities are sufficiently long (5 years remaining for the bond, 7 years weighted average maturity for Barcelona acquisition financing), and does not currently intend to extend these debt maturities.

As of 31 December 2016, interest rates on bank loans of the Group is varied between 13% and 15.6% for TL-denominated borrowings, between EURIBOR+1.75% and EURIBOR+4.60% for EUR denominated floating borrowings, between 2.75% and 8.20% for EUR-denominated fixed borrowings and between 4.40% and 8.13% for US Dollar-denominated fixed borrowings.

As of the date of this Prospectus, the Company has not provided any guarantees except as disclosed in this Prospectus. As of the date of this Offer, except as disclosed in "*—Borrowings*", none of the Guarantors have provided any guarantees.

Financing of the acquisition of Creuers

In July 2013, Global Liman entered into a loan facility of US$11.2 million with an interest rate of LIBOR+5.35% from Garanti Bank. The facility's intended purpose was the purchase of a 23% interest in Creuers, which at that time was owned by Transmediterranea Company through BPI (a holding company created by Global Liman and RCCL for the acquisition of Creuers). In December 2013, the Group financed BPI's second share purchase of a 20% interest in Creuers, which at that time was owned by the BPA. The investment was financed by Global Liman with a loan facility of US$10.5 million granted by Garanti Bank, with an interest rate of Libor+5.6%. On 30 September 2014, BPI acquired the outstanding 57% interest in Creuers from Vapores Suardiaz (34%) and World Duty Free Group (23%), bringing Creuers wholly under the control of BPI. This final share purchase was financed by a consortium of four banks, Banco Bilbao Vizcaya Argentaria (BBVA), Banco Santander (Santander), Caixabank (Caixa), and Demir-Halk Bank (Nederland) (DHB). BPI borrowed €60.3 million from this consortium, at an interest rate of EURIBOR+4% RCCL of 100% of their shares in BPI and a first ranking pledge by BPI of 100% of its shares in Creuers (Barcelona). At the same time Global Liman purchased 13% of RCCL's shares in BPI, increasing its shareholding in BPI to 62% and giving Global Liman control of BPI. Global Liman's purchase of the 13% interest in BPI was funded by €4.1 million of its own working capital.

2014 Bond issuance

On 14 November 2014, Global Liman issued US$250 million aggregate principal amount of 8.125% Senior Unsecured Notes due 2021 (the "**Notes**"). The Notes bear interest at a rate of 8.125% per annum, which accrues from 14 November 2014 and will be payable semi-annually on 14 May and 14 November of each year, commencing on 14 May 2015. The Notes will mature on 14 November 2021. The proceeds of the issuance of the Notes, were used to repay in full all outstanding loans incurred in connection with the initial acquisition of the port operation rights for the Turkish ports and Port of Adria-Bar, investments and capital expenditures, as well as the buy back of 22.114% of the shares of Global Liman held by Savina Holding GmbH, a special purpose subsidiary of Venice Shipping and Logistic S.p.a, a strategic partner of VEI Capital for US$95.9 million on 24 December 2012, whilst the €56.4 million outstanding of the Barcelona Acquisition Financing was not repaid using the proceeds of the issuance of the Notes.

Financing of investments into Port Akdeniz-Antalya

In 2011, 2012, 2013 and 2014, Port Akdeniz-Antalya invested US$8.9 million, US$2.4 million, US$5.2 million and US$3.1 million, respectively, in Port Akdeniz-Antalya.

On 12 June 2014, Ortadoğu Liman entered into a finance lease agreement for a port tugboat with the interest rate of 7.35% maturing on 16 July 2020. On 27 June 2014, Ortadoğu Liman signed a finance lease agreement for a port forklift with the interest rate of 7.35% with the maturity of 16 August 2019.

On 1 July 2013, Port Akdeniz-Antalya assumed the rights and obligations of Bali Orman Ürünleri Gemi Acentalığı Liman Hizmetleri Lojistik Taşımacılık İnşaat Sanayi ve Ticaret Limited Şirketi under a 49 month financial leasing agreement with Burgan Finansal Kiralama A.Ş. dated 3 May 2013 with respect to the financial leasing of a forklift. Port Akdeniz-Antalya is obligated to pay the remaining principal amount of US$284,519 in equal instalments until 2 June 2017. Port Akdeniz-Antalya also obtained an option to purchase the forklift from Burgan Finansal Kiralama A.Ş. for US$0.2 million (including VAT) on or after 30 June 2017, provided certain conditions are satisfied.

Financing of investments into Cruceros Málaga

On 12 January 2010, Cruceros Málaga, S.A. entered into a loan agreement with Unicaja regarding a €9 million loan to finance the construction of the new terminal at Málaga Cruise Port. This loan had an 18-month grace period, it is linked to EURIBOR and has a term of 180 months from the agreement execution date, therefore the maturity date of the loan is on 12 January 2025. A mortgage has been taken out on the administrative concession agreement to guarantee repayment of the loan principal and accrued interest thereon.

Financing of investments into Valletta Cruise Port

On 16 November 2015 Global Ports Europe BV as borrower ("**Global BV**") and Global Liman as the joint and several guarantor entered into a loan agreement with Demir-Halk Bank (Nederland) N.V. ("**DHB**") regarding a €22 million loan to finance the capital expenditure at Valletta Cruise Port. The loan is for a period of 5 years starting from the credit utilisation date and the maturity date is on 16 November 2020. Principal and interest is paid twice, on May and November of each year. The applicable interest rate of the loan is linked to EURIBOR. The loan had a 12-month grace period, meaning that the first instalment payment was due at the end of the 12th month after the first credit utilisation date. As at the date of this Prospectus the principal amount to be repaid by the Group pursuant to the repayment schedule is €19,550,000. The liability of Global Liman in its capacity as joint and several guarantor is limited to €24.2 million. Global Liman has granted to DHB Bank a first ranking pledge over 100% of the share capital Global BV, pursuant to an Agreement and Deed of First Right of Pledge dated 25 November 2015 between Global Liman, DHB Bank and Global BV. See Part XVIII *(Additional Information—Financing Arrangements—Financing of investments into Valletta Cruise Port*).

Financing of investments into Lisbon Cruise Port

On 31 March 2016, LCT as borrower entered into a facility agreement for €14 million (maturing in 2030) with Banco Santander Totta and Caixa Geral de Depositos. The facility agreement is for a term of 14 years (from the credit utilisation date), with an applicable interest rate of EURIBOR + 2.5%, and the maturity date is 30 September 2030. The facility agreement has an 18-month grace period (the first instalment payment will be due 18 months after the first credit utilisation date). The liability of Global Liman in its capacity as joint guarantor is limited up to 40% of the secured obligations. As at the date of this Prospectus the principal amount to be repaid by the LCT pursuant to the repayment schedule is €14 million.

PART XIV—CAPITALISATION AND INDEBTEDNESS

The following tables set out the Group's capitalisation and indebtedness as at 31 December 2016, and 31 March 2017, respectively. The Group's consolidated capitalisation and indebtedness will be significantly impacted by the Global Offer and the use of proceeds therefrom. See Part VII (*Use of Proceeds*).

Capitalisation

The table below outlines Global Liman's capitalisation at 31 December 2016. The capitalisation figures have been extracted without material adjustment from the Historical Financial Information for Global Liman as at 31 December 2016, as set out in Part XX (*Historical Financial Information*) of this document.

	As at 31 December 2016 (US$ '000)
Share capital	33,836
Legal reserve	66,963
Other reserves	(2,944)

Indebtedness

The table below outlines the Group's indebtedness as at as at 31 March 2017. The indebtedness information has been sourced from the Group's unaudited accounting records as at 31 March 2017.

	As at 31 March 2017 (US$ '000)
Total current debt	**39,736**
Guaranteed	19,723
Secured	16,086
Unguaranteed/unsecured	3,927
Total non-current debt (excluding current portion of long-term debt)	**306,536**
Guaranteed	237,883
Secured	68,653
Unguaranteed/unsecured[(1)]	—

Note:
(1) The Group has no unguaranteed/unsecured non-current debt.

Net financial indebtedness

The table below sets out the net financial indebtedness of the Group as at 31 March 2017. The indebtedness information has been sourced from the Group's unaudited accounting records as 31 March 2017 2017.

	As at 31 March 2017 (US$ '000)
Cash	38,711
Cash equivalent	57
Trading securities	14,372
Liquidity	55,939
Current bank debt	4,828
Current portion of non-current debt	13,689
Current portion of bonds issued	19,723
Other current financial debt	1,495
Current financial debt	39,736
Net current financial indebtedness	16,203
Non-current bank loans	66,008
Bonds issued	237,883
Other non-current loans	2,645
Non-current financial indebtedness	306,536
Net financial indebtedness	290,333

Global Ports Holding PLC

The Company was incorporated on 20 February 2017 as a private limited company and will be the new holding company for the Group from Admission. Since incorporation it has not incurred any indebtedness and has no material equity reserves. The issued and fully paid up capital of the Company was 50,005 (being the subscriber ordinary share and 50,000 Redeemable Shares) as at the date of this Prospectus.

PART XV—DETAILS OF THE OFFER

Summary

At the bottom of the Price Range

The Offer comprises an offer of up to 25,734,727 Offer Shares (assuming there is no exercise of the Over-allotment Option and assuming that EBRD sells 4,173,400 Shares). Of these Offer Shares:

Up to 7,892,875 are New Shares being offered for subscription by the Company; and

Up to 17,841,870 are Existing Shares being offered for sale by the Selling Shareholder(s).

At the mid point of the Price Range

The Offer comprises an offer of up to 25,436,917 Offer Shares (assuming there is no exercise of the Over-allotment Option and assuming that EBRD sells 4,173,400 Shares). Of these Offer Shares:

Up to 7,206,521 are New Shares being offered for subscription by the Company; and

Up to 18,230,396 are Existing Shares being offered for sale by the Selling Shareholder(s).

At the top of the Price Range

The Offer comprises an offer of up to 25,186,757 Offer Shares (assuming there is no exercise of the Over-allotment Option and assuming that EBRD sells 4,173,400 Shares). Of these Offer Shares:

Up to 6,630,000 are New Shares being offered for subscription by the Company; and

Up to 18,556,757 are Existing Shares being offered for sale by the Selling Shareholder(s).

in each case by means of an offer of Offer Shares in the United Kingdom and elsewhere outside the United States in accordance with Regulation S and by means of an offer of Offer Shares in the United States to Qualified Institutional Buyers pursuant to Rule 144A of the Securities Act.

The actual number of New Shares to be issued by the Company and Existing Shares to be sold by the Selling Shareholder(s) in the Offer will only be determined at the time the Offer Price is determined and could be lower than these numbers. In addition, up to a further 3,815,537 Over-allotment Shares are being made available by the Over-allotment Shareholder pursuant to the Overallotment Option described below (assuming pricing at the mid point of the Price and that EBRD sells 4,173,400 Shares).

Background

Through the issue of New Shares pursuant to the Offer, of the Company expects to raise net proceeds of approximately £51.8 million. Each of the amounts set out above are net of the aggregate underwriting commissions and other fees, taxes and expenses incurred in connection with the Offer and Admission which are estimated to be approximately £6.2 million (excluding VAT). The Company intends to pay this amount out of the gross proceeds of the Offer. The Company will not receive any of the proceeds of the sale of the Existing Shares, all of which will be paid to the Selling Shareholder(s).

The Offer Price per Share is expected to be between 735 and 875 (the "**Price Range**"). Assuming the Offer Price is set at the top of the Price Range, the Company's expected market capitalisation at the Offer Price at Admission will be £539.3 million (based on the number of Shares in issue at Admission). Assuming the Offer Price is set at the bottom of the Price Range, the Company's expected market capitalisation at the Offer Price at Admission will be £462.3 million (based on the number of Shares in issue at Admission).

The Offer outside the United States includes the Intermediaries Offer in the UK. The final number of Offer Shares allocated pursuant to the Intermediaries Offer will be decided at the absolute discretion of the Company and the Selling Shareholders, after consultation with the Joint Global Coordinators, after the closing date for applications. Offer Shares will be allocated to institutional investors in the United Kingdom and elsewhere on the basis determined by the Joint Global Coordinators (on behalf of the Underwriters), in consultation with the

Company and the Selling Shareholders, provided that the final determination as to allocation will be made by the Company and the Selling Shareholders. A number of factors will be considered in determining the basis of allocation, including the level and nature of demand for the Offer Shares being offered and the objective of encouraging the development of an orderly and liquid aftermarket in the Offer Shares.

Certain restrictions that apply to the distribution of this Prospectus and the Offer Shares being issued and sold under the Offer in jurisdictions outside the United Kingdom are described below in "—*Selling restrictions*".

The Institutional Offer will be underwritten by the Joint Global Coordinators, subject to satisfaction of the conditions set out in the Underwriting Agreement, including Admission occurring and becoming effective by no later than 8.00 a.m. (London time) on the Closing Date or such later time and/or date as the Company and Joint Global Coordinators (on behalf of the Underwriters) may agree, and to the Underwriting Agreement not having been terminated in accordance with its terms.

When admitted to trading, the Shares will be registered with ISIN number GB00BD2ZT390 and SEDOL number BD2ZT39 and trade under the symbol "GPH".

Immediately following Admission, it is expected that in excess of 25 per cent. of the Company's issued ordinary share capital will be held in public hands (within the meaning of paragraph 14.2.2 of the Listing Rules) assuming that no Over-allotment Shares are acquired pursuant to the Over-allotment Option (increasing to 47.0 per cent. if the maximum number of Over-allotment Shares are acquired pursuant to the Over-allotment Option).

No expenses will be charged by the Company, the Selling Shareholders or the Over-allotment Shareholders to any investor who purchases Offer Shares pursuant to the Offer.

The price range of the Offer is between 735 and 875 pence per Share (the "**Price Range**"). The size of the Offer is up to 25,734,727 shares at the bottom end of the Price Range and up to 25,186,757 shares at the top end of the Price Range. GPH B.V. will sell up to 14,212,827 shares at the bottom end of the Price Range and up to 14,927,714 shares at the top end of the Price Range. Regardless of the price, EBRD may sell up to 4,173,000 of its Existing Shares (but may choose to sell no Shares at all). GPH B.V. has committed that the minimum free float will be such number of Shares as results in total proceeds of the Offer of not less than US$200 million (approximately £154.7 million). Assuming the Offer is set at the mid-point of the Price Range the Company expects to issue 7,206,521 New Shares and to receive gross proceeds of approximately US$75 million (£58 million) from the Offer. The Company and the Selling Shareholder(s) will incur various expenses in connection with the Offer, including underwriting commissions and other fees, tax and expenses. The estimated total expenses relating to the Offer are estimated to be approximately £6.2 million (excluding VAT). The Company intends to pay this amount out of the gross proceeds of the Offer. The Company will not receive any portion of the proceeds from the sale of the Existing Shares by the Selling Shareholders in the Offer. Assuming (i) the Offer is set at the mid-point of the Price Range; (ii) EBRD sells 4,173,400 Shares; and (iii) there is no exercise of the Over-allotment Option, the Selling Shareholders expect to receive gross proceeds of up to approximately US$189.7 million (£146.7 million) from the sale of the Existing Shares. GPH B.V. will use part of the proceeds that it receives from the Offer (estimated to be approximately US$146.3 million (£113.2 million), assuming the Offer is set at the mid-point of the Price Range, there is no exercise of the Over-allotment Option and EBRD sells 4,173,400 shares) to allow Global Yatırım Holding Anonim Sirketi ("**GIH**", its parent company) to repay a TL 162,000,000 Pre-IPO Single Currency Term Facility Agreement (the "**Facility**") between GIH as the borrower and VTB Capital plc as the lender which is secured by a pledge over 22.5% of the share capital of Global Liman (the "**Pledge Agreement**"), and to allow GIH to repay upon completion of the Offer a receivable of TL 103,400,000 (approximately US$29,000,000) which is due to Global Liman from GIH (the "**GIH Receivable**"), comprising of charges and expenses incurred by GIH's subsidiaries on behalf of GIH. The Company, the Selling Shareholders and the Underwriters expressly reserve the right to determine, at any time prior to Admission, not to proceed with the Offer. If such right is exercised, the Offer will lapse and any monies received in respect of the Offer will be returned to investors without interest.

The Offer Shares will, on Admission, rank pari passu in all respects with the Existing Shares in issue and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company. The Shares will be freely transferable and sold as described below.

Following Admission, the Directors intend to undertake the Reduction of Capital in order to create distributable reserves for the Company. The Directors intend to implement a court approved reduction of capital which reduces the nominal value of the Shares and cancels the share premium account (if any). The Reduction of Capital is a legal and accounting adjustment and will not, of itself, have any direct impact on the market value of the Offer Shares.

Reasons for the Offer and Use of Proceeds

The Directors believe that the Offer will:

- provide realisation of the investment in the Group by certain of its existing shareholders;
- further increase the Group's profile, brand recognition and credibility with its customers, suppliers and employees; and
- assist in recruiting, retaining and incentivising key management and employees.

The Company will retain broad discretion in the allocation of the net proceeds of the New Shares. The Company plans to use the majority of the net proceeds that it receives from the Offer (estimated to be approximately £51.8 million, assuming the Offer is set at the mid-point of the Price Range) to acquire and develop new ports. See Part VII (*Use of Proceeds*).

The Intermediaries Offer

Members of the general public will not be able to apply directly for Offer Shares in the Offer from the Company or the Selling Shareholder(s). However, members of the general public in the UK may be eligible to apply for Shares through the Intermediaries, by following their relevant application procedures. Each Intermediary can set their own closing time on the final day of the Offer Period. The latest time and date for receipt of completed application forms from the Intermediaries to be submitted to the Settlement Manager is 5.00 p.m. on 11 May 2017. Underlying Applicants may not make more than one application under the Intermediaries Offer (whether on their own behalf or through other means, including, without limitation, through a trust or pension plan).

The Intermediaries Offer is being made to retail investors resident in the UK only. No Offer Shares allocated under the Intermediaries Offer will be registered in the name of any person whose registered address is outside the UK or who is otherwise known by the relevant Intermediary to be physically present in the United States. Under the Intermediaries Offer, the Offer Shares will be offered outside the United States only in offshore transactions as defined in, and in reliance on, Regulation S. Individuals who are aged 18 or over, companies and other bodies corporate, partnerships, trusts, associations and other unincorporated organisations are permitted to apply to subscribe for Offer Shares in the Intermediaries Offer.

Applications under the Intermediaries Offer must be by reference to the total monetary amount the applicant wishes to invest and not by reference to a number of Offer Shares or the Offer Price. An application for Offer Shares in the Intermediaries Offer means that the applicant agrees to acquire the Offer Shares at the Offer Price. Each applicant must comply with the appropriate money laundering checks required by the relevant Intermediary. Where an application is not accepted or there are insufficient Offer Shares available to satisfy an application in full, the relevant Intermediary will be obliged to refund the Underlying Applicant as required and all such refunds will be in accordance with the terms provided by the Intermediary to the applicant. All such refunds are the sole responsibility of the relevant Intermediary.

Intermediaries may charge any fees, charges or commissions to a retail investor for making an application for Offer Shares on behalf of such retail investor in the Intermediaries Offer, provided that any such fees and commissions charged to a retail investor, when aggregated with the commission the Intermediary receives from the Company, must not exceed the fees and commissions that would normally be charged to that retail investor by the Intermediary for similar services. Intermediaries must not pay to any Retail Investor any of the commission received from the Company. Intermediaries may charge retail investors a fee for holding the allocated Offer Shares for them (including any fees relating to the opening of an individual savings account or a self-invested personal pension for that purpose), provided that the Intermediary has disclosed the fees and terms and conditions of providing those services to each retail investor prior to the underlying application being made. Intermediaries are permitted to offset any commission received from the Company against any amounts of commission which would be otherwise payable by Retail Investor to that Intermediary. In the event that the Offer does not proceed, no commissions shall be payable to the Intermediaries in connection with the Intermediaries Offer and no Retail Investor may be charged. No Intermediaries shall be entitled to deduct any commission amount from the payment for the shares allocated to it.

In making an application, each Intermediary will also be required to represent and warrant, among other things, that it is not resident in the United States and is not acting on behalf of anyone resident or otherwise physically present in the United States.

The Intermediaries may prepare certain materials for distribution or may otherwise provide information or advice to retail investors in the UK, subject to the terms of the Intermediaries Terms and Conditions (further details of which are set out in "—*Intermediaries Terms and Conditions*" of this Part XV (*Details of the Offer*)). Any such materials, information or advice are solely the responsibility of the Intermediaries and will not be reviewed or approved by any of the Underwriters or the Company. Any liability relating to such documents will be for the Intermediaries only. **If an Intermediary makes an offer to a retail investor pursuant to the Intermediaries Offer, that Intermediary shall provide to such retail investor at the time the offer is made (i) a copy of this Prospectus or a hyperlink from which this Prospectus may be obtained; and (ii) the terms and conditions of the relevant offer made by the Intermediary to the retail investor.**

Each Intermediary will be informed by the Intermediaries Offer Settlement Agent (as defined below) by email of the aggregate number of Offer Shares allocated to its underlying clients and the total amount payable in respect thereof. The aggregate allocation of Offer Shares as between the Institutional Offer and the Intermediaries Offer will be determined by the Company (in consultation with the Joint Global Coordinators). The allocation policy for the Intermediaries Offer will be determined by the Company and the Joint Global Coordinators. The same allocation policy will apply to all Underlying Applicants. Each Intermediary will be required to apply the allocation policy to each of its underlying applications from retail investors. The allocation policy will be made available to Intermediaries prior to the commencement of conditional dealings in the Offer Shares.

Pursuant to the Intermediaries Terms and Conditions, the Intermediaries have undertaken to make payment of the consideration for the Offer Shares allocated, at the Offer Price, to the Intermediaries Offer Settlement Agent, in accordance with details to be communicated on or after the time of allocation, by means of CREST against the delivery of the Shares at the time and/or date set out Part VI (*Expected Timetable of Principal Events and Offer Statistics*), or at such other time and/or date after the day of publication of the Offer Price as the Intermediaries Offer Settlement Agent may agree with the Company and notify to the Intermediaries.

The publication of this Prospectus and/or any supplementary prospectus and any other actions of the Company, the Selling Shareholders, the Underwriters, the Intermediaries or other persons in connection with the Offer should not be taken as any representation or assurance by any such person as to the basis on which the number of Offer Shares to be offered under the Intermediaries Offer or allocations within the Intermediaries Offer will be determined, and all liabilities for any such action or statement are hereby disclaimed by the Company, the Selling Shareholders and the Underwriters.

Each investor who applies for Shares in the Intermediaries Offer through an Intermediary shall, by submitting an application to such Intermediary, be deemed to acknowledge and agree that such investor is not relying on any information or representation other than as is contained in this Prospectus, the Pricing Statement or any supplementary prospectus, and that such investor's personal information may be held and used by the Intermediary, the Selling Shareholders or the Company for purposes relating to the Intermediaries Offer, which may include providing its details to third parties for the purpose of performing credit reference checks, money laundering checks and making tax returns, and keeping a record of applicants under the Intermediaries Offer for a reasonable period of time.

For further details on the Intermediaries Offer, see "—*(Intermediaries Terms and Conditions*" of this Part XV *(Details of the Offer*).

The Price and Size of the Offer

All Offer Shares issued or sold pursuant to the Offer will be issued or sold at the Offer Price.

The Offer Price and the final number of Offer Shares to be issued or sold pursuant to the Offer will be jointly agreed by the Company, the Selling Shareholders and the Joint Global Coordinators and are expected to be announced on or around 12 May 2017.

The Pricing Statement, which will contain the Offer Price, will be published in electronic form and available on the Company's website at http://www.globalports.com.tr/ipo.php. The Company, the Selling Shareholders and the Joint Global Coordinators reserve the right to increase or decrease the aggregate number of Offer Shares issued and/or sold under the Offer.

It is currently expected that the Offer Price will be set within the Price Range and that if the Offer Price is set above the Price Range or the Price Range is revised higher, then the Company will make an announcement via a Regulatory Information Service and prospective investors will have a statutory right to withdraw their application for Shares pursuant to section 87Q of FSMA.

In such circumstances, the Pricing Statement would not be published until the period for exercising such withdrawal rights has ended. Therefore, the expected date of publication of the Pricing Statement would be extended. The arrangements for withdrawing offers to subscribe for or purchase Offer Shares would be made clear in the announcement. Full details of statutory rights to withdraw an offer to purchase Shares pursuant to section 87Q of FSMA are set out in "—*Withdrawals*" of this Part XV (*Details of the Offer*).

Among the factors which may be considered in determining the Offer Price and the final number of Offer Shares to be issued or sold pursuant to the Offer are the prevailing market conditions, the level and nature of demand for the Offer Shares offered, the prices bid to acquire the Offer Shares under the Institutional Offer, the number of Offer Shares required to be issued by the Company and the objective of encouraging the development of an orderly and liquid after-market in the Offer Shares. Accordingly, the Offer Price will not necessarily be the highest price at which all of the Offer Shares subject to the Offer could be issued or sold.

The Offer Shares allocated under the Institutional Offer will be underwritten, subject to certain conditions, by the Underwriters as described in "—*Underwriting Arrangements*" of this Part XV *(Details of the Offer*) and Section 11 *(Material Contracts*) of Part XVIII *(Additional Information*).

The rights attaching to the Shares issued or sold pursuant to the Offer, including any Offer Shares sold pursuant to the Over-allotment Option, will be uniform in all respects, including the right to vote and the right to receive all dividends and other distributions declared, made or paid in respect of the Company's share capital after Admission. The Offer Shares will, immediately on and from Admission, be freely transferable under the Articles.

The Underwriters will solicit bids from prospective institutional investors to acquire Offer Shares in the Institutional Offer. Prospective investors will be required to specify the number of Offer Shares which they would be prepared to acquire either at prices specified by them or at the Offer Price eventually determined by the Company, the Selling Shareholders and the Joint Global Coordinators.

In the event that demand for the Offer Shares being offered exceeds the number of Offer Shares made available in the Offer, allocations in respect of the Institutional Offer may be scaled down in any manner at the Joint Global Coordinators' discretion, in consultation with the Company and the Selling Shareholders and applicants under the Institutional Offer may be allocated Offer Shares having an aggregate value which is less than the sum applied for. The Joint Global Coordinators, in consultation with the Company and the Selling Shareholders, may allocate such Shares, provided that the final determination as to allocation will be made by the Company and the Selling Shareholders (and there is no obligation to allocate such Offer Shares proportionately).

Application Procedure and Allocation

All Offer Shares issued or sold pursuant to the Offer will be issued or sold, payable in full, at the Offer Price. Liability for UK stamp duty and stamp duty reserve tax is described in Section B of Part XVI *(Taxation*).

The Institutional Offer

Under the Institutional Offer, the Offer Shares will be offered to (i) certain institutional investors in the United Kingdom and elsewhere outside the United States in reliance on Regulation S and (ii) in the United States, only to persons reasonably believed to be QIBs in reliance on Rule 144A of the Securities Act. Certain restrictions that apply to the distribution of this Prospectus and the offer and sale of the Offer Shares in jurisdictions outside the United Kingdom are described in "—*Selling Restrictions*" of this Part XV *(Details of the Offer*).

The latest time and date for indications of interest in acquiring Offer Shares under the Institutional Offer are set out in Part VI *(Expected Timetable of Principal Events and Offer Statistics*) but that time may be extended at the discretion of the Joint Global Coordinators (with the agreement of the Company and the Selling Shareholders). Participants in the Institutional Offer will be advised verbally or by electronic mail of their allocation as soon as practicable following pricing and allocation. Prospective investors in the Institutional Offer will be contractually committed to acquire the number of Offer Shares allocated to them at the Offer Price, and to the fullest extent permitted by law, will be deemed to have agreed not to exercise any rights to rescind or terminate, or otherwise withdraw from, such commitment.

The Intermediaries Offer

Intermediaries may apply for Offer Shares in the Intermediaries Offer in accordance with the relevant provisions of the Intermediaries Terms and Conditions. The allocation policy for the Intermediaries Offer will be determined by the Company and the Joint Global Coordinators. The same allocation policy will apply to all Underlying Applicants. Each Intermediary will be required to apply the allocation policy to each of its underlying applications from retail investors. The allocation policy will be made available to Intermediaries prior to the commencement of conditional dealings in the Offer Shares.

Intermediaries will be informed by Intermediaries Offer Settlement Agent as soon as reasonably practicable after the Offer Price is set and allocations are decided (or such other time as notified by the Intermediaries Offer Settlement Agent with the prior consent of the Company) by e-mail of the aggregate number of Shares allocated to such Intermediaries and the total amount payable in respect thereof.

Each Intermediary has irrevocably undertaken to the Company and the Underwriters to make payment of the consideration for the Offer Shares allocated, at the Offer Price (on a delivery versus payment basis), to the Intermediaries Offer Settlement Agent in accordance with details to be communicated on or after the time of allocation on 12 May 2017, or at such other time and/or date after the day of publication of the Offer Price as the Joint Global Coordinators may agree with the Company and notify to the Intermediaries Offer Settlement Agent.

Dealing and Admission

The Offer is subject to the satisfaction of certain conditions contained in the Underwriting Agreement, which are typical for an agreement of this nature. Certain conditions are related to events which are outside the control of the Company, GPH B.V., EBRD (in the event that EBRD offers Existing Shares in the Offering) and the Underwriters. Further details of the Underwriting Agreement are described in Part XV *(Details of the Offer—Underwriting arrangements*).

Application has been made to the FCA for all of the Shares of the Company, issued and to be issued, to be admitted to the standard listing segment of the Official List maintained by the FCA and to London Stock Exchange for such Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective, and that unconditional dealings in the Shares will commence on the London Stock Exchange at 8.00 a.m. (London time) on 17 May 2017. Settlement of dealings from that date will be on a three-day rolling basis. Prior to Admission, conditional dealings in the Shares are expected to commence on the London Stock Exchange at 8.00 a.m. (London time) on 12 May 2017. Dealings on the London Stock Exchange before Admission will only be settled if Admission takes place. The earliest date for such settlement of such dealings will be 17 May 2017. **All dealings before the commencement of unconditional dealings will be of no effect if Admission does not take place and such dealings will be at the sole risk of the parties concerned. These dates and times may be changed without further notice.**

Each investor in the Institutional Offer will be required to undertake to pay the Offer Price for the Offer Shares issued or sold to such investor in such manner as shall be directed by the Joint Global Co-ordinators.

It is expected that Offer Shares allocated to investors in the Offer will be delivered in uncertificated form and settlement will take place through CREST on Admission. No temporary documents of title will be issued. Dealings in advance of crediting of the relevant CREST stock account shall be at the risk of the person concerned.

Over-allotment and Stabilisation

In connection with the Offer, Barclays Capital Securities Limited, an affiliate of Barclays Bank PLC, as Stabilising Manager, or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Offer Shares or effect other stabilising transactions with a view to supporting the market price of the Offer Shares at a higher level than that which might otherwise prevail in the open market. The Stabilising Manager is not required to enter into such transactions and such transactions may be effected on any securities market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of the commencement of conditional dealings in the Offer Shares on the London Stock Exchange and ending no later than 30 calendar days thereafter. However, there will be no obligation on the Stabilising Manager or any of its agents to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Such stabilisation, if commenced, may be discontinued at any time without prior notice. In no event will measure be taken to stabilise the market price of the Offer Shares above the Offer Price. Except as required by law or regulation, neither the Stabilising Manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilising transactions conducted in relation to the Offer.

In connection with the Offer, the Stabilising Manager may, for stabilisation purposes, over-allot Offer Shares up to a maximum of 15 per cent. of the total number of Offer Shares comprised in the Offer. For the purposes of allowing the Stabilising Manager to cover short positions resulting from any such over-allotments and/or from sales of Offer Shares effected by it during the stabilising period, the Over-allotment Shareholder will have granted to the Stabilising Manager the Over-allotment Option, pursuant to which the Stabilising Manager may purchase or procure purchasers for additional Offer Shares up to a maximum of Over-allotment Shares at the Offer Price. The Over-allotment Option will be exercisable in whole or in part, upon notice by the Stabilising Manager, at any time on or before the 30th calendar day after the commencement of conditional dealings of the Offer Shares on the London Stock Exchange. Any Over-allotment Shares made available pursuant to the Over-allotment Option will rank pari passu in all respects with the Offer Shares, including for all dividends and other distributions declared, made or paid on the Offer Shares, will be purchased on the same terms and conditions as the Offer Shares being issued or sold in the Offer and will form a single class for all purposes with the other Offer Shares.

CREST

CREST is a paperless settlement system allowing securities to be transferred from one person's CREST account to another's without the need to use share certificates or written instruments of transfer. The Company has applied for the Offer Shares to be admitted to CREST with effect from Admission and, also with effect from Admission, the Articles of Association will permit the holding of Offer Shares under the CREST system. Accordingly, settlement of transactions in the Shares following Admission may take place within the CREST system if any shareholder so wishes. CREST is a voluntary system and holders of Offer Shares who wish to receive and retain share certificates will be able to do so.

Underwriting Arrangements

The Company, GPH B.V., EBRD (to the extent that EBRD offers Existing Shares in the Offer and enters into the Underwriting Agreement) and the Underwriters have entered into the Underwriting Agreement pursuant to which, on the terms and subject to certain conditions contained in the Underwriting Agreement (which are customary in agreements of this nature), the Underwriters have agreed to (i) use reasonable endeavours to procure subscribers or purchasers, as the case may be, for the Offer Shares in the Institutional Offer, or (ii) failing which, to subscribe for or purchase such Offer in the Institutional Offer Shares themselves, at the Offer Price.

The Underwriters' obligations under the Underwriting Agreement are subject to the approval of certain legal matters by their counsel and certain other conditions, such as the accuracy of the representations and warranties of the Company, GPH B.V., EBRD (to the extent that EBRD offers Existing Shares in the Offer and enters into the Underwriting Agreement) made in the Underwriting Agreement and the absence of the occurrence of certain events or circumstances affecting the Company and its subsidiaries.

The Underwriters are offering the Offer Shares when, as and if, delivered to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the Offer Shares and other conditions contained in the Underwriting Agreement, such as the receipt by the Underwriters of, among other things, officer's certificates and legal opinions.

The obligations of the parties to the Underwriting Agreement are subject to certain conditions that are typical for an agreement of this nature. These conditions include, among others, the accuracy of the representations and warranties on the part of the Company under the Underwriting Agreement and on the part of GPH B.V. and EBRD (to the extent that EBRD offers Existing Shares in the Offer and enters into the Underwriting Agreement) under the Underwriting Agreement and the application for Admission having been approved on or prior to the Closing Date. The Joint Global Coordinators (on behalf of the Joint Bookrunners and the Underwriters) may terminate the Underwriting Agreement prior to Admission in certain specified circumstances that are typical for agreements of this nature. These include the occurrence of certain material changes in the condition (financial or otherwise), or in the earnings or business affairs of the Company and certain changes in the financial, political or economic conditions (as more fully set out in the Underwriting Agreement). If any of the above-mentioned conditions is not satisfied (or expressly waived in writing) as and when required by the Underwriting Agreement, or the Underwriting Agreement is terminated prior to payment for the Offer Shares, then the Offer will lapse.

Lock-up Arrangements

Pursuant to the Underwriting Agreement, the Company has agreed that, subject to certain exceptions, during the period of 180 days from the date of Admission, it will not, without the prior written consent of the Joint Global

Co-ordinators, issue, offer, sell or contract to sell, or otherwise dispose of, directly or indirectly, or announce an offer of any Ordinary Shares (or any interest therein or in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing.

Pursuant to the Underwriting Agreement and related arrangements, GPH B.V. and EBRD (to the extent that EBRD offers Existing Shares in the Offer and enters into the Underwriting Agreement) have agreed that, subject to certain exceptions, during the period of 180 days in respect of GPH B.V. and EBRD (to the extent that EBRD offers Existing Shares in the Offer and enters into the Underwriting Agreement), in each case from the date of Admission, they will not, without the prior written consent of the Joint Global Co-ordinators, offer, sell or contract to sell, or otherwise dispose of, directly or indirectly, or announce an offer of any Ordinary Shares (or any interest therein in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing.

Selling restrictions

The distribution of this Prospectus and the offer of Offer Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions, including those set out in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No action has been or will be taken in any jurisdiction that would permit a public offering of the Offer Shares, or possession or distribution of this Prospectus or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisement in connection with the Offer Shares may be distributed or published in or from any country or jurisdiction except in circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions on the distribution of this document and the offer of Offer Shares contained in this Prospectus. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Prospectus does not constitute an offer to subscribe for or purchase any of the Offer Shares to any person in any jurisdiction to whom it is unlawful to make such offer of solicitation in such jurisdiction.

European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") no Offer Shares have been offered or will be offered pursuant to the Offer to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that offers of Offer Shares may be made to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Joint Global Co-ordinators for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Offer Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State.

For the purposes of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase any Offer Shares, as the same may be varied in that member state by any measure implementing the Prospectus Directive in that member state. The expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto) and includes any relevant implementing measure in each Relevant Member State.

In the case of any Offer Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Offer Shares acquired by it in the Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Offer Shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the Joint Global Co-ordinators has been obtained to each such proposed offer or resale. The Company, the Selling Shareholders, the Underwriters and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Underwriters of such fact in writing may, with the prior consent of the Joint Global Co-ordinators, be permitted to acquire Offer Shares in the Offer.

United States

The Offer Shares have not been and will not be registered under the US Securities Act or under any applicable securities laws or regulations of any state of the United States and, subject to certain exceptions, may not be offered or sold within the United States except to persons reasonably believed to be QIBs in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. The Offer Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S.

In addition, until 40 days after the commencement of the Offer of the Offer Shares an offer or sale of Offer Shares within the United States by any dealer (whether or not participating in the Offer) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the US Securities Act.

The Underwriting Agreement provides that the Underwriters may directly or through their respective United States broker-dealer affiliates arrange for the offer and resale of Offer Shares within the United States only to QIBs in reliance on Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the US Securities Act.

Each acquirer of Offer Shares within the United States, by accepting delivery of this Prospectus, will be deemed to have represented, agreed and acknowledged that it has received a copy of this Prospectus and such other information as it deems necessary to make an investment decision and that:

(d) it is (a) a QIB within the meaning of Rule 144A, (b) acquiring the Offer Shares for its own account or for the account of one or more QIBs with respect to whom it has the authority to make, and does make, the representations and warranties set forth herein, (c) acquiring the Offer Shares for investment purposes, and not with a view to further distribution of such Offer Shares, and (d) aware, and each beneficial owner of the Offer Shares has been advised, that the sale of the Offer Shares to it is being made in reliance on Rule 144A or in reliance on another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

(e) it understands that the Offer Shares are being offered and sold in the United States only in a transaction not involving any public offering within the meaning of the US Securities Act and that the Offer Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred except (a) to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, (c) pursuant to an exemption from registration under the US Securities Act provided by Rule 144 thereunder (if available) or (d) pursuant to an effective registration statement under the US Securities Act, in each case in accordance with any applicable securities laws of any state of the United States. It further (a) understands that the Offer Shares may not be deposited into any unrestricted depositary receipt facility in respect of the Offer Shares established or maintained by a depositary bank, (b) acknowledges that the Offer Shares (whether in physical certificated form or in uncertificated form held in CREST) are "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act and that no representation is made as to the availability of the exemption provided by Rule 144 for resales of the Offer Shares and (c) understands that the Company may not recognise any offer, sale, resale, pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions.

(f) it understands that the Offer Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend substantially to the following effect:

THE OFFER SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "US SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON THAT THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE US SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE US SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE US SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE US SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE US SECURITIES ACT FOR RESALES OF THE OFFER SHARES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE OFFER SHARES REPRESENTED HEREBY MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE OFFER SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF OFFER SHARES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS; and

(g) it represents that if, in the future, it offers, resells, pledges or otherwise transfers such Offer Shares while they remain "restricted securities" within the meaning of Rule 144, it shall notify such subsequent transferee of the restrictions set out above.

The Company, the Underwriters and their affiliates and others will rely on the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Canada

This Prospectus constitutes an "exempt offering document" as defined in and for the purposes of applicable Canadian securities laws. No prospectus has been filed with any securities commission or similar regulatory authority in Canada in connection with the offer and sale of the Offer Shares. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this document or on the merits of the Offer Shares and any representation to the contrary is an offence.

Canadian investors are advised that this Prospectus has been prepared in reliance on section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* ("NI 33-105"). Pursuant to section 3A.3 of NI 33-105, the Company and the Underwriters in the offering are exempt from the requirement to provide Canadian investors with certain conflicts of interest disclosure pertaining to "connected issuer" and/or "related issuer" relationships that may exist between the Company and the Underwriters as would otherwise be required pursuant to subsection 2.1(1) of NI 33-105.

The offer and sale of the Offer Shares in Canada is being made on a private placement basis only and is exempt from the requirement that the issuer prepares and files a prospectus under applicable Canadian securities laws. Any resale of Offer Shares acquired by a Canadian investor in this offering must be made in accordance with applicable Canadian securities laws, which may vary depending on the relevant jurisdiction, and which may require resales to be made in accordance with Canadian prospectus requirements, a statutory exemption from the prospectus requirements, in a transaction exempt from the prospectus requirements or otherwise under a discretionary exemption from the prospectus requirements granted by the applicable local Canadian securities regulatory authority. These resale restrictions may under certain circumstances apply to resales of the Offer Shares outside of Canada.

Each Canadian investor who purchases the Offer Shares will be deemed to have represented to the Company, the Underwriters and to each dealer from whom a purchase confirmation is received, as applicable, that the investor

(i) is purchasing as principal, or is deemed to be purchasing as principal in accordance with applicable Canadian securities laws; (ii) is an "accredited investor" as such term is defined in section 1.1 of National Instrument 45-106 *Prospectus Exemptions* ("NI 45-106") or, in Ontario, as such term is defined in section 73.3(1) of the *Securities Act* (Ontario); and (iii) is a "permitted client" as such term is defined in section 1.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

Securities legislation in certain of the Canadian jurisdictions provides certain purchasers of securities pursuant to an offering memorandum, including where the distribution involves an "eligible foreign security" as such term is defined in Ontario Securities Commission Rule 45-501 *Ontario Prospectus and Registration Exemptions* and in Multilateral Instrument 45-107 *Listing Representation and Statutory Rights of Action Disclosure Exemptions*, as applicable, with a remedy for damages or rescission, or both, in addition to any other rights they may have at law, where the offering memorandum, or other offering document that constitutes an offering memorandum, and any amendment thereto, contains a "misrepresentation" as defined under applicable Canadian securities laws. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed under, and are subject to limitations and defences under, applicable Canadian securities legislation. In addition, these remedies are in addition to and without derogation from any other right or remedy available at law to the investor.

Upon receipt of this Prospectus, each Canadian investor hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Offer Shares described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

Terms and Conditions of the Offer

These terms and conditions apply to investors agreeing to subscribe for New Shares and/or purchase Existing Shares under the Offer. Each investor agrees with each of the Company, GPH B.V., EBRD (to the extent that EBRD offers Existing Shares in the Offer) and the Underwriters to be bound by these terms and conditions as being the terms and conditions upon which Offer Shares will be issued and/or sold under the Offer. For the avoidance of doubt, these terms and conditions do not apply to the purchase or subscription of Offer Shares by an Underlying Applicant who applies for Offer Shares through the Intermediaries Offer. The Intermediaries Terms and Conditions are set out under "—*Intermediaries Terms and Conditions*" in this Part XV (*Details of the Offer*).

Agreement to acquire Offer Shares

Conditional on (i) Admission occurring on or prior to 8 a.m. on 17 May 2017 (or such later date as the Joint Global Coordinators (on behalf of the Underwriters) and the Company may agree), and (ii) the investor being allocated Offer Shares, each investor agrees to become a member of the Company and agrees to acquire Shares at the Offer Price. The number of Shares allocated to such investor under the Offer will be in accordance with the arrangements described under "—*Application Procedure and Allocation*" in this Part XV (*Details of the Offer*). To the fullest extent permitted by law, each investor acknowledges and agrees that it will not be entitled to exercise any rights to rescind or terminate or, subject to any statutory rights, to withdraw an application for Offer Shares in the Offer, or otherwise to withdraw from, such commitment.

Payment for Offer Shares

Each investor undertakes to pay the Offer Price for the Offer Shares issued to or acquired by such investor in such manner as shall be directed by the Joint Global Coordinators (on behalf of themselves and the other Underwriters). In the event of any failure by any investor to pay as so directed by the Joint Global Coordinators, the relevant investor will be deemed thereby to have appointed the Joint Global Coordinators or any nominee of the Joint Global Coordinators to sell (in one or more transactions) any or all of the Shares in respect of which payment will not have been made as directed by the Joint Global Coordinators and indemnifies on demand the Joint Global Coordinators and/or any relevant nominee of the Joint Global Coordinators in respect of any liability for stamp duty and/or SDRT arising in respect of any such sale or sales.

Liability for stamp duty and SDRT is further described in Part XVI Taxation (*Part B: United Kingdom tax considerations—Stamp duty and stamp duty reserve tax*).

The sale of Existing Shares by the Selling Shareholder(s) pursuant to the Offer and of the Over-allotment Shares by the Over-allotment Shareholder pursuant to the Over-allotment Option will generally give rise to a liability to SDRT for the purchaser at a rate of 0.5% of the Offer Price. The Selling Shareholder(s) and/or Global Liman (and in respect of any transfers pursuant to the Over-allotment Option, the Over-allotment Shareholder and/or Global Liman) will bear the cost of any such liability to SDRT.

Representations and warranties

Each investor represents, warrants and acknowledges to each of the Company, GPH B.V., EBRD (to the extent that EBRD offers Existing Shares in the Offer) and the Underwriters that:

(a) if the investor is a natural person, such investor is not under the age of majority (18 years of age in the United Kingdom) on the date of such investor's agreement to subscribe for and/or purchase Offer Shares;

(b) the content of this Prospectus is exclusively the responsibility of the Company and the Directors and that neither the Underwriters nor any person acting on their behalf is responsible for or will have any liability for any information, representation or statement contained in this Prospectus or any information previously published by or on behalf of the Company or any member of the Group and will not be liable for any decision by an investor to participate in the Offer based on any information, representation or statement contained in this Prospectus or otherwise;

(c) in agreeing to subscribe for and/or purchase Offer Shares, the investor is relying on this Prospectus and any supplementary prospectus that may be issued by the Company, and not on any other information or representation concerning the Group, the Selling Shareholders, the Shares or Offer. Such investor agrees that none of the Company, the Selling Shareholders the Underwriters nor any of their respective officers, partners or directors will have any liability for any such other information or representation and irrevocably and unconditionally waives any rights it may have in respect of any such other information or representation. This Section (*Representations and warranties*) of Part XV (*Details of the Offer*) will not exclude any liability for fraudulent misrepresentation;

(d) the Underwriters are not making any recommendations to investors or advising any of them regarding the suitability or merits of any transaction they may enter into in connection with the Offer, and each investor acknowledges that participation in the Offer is on the basis that it is not and will not be a client of any of the Underwriters and that the Underwriters are acting for the Company and no one else, and they will not be responsible to anyone else for the protections afforded to their respective clients, and that the Joint Global Coordinators will not be responsible to anyone other than the Company for providing advice in relation to the Offer, the contents of this Prospectus or any transaction, arrangements or other matters referred to herein, and the Underwriters will not be responsible to anyone other than the relevant party to the Underwriting Agreement in respect of any representations, warranties, undertakings or indemnities contained in the Underwriting Agreement or for the exercise or performance of the Underwriters' rights and obligations thereunder, including any right to waive or vary any condition or exercise any termination right contained therein;

(e) if the laws of any place outside the United Kingdom are applicable to the investor's agreement to subscribe for and/or purchase Shares, such investor has complied with all such laws and none of the Company, the Selling Shareholders or the Underwriters will infringe any laws outside the United Kingdom as a result of such investor's agreement to subscribe for and/or purchase Offer Shares or any actions arising from such investor's rights and obligations under the investor's agreement to subscribe for and/or purchase Offer Shares and under the Articles (and, in making this representation and warranty, the investor confirms that it is aware of the selling and transfer restrictions set out under *"—Selling Restrictions*" in this Part XV (*Details of the Offer*);

(f) it understands that no action has been or will be taken in any jurisdiction other than the United Kingdom by the Company or any other person that would permit a public offering of the Shares, or possession or distribution of this Prospectus, in any country or jurisdiction where action for that purpose is required;

(g) if the investor is in any Relevant Member State other than the United Kingdom, it is: (i) a legal entity which is a qualified investor as defined in the Prospectus Directive; or (ii) otherwise permitted by law to be offered and sold Shares in circumstances which do not require the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive or other applicable laws;

(h) the investor is not a national, resident or citizen of Australia or South Africa or a corporation, partnership or other entity organised under the laws of Australia or South Africa, that the investor will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Shares in Australia or South Africa or to any national, resident or citizen of Australia or South Africa and the investor acknowledges that the Sharers have not been and will not be registered under the applicable securities laws of Australia or South Africa and that the same are not being offered for subscription or sale, and may not, directly or indirectly, be offered, sold, transferred or delivered, in Australia or South Africa;

(i) the investor is participating in the Offer in compliance with the selling and transfer restrictions set out under "*—Selling Restrictions*" in this Part XV (*Details of the Offer*), including the representations and acknowledgements contained therein. The Offer Shares have not been and will not be registered under the US Securities Act, or qualified for sale under the laws of any state of the United States. Subject to certain exceptions, the Offer Shares may not be offered or sold in or into the United States. The Offer Shares are being offered and sold in the United States to persons reasonably believed to be QIBs in reliance on Rule 144A of the US Securities Act and outside the United States in accordance with Regulation S;

(j) in the case of a person who confirms to any Underwriter, on behalf of an investor, an agreement to subscribe for and/or purchase Offer Shares and/or who authorises the Joint Global Coordinators (on behalf of themselves and the other Underwriters) to notify the investor's name to the Registrars, that person represents and warrants that he, she or it has authority to do so on behalf of the investor;

(k) the investor has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering Regulations 2007 (the "**Regulations**") and, if it is making payment on behalf of a third party, it has obtained and recorded satisfactory evidence to verify the identity of the third party as required by the Regulations;

(l) the investor is not, and is not applying as nominee or agent for, a person which is, or may be, mentioned in any of sections 67, 70, 93 and 96 of the Finance Act 1986 (depository receipts and clearance services);

(m) if they are acquiring Offer Shares as a fiduciary or agent for one or more investor accounts, they represent that they have sole investment discretion with respect to each such account and they have full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account;

(n) each investor in a relevant member state of the European Economic Area who acquires any Offer Shares in the Institutional Offering will be deemed to have represented, warranted and agreed with each of the Underwriters and the Company that:

  (i) it is a qualified investor as that term is defined under the Prospective Directive;

  (ii) in the case of any Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) it is one of the Intermediaries; or (ii) the Shares acquired by it have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any relevant member state other than qualified investors, as that term is defined in the Prospectus Directive, or in other circumstances falling within Article 3(2) of the Prospectus Directive and the prior consent of the Underwriters has been given to the offer or resale; or (iii) where Shares have been acquired by it on behalf of persons in any relevant member state other than qualified investors, the offer of those Shares to it is not treated under the Prospectus Directive as having been made to such persons;

  For the purposes of this provision, the expression an "offer" in relation to any of the Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Shares, as the same may be varied in that relevant member state by any measure implementing the Prospectus Directive in that Relevant Member State;

(o) in the case of a person who confirms to any Underwriter, on behalf of an investor which is an entity other than a natural person, an agreement to subscribe for and/or to purchase Offer Shares and/or who authorises the notification of such investor's name to the Registrars, that person warrants that he, she or it has authority to do so on behalf of the investor;

(r) the Company, the Selling Shareholders and the Underwriters will rely upon the truth and accuracy of the foregoing representations, warranties and undertakings.

Supply and disclosure of information

If the Company or the Joint Global Coordinators (on behalf of themselves and the other Underwriters) or any of their agents request any information about an investor's agreement to subscribe for and/or purchase Offer Shares, such investor must promptly disclose it to them and ensure that such information is complete and accurate in all respects.

Miscellaneous

(a) The rights and remedies of the Company, the Selling Shareholders and the Underwriters under these terms and conditions are in addition to any rights and remedies which would otherwise be available to them, and the exercise or partial exercise of one will not prevent the exercise of others.

(b) On application, each investor may be asked to disclose, in writing or orally, to the Joint Global Coordinators (on behalf of themselves and the other Underwriters):

  (i) if he or she is an individual, his or her nationality; or

  (ii) if he, she or it is a discretionary fund manager, the jurisdiction in which the funds are managed or owned.

(c) All documents sent by, to, from or on behalf of the investor will be sent at the investor's risk. They may be sent by post to such investor at an address notified to the Joint Global Coordinators (on behalf of themselves and the other Underwriters).

(d) Each investor agrees to be bound by the Articles (as amended from time to time) once the Offer Shares which such investor has agreed to subscribe for and/or purchase have been issued or transferred to such investor.

(e) The contract to subscribe for and/or purchase Offer Shares and the appointments and authorities mentioned herein will be governed by, and construed in accordance with, English law. For the exclusive benefit of the Company, the Selling Shareholders and the Underwriters, each investor irrevocably submits to the exclusive jurisdiction of the English courts in respect of these matters. This does not prevent an action being taken against an investor in any other jurisdiction.

(f) In the case of a joint agreement to subscribe for and/or purchase Offer Shares, references to an investor in these terms and conditions are to each of such investors and any investors' liability is joint and several.

The Company, the Selling Shareholders and the Joint Global Coordinators (on behalf of themselves and the other Underwriters) expressly reserve the right to modify the Offer (including, without limitation, its timetable and settlement) at any time before the Offer Price and allocations are determined.

Intermediaries Terms and Conditions

General

The Intermediaries Terms and Conditions regulate the relationship between the Company, the Intermediaries Offer Adviser, the Joint Global Coordinators and each of the Intermediaries.

The Company consents to the use of this Prospectus by the Intermediaries in connection with the Intermediaries Offer in the UK on the following terms: (i) in respect of Intermediaries who have been appointed by the Company prior to the date of this Prospectus, from the date of this Prospectus; and (ii) in respect of Intermediaries who are appointed by the Company after the date of this Prospectus, from the date on which they are appointed to participate in the Intermediaries Offer and, in each case, until the closing of the Intermediaries Offer. The Company accepts responsibility for the information contained in this Prospectus with respect to any subscriber for Offer Shares pursuant to the Offer. In each case, the consent to use this Prospectus is conditional upon compliance by the relevant Intermediary with the Intermediaries Terms and Conditions summarised below and the appointment of such Intermediary not having been terminated by the Company.

Capacity and liability

The Intermediaries have agreed that, in connection with the Intermediaries Offer, they will be acting as agent for retail investors in the UK who wish to acquire Offer Shares under the Intermediaries Offer (the "**Underlying**

Applicants”). None of the Company, the Intermediaries Offer Adviser, any of the Underwriters or any of their respective representatives will have any responsibility for any liability, costs or expenses incurred by any Intermediary.

Applications for Offer Shares

A minimum of £1,000 per Underlying Applicant will apply. There is no maximum limit on the monetary amount that Underlying Applicants may apply to invest in the Intermediaries Offer.

The Company (in consultation with the Joint Global Coordinators) will determine, in their absolute discretion, the final number of Offer Shares to be allocated under the Intermediaries Offer and the Company and the Joint Global Coordinators will determine the basis of allocation of the Offer Shares in the Intermediaries Offer which the Intermediaries will be required to follow. Accordingly, persons who apply to an Intermediary for Shares under the Intermediaries Offer may not receive all of the Offer Shares that they apply for and it is possible that they may not receive any.

If there is excess demand for Offer Shares in the Intermediaries Offer, allocations of Offer Shares may be scaled down to an aggregate value which is less than that applied for. Each Intermediary will be required by the Company to apply the basis of allocation to all allocations to Underlying Applicants who have applied through such Intermediary.

Effect of Intermediaries Offer Application Form

By completing and returning the Intermediaries Offer Application Form, the Intermediary will be deemed to have irrevocably agreed to invest or procure the investment in Offer Shares of the aggregate amount stated on the Intermediaries Offer Application Form or such lesser amount in respect of which such application may be accepted. The Company and the Joint Global Coordinators reserve the right to reject, in whole or in part, or to scale down, any application for Offer Shares in the Intermediaries Offer.

Commission and fees

Conditional upon Admission, the Company will pay each Intermediary a commission of 0.75% of the aggregate value (based on the final Offer Price) of the Offer Shares allocated to and paid for by such Intermediary. Intermediaries may elect not to receive any commission.

Each Intermediary which elects not to receive any commission payment from the Company is permitted to charge fees or commissions to an Underlying Applicant for making an application for Offer Shares on behalf of such Underlying Applicant in the Intermediaries Offer, provided that any such fees and commissions charged to a retail investor, when aggregated with the commission the Intermediary receives from the Company, must not exceed the fees and commissions that would normally be charged to that retail investor by the Intermediary for similar services.

Intermediaries must not pay to any Retail Investor any of the commission received from the Company. However, Intermediaries are permitted to offset any commission received from the Company against any amounts of commission which would be otherwise payable by Retail Investor to that Intermediary.

In the event that the Offer does not proceed, no commissions shall be payable to the Intermediaries in connection with the Intermediaries Offer and no Retail Investor may be charged.

No Intermediaries shall be entitled to deduct any commission amount from the payment for the Offer Shares allocated to it.

Information and communications

The Intermediaries have agreed to give certain undertakings regarding the use of information provided to them in connection with the Intermediaries Offer (both prior to and following publication of this Prospectus). The Intermediaries have given certain undertakings regarding their role and responsibilities in the Intermediaries Offer and are subject to certain restrictions on their conduct in connection with the Intermediaries Offer, including in relation to their responsibility for information, communications, websites, advertisements and their communications with clients and the press.

Representations, warranties and indemnities

Each Intermediary has given representations and warranties that are relevant for the Intermediaries Offer (including as to their eligibility to act as an Intermediary), and has agreed to indemnify the Company, the Selling Shareholders Intermediaries Offer Adviser, the Underwriters and their respective representatives against any loss or claim arising out of any breach or alleged breach by them of the Intermediaries Terms and Conditions or as a result of a breach or alleged breach of any duties or obligations under FSMA or under any rules of the FCA or any applicable laws or as a result of any other act or omission by the Intermediary in connection with the subscription for and/or resale of Offer Shares by the Intermediaries or any Underlying Applicant.

Withdrawal Rights

If the Company is required to publish any supplementary prospectus, applicants who have applied for Offer Shares in the Offer shall have at least two clear business days following the publication of the relevant supplementary prospectus within which to withdraw their application to acquire Offer Shares in the Offer in its entirety.

In addition, in the event that the Offer Price is set above the Price Range or the Price Range is revised higher, then applicants who have applied to subscribe for or purchase Offer Shares in the Offer would have a statutory right to withdraw their offer to subscribe for or purchase Offer Shares in the Offer in its entirety pursuant to section 87Q of FSMA before the end of a period of two Business Days commencing on the first Business Day after the date on which an announcement of this is published via a Regulatory Information Service announcement (or such later date as may be specified in that announcement). In these circumstances, the Pricing Statement would not be published until the period for exercising such statutory withdrawal rights has ended. Therefore the expected date of publication of the Pricing Statement would be extended.

If the application is not withdrawn within the stipulated period, any offer to apply for Offer Shares in the Offer will remain valid and binding. Institutional investors wishing to exercise a statutory right to withdraw their offer to subscribe for or purchase Offer Shares in the Offer must do so by lodging a written notice of withdrawal by hand (during normal business hours only) at the office of the Joint Global Co-ordinators at their respective addresses set out in Part V (*Directors, Secretary, Registered Office and Advisers*) so as to be received no later than two Business Days after the date on which the supplementary prospectus is published or the date on which an announcement is made (as described above). Notice of withdrawal given by any other means or which is deposited with or received after the expiry of such period will not constitute a valid withdrawal. Applicants who have applied for Offer Shares via the Intermediaries who wish to withdraw an application following publication of a supplementary prospectus or an announcement is made (as described above) should contact the Intermediary through whom they applied for details of how to withdraw an application

PART XVI—TAXATION

The following summary of certain US federal and United Kingdom tax consequences of ownership of the Offer Shares based upon laws, regulations, decrees, rulings, income tax conventions (treaties), administrative practice and judicial decisions in effect at the date hereof. Legislative, judicial or administrative changes or interpretations may, however, be forthcoming. Any such changes or interpretations could affect the tax consequences to holders of the Offer Shares, possibly on a retroactive basis, and could alter or modify the statements and conclusions set forth herein. This summary does not purport to be a legal opinion or to address all tax aspects that may be relevant to a holder of the Offer Shares. Each prospective holder is urged to consult its own tax advisor as to the particular tax consequences to such holder of the ownership and disposition of the Offer Shares, including the applicability and effect of any other tax laws or tax treaties, of pending or proposed changes in applicable tax laws as at the date hereof, and of any actual changes in applicable tax laws after such date.

PART A: CERTAIN US FEDERAL INCOME TAX CONSIDERATIONS

HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The following is a description of certain material U.S. federal income tax consequences that may be relevant to the acquisition, ownership and disposition of Offer Shares. This description addresses only the U.S. federal income tax considerations of U.S. Holders (as defined below) that are initial purchasers of Offer Shares pursuant to the Offer and that will hold such Offer Shares as capital assets within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"). This description does not purport to address all material tax consequences of the ownership of Offer Shares and does not address aspects of U.S. federal income taxation that may be applicable to investors that are subject to special tax rules, including without limitation:

- banks, financial institutions or insurance companies;
- real estate investment trusts, regulated investment companies or grantor trusts;
- dealers or traders in securities, commodities or currencies;
- tax-exempt entities, including "Section 401" pension plans;
- individual retirement accounts and other tax deferred accounts;
- persons that receive Offer Shares as compensation for the performance of services;
- persons that will hold Offer Shares as part of a "hedging", "conversion" or constructive sale transaction or as a position in a "straddle" for U.S. federal income tax purposes;
- certain U.S. expatriates;
- "dual resident" corporations;
- persons that have a "functional currency" other than the U.S. dollar; or
- holders that own (directly, indirectly or constructively) 10% or more, by voting power or value, of the equity interests of the Company.

Further, this description does not address state, local, non-U.S. or other tax laws, nor does it address the 3.8% U.S. Federal Medicare Tax on net investment income, the alternative minimum tax or the U.S. federal gift and estate tax consequences of the acquisition, holding or disposition of Offer Shares. This description, furthermore, does not address the tax consequences of owning options or warrants or similar instruments on Offer Shares, or any tax consequences applicable to the holder of an equity interest in a holder of Offer Shares.

This description is based on the Code, its legislative history, existing and proposed regulations promulgated thereunder, published rulings and court decisions, as well as on the Income Tax Convention Between the United States of America and the United Kingdom (the "**Treaty**"), in each case as in effect on the date of this Prospectus, all of which are subject to change (or to changes in interpretation), possibly with retroactive effect.

U.S. Holders

For the purposes of this summary, a "U.S. Holder" is a beneficial owner of an Offer Share that is, for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation created or organised in or under the laws of the United States or any political subdivision thereof, including the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust if (i) a court within the United States is able to exercise primary supervision over its administration, and one or more U.S. persons have the authority to control all of the substantial decisions of such trust, or (ii) such trust has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

If a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes) holds Offer Shares, the tax treatment of the partnership and a partner in such partnership will generally depend on the status of the partner and the activities of the partnership. Such a partner or partnership should consult its tax adviser as to the U.S. federal income tax consequences of acquiring, holding, or disposing of Offer Shares.

The summary of U.S. federal income tax consequences set out below is for general information only. All prospective purchasers should consult their tax advisers as to the particular tax consequences to them of owning the Offer Shares, including the applicability and effect of state, local, non-U.S. and other tax laws and possible changes in tax law.

Taxation of Distributions

Subject to the discussion below under "—*Passive Foreign Investment Company,*" U.S. Holders of Offer Shares will include in gross income as foreign-source dividend income, when actually or constructively received by the U.S. Holder, the gross amount of any cash or the fair market value of any property distributed by the Company in respect of Offer Shares to the extent such distribution is paid out of the Company's current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). The Company does not intend to compute (or to provide U.S. Holders with information necessary to compute) earnings and profits under U.S. federal income tax principles. Accordingly, U.S. Holders generally should expect to treat all distributions as taxable dividends.

Dividends will not be eligible for the dividends received deduction allowed to U.S. corporate shareholders in respect of dividends received from other U.S. corporations. Subject to applicable holding period and other limitations, the U.S. dollar amount of dividends received on the Offer Shares by certain non-corporate U.S. Holders will be subject to taxation at a maximum rate of 20.0% if the dividends are "qualified dividends". Dividends paid on the Offer Shares would be treated as qualified dividends if (i) the Company is eligible for the benefits of a comprehensive income tax treaty with the United States that the IRS has approved for the purposes of the qualified dividend rules, and (ii) the Company was not, in the year prior to the year in which the dividend was paid, and is not, in the year in which the dividend is paid, a PFIC. While the Treaty has been approved by the IRS for the purposes of the qualified dividend rules, it is not certain that the Company would be eligible for treaty benefits under the Treaty. Although the stock of the Company will be publicly traded on the London Stock Exchange (which is a "recognized stock exchange" for purposes of the Treaty), the Company's stock must also be "regularly traded" on the exchange in order for the Company to be a "qualified resident" of the United Kingdom. It is not currently known whether trading in the Company's stock will satisfy the "regularly traded" requirement contained in the Treaty. See "—*Passive Foreign Investment Company*" below for discussion of the application of the PFIC rules to GPH. Prospective investors should consult their own tax advisers regarding whether they are entitled to a reduced tax rate under the qualified dividend rules.

If the Company pays a dividend in a currency other than the U.S. dollar, any such dividend will be included in the gross income of the U.S. Holder in an amount equal to the U.S. dollar value of the currency on the date of receipt, determined at the spot foreign currency/U.S. dollar exchange rate on the date such dividend distribution is includible in the income of the U.S. Holder, regardless of whether the payment is in fact converted into U.S. dollars at that time. U.S. Holders will have a tax basis in the currency received equal to its U.S. dollar value on the date of receipt. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date the dividend payment is includible to the date such payment is converted into U.S. dollars will be treated as ordinary income or loss from U.S. sources. If dividends received in U.K. pounds are converted into U.S. dollars on the day they are received, the U.S. Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income.

Sale or Exchange of Offer Shares

Subject to the discussion below under "—*Passive Foreign Investment Company*", upon a sale or other disposition of Offer Shares, a U.S. Holder will recognise gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the U.S. dollar value of the amount realised and the U.S. Holder's adjusted tax basis (determined in U.S. dollars) in such Offer Shares. A U.S. Holder's initial tax basis in the Offer Shares will be the U.S. dollar value of the foreign currency-denominated purchase price established on the date of purchase.

U.S. Holders should consult their tax advisers regarding whether they will recognise any foreign currency gain or loss in acquiring the Offer Shares.

Generally, gain or loss recognised upon the sale or other disposition of Offer Shares will be capital gain or loss, will be long-term capital gain or loss if the U.S. Holder's holding period for such Offer Shares exceeds one year, and will be income or loss from sources within the United States for foreign tax credit limitation purposes. For non-corporate U.S. Holders, the United States income tax rate applicable to net long-term capital gain currently will not exceed 20.0%. The deductibility of capital losses is subject to significant limitations.

A U.S. Holder that receives foreign currency from a sale or disposition of Offer Shares generally will realise an amount equal to the U.S. dollar value of the foreign currency on the date of sale or disposition or, if such U.S. Holder is a cash basis or electing accrual basis taxpayer and the Offer Shares are treated as being traded on an "established securities market" for this purpose, the settlement date. If the Offer Shares are so treated and the foreign currency received is converted into U.S. dollars on the settlement date, a cash basis or electing accrual basis U.S. Holder will not recognise foreign currency gain or loss on the conversion. If the foreign currency received is not converted into U.S. dollars on the settlement date, the U.S. Holder will have a basis in the foreign currency equal to the U.S. dollar value on the settlement date. Any gain or loss on a subsequent conversion or other disposition of the foreign currency generally will be treated as ordinary income or loss to such U.S. Holder and generally will be income or loss from sources within the United States for foreign tax credit limitation purposes.

Passive Foreign Investment Company

In general, a corporation organised or incorporated outside the United States is a PFIC in any taxable year in which, after taking into account the income and assets of certain subsidiaries, either (i) at least 75% of its gross income is classified as "passive income" or (ii) at least 50% of the average quarterly value attributable to its gross assets produce or are held for the production of passive income. Passive income for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions.

The Company expects to derive sufficient active revenues and to hold sufficient active assets, so that it does not expect to be classified as a PFIC for the year ending on 31 December 2017, and does not believe that it will be classified as a PFIC in the foreseeable future. However, the PFIC tests are applied annually, and it is possible that the Company may become a PFIC in a future year. If the Company were classified as a PFIC in any year that a U.S. Holder was a shareholder, the Company generally would continue to be treated as a PFIC for that U.S. Holder in all succeeding years, regardless of whether the Company continued to meet the income or asset test described above. If the Company were a PFIC in any taxable year, materially adverse U.S. federal income tax consequences and additional filing requirements could result for U.S. Holders.

If the Company is a PFIC for any taxable year during which an investor is a U.S. Holder, gain recognised by a U.S. Holder on a sale or other taxable disposition (including certain pledges) of the Offer Shares would generally be allocated rateably over the U.S. Holder's holding period for the Offer Shares. The amounts allocated to the taxable year of the sale or other taxable disposition and to any year before the Company became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations for that year, as appropriate, and an interest charge would be imposed. Further, to the extent that any distribution received by a U.S. Holder on its Offer Shares exceeds 125.0% of the average of the annual distributions on the Offer Shares received during the shorter of the preceding three years or the U.S. Holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner as gain, as described immediately above. Additionally, a U.S. Holder subject to the PFIC rules is required to file IRS Form 8621 with respect to its investment in the Offer Shares and the statute of limitations for collections may be suspended if it does not file such form.

The adverse tax consequences of the PFIC rules could potentially be mitigated if a U.S. Holder made a "mark-to-market" election. In this case, a U.S. Holder would include gain or loss on the Offer Shares as ordinary income or loss under a mark-to-market method, provided that the Offer Shares were regularly traded on a qualified exchange. Because a mark-to-market election cannot be made for equity interests in any lower-tier PFICs that the Company owns, a U.S. Holder may continue to be subject to the PFIC rules with respect to its indirect interest in any investments held by the Company that are treated as an equity interest in a PFIC for U.S. federal income tax purposes. The Code also provides an alternative election (a "**QEF election**") to U.S. Holders that may mitigate the adverse U.S. federal income tax consequences to an electing U.S. Holder should the Company be classified as a PFIC. However, the Company does not intend to provide holders with the information necessary to make a QEF election.

U.S. Holders should consult their tax advisers concerning the U.S. federal tax consequences of holding the Offer Shares if the Company were considered to be a PFIC.

U.S. Backup Withholding Tax and Information Reporting

Payments of dividends and other proceeds with respect to Offer Shares, by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to comply with applicable certification requirements. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Backup withholding tax is not an additional tax. A holder generally will be entitled to credit any amounts withheld under the backup withholding rules against such holder's U.S. federal income tax liability, and such amounts may be refunded (or credited against such U.S. Holder's U.S. federal income tax liability, if any), provided the required information is furnished to the IRS in a timely manner.

U.S. Holders who acquire Offer Shares for cash may be required to file an IRS Form 926 (Return by a U.S. Transferor of Property to a Foreign Corporation) with the IRS and to supply certain additional information to the IRS if (i) immediately after the transfer, the U.S. Holders owns directly or indirectly (or by attribution) at least 10.0% of the Company's total voting power or value or (ii) the amount of cash transferred in exchange for the Offer Shares when aggregated with all related transfers under applicable regulations, exceeds $100,000. Substantial penalties may be imposed on a U.S. Holder who fails to comply with this reporting requirement. Each U.S. Holder is urged to consult with its own U.S. tax adviser regarding this reporting obligation.

Foreign Asset Reporting

Certain U.S. Holders who are individuals (and certain specified entities) are required to report information with respect to investments in the Offer Shares not held through an account with a U.S. financial institution by filing IRS Form 8938 (Statement of Specified Foreign Financial Assets) with their U.S. federal income tax return. U.S. Holders that fail to report required information could become subject to substantial penalties. Potential U.S. investors are encouraged to consult with their own independent tax advisers about these and any other reporting obligations arising from their proposed investment in the Offer Shares.

PART B: UNITED KINGDOM TAX CONSIDERATIONS

*The following is a general summary of certain UK tax considerations relating to the ownership and disposal of the Offer Shares. It is based on current UK tax law and published HM Revenue & Customs ("**HMRC**") practice as at the date hereof, both of which are subject to change at any time, possibly with retrospective effect.*

The summary applies substantially to persons who are resident (and, in the case of individuals, resident and domiciled) in the United Kingdom for tax purposes and who are not resident for tax purposes in any other jurisdiction and do not have a permanent establishment or fixed base in any other jurisdiction with which the holding of the Offer Shares is connected (**"UK Holders"**). Persons (a) who are not resident (or, if resident, are not domiciled and to whom "split year" treatment does not apply) in the United Kingdom for tax purposes, including those individuals and companies who trade in the United Kingdom through a branch, agency or permanent establishment in the United Kingdom to which the Offer Shares are attributable, or (b) who are resident or otherwise subject to tax in a jurisdiction outside the United Kingdom, or (c) who are otherwise not sure how they will be affected from a tax perspective, are recommended to seek the advice of professional advisors in relation to their taxation obligations.

This summary is for general information only and is not intended to be, nor should it be considered to be, legal or tax advice to any particular investor. It does not address all of the tax considerations that may be relevant to specific investors in light of their particular circumstances or to investors subject to special treatment under UK tax law. In particular:

- this summary only applies to the absolute beneficial owners of the Offer Shares and any dividends paid in respect of the Offer Shares where the dividends are regarded for UK tax purposes as that person's own income (and not the income of some other person);
- this summary: (a) only addresses the principal UK tax consequences for investors who hold the Offer Shares as capital assets, (b) does not address the tax consequences which may be relevant to certain special classes of investor such as dealers, brokers or traders in shares or securities and other persons who hold the Offer Shares otherwise than as an investment, (c) does not address the tax consequences for UK Holders that are trustees, financial institutions, insurance companies, collective investment schemes, pension schemes, charities or tax-exempt organisations, (d) assumes that the holder is not one of the Company's officers or employees (or of any related company) and has not (and is not deemed to have) acquired the Offer Shares by virtue of an office or employment, and (e) assumes that the UK Holder does not control or hold (and is not deemed to control or hold), either alone or together with one or more associated or connected persons, directly or indirectly, an interest of 10% or more in the Company's Shares, voting power, rights to profits or capital, and is not otherwise connected with the Company.

This summary further assumes that (a) a UK Holder is, for UK tax purposes, absolutely beneficially entitled to the Offer Shares and to the dividends on the Offer Shares and (b) dividends paid by the Company will be treated as income distributions for UK tax purposes.

Potential investors in the Offer Shares should satisfy themselves prior to investing as to the overall tax consequences, including, specifically, the consequences under UK tax law and HMRC practice of the acquisition, ownership and disposal of the Offer Shares, in their own particular circumstances by consulting their own tax advisers.

Taxation of dividends

Withholding tax

Dividend payments in respect of the Offer Shares may be made without withholding for UK tax, or deduction on account of UK tax, whether such payments are made to UK Holders or non-UK resident shareholders.

Income tax

An individual UK Holder who is resident for tax purposes in the United Kingdom and who receives a dividend in the tax year 2017/2018 will generally be entitled to a tax-free annual allowance of £5,000. It was announced in the UK Spring Budget that the dividend tax free allowance will be reduced to £2,000 from 6 April 2018. This measure was not enacted into UK law as part of the Finance (No. 2) Act 2017, however the Government has announced that it will legislate for this provision at the earliest opportunity at the start of the new Parliament following the UK general election 2017. Shareholders should note that as this measure has not been enacted it may therefore be subject to change. Any dividend income received by such individual UK Holder in excess of this tax-free allowance will be taxed at rates of 7.5%, 32.5%, and 38.1% for basic rate, higher rate, and additional rate taxpayers respectively. Dividend income that is within the allowance will count towards an individual's basic or higher rate limits. Dividend income will be treated as the top slice of individual UK Holder's income.

An individual holder of the Offer Shares resident outside the United Kingdom may be subject to taxation on dividend income under local law. Non-UK resident shareholders are not subject to direct assessment of income tax to the extent that such shareholders are not carrying on a trade in the UK. An individual holder of the Offer Shares who is resident outside the United Kingdom for tax purposes should consult his or her own tax adviser concerning his or her tax position on dividends received from the Company.

Corporation tax

A UK Holder within the charge to UK corporation tax should generally be entitled to exemption from UK corporation tax in respect of dividend payments. If the conditions for the exemption are not satisfied, or a UK Holder elects for an otherwise exempt dividend to be taxable, UK corporation tax will be chargeable on the gross amount of any dividends received from the Company at a rate of 19%. The main rate of UK corporation tax will decrease to 17% from 1 April 2020.

A corporate holder of the Offer Shares resident outside the UK may be subject to foreign taxation on dividend income under applicable local law. Non-UK resident shareholders are not subject to direct assessment of corporation tax to the extent that such shareholders are not carrying on a trade in the UK. If potential investors are in any doubt as to their position, they should consult their own professional advisers.

Taxation of disposals

A disposal or deemed disposal of the Offer Shares by an individual UK Holder may, depending on his or her individual circumstances, give rise to a chargeable gain or to an allowable loss for the purpose of UK capital gains tax. The principal factors that will determine the capital gains tax liability of an individual UK Holder on a disposal of the Offer Shares are the extent to which the holder realises any other chargeable gains in the tax year in which the disposal is made, the extent to which the holder has incurred allowable losses in that or any earlier tax year and the level of the annual allowance of tax-free gains in that tax year (the "**Annual Exemption**"). The Annual Exemption for the 2017/18 tax year is £11,300, meaning the first £11,300 of capital gains realised do not fall within the charge to capital gains tax. If, after all allowable deductions, an individual UK Holder's taxable income for the year exceeds the basic rate income tax limit, taxable chargeable gains arising on a disposal or deemed disposal of the Offer Shares by an individual UK Holder will be taxed at 20%. In other cases, taxable chargeable gains may be taxed at 10% or 20% or at a combination of both rates.

An individual UK Holder who ceases to be resident for tax purposes in the United Kingdom or is treated as resident outside the United Kingdom for the purposes of a double tax treaty for a period of five years or less and who disposes of his or her Offer Shares during that period of temporary non-residence may be liable to UK capital gains tax on a chargeable gain accruing on such disposal on his or her return to the United Kingdom (subject to available exemptions or reliefs).

A disposal of the Offer Shares by a corporate UK Holder may give rise to a chargeable gain or an allowable loss for the purpose of UK corporation tax. Such a holder should be entitled to an indexation allowance, which (broadly) applies to reduce capital gains to the extent that such gains arise due to inflation. The allowance may reduce a chargeable gain but will not create an allowable loss.

A corporate holder of the Offer Shares resident outside the UK may be subject to foreign taxation on disposal of the Offer Shares under applicable local law. Non-UK resident shareholders are not subject to UK tax on chargeable gains (and cannot benefit from any allowable loss) to the extent that such shareholders are not trading in the UK. If potential investors are in any doubt as to their position, they should consult their own professional advisers.

Stamp duty and stamp duty reserve tax

The following statements are intended as a general guide to the current UK stamp duty and Stamp Duty Reserve Tax ("**SDRT**") position in connection with the Offer Shares.

Issues of Offer Shares

No UK stamp duty or SDRT will be payable on the issue of the Offer Shares by the Company.

Transfers of Offer Shares

Stamp duty at the rate of 0.5% (rounded up, if necessary, to the next multiple of £5) of the amount or value of the consideration given will generally be payable on an instrument transferring Offer Shares. An exemption from stamp duty is available on an instrument transferring the Offer Shares where the amount or value of the consideration is £1,000 or less, and it is certificated on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000.

A charge to SDRT will also arise on an unconditional agreement to transfer the Offer Shares (at the rate of 0.5% of the amount or value of the consideration payable). However, if within six years of the date on which the agreement is made or, in the case of a conditional agreement, the date of the agreement becoming unconditional, an instrument of transfer is executed pursuant to the agreement and the instrument is duly stamped (either by paying the stamp duty or claiming an appropriate relief) or the instrument is otherwise exempt from stamp duty, any SDRT already paid will be refunded (generally, but not necessarily, with interest) provided that a claim for payment is made, and any outstanding liability to SDRT will be cancelled.

The liability to pay stamp duty or SDRT is generally satisfied by the purchaser.

Offer Shares held through CREST

Paperless transfers of the Offer Shares within CREST will generally be liable to SDRT, rather than stamp duty, at the rate of 0.5% of the amount or value of the consideration. CREST is obliged to collect SDRT on relevant transactions settled within the system.

Under the CREST system, no stamp duty or SDRT will arise on a transfer of Offer Shares into the system unless such a transfer is made for a consideration in money or money's worth, in which case a liability to SDRT (usually at a rate of 0.5%) will arise.

Offer Shares held through Clearance Services

Following the European Court of Justice decision in C-569/07 HSBC Holdings Plc and Vidacos Nominees Limited v. The Commissioners for Her Majesty's Revenue & Customs and the First-tier Tax Tribunal decision in HSBC Holdings Plc and The Bank of New York Mellon Corporation v. The Commissioners for Her Majesty's Revenue & Customs, HMRC has confirmed that 1.5% SDRT is no longer payable when new shares are issued into a clearance service or depositary receipt system.

Where the Offer Shares are transferred (a) to, or to a nominee for, a person whose business is or includes the provision of clearance services or (b) to, or to a nominee or agent for, a person whose business is or includes issuing depositary receipts, stamp duty or SDRT will generally be payable at the higher rate of 1.5% of the amount or value of the consideration payable or, in certain circumstances, the value of the Offer Shares (rounded up to the next multiple of £5 in the case of stamp duty). This liability for stamp duty or SDRT will strictly be accountable by the depositary or receipt system or clearance service operator or their nominee or agent, as the case may be, but will, in practice, generally be reimbursed by participants in the clearance service or depositary receipt scheme. Transfers within the clearance service, and transfers of depositary receipts, are then generally made free of SDRT or stamp duty.

Clearance service operators may elect, provided certain conditions are satisfied, for the normal rates of stamp duty or SDRT to apply to transfers of Offer Shares into, and to transactions within, such services instead of the 1.5% charge outlined above. In these circumstances, SDRT rather than stamp duty at the rate of 0.5% of the amount or value of the consideration payable for the transfer will arise on any transfer of the Offer Shares into such a clearance service and on subsequent agreements to transfer the Offer Shares within such a clearance service.

The imposition of the higher 1.5% charge on transfers of shares to a clearance service or depositary receipt system is currently subject to litigation. Accordingly specific professional advice should be sought before paying the 1.5% SDRT or stamp duty charge in any circumstances.

Inheritance tax

The Offer Shares will be assets situated in the United Kingdom for the purposes of UK inheritance tax. A gift of such assets by, or the death of, an individual holder of such assets may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax even if the holder is neither domiciled in the United Kingdom nor deemed to be domiciled there under certain rules relating to long residence or previous domicile. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit.

PART XVII—REPORTING ACCOUNTANTS AND INDEPENDENT AUDITORS

Deloitte LLP ("**Deloitte UK**") has received the Historical Financial Information included in this Prospectus and given its opinion on the Historical Financial Information, as stated in their accountant's report appearing herein (the "**Accountant's Report**"). Deloitte UK is a member firm of the Institute of Chartered Accountants in England and Wales and its address is 2 New Street Square, London, EC4A 3B2. DRT Bağimsiz Denetim ve Serbest Muhasebeci Mali Műşavirlik A.Ş. ("**Deloitte Turkey**") are the independent auditors of the Group, Deloitte Turkey is a member firm of the Turkish Institute of Accountants and its address is Deloitte Values House, Maslak No 1, 34398 Istanbul, Turkey.

Deloitte UK has given and has not withdrawn its written consent to the inclusion in this prospectus of its Accountant's Report as included in Part XX (Historical Financial Information), in the form and context in which it is included and has authorised the content of its Accountant's Report for the purpose of item 5.5.3R(2)(f) of the Prospectus Rules.

A written consent under the Prospectus Rules is different from a consent filed with the U.S. Securities and Exchange Commission under Section 7 of the Securities Act, which is applicable only to transactions involving securities registered under the Securities Act. As the Offer Shares have not and will not be registered under the Securities Act, Deloitte UK has not filed a consent under Section 7 of the Securities Act.

PART XVIII—ADDITIONAL INFORMATION

1. Persons responsible

The Company and its Directors, whose names and principal functions appear in Part XI (*Directors, Senior Management and Corporate Governance*), accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

2. Incorporation and Registered Office

2.1 The Company was duly incorporated and registered in England and Wales on 20 February 2017 as a private limited company with the registered number 10629250 and the name Global Ports Holding Limited. The Company was then re-registered as a public limited company on 26 April 2017 with the name Global Ports Holdings PLC.

2.2 Since the date of its incorporation, the Company has operated in conformity with its constitution. The Shares conform with the laws of England and Wales and the issuance of the Offer Shares was duly authorised according to the requirements of the Company's constitution. All necessary statutory and other consents have been obtained.

2.3 The Company's registered office and principal place of business is at 100 New Bridge Street, London EC4V 6JA, United Kingdom and its telephone number is +90 (212) 244 4440. The principal laws and legislation under which the Company operates and under which the Offer Shares have been allotted and issued are the Companies Act 2006 and regulations made thereunder.

3. Corporate Resolutions and Share Capital of the Company

3.1 The Company's shares are ordinary voting shares. There are no preferential rights attached to any shares of the Company, other than the Redeemable Shares described in paragraph 3.4 below.

3.2 On incorporation the issued share capital of the Company was £1.00, represented by 1 Share which was issued for cash to Abogado Nominees Limited.

3.3 Following incorporation the 1 Share held by Abogado Nominees Limited was transferred to GPH B.V. for £1.00 on 11 April 2017 .

3.4 On 12 April 2017,GPH B.V. subscribed for £50,000 redeemable preference shares in the Company (the "**Redeemable Shares**"). The £50,000 redeemable preference shares will remain held by GPH B.V. at Admission and will not be listed or traded on any stock exchange. It is anticipated that the redemption of these shares (at their par value) will take place at the election of GPH B.V. and that no further shareholder approval will need to be sought to do so. The Company does not intend to issue any further Redeemable Shares.

3.5 Global Ports Holding Limited re-registered as a public limited company on 26 April 2017, with the Company being renamed Global Ports Holding PLC and the Articles of Association in their current form being adopted.

3.6 On 25 April 2017 4 further Shares were allotted to GPH B.V. for cash and the Company's then existing 5 ordinary shares were consolidated into 1 Share with a nominal value of £5.00 and GPH B.V., as the sole shareholder of the Company, approved the further issuances contemplated by the Share Exchange Agreement referred to below and summarised in "—*Material Contracts*".

3.7 The following table shows developments in the Company's share capital (excluding the Redeemable Shares), since its incorporation:

Balance as at:	Nominal Value (£)	Number	Share capital *(£)*
Incorporation (20 February 2017)	1.00	1	1.00
After the issuance on 25 April 2017	1.00	5	5.00
After the consolidation on 25 April 2017	5.00	1	5.00

3.8 The issued and fully paid share capital of the Company (excluding the Redeemable Shares), as at 28th April 2017 (being the last practicable date prior to publication of this Prospectus) is held as follows:

	Nominal Value (£)	Number	Amount (£)	(%)
Global Port Holding B.V.	5.00	1	5.00	100.00

3.9 On 2 May 2017 the Company entered into a Share Exchange Agreement with each of GPH B.V. and EBRD, pursuant to which the Company agreed to issue the Selling Shareholders 55,000,000 new Shares in exchange for 100% of the shares in Global Liman İşletmeleri Anonim Şirketi with completion to take place immediately prior to Admission.

Following completion of the Share Exchange Agreement, the share ownership of the Company is expected to be as follows (excluding the Redeemable Shares):

	Nominal Value (£)	Number	Amount (£)	(%)
Global Port Holding B.V.	5.00	49,038,000	245,190,000	89.16
European Bank of Reconstruction and Development	5.00	5,692,000	29,810,000	10.84

3.10 Immediately following Admission, the share ownership structure of the Company is expected to be as follows (excluding the Redeemable Shares and assuming no exercise of the Over-Allotment Option):

	Number	Nominal Value (£)	%
Global Ports Holding B.V.	At least 34,436,648	At least 172,183,240	At least 55.4
European Bank of Reconstruction and Development	1,788,600 - 5,962,000	8,943,000 - 29,810,000	2.9 - 9.6
Free Float	Up to 25,436,917	127,184,585	Up to 40.9
Total	**62,206,521**	**311,032,605**	**100**

Immediately following Admission, the share ownership structure of the Company is expected to be as follows (excluding the Redeemable Shares and assuming full exercise of the Over-Allotment Option):

	Number	Nominal Value (£)	%
Global Ports Holding B.V.	At least 31,165,467	At least 155,827,335	At least 50.1
European Bank of Reconstruction and Development	1,788,600 - 5,962,000	8,943,000 - 29,810,000	2.9 - 9.6
Free Float	Up to 29,252,454	146,262,270	Up to 47.0
Total	**62,206,521**	**311,032,605**	**100**

The total number of Shares in issue immediately following Admission will be 61,630,000 (at the top end of the Price Range) and 62,892,857 at the bottom end of the Price Range). The total number of Shares is issue is not impacted by the exercise of Over-allotment Option, which is with respect to Existing Shares only.

3.11 On 25 April 2017, by member's written resolutions (executed by GPH B.V. as the sole shareholder of the Company), it was resolved that:

(a) subject to the Offer being declared wholly unconditional the capital of the Company be reduced by:

(i) cancelling and extinguishing paid-up share capital by reducing the nominal value to £0.01 of each of the Shares in issue at the Reduction of Capital Record Time; and

(ii) cancelling the amount of the share premium account (if any) in existence at the Reduction of Capital Record Time;

(b) in addition to the authorities contained in Paragraph 3.11(c) below, the Directors be authorised to allot new shares, including to GPH B.V. and EBRD pursuant to the terms of the Share Exchange Agreement and any Offer Shares up to a maximum aggregate nominal amount of £1,000,000,000 in connection with the Offer; provided that such power shall expire at the conclusion of the Company's Annual General Meeting in 2018, save that the Company may before the expiry of this authority make an offer or agreement which would or might require shares to be allotted after such expiry and the Directors may allot shares in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired;

(c) subject to Admission becoming effective, and in addition to the authorities set out in Paragraph 3.11(b) above, the Directors be generally and unconditionally authorised for the purpose of section 551 of the Companies Act to exercise all the powers of the Company to allot new shares in the Company or to grant rights to subscribe for or to convert any security into new shares in the Company:

(i) up to a maximum aggregate nominal amount of £333,333,333 (or, if lower, such amount as is equal to one-third of the aggregate nominal value of the Shares in issue immediately following Admission) before the Reduction of Capital and £666,667 (or, if lower, such amount as is equal to one-third of the aggregate nominal value of the Shares in issue immediately following the Reduction of Capital) thereafter; and

(ii) in addition to the amount referred to in Paragraph (i) above, up to an aggregate nominal amount of £333,333,333 (or, if lower, such amount as is equal to one-third of the aggregate nominal value of the Shares in issue immediately following Admission) before the Reduction of Capital and £666,667 (or, if lower, such amount as is equal to one-third of the aggregate nominal value of the Shares in issue immediately following the Reduction of Capital) thereafter in relation to an allotment of equity securities (within the meaning of section 560(1) of the Act) in connection with a rights issue,

for a period expiring at the conclusion of the Company's Annual General Meeting in 2018, save that the Company may before the expiry of this authority make an offer or agreement which would or might require shares to be allotted or rights to be granted after such expiry and the Directors may allot shares or grant rights in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.

For the purposes of this resolution ''rights issue'' means an offer to holders of Shares made in proportion (as nearly as practicable) to their respective existing holdings of Shares and holders of other equity securities of any class if this is required by the rights attaching to those securities or, if the Directors consider it necessary, as permitted by the rights attaching to those securities, to subscribe for further equity securities by means of the issue of a renounceable letter (or other negotiable document) which may be traded for a period before payment for the securities is due, but subject to the Directors having a right to make such exclusions or other arrangements as they consider necessary or expedient to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems arising in, or under the laws of, any territory or any other matter;

(d) subject to Admission the Directors be empowered pursuant to sections 570 and 573 of the Act to allot equity securities (within the meaning of section 560(1) of the Act) for cash:

(i) pursuant to the authority conferred by Paragraph 3.11(c)(i) above and/or an allotment which constitutes an allotment of equity securities by virtue of section 560(3) of the Act as if section 561 of the Act did not apply to the allotment, provided that the power conferred by this resolution is limited to:

(A) an allotment of equity securities in connection with a pre-emptive offer; or

(B) an allotment of equity securities otherwise than in connection with a pre-emptive offer up to a nominal amount not exceeding in aggregate £50,000,000 (or, if lower, such amount as is equal to five per cent. of the aggregate nominal value of the Shares in issue immediately following Admission) before the Reduction of Capital has become effective and £100,000 (or, if lower, such amount as is equal to five per cent. of the aggregate nominal value of the Shares in issue immediately following the Reduction of Capital) thereafter, and

(ii) pursuant to the authority given by the resolution referred to in Paragraph 3.11(c)(ii) above as if section 561 of the Act did not apply to the allotment provided that the power conferred by this resolution is limited to an allotment of equity securities in connection with a rights issue,

such power to expire at the conclusion of the Company's Annual General Meeting in 2018, save that the Company may before the expiry of this authority make an offer or agreement which would or might require shares to be allotted after such expiry and the Directors may allot shares in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.

For the purposes of this resolution:

"rights issue" has the same meaning as set out above in Paragraph 3.11(c) above;

"pre-emptive offer" means an offer of securities, open for acceptance for a period fixed by the Directors, to (i) holders of Shares made in proportion (as nearly as practicable) to their respective existing holdings of Shares and (ii) holders of other equity securities of any class if this is required by the rights attaching to these securities or, if the Directors consider it necessary, as permitted by the rights attaching to those securities, but subject to the Directors having a right to make such exclusions or other arrangements as they consider necessary or expedient to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems arising in, or under the laws of, any territory or any other matter; and

references to the allotment of equity securities shall include a sale of treasury shares;

(e) subject to Admission the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Act) of its own shares, subject to the following conditions:

(i) the maximum aggregate number of Shares to be purchased may not be more than the number equal to 10% of the nominal amount of the Shares in issue immediately following Admission;

(ii) the minimum price (exclusive of expenses payable by the Company in connection with the purchase) which may be paid for a Share is an amount equal to its nominal value;

(iii) the maximum price (exclusive of expenses payable by the Company in connection with the purchase) which may be paid for each Share purchased under this authority is an amount equal to the higher of:

(A) 105% of the average of the middle market quotations for Shares as derived from the London Stock Exchange's Daily Official List for the five business days immediately preceding the day on which the share is contracted to be purchased; and

(B) the higher of the price of the last independent trade of a Share and the highest current independent bid for a Share as derived from the London Stock Exchange Trading System;

(iv) this authority shall expire at the conclusion of the Company's Annual General Meeting in 2018 (except in relation to the purchase of shares the contract for which was concluded before the expiry of such authority and which may be executed wholly or partly after such expiry) unless such authority is renewed prior to such time;

(f) subject to Admission the Company be authorised in accordance with the Articles to call general meetings on 14 clear days' notice; and

(g) the Company and all of its subsidiaries are authorised to make political donations in accordance with section 366 of the Act.

3.12 Following Admission, the Directors intend to undertake the Reduction of Capital in order to create distributable reserves for the Company. The Directors intend to implement a court approved reduction of capital which reduces the nominal value of the Shares and cancels the share premium account (if any).

3.13 The Offer Shares will have a nominal value of £5.00 per Share. Following the Reduction of Capital the nominal value of the Shares will be reduced to £0.01. If there is full acceptance of the Offer at the mid-point of the Price Range and EBRD sells 4,173,400 Shares but assuming no exercise of the Over-Allotment Option, the Reduction of Capital will create a new reserve on the balance sheet of the Company of at least approximately £310,410,540 (assuming a reduction from £5.00 to £0.01 per Share). The Reduction of Capital is a legal and accounting adjustment and will not, of itself, have any direct impact on the market value of the Shares.

3.14 By way of a special resolution passed by the sole shareholder of the Company on 25 April 2017, the Company's shareholder approved the Reduction of Capital subject to the Offer being declared wholly unconditional. The Reduction of Capital will only become effective if it is approved by the English Court pursuant to the Act. As soon as possible following the date of this Prospectus, the Directors intend to apply to the English Court to approve the Reduction of Capital. It is expected that the Court Hearing will be held shortly after Admission. The reserves created by the Reduction of Capital will be available for distribution subject to the Company complying with the distributions provisions of the Act.

3.15 Subject to Admission, the Reduction of Capital is expected to become effective during the second half of 2017.

4. Articles of Association

The Articles of Association of the Company (the "**Articles**") include provisions to the following effect:

4.1 *Share rights*

Subject to the provisions of the Act, and without prejudice to any rights attached to any existing shares or class of shares: (i) any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or, subject to and in default of such determination, as the Board shall determine; and (ii) shares may be issued which are to be redeemed or are liable to be redeemed at the option of the Company or the holder and the Board may determine the terms, conditions and manner of redemption of such shares provided that it does so prior to the allotment of those shares.

4.2 *Voting rights*

Subject to any rights or restrictions attached to any shares, on a show of hands every member who is present in person shall have one vote and on a poll every member present in person or by proxy shall have one vote for every share of which he is the holder.

No member shall be entitled to vote at any general meeting in respect of a share unless all moneys presently payable by him in respect of that share have been paid.

If at any time the Board is satisfied that any member, or any other person appearing to be interested in shares held by such member, has been duly served with a notice under section 793 of the Act and is in default for the prescribed period in supplying to the Company the information thereby required, or, in purported compliance with such a notice, has made a statement which is false or inadequate in a material particular, then the Board may, in its absolute discretion at any time thereafter by notice to such member direct that, in respect of the shares in relation to which the default occurred, the member shall not be entitled to attend or vote either personally or by proxy at a general meeting or at a separate meeting of the holders of that class of shares or on a poll.

4.3 *Dividends and other distributions*

Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board. Except as otherwise provided by the rights and restrictions attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid, but no amount paid on a share in advance of the date on which a call is payable shall be treated for these purposes as paid on the share.

Subject to the provisions of the Act, the Board may pay interim dividends if it appears to the Board that they are justified by the profits of the Company available for distribution.

If the share capital is divided into different classes, the Board may also pay, at intervals determined by it, any dividend payable at a fixed rate if it appears to the Board that the profits available for distribution justify the payment. If the Board acts in good faith it shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.

Except as otherwise provided by the rights and restrictions attached to any class of shares, all dividends will be declared and paid according to the amounts paid-up on the shares on which the dividend is paid.

The Board may, if authorised by an ordinary resolution of the Company, offer any holder of shares the right to elect to receive shares, credited as fully paid, by way of scrip dividend instead of cash in respect of the whole (or some part, to be determined by the Board) of all or any dividend.

Any dividend which has remained unclaimed for 12 years from the date when it became due for payment shall, if the Board so resolves, be forfeited and cease to remain owing by the Company.

Except as provided by the rights and restrictions attached to any class of shares, the holders of the Company's shares will under general law be entitled to participate in any surplus assets in a winding up in proportion to their shareholdings. A liquidator may, with the sanction of a special resolution and any other sanction required by the Insolvency Act 1986, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members.

4.4 *Variation of rights*

Rights attached to any class of shares may be varied or abrogated with the written consent of the holders of three-quarters in nominal value of the issued shares of the class, or the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class.

4.5 *Lien and forfeiture*

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys payable to the Company (whether presently or not) in respect of that share. The Company may sell, in such manner as the Board determines, any share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice has been sent to the holder of the share demanding payment and stating that if the notice is not complied with the share may be sold.

The Board may from time to time make calls on the members in respect of any moneys unpaid on their shares. Each member shall (subject to receiving at least 14 clear days' notice) pay to the Company the amount called on his shares. If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable, the board may give the person from whom it is due not less than 14 clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

4.6 *Transfer of shares*

A member may transfer all or any of his certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve. An instrument of transfer shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An instrument of transfer need not be under seal.

The Board may, in its absolute discretion, refuse to register the transfer of a certificated share which is not a fully paid share, provided that the refusal does not prevent dealings in shares in the Company from taking place on an open and proper basis. The Board may also refuse to register the transfer of a certificated share unless the instrument of transfer:

(a) is lodged, duly stamped (if able to be stamped), at the office or at another place appointed by the Board accompanied by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

(b) is in respect of one class of share only; and

(c) is in favour of not more than four transferees.

If the Board refuses to register a transfer of a share in certificated form, it shall send the transferee notice of its refusal within two months after the date on which the instrument of transfer was lodged with the Company.

No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to a share.

Subject to the provisions of the Regulations, the Board may permit the holding of shares in any class of shares in uncertificated form and the transfer of title to shares in that class by means of a relevant system and may determine that any class of shares shall cease to be a participating security.

4.7 *Alteration of share capital*

Subject to the Act, the Company may by ordinary resolution increase, consolidate or sub-divide its share capital.

4.8 ***Purchase of own shares***

Subject to the Act and without prejudice to any relevant special rights attached to any class of shares, the Company may purchase any of its own shares of any class in any way and at any price (whether at par or above or below par).

4.9 ***General meetings***

The Board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Act. The Board may call general meetings whenever and at such times and places as it shall determine.

4.10 ***Directors***

(a) *Appointment of Directors*

Unless otherwise determined by ordinary resolution, the number of Directors shall be not less than two nor more than 12 in number. Directors may be appointed by ordinary resolution of Shareholders or by the Board.

(b) *No share qualification*

A Director shall not be required to hold any shares in the capital of the Company by way of qualification.

(c) *Annual retirement of Directors*

At every annual general meeting held after the first annual general meeting after the date of adoption of the Articles, all Directors at the date of notice of annual general meeting shall retire from office.

(d) *Remuneration of Directors*

The emoluments of any Director holding executive office for his services as such shall be determined by the Board, and may be of any description.

The ordinary remuneration of the Directors who do not hold executive office for their services (excluding amounts payable under any other provision of the Articles) shall not exceed in aggregate £1 million per annum or such higher amount as the Company may from time to time by ordinary resolution determine. Subject thereto, each such Director shall be paid a fee for that service (which shall be deemed to accrue from day to day) at such rate as may from time to time be determined by the Board.

In addition to any remuneration to which the Directors are entitled under the Articles, they may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the Board or committees of the Board, general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties.

The Board may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any past or present Director or employee of the Company or any of its subsidiary undertakings or any body corporate associated with, or any business acquired by, any of them, and for any member of his family or any person who is or was dependent on him.

(e) *Permitted interests of Directors*

Subject to the provisions of the Act, and provided that he has disclosed to the Board the nature and extent of his interest (unless the circumstances referred to in section 177(5) or section 177(6) of the Act apply, in which case no such disclosure is required), a Director notwithstanding his office:

(i) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;

(ii) may act by himself or for his firm in a professional capacity for the Company (otherwise than as auditor), and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;

(iii) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is (directly or indirectly) interested as a shareholder or otherwise or with which he has such relationship at the request or direction of the Company; and

(iv) shall not, by reason of his office, be accountable to the Company for any remuneration or other benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate the acceptance, entry into or existence of which has been approved by the Board pursuant to Article 101 of the Articles or which he is permitted to hold or enter into by virtue of paragraph (i), (ii) or (iii).

(f) *Restrictions on voting*

A Director shall not vote on any resolution of the Board concerning a matter in which he has an interest which can reasonably be regarded as likely to give rise to a conflict with the interests of the Company, unless his interest arises only because the resolution concerns one or more of the following matters:

(i) the giving of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of, or for the benefit of, the Company or any of its subsidiary undertakings;

(ii) the giving of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which the Director has assumed responsibility (in whole or part and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security;

(iii) a contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of the Company or any of its subsidiary undertakings for subscription or purchase, in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;

(iv) a contract, arrangement, transaction or proposal concerning any other body corporate in which he or any person connected with him is interested, directly or indirectly, and whether as an officer, shareholder, creditor or otherwise, if he and any persons connected with him do not to his knowledge hold an interest (as that term is used in sections 820 to 825 of the Act) representing 1% or more of either any class of the equity share capital (excluding any shares of that class held as treasury shares) of such body corporate (or any other body corporate through which his interest is derived) or of the voting rights available to members of the relevant body corporate (any such interest being deemed for the purpose of this Article to be likely to give rise to a conflict with the interests of the Company in all circumstances):

(v) a contract, arrangement, transaction or proposal for the benefit of employees of the Company or of any of its subsidiary undertakings which does not award him any privilege or benefit not generally accorded to the employees to whom the arrangement relates; and

(vi) a contract, arrangement, transaction or proposal concerning any insurance which the Company is empowered to purchase or maintain for, or for the benefit of, any Directors or for persons who include Directors.

(g) *Indemnity of officers*

Subject to the provisions of the Act, but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every Director or other officer of the Company (other than any person (whether an officer or not) engaged by the Company as auditor) shall be indemnified out of the assets of the Company against any liability incurred by him for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company, provided that this Article shall be deemed not to provide for, or entitle any such person to, indemnification to the extent that it would cause this Article, or any element of it, to be treated as void under the Act.

5. Other Directorships

The companies and partnerships of which the Directors and Senior Managers are, or have been, within the past five years, members of the administrative, management or supervisory bodies or partners (excluding the Company and its subsidiaries and also excluding the subsidiaries of the companies listed below) are as follows:

Name	Current directorships/partnerships	Previous directorships/partnerships
Directors		
Mehmet Kutman	Chairman of Global Liman İşletmeleri A.Ş. Chairman of Global Yatırım Holding A.Ş. Chairman of Ortadoğu Antalya Liman İşletmeleri A.Ş. Chairman of Ege Liman İşletmeleri A.Ş. Chairman of Bodrum Liman İşletmeleri A.Ş. Chairman of Barcelona Port Investments, S.L Vice Chairman of Container Terminal and General Cargo—Bar Director of Valletta Cruise Port PLC Vice Chairman of Container Terminal and General Cargo—Bar Director of SATS Creuers Singapore in Venezia Terminal Passegeri S.p.A Director of Global Ports Malta Ltd. Director of Venezia Investimenti Srl.	Chief Executive Officer of GMD Vice President of North Carolina National Bank Vice President of Sexton Roses Inc. Vice President of Philip Bush & Associates
Ayşegül Bensel	Vice Chairman of Global Liman İşletmeleri A.Ş. Director of Global Yatırım Holding A.Ş. Vice Chairman of Ortadoğu Antalya Liman İşletmeleri A.Ş.Director of Ege Liman Vice Chairman of Bodrum Liman İşletmeleri A.Ş. Director of Barcelona Port Director of Creuers del Port de Barcelona Director of Cruceros Malaga, S.A. Director of VallettaCruise Port PLC Director of Container Terminal and General Cargo—Bar	Director of Dağören Enerji Director of Global Enerji Director of Global Insurance Director of Mavi Bayrak Director of Torba Director of Salıpazarı İnşaat Director of Global Hayat Director of Global Securities CEO of Pera Reit Company
Lord Mandelson	Director of Global Liman İşletmeleri A.Ş.	—
Thierry Déau	Director of Global Liman İşletmeleri A.Ş.	—
Jérôme Bernard Jean Auguste Bayle	Director of Global Yatırım Holding A.Ş.	—
Thomas Josef Maier	Director of Global Liman İşletmeleri A.Ş. (EBRD Representative)	Municipal and Environmental Infrastructure Team Director at EBRD Managing Director, Infrastructure at EBRD

Name	Current directorships/partnerships	Previous directorships/partnerships
Ercan Nuri Ergül	Director Global Liman İşletmeleri A.Ş. Director of Sekom Director of Smg Multimedia	Managing Director and Partner of Bedminster Capital Management LLC Director of Global Securities
Senior management		
Emre Sayın	Chief Executive Officer of Global Liman İşletmeleri A.Ş. Chief Business Development Officer of Vimpelcom Director of Creuers del Port de Barcelona Director of VallettaCruise Port PLC Director of Travel Shopping Director of Lisbon Cruise Director of Venezia Investimenti Director of Finpax	General Manager of Kodak Chief Marketing Officer at Evyap
Stephen Xuereb	Chief Operating Officer Global Liman İşletmeleri A.Ş. General Manager of Valletta Cruise Port Chairman of Ravenna Terminali Passegeri Srl Chairman Catania Cruise Terminal srl Charrmin Cagliari Cruise Port srl Director of Brindisi Director of RCI (Cyprus) Ltd	Group Chief Financial Officer of Valletta Cruise Port Chief Financial Officer Big Bon Group Audit Committee Member Malta Gaming Authority
Ferdağ Ildır	Chief Financial Officer of Global Liman İşletmeleri A.Ş. Chief Financial Officer Bodrum Liman İşletmeleri A.Ş. Chief Financial Officer of Ege Liman Chief Financial Officer Ortadoğu Antalya Liman İşletmeleri A.Ş.	Chief Financial Officer of Ege Ports-Kuşadası Chief Financial Officer Bodrum Cruise Port Chief Financial Officer Port Akdeniz-Antalya
Arpak Demircan	Chief Business Development Officer of Global Liman İşletmeleri A.Ş. Director of Port Akdeniz-Antalya Director of Ege Ports-Kuşadası Director of Bodrum Cruise Port Director of Creuers del Port de Barcelona, S.A. Chairman of Creuers del Port de Barcelona, S.A. Chairman of Cruceros Malaga, S.A. Director of VallettaCruise Port PLC Director of Lisbon Cruise Director of Ravenna Terminali Passegeri Srl Director of Global Ports Europe B.V	Deputy Chief Executive Officer of Global Liman İşletmeleri A.Ş. Vice President of Business Development of Global Yatırım Holding A.Ş.

Name	Current directorships/partnerships	Previous directorships/partnerships
Carla Salvado	Director of Cruise Marketing at Global Liman İşletmeleri A.Ş. Director of Creuers del Port de Barcelona Director of Cruceros Malága	Secretary General of MedCruise Association President of MedCruise Association Marketing and Cruise Director of Barcelona Port Authority
Özgür Sert	General Manager of Port Akdeniz-Antalya	Business Development Manager of Global Liman İşletmeleri A.Ş.
Sedat Kara	General Manager of Port of Adria-Bar	—
Aziz Güngör	General Manager of Ege Ports & Bodrum Cruise Port Director of TÜRKLİM	Sales and Marketing Director at Setur Marinas Group Director of DTB (Turkish Marine Tourism Association) Director of MedCruise Association
Ricardo Ferreira	General Manager of Lisbon Cruise Terminals	Operations Director of Sonae Turismo Operations Director of Troia Resort Apartamentos Turisticos
Carles Domingo	General Manager of Creuers Barcelona Director Cruceros Malaga, S.A. Director Lisbon Cruise Terminals, LDA	Vice President of Standard Electrical materials General Manager of Metron SA
Lionel Wong	General Manager of SATS Creuers Singapore	—
Susana Gutierrez	General Manager of Cruceros Malága	—
Gonca Uygun	Harbour Manager of Bodrum Cruise Port	Managing Director of several privately owned marinas

Within the period of five years preceding the date of this Prospectus, none of the Executive Directors or Senior Managers:

(a) has had any convictions in relation to fraudulent offences;

(b) has been associated with any bankruptcy, receivership or liquidation when acting in his capacity as a member of the administrative, management or supervisory body or senior manager of another company; or

(c) has received any official public incrimination and/or sanction by any statutory or regulatory authorities (including designated professional bodies) or has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company, or from acting in the management or conduct of the affairs of a company.

None of the Directors or Senior Managers has any potential conflicts of interests between their duties to the Company and their private interests or other duties.

6. Directors', Senior Managers' and Other Interests

6.1 The directors and senior managers of the Company do not have any direct ownership of shares of the Company. However, Mehmet Kutman owns approximately 35.7% of GIH:

Director / Senior Manager	28th April 2017 (last practicable date prior to publication of the Prospectus) Percentage of share ownership
Mehmet Kutman	35.7%(1)

Notes:

(1) Mehmet Kutman owns approximately 35.7% in GIH which owns 100% of GPH B.V. GPH B.V. in turn owns 89.16% of the Company—this equates to Mehmet Kutman having a 31.8 % indirect interest in the Company.

6.2 So far as the Company is aware, as at 1 May 2017 (being the latest practicable date prior to publication of this Prospectus), persons (other than the Directors and Senior Managers) in the tables below hold directly or indirectly three per cent. or more of the voting rights in the issued share capital of the Company or will do so immediately following Admission.

(A) Top of the Price Range

Shareholders	Immediately prior to admission		Immediately following admission	
	Number of ordinary shares	Percentage of issued ordinary share capital	Number of ordinary shares(1)	Percentage of issued ordinary share capital(1)
Global Port Holding B.V.	49,038,000	89.16%	At least 34,110,286	At least 55.3%
EBRD	5,692,000	10.84%	1,788,600 - 5,962,000	2.9% - 9.6%
Total	55,000,000	100.00%	61,630,000	100.00%

Notes:

(1) Assuming no exercise of the Over-allotment Option.

(B) Bottom of the Price Range

Shareholders	Immediately prior to admission		Immediately following admission	
	Number of ordinary shares	Percentage of issued ordinary share capital	Number of ordinary shares(1)	Percentage of issued ordinary share capital(1)
Global Port Holding B.V.	49,038,000	89.16%	At least 34,825,173	At least 55.4%
EBRD	5,692,000	10.84%	1,788,600 - 5,962,000	2.8% - 9.6%
Total	55,000,000	100.00%	62,892,857	100.00%

Notes:

(1) Assuming no exercise of the Over-allotment Option.

GPH B.V. has committed that the minimum free float will be such number of Shares as results in total proceeds of the Offer of not less than USD 200,000,000 (approximately GBP 154,700,000).

Save as set out above, the Company is not aware of any person who holds, or who will immediately following Admission hold, as shareholder, directly or indirectly, three per cent. or more of the voting rights (within the meaning of the Disclosure Guidance and Transparency Rules of the FCA) in the issued share capital of the Company.

Save as disclosed above, none of the Directors nor any member of their immediate families or any person connected with any of them holds or is beneficially or non-beneficially interested, directly or indirectly, in any shares or options to subscribe for, or securities convertible into, shares of the Company or any of its subsidiary undertakings or any financial product referenced to the Shares.

6.3 None of the Shareholders referred to in paragraph 6.2 above has different voting rights from any other holder of Shares in respect of any Shares held by them.

6.4 Save as set out in this Part XVIII (Additional Information), the Company is not aware of any person who immediately following Admission directly or indirectly, jointly or severally, will own or could exercise control over the Company.

6.5 There are no arrangements known to the Company which may result in a change of control of the Company.

7. Directors' Service Agreements

7.1 As of the date of the Price Range Prospectus, the Company has no executive directors.

7.2 Each Non-Executive Director has agreed the following the key terms of service which are set out below:

(a) The appointments of each of the Non-Executive Directors are for a fixed term commencing on 12 April 2017 and ending at the next AGM, where the Non Executive will be subject to re-election.

(b) The Chairman and each Non-Executive Director is also entitled to reimbursement of reasonable expenses.

(c) The Chairman and Non-Executive Directors are not entitled to receive any compensation on termination of their appointment and are not entitled to participate in the Company's share, bonus or pension schemes.

(d) The Chairman and Non-Executive Directors are subject to confidentiality undertakings without limitation in time. They are also subject to non-compete restrictive covenants for the duration of their appointments and for 6 months after the termination of their appointments.

(e) The Chairman and Non-Executive Directors will have the benefit of a qualifying third party indemnity from the Company (the terms of which are in accordance with the Act) and appropriate directors' and officers' liability insurance.

7.3 Save as set out in paragraph 7.2 above, there are no existing or proposed service agreements or letters of appointment between the Directors and any member of the Group.

7.4 ***Directors' and Senior Managers' Remuneration***

(a) *Directors*

Under the terms of their service contracts, for the year ended 31 December 2017, the directors the Company will be remunerated as set out below:

Name	Position	Annual Salary ($)	Other Benefits ($)	Date of Joining the Company
Mehmet Kutman	Chairman and Co-Founder	90,000	30,000	11 April 2017
Ayşegül Bensel	Vice Chairman	90,000	30,000	12 April 2017
Lord Mandelson	Board Member	120,000		
Thierry Déau	Board Member	90,000	30,000	12 April 2017
Jérôme Bernard Jean Auguste Bayle	Board Member	90,000	30,000	12 April 2017
Thomas Josef Maier	Board Member	90,000	30,000	12 April 2017
Ercan Nuri Ergül	Board Member	90,000	30,000	11 April 2017

(b) *Senior Management*

Under the terms of their employment to the senior managers of the Group who served during the year 2016 were remunerated as set out below:

Name	Position	Annual Salary ($)	Other Benefits ($)	Date of Joining the Group
Emre Sayın	Chief Executive Officer	$199,053	—	16 May 2016
Ferdağ Ildır	Chief Financial Officer	$147,484	—	10 May 2005

7.5 There is no arrangement under which any Director has waived or agreed to waive future emoluments nor has there been any waiver of emoluments during the financial year immediately preceding the date of this Prospectus.

8. Employee share plans

After Admission, and subject to shareholder approval, the Company intends to establish a long term incentive plan designed to reward key executives for their work for the Group. Awards are initially intended to be in the form of RSUs, which are conditional rights to receive shares in the Company, but the Plan also permits the grant of options.

9. Pensions

The Group does not have any arrangements relating to pensions, except for the contributions it makes in compliance with the relevant statutory minimums in the jurisdictions in which it operates.

10. Subsidiaries and Principal Investments

The Company is the principal holding company of the Group. The principal subsidiaries and subsidiary undertakings of the Company are as follows:

10.1 ***Subsidiaries and subsidiary undertakings***

The nature of the operations and the locations of the subsidiaries of the Company are listed in the table below:

Name	Country of incorporation and registered office	Percentage of effective ownership interest	Field of activity
Global Liman İşletmeleri A.Ş.	Turkey	100.00%	Operating company
Global Ports Netherlands B.V.	Netherlands	100.00%	Holding company
Ege Liman İşletmeleri A.Ş.	Turkey	72.50%	Port operations
Ortadoğu Antalya Liman İşletmeleri A.Ş.	Turkey	100.00%	Port operations
Bodrum Liman İşletmeleri A.Ş.	Turkey	60.00%	Port operations
Container Terminal and General Cargo-Bae	Montenegro	63.79%	Port operations
Barcelona Port Investments, S.L.	Spain	62.00%	Port investments
Creuers del Port de Barcelona, S.A.	Spain	62.00%	Port operations
Cruceros Málaga, S.A.	Spain	49.60%	Port operations
Global Ports Europe B.V.	Netherlands	100.00%	Port investments
Perquisite Holdings Ltd.	Malta	100.00%	Port investments
Global Ports Melita Ltd.	Malta	100.00%	Port investments
Valletta Cruise Port PLC	Malta	55.60%	Port operations
Ports Operation Holding S.r.l. (1)	Italy	100%	Port investments
Royal Caribbean Investments (Cyprus) Ltd (2)	Cyprus	95.00	Port investments
Ravenna Terminali Passegeri Srl	Italy	53.67%	Port operations
Catania Terminali Passegeri Srl	Italy	62.21%	Port operations
Cagliari Terminali Passegeri Srl	Italy	70.89%	Port operations
Global Depolama A.Ş.	Turkey	100%	Storage
Randa Denizcilik San ve Tic Ltd Şti	Turkey	100%	Marine vehicle trade

(1) As of 31 December 2016 Global Liman has transferred its 100% stake in Ports Operation Holding S.r.l. to Global Ports Netherlands B.V., which is a 100% subsidiary of Global Liman.

(2) Royal Caribbean Investments (Cyprus) Ltd is not included in the Historical Financial Information.

10.2 ***Principal investments***

The following are the principal investments of the Group:

Name	Location	Percentage of ownership interest	Field of activity
LCT—Lisbon Cruise Terminals, Lda (Lisbon Cruise Port)	Portugal	46.20%(1)	Port operations
SATS—Creuers Cruise Services Pte Ltd (Marina Bay Cruise Terminal)	Singapore	24.80%	Port operations
Venezia Terminal Passegeri S.p.A. (Venice Cruise Port)	Italy	11.00%(2)	Port investments
La Spezia Cruise Facility Srl.	Italy	28.50%	Port operations

(1) The Group has entered into the concession agreement of Lisbon Cruise Port on 18 July 2014 as part of the consortium comprised of Global Liman, RCCL, Creuers and Group Sousa-Investimentos SGPS, Lda. Global Liman holds a 46.2% interest (of which 40% is held directly and 6.2% is held indirectly through Global Liman's 62% interest in BPI's 100% holding in Creuers) in Lisbon Cruise Terminals, Lda. Global Liman has submitted a request to the Lisbon Port Authority to transfer its direct 40% stake in Lisbon Cruise Terminals, Lda to Global Ports Netherlands, which is a 100% subsidiary of Global Liman.

(2) Venezia Investimenti S.r.l. is an international consortium formed by Global Liman, Costa Crociere SpA, MSC Cruises SA and RCCL (each having 25% share) for acquiring an indirect stake in Venezia Terminal Passegeri S.p.A., a company which operates the Venice Cruise Port. As of 31 December 2016, Global Liman has transferred its 25% stake in Venezia Investimenti S.r.l. to Global Ports Netherlands B.V., which is a 100% subsidiary of Global Liman.

11. Material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or another member of the Group: (a) within the two years immediately preceding the date of this Prospectus which are, or may be, material to the Company or any member of the Group, and (b) at any time and contain provisions under which the Company or any member of the Group has an obligation or entitlement which is, or may be, material to the Company or any member of the Group as at the date of this Prospectus:

11.1 ***Underwriting Agreement***

See Part XV (*Details of the Offer—Underwriting Agreement and Over-Allotment Option*) for details of the underwriting agreement.

11.2 ***Share Exchange Agreement***

On 2 May 2017 the Company entered into a Share Exchange Agreement with each of GPH B.V. and EBRD, pursuant to which the Company agreed to issue the Selling Shareholders 55,000,000 new Shares in exchange for 100% of the shares in Global Liman İşletmeleri A.Ş., with completion to take place immediately prior to Admission. GPH B.V. and GIH entered into a separate share sale agreement on the same day in relation to the transfer of all of GIH's shares in Global Liman Isletmeleri A.S¸ with the completion of that sale to take place prior to completion of the Share Sale Agreement.

11.3 ***Stock Lending Agreement***

In connection with the arrangements detailed in Part XV (*Details of the Offer*), the Stabilising Manager expects, on or before the date of this Prospectus into a Stock Loan Agreement with the Over-allotment Shareholders, pursuant to which the Stabilising Manager will be able to borrow, from the Over-allotment Shareholder free of charge, Shares on Admission up to an amount equal to 15% of the size of the Offer for the purposes, amongst other things, of allowing the Stabilising Manager to settle, at Admission, overallocations, if any, made in connection with the Offer. If the Stabilising Manager borrows any Shares pursuant to the Stock Lending Agreement it will be required to return equivalent securities to the Overallotment Shareholder by no later than six Business Days following the Stabilisation End Date.

11.4 ***Intermediaries Terms and Conditions***

The Intermediaries Terms and Conditions regulate the relationship between the Company GPH B.V. and EBRD (to the extent EBRD offers Existing Shares in the Offer), the Intermediaries Offer Adviser, the Underwriters and each of the Intermediaries that is accepted by the Company to act as an Intermediary after making an application for appointment in accordance with the Intermediaries Terms and Conditions.

(a) the Intermediaries agree that, in connection with the Intermediaries Offer, they will be acting as agent for their clients who apply for shares in the Intermediaries Offer (the "Underlying Applicants"). None of the Company, the Intermediaries Offer Adviser, the Underwriters or any of their respective representatives will have any liability to the Intermediaries for liabilities, costs or expenses incurred by the Intermediaries in connection with the Intermediaries Offer;

(b) the Intermediaries Offer Adviser agrees to coordinate applications from the Intermediaries under the Intermediaries Offer. Determination of the Offer Price and the number of Shares offered will be determined solely by the Company (in consultation with the Joint Global Coordinators). Allocations to Intermediaries will be determined solely by the Company and the Joint Global Coordinators;

(c) the Intermediaries agree to procure the investment of the maximum number of Offer Shares which can be acquired at the Offer Price for the sum applied for by such Intermediaries on behalf of their respective Underlying Applicants;

(d) a minimum application of £1,000 per Underlying Applicant will apply;

(e) conditional upon Admission, the Company agrees to pay the Intermediaries a commission of 0.75% of the aggregate value of the Shares allocated to and paid for by each Intermediary in the Intermediaries Offer. This commission shall be deducted by Equiniti Limited (the "**Intermediaries Offer Settlement Agent**") from the gross proceeds of the Intermediaries Offer. No Intermediary shall be entitled to deduct any of this commission from any amount they are required to pay under the Intermediaries Offer;

(f) the Intermediaries give certain undertakings regarding their use of information in connection with the Intermediaries Offer. The Intermediaries also give undertakings regarding the form and content of written and oral communications with clients and other third parties; and

(g) the Intermediaries also give representations and warranties which are relevant for the Intermediaries Offer, and indemnify the Company, GPH B.V. and EBRD (to the extent EBRD offers Existing Shares in the Offer) the Intermediaries Offer Adviser, the Underwriters and their respective representatives against any loss or claim arising out of any breach or alleged breach by them of the Intermediaries Terms and Conditions or as a result of a breach or alleged breach of any duties or obligations under FSMA or under any rules of the FCA or any applicable laws.

For further information, see Part XV (*Details of the Offer*).

11.5 *Financing agreements*

See "*—Financing Arrangements*" for details of the financing agreements.

11.6 *Concession agreements*

(a) *Creuers (Barcelona)*

Creuers (Barcelona) holds a 100% interest in two 27 year port operation concessions and an annually renewed authorisation of occupancy at BCP.

(i) The port rights for using the Adossat Wharf (comprised of Terminals A and B) terminates on 3 June 2030. The concession rights to the Adossat Wharf were granted by the Barcelona Port Authority under a concession contract dated 28 May 2003, as subsequently amended ("**Adossat Agreement**"). Under the port license granted on 29 July 1999 by the Barcelona Port Authority, as subsequently amended (the "**Creuers Port License**"), Creuers undertakes the management of port services related to the traffic of tourist cruises at the Port of Barcelona, as well as the development of commercial complementary activities corresponding to a seaport, in Adossat Wharf in Barcelona for an operational period that terminates on 1 January 2030.

The Addossat Agreement can be extended for three years provided that (i) Creuers has complied with all the obligations set forth in the Adossat Agreement; and (ii) Creuers continues to render port services on tourist cruises until the expiry of the extended term. Subject to these two conditions, the concession period can be extended to 30 years. Creuers is liable for the maintenance of Adossat Wharf Terminals A and B, as well as ensuring that port equipment is maintained in good repair and in operating condition throughout its concession period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the Barcelona Port Authority.

Under Article 82 of the Revised Text of State Harbours and Merchant Marine Law approved by Royal Legislative Decree 2/2011, on 1 July 2015, (the "**Spanish Ports Law**") ("**Article 82**"), Creuers is entitled to apply for the extension of the Adossat Agreement period on the basis that such extension does not exceed half (1/2) of the original concession term (*prórroga*)[8].

In addition to the *prórroga* extension under Article 82, according to the Transitory Provision 10 of the Spanish Ports Law[9] ("**DT 10**"), Creuers applied to extend the Adossat Agreement period for 10 years (*ampliación*), in return for a commitment to contribute economically to a port infrastructure investment project planned by Barcelona Port Authority (in the event of the extension of the concession)[10]. The application is subject to a prior favourable report from the State Port Authority (*Puertos del Estado*). Creuers is currently awaiting the outcome of its application.

The concession is subject to an annual payment, which was EUR 308,788 in 2016, which consisted of the following fees: (i) a fee for the occupancy of the public land at the port, (ii) a fee for the operation of public land for commercial activities, and (iii) a general service fee.

The Group management believes that it is in compliance with all material contractual obligations in relation to this concession.

(ii) Under Creuers Port Licence, as subsequently amended ("**WTC Agreement**"), the port rights for using the World Trade Centre Wharf ("**WTC Wharf**", comprised of Terminals N and S) terminate on 1 January 2027. Under the Creuers Port License**,** Creuers undertakes the management of port services related to the traffic of tourist cruises at the Port of Barcelona, as well as the development of commercial complementary activities corresponding to a seaport, in WTC Wharf in Barcelona for an operational period that terminates on 1 January 2027.

Creuers is liable for the maintenance of WTC Wharf, as well as ensuring that port equipment is maintained in good repair and in operating condition throughout its concession period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the Barcelona Port Authority.

As for the Adossat Wharf, in accordance with Article 82, Creuers is entitled to apply for the extension of the WTC Agreement period on the basis that such extension does not exceed half (1/2) of the original concession term (*prórroga*).

In addition, as for the Adossat Wharf and according to DT 10, on 1 July 2015, Creuers applied to extend the WTC Agreement period for 10 years (*ampliación*), in return for a commitment to contribute economically to a port infrastructure investment project planned by Barcelona Port Authority (in the event of the extension is granted). The application is subject to a prior favourable report from the State Port Authority (*Puertos del Estado*). Creuers is currently awaiting the outcome of its application.

The concession is subject to an annual payment, which was EUR 75,056 in 2016, which consisted of a fee for the occupancy of the public land at the port.

The Group management believes that it is in compliance with all material contractual obligations in relation to this concession.

(iii) The operation rights for Terminal C at Adossat Wharf are granted under an authorisation of occupation, which has been renewed annually for the last 13 years. The current port authority authorisation extends to 30 June 2017 (as per a letter received on 10 March 2017) and 31 December 2017 (on a de facto basis), and the Group's management expects the official 2017 authorisation to be issued in due course.

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8 In accordance with Article 82, the Adossat Agreement could be extended provided that (a) one third of the initial concession term has elapsed; and (b) Creuers makes a significant investment which was not initially established in the Adossat Agreement as a requirement for granting the concession. Within other requirements, the investment committed must (i) be approved by the Barcelona Port Authority; and (ii) exceed 20% of the initial investment's current value as established in the Adossat Agreement.

9 DT 10 allows those holding concessions granted under the previous regulations to apply for a term extension (ampliación) of a maximum of two fifths of the concession's initial term provided that total life time of the concession does not exceed 50 years, subject to compliance with various conditions, including the provision of an undertaking to make (i) a new investment in the concession, (ii) an economic investment in the land-based port infrastructure to enhance to competitive position of the port, or (iii) a 20% reduction to the maximum tariffs included in the concessional title.

10 The total amount of the concession holder's financial commitment cannot be less than the highest of the following amounts (a) the difference in value, at the time of the application for extension, between the concession with and without the extension — this valuation must be performed by an independent expert appointed by the Port Authority at the expense of the concessionaire, or (b) 20% of the updated initial investment.

The Group management believes that it is in compliance with all material contractual obligations in relation to this concession.

(b) *Creuers (Malaga)*

Creuers (Malaga) holds a 100% interest in two 30 year terminal operation concessions at Malaga Port.

(i) Under a concession contract granted on 9 July 2008 ("**Malaga Levante Agreement**"), executed by and between Cruceros Malaga and the Malaga Port Authority, Cruceros Malaga obtained an administrative concession to occupy the Levante Terminal of Malaga Port for a 30-year period, terminating on 21 July 2038. Cruceros Malaga undertakes to provide cruise passenger services, terminal usage and luggage services, as well as undertake general maintenance of the Levante Terminal. Cruceros Malaga is responsible for ensuring that the port equipment is maintained in good repair and operating condition throughout the concession term.

The concession term can be extended for up to fifteen years, in two terms of 5 and 10 additional years (extending the total concession period to 45 years), due to an amendment to the Malaga Levante Agreement approved by the Malaga Port Authority in its resolution dated 28 October 2009. These extensions require (i) the approval by the Malaga Port Authority and (ii) Cruceros Malaga to comply with all of the obligations set forth in the concession, with the 10 year extension also subject to a prior, mandatory and binding report issued by the State Port Authority (*Puertos del Estado*) or that the lapsing of one third of the concession's term.

In addition, in connection with DT 10, Cruceros Malaga applied for a term extension of the Malaga Levante Agreement for 12 years until 21 July 2050, in return for a commitment to contribute economically to a port infrastructure investment project planned by Malaga Port Authority (in the event of the extension of the concession). The application is subject to a prior favourable report from the State Port Authority (*Puertos del Estado*). Cruceros Malaga is currently awaiting the outcome of its application.

The concession is subject to an annual payment, which was EUR 509,000 in 2016, which consisted of the following fees: (i) a fee for the occupancy of the public land at the port, and (ii) a fee for the operation of public land for commercial activities.

The Group management believes that it is in compliance with all material contractual obligations in relation to this concession.

(i) Under the contract dated 11 December 2011 ("Malaga El Palmeral Agreement"), executed by and between Cruceros Malaga and the Malaga Port Authority, Cruceros Malaga obtained an administrative concession to occupy and operate El Palmeral Terminal at Malaga Port for a 30-year period terminating on 19 March 2042. Cruceros Malaga undertakes to provide cruise passenger services, terminal usage and luggage services, as well as undertake general maintenance of the El Palmeral Terminal. Cruceros Malaga is responsible for ensuring that the port equipment is maintained in good repair and operating condition throughout the concession term.

In addition, in connection with DT10, on 3 July 2015, Cruceros Malaga applied for a term extension of the Malaga El Palmeral Agreement for 12 years (until 19 March 2054), in return for a commitment to contribute economically to a port infrastructure investment project planned by Malaga Port Authority (in the event of the extension of the concession). The application is subject to a prior favourable report from the State Port Authority (*Puertos del Estado*). Cruceros Malaga is currently awaiting the outcome of its application.

Cruceros is entitled to apply for the extension of El Palmeral Agreement subject to the requirements established by Article 82.

The concession is subject to an annual payment, which was EUR 154,897 in 2016, which consisted of the following fees: (i) a fee for the occupancy of the public land at the port, and (ii) a fee for the operation of public land for commercial activities.

The Group management believes that it is in compliance with all material contractual obligations in relation to this concession.

(c) *Ege Ports-Kuşadası*

Ege Liman entered into a 30-year Transfer of Operation Rights Agreement ("**TOORA**") for Ege Ports-Kuşadası (the "**Ege Ports-Kuşadası TOORA**") on 2 July 2003 with the Privatisation Administration and Türkiye Denizcilik İşletmeleri A.Ş. (the "TDI"). Global Liman acquired 72.50% of the shares of

Ege Liman on 6 July 2005. The other shareholder of Ege Liman is RCCL. The agreement allows Ege Liman to operate Ege Ports-Kuşadası for a term of 30 years for a total consideration of US$24.3 million which has already been paid. Ege Liman's operation rights extend to port facilities, infrastructure and facilities which are either owned by the State or were used by TDI for operating the port, as well as the duty-free stores leased by the TDI. Ege Liman is entitled to construct and operate new stores in the port area with the written consent of the TDI.

Pursuant to the terms of the Ege Ports-Kuşadası TOORA, the TDI is entitled to hold one share in Ege Liman and to nominate one of Ege Ports-Kuşadası's board members. Global Liman appoints the remaining board members and otherwise controls all operational decisions associated with the port. Ege Ports-Kuşadası does not have the right to transfer its operating rights to a third party. While during the first five years of the concession term (which ended in July 2008) Ege Ports-Kuşadası's tariffs were subject to certain limits and exceeding those limits was subject to TDI's approval, Ege Liman is now able to determine tariffs for Ege Ports-Kuşadası's port services at its own discretion without TDI's approval (apart from the tariffs for services provided to Turkish military ships).

The Ege Ports-Kuşadası TOORA may be terminated if any party commits a breach of its terms and fails to cure that breach within 60 days of written notice for breach being given by the other party in addition to an unlimited indemnity obligation. In the event that the Ege Ports-Kuşadası TOORA expires or is terminated, any real property assets together with their fixtures at Ege Ports-Kuşadası must be returned to the TDI without charge and free of any encumbrances or liabilities in good operating condition. The agreement explicitly sets forth that Ege Liman must hand over the facility at the end of the 30 year operation period and will not have a right to request an extension. This issue ties in to the Group's existing attempts for renewal of the concession terms. See "—Litigation—Ortadoğu Antalya, Ege Liman and Bodrum Liman's applications for *extension of their operation rights*". The Group management believes that it is in compliance with all material contractual obligations in relation to this agreement.

(d) *Valletta Cruise Port*

On 22 November 2001, the Government of Malta granted to Valletta Cruise Port PLC (formerly VISET Malta plc) a 65-year concession over the land and buildings in Floriana, which has an area of 46,197 square metres. The benefit of this concession is now held by Valletta Cruise Port. The concession will expire on 21 November 2066. Under this concession, Valletta Cruise Port operates and manages a cruise liner passenger terminal and an international ferry passenger terminal, as well as complementary leisure facilities.

A minimum ground rent is payable by Valletta Cruise Port to the Government of Malta in the sum of €734,848 per annum. At the end of each 12 month period a reconciliation is carried out whereby the final payment for the preceding 12 month period is determined. This final payment will be the higher of (i) the minimum guarantee, or (ii) the aggregate amount of (a) the minimum guarantee, which is 15 per cent. of all revenue derived from the rental of any buildings or facilities on the concession site for that 12 month period, plus (b) 10 per cent. of revenue derived from passenger and cruise liner operations (subject to the deduction of direct costs and services from the revenue upon which 10 per cent. fee is payable).

The Government of Malta is entitled to terminate the agreement if (a) three years' ground rent has not been paid or a sum equivalent is outstanding; (b) Valletta Cruise Port ceases to hold the requisite licence to operate cruise and ferry terminals granted by the Malta Maritime Authority; (c) payments in respect of revenue from lettings and cruise liner and passenger operations are not made to the Government of Malta; or (d) Valletta Cruise Port uses the concession site for a purpose other than to operate a cruise liner and ferry passenger terminal. Further, the Government of Malta has the right to re-take possession and full control of the concession site if Valletta Cruise Port ceases to operate cruise and ferry terminals from the concession site. Upon expiration or termination for whatever reasons the land together with any improvements thereon shall transfer to the Government of Malta without any obligation on the part of the Government of Malta to pay any compensation to Valletta Cruise Port. The concession does not make any provision for renewal. The Malta Maritime Authority has granted a licence to operate an international cruise liner passenger terminal and an international sea ferry passenger terminal in Valletta for the duration of the grant. The Group management believes that it is in compliance with all material contractual obligations in relation to this agreement.

(e) *Bodrum Cruise Port*

Bodrum Liman executed the framework Build Operate Transfer ("**BOT**") agreement on 23 June 2004 (the "**BOT Agreement**") with the Demiryolları, Limanlar ve Havayolları ("**DLH**") regarding Bodrum

Cruise Port under which it had to construct the Bodrum Cruise Port following the delivery of the land and, thereafter, will operate the Bodrum Cruise Port for 12 years. Bodrum Liman also executed a Concession Agreement with the General Directorate of National Property on 18 July 2006 ("**Bodrum Port Concession Agreement**"). The BOT Agreement is attached to the Bodrum Port Concession Agreement and Bodrum Liman is entitled to use the Bodrum Cruise Port under these agreements.

The term of the agreement will not be extended under any circumstances, excluding certain exceptional circumstances including general national emergency, disasters such as earthquake, fire flood and nuclear explosions. Pursuant to the BOT Agreement, Bodrum Liman is not permitted to establish any mortgage over the port or its facilities or establish any commercial enterprise pledge or other movable pledge over its facilities in favour of third parties without the prior consent of the Directorate General of Infrastructure Investments. The BOT Agreement permits Bodrum Liman to determine tariffs for Bodrum Cruise Port's port services at its own discretion, provided that it complies with applicable legislation, such as applicable maritime laws and competition laws.

For the first year of operation, Bodrum Liman was required to pay the Directorate General for Infrastructure Investments a land utilisation fee of US$125,000. This fee increases by 3% in US Dollar terms each year. The land utilisation fee must be paid in cash within 20 days of the beginning of each operational year, failing which interest will accrue monthly as a late fee. In the event the land utilisation fee remains unpaid for more than 90 days after becoming due, the Directorate General for Infrastructure Investments may terminate the agreement, in which case Bodrum Cruise Port would be re-transferred to the Directorate General for Infrastructure Investments. If the BOT Agreement is terminated due to a breach by Bodrum Liman, Bodrum Liman will not have any right of claim against the Directorate General for Infrastructure Investments. If Bodrum Liman fails to cure any breach of the agreement within 30 days, the Directorate General for Infrastructure Investments is entitled to terminate the agreement and retain Bodrum Liman's performance bond. The BOT Agreement may also be terminated on the bankruptcy, insolvency, or restructuring for Bodrum Liman. After expiration or termination of the BOT Agreement, the port facility will be re-transferred to the Directorate General for Infrastructure Investments, without any charge. The Group management believes that it is in compliance with all material contractual obligations in relation to this agreement.

(f) *Lisbon Cruise Port*

On 17 July 2014, Lisbon Cruise Terminals, Lda ("**LCT**") entered into a BOT Agreement with the Lisbon Port Authority (the "**LCT Agreement**") and physical delivery of the concession area by the Lisbon Port Authority to Lisbon Cruise Terminals, Lda. took place on 26 August 2014. The Concession Agreement, which terminates at on 26 August 2049, grants LCT the right (on an exclusive basis during the first 15 years of the LCT Agreement) to offer the public port support services for maritime navigation consisting in the provision of embarking and disembarking operations, security and passenger transportation of services (along with ancillary services) for any of the cruise ships which stop over in the Lisbon Cruise Terminal. As part of the BOT Agreement, LCT also undertakes to complete the necessary demolition and construction of a new cruise terminal based on the plans in the LCT Agreement.

LCT shall pay an annual fixed fee of €300,000 in equal quarterly instalments, as well as a variable fee in the amount of €0.22 per passenger. The variable and fixed fee may be adjusted annually according to the consumer price index or the percentage of the price increase applied by the Lisbon Cruise Terminal Tariff Regulation. The requirements for the tender granted to LCT include committed capital expenditure of €23.7 million to complete construction of the new cruise terminal and an annual cruise passenger volume of at least 550,000 once the new cruise terminal is fully operational. On 30 September 2015, LCT entered into an agreement for the construction of the new Lisbon Cruise Terminal with the construction company Alves Ribeiro, S.A., for €19.500.000. The capital expenditure commitment at Lisbon will replace all current smaller and suboptimal existing cruise terminal buildings within LCT, with a state-of-the art terminal building.

Global Liman's commitment is capped at the level of its 46.2% equity investment of which 40% is directly held by Global Liman and 6.2% is indirectly held through Global Liman's 62% interest in BPI's 100% holding in Creuers. Although of the €23.7 million capital expenditure, 46.2% is directly/indirectly Global Liman's commitment, 60% of the construction project is projected to be financed with external financing, with the equity share of Global Liman's commitment estimated at approximately €3-4 million. On 31 March 2016, LCT entered into a facility agreement for €14 million (maturing in 2030) with Banco Santander Totta and Caixa Geral de Depositos.

The LCT Agreement can be modified unilaterally by the Lisbon Port Authority, for reasons of public interest, without prejudice to the LCT's right to having the economic and financial balance of the terms of the concession re-established, either through an extension of the concession, revision of annual fees or financial compensation. The LCT Agreement may be terminated by the Lisbon Port Authority in the event that LCT breaches the LCT Agreement and fails to cure that breach. Furthermore, once at least half of the contract term has lapsed, the Lisbon Port Authority may terminate the LCT Agreement at any time for reasons of public interest. In the event of a premature termination, LCT is entitled to compensation for consequential damages and loss of profits.

The Group management believes that it is in compliance with all material contractual obligations in relation to this agreement.

(g) *Venice Cruise Port*

Venice Port Authority granted Venezia Terminal Passeggeri S.p.A. ("**VTP**") a public concession for the occupancy and use of an area at the Venice Cruise Port which includes terminals, a storehouse, parking lots and quays, in order to provide services relating to passenger cruise ships and boats, including the loading and unloading of trucks from ferries.

The concession agreement became effective on 1 May 2000 and expires on 31 May 2024. Although under the terms of the concession agreement provides that the concession may be renewed at the request of VTP, on the basis of terms and conditions to be negotiated with Venice Port Authority. However, Venezia Investimenti Srl, the consortium through which the Group holds it interest in VTP, is current in advanced stage discussions with the Ministry of Transport for the extension VTP's concession for a minimum of 35 years, in return for the construction of a new cruise terminal and the renovation of existing berths at VTP to allow the docking of larges ships.

In 2016, the annual fee was equal to €2,116,018. This amount is adjusted annually on the basis of the cost-of-living index. In connections with these fees, VTP has provided appropriate performance guarantee and entered into appropriate insurance agreements. Starting from 1 April 2021, the Venice Port Authority shall re-assess the calculation of the annual fee.

The concession agreement may be terminated in event of non-compliance with its terms or the loss of the relevant licences required to conduct such a business. In addition, as a public authority, Venice Port Authority would be entitled to revoke the concession agreement in the event of a loss or change of to the public interests it pursues as a public authority. The Group management believes that it is in compliance with all material contractual obligations in relation to this agreement.

(h) *Ravenna Cruise Port*

Ravenna Port Authority granted Ravenna Terminal Passeggeri S.r.l. ("**RTP**"), through a tender procedure, a concession for the provision of port services at the cruise terminal using the dedicated area at the Ravenna Port. RTP is required to provide to the extent possible its services to any cruise operator complying with non-discrimination principles.

The concession agreement became effective in 2011, and will expire on 31 December 2020. The annual fee is a fixed rate fee €86,375 (to be adjusted annually on the basis of the cost-of-living index), which was €91,112.15 in 2016. In connections with these fees, RTP has provided appropriate performance guarantee and entered into appropriate insurance agreements.

The concession agreement may be terminated in event of non-compliance with its terms or the loss of the relevant licences required to conduct such a business. In addition, as a public authority, Ravenna Port Authority would be entitled to revoke the concession agreement in the event of a loss or change of to the public interests it pursues as a public authority. The Group management believes that it is in compliance with all material contractual obligations in relation to this agreement.

(i) *Cagliari Cruise Port*

Cagliari Port Authority granted Cagliari Cruise Port S.r.l. ("**CCP**"), through a tender procedure, a public concession for the occupancy and use of an area at the Cagliari Port in order to build and manage, by providing the relevant services, a cruise terminal in accordance with the business plan submitted within the tender procedure. The construction of the new cruise terminal was completed in July 2016, and opened to receive the public on October 2016.

The concession agreement became effective on 1 January 2013 and will expire on 31 December 2027. The annual fee is comprised of a fixed rate fee equal to €44,315.74 (to be adjusted annually on the basis of the cost-of-living index) and a variable rate fee calculated on the basis of the passengers traffic volumes, which was €216,019.46 in 2016. In connections with these fees, CCP has provided appropriate performance guarantee and entered into appropriate insurance agreements. In respect of the services provided by CCP under the concession agreement, CCP is required to set appropriate tariffs for all users of the port and to inform Cagliari Port Authority accordingly.

The concession agreement may be terminated in event of non-compliance with its terms or the loss of the relevant licences required to conduct such a business. In addition, as a public authority, Cagliari Port Authority would be entitled to revoke the concession agreement in the event of a loss or change of to the public interests it pursues as a public authority. The Group management believes that it is in compliance with all material contractual obligations in relation to this agreement.

(j) *Catania Cruise Port*

Catania Port Authority granted Catania Cruise Terminal S.r.l. ("**CTT**"), upon a tender procedure, with a concession for the provision of the port services at the cruise terminal using the existing terminal and a dedicated area at the Catania Port. CTT is required to provide, to the extent possible, its services to any cruise operator (in compliance with non-discrimination principles).

The concession agreement has been effective as of 13 June 2011 and will expire on 12 June 2026. The annual fee is comprised of a fixed rate fee equal to €135,000 and a variable rate fee calculated on the basis of the passengers traffic volumes, which was €49,512.50 in 2016, both of which are adjusted annually on the basis of the cost-of-living index. In connections with these fees, CTT has provided appropriate performance guarantee and entered into appropriate insurance agreements.

The concession agreement may be terminated in event of non-compliance with its terms or the loss of the relevant licences required to conduct such a business. In addition, as a public authority, Catania Port Authority would be entitled to revoke the concession agreement in the event of a loss or change of to the public interests it pursues as a public authority. The Group management believes that it is in compliance with all material contractual obligations in relation to this agreement.

The Group management believes that it is in compliance with all material contractual obligations in relation to this agreement.

(k) *Port of Akdeniz-Antalya*

Ortadoğu Antalya entered into a 30-year Transfer of Operation Rights Agreement for Port Akdeniz-Antalya (the "**Akdeniz TOORA**") on 31 August 1998 with the Privatisation Administration and the TDI.

Pursuant to the terms of the Akdeniz TOORA, the TDI is entitled to hold one share in Ortadoğu Antalya. The TDI can also appoint one of Ortadoğu Antalya's board members. Ortadoğu Antalya cannot transfer its operating rights to a third party without the prior approval of the TDI. While Port Akdeniz-Antalya's tariffs were subject to certain limits and exceeding those limits required TDI's approval during the first five years of the concession term (which ended in August 2003), Ortadoğu Antalya is now able to determine tariffs for Port Akdeniz-Antalya's port services at its own discretion without being subject to TDI's approval (apart from the tariffs for services provided to Turkish military ships).

The Akdeniz TOORA may be terminated if any party commits a breach of its terms and fails to cure that breach within 60 days of written notice for breach being given by the other party. In the event that the Akdeniz TOORA is not renewed prior to expiration or is terminated, any real property assets together with their fixtures at Port Akdeniz-Antalya must be returned to the TDI without charge and free of any encumbrances or liabilities in good operating condition. A party that commits a breach of the Akdeniz TOORA must indemnify the other party.

The agreement explicitly sets forth that Akdeniz-Antalya must handover the facility at the end of the 30 years operation period and will not have a right to request an extension. This provision ties in to the Group's existing attempts for renewal of the concession terms. See *"—Litigation—Ortadoğu Antalya, Ege Liman and Bodrum Liman's applications for extension of their operation rights"*. The Group management believes that it is in compliance with all material contractual obligations in relation to this agreement.

(l) *Port of Adria-Bar*

On 27 December 2013, the Government of Montenegro and Container Terminal and General Cargo JSC-Bar ("**CTGC**") entered into an agreement regarding the operating concession for the Port of

Adria-Bar ("**Adria-Bar Concession Agreement**"). The Adria-Bar Concession Agreement will terminate on 27 December 2043, unless terminated earlier by the parties pursuant to the provisions described below. This term will only be extended for the period of time for which CTGC has been prevented to use the operating concession due to force majeure.

CTGC generally has an obligation to pay to the Government of Montenegro (a) a fixed concession fee in the amount of €500,000 per year (from the fourth year after the effective date of the concession agreement), (b) a variable concession fee in the amount of €5 per TEU (full and empty) handled over the quay (ship-to-shore and shore-to-ship container handling), no fees are charged for the movement of the containers, and (c) a variable concession fee in the amount of €0.20 per ton of general cargo handled over the quay (ship-to-shore and shore-to-ship general cargo handling). However, pursuant to Montenegrin Law on Concessions, as aid to investor for investing in a port of national interest, the concession fee was set in the amount of €1 for the period of three years starting from the effective date of the Adria-Bar Concession Agreement. Tariffs for services provided at Port of Adria-Bar are regulated pursuant to the terms of the concession agreement with the Montenegro port authority, which may be below market rates, where the maximum rates are subject to adjustments for inflation.

For the first three years of the agreement, CTGC had to implement certain investment and social programmes outlined in the agreement and had to commit €13.6 million towards capital expenditure during that period. As part of the commitment to launch and invest €6.5 million in the social programmes at Port of Adria Bar, CTGC has developed a program for training and retrenching employees within the first year of ownership, in consultation with local and national regulators and labour unions. The social programmes established by CTCG have included the establishment of a successful management trainee programme, and subsidising employees to attend training and acquire additional qualifications, as well as the provision of English lessons to employees.

The Adria-Bar Concession Agreement can be terminated in the case of an event of default which is not remedied within a reasonable period of time, and also following the occurrence of an event of force majeure. No later than one year prior to the end of the term of the concession or premature termination (excluding events of default), CTGC is obliged to deliver to the Government of Montenegro a guarantee in an amount of €2 million. The Group management believes that it is in compliance with all material contractual obligations in relation to this agreement.

11.7 ***Relationship Agreement***

On 2 May 2017, the Company entered into a relationship agreement (the "Relationship Agreement") with GPH BV and GIH (together, the "controlling shareholder"), which will come into force on Admission. The principal purpose of the Relationship Agreement is to regulate the ongoing relationship between s the controlling shareholder and the Company to ensure that the Company is capable of carrying on its business independently of its controlling shareholder, and to ensure that transactions and relationships between any of the controlling shareholder's associates, on the one hand, and the Company, on the other, are at arm's length and on a commercial basis.

The Relationship Agreement provides that:

(a) *Independence Provisions*

(i) all transactions and arrangements between any of GPH BV, GIH and their respective Associates as defined in Appendix 1 to the Listing Rules (together. the "**Relevant Persons**")) and any member of the Group will be conducted at arm's length and on normal commercial terms;

(ii) all of the applicable provisions of the Prospectus Rules, the Listing Rules and the Disclosure Guidance and Transparency Rules (together the "FCA Rules") shall be complied with in connection with the Company, and the provisions relating to transactions with related parties set out in Chapter 11 of the Listing Rules shall be complied with as thought they applied to the Company;

(iii) each of GPH BV and GIH undertake that they will not, and they will procure that their associates will not, take any action that would have the effect of preventing the Company from complying with its obligations under the FCA Rules and all other applicable laws;

(iv) each of GPH BV and GIH undertake that they will not, and they will procure that their associates will not, propose or procure the proposal of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of the FCA Rules and all other applicable laws;

(b) *Board of Directors*

(i) for as long as GPH BV exercises or controls 50 per cent. or more of the votes able to be cast on all or substantially all matters at general meetings of the Company, GPH BV shall be entitled to require the appointment of up to three persons as a non-executive director of the Company (the "**GIH Representative Directors**" and each a "**GIH Representative Director**") and may require the removal from office of any person so appointed and the appointment of another person in his or her place;

(ii) so far as practicable, there shall be at all times a majority of directors on the board which are independent of the controlling shareholder;

(iii) each of GPH BV and GIH undertake not to seek the removal or appointment of an independent director from or to the Board unless the relevant resolution is recommended by the Board;

(iv) in the event that one of the existing independent directors resigns, then the Nomination Committee must immediately commence a process to find a candidate to replace them, which candidate must be independent of the controlling shareholder;

(c) *UK Corporate Governance Code*

(i) the parties agree that the Company shall work towards substantial compliance with the UK Corporate Governance Code as soon as practicable and on and from establishment, the Remuneration Committee, Nominations Committee and Audit and Risk Committee shall at all times include independent directors;

(d) *Related party transactions*

(i) that certain transactions with any Relevant Person will, unless all of the independent directors agree otherwise, only be voted on by the independent directors and that the quorum for any meeting of the Board or committee of the Board to consider such a resolution shall be two independent directors;

(ii) in the event of any dispute, whether or not arising out of or in connection with the Relationship Agreement, between a member of the Group and any Relevant Person, any decision on behalf of any member of the Group in connection with the conduct of such dispute (including in relation to whether or not to commence or settle any legal proceedings or otherwise to pursue the dispute) shall be taken by the independent directors on behalf of the relevant member of the Group; and

(e) *No conflict with Articles*

each of GPH BV and GIH undertake to the Company that they shall not, and shall procure that their Associates shall not, exercise any of their voting or other rights and powers to procure any amendment to the Articles of Association which would be inconsistent with the provisions of the Relationship Agreement, in the event of any conflict between the provisions of the Relationship Agreement and the Articles of Association the provisions of this Relationship Agreement shall prevail as between the parties to the extent permitted by applicable law and regulation.

The Relationship Agreement is governed by the laws of England.

11.8 **Framework Deed with EBRD**

On 2 May 2017, the Company entered into a framework deed (the "**EBRD Framework Deed**") with the EBRD, which will come into force on Admission.

The purpose of the EBRD Framework Deed is to provide EBRD with certain rights, in view of the fact that following Admission, it will cease to have the benefit of certain minority shareholder rights that it currently enjoys pursuant to the shareholders' agreement in place at the Global Liman.

The main provisions of the EBRD Framework Deed provide:

(a) a right for EBRD to nominate one member of the Board of Directors (but such right not to be exercised unless Thomas Maier ceases to be a director and only whilst EBRD holds at least 5% of the voting shares in the Company), provided always that any such nominee must be independent of GIH;

(b) an undertaking from the Company that none of the policies in place at the Group level (as adopted at the Board meeting of 12 April) will be amended without the consent of EBRD, unless required by applicable law and regulation; and

(c) certain information rights for EBRD with respect to environmental and social matters effective the Company and the Group.

The EBRD Framework Deed is governed by the laws of England.

12. Enforcement and civil liabilities under US federal securities laws

Certain of the Directors of the Company are citizens of Turkey, France and the United Kingdom (or other non-US jurisdictions), and a portion of the Company's assets are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Directors or to enforce against them in the US courts judgments obtained in US courts predicated upon the civil liability provisions of the US federal securities laws. There is doubt as to the enforceability in England, in original actions or in actions for enforcement of judgments of the US courts, of civil liabilities predicated upon US federal securities laws. Please see Part III (*Presentation of Information—Service of process and enforcement of civil liabilities*).

13. Significant Change

Save as disclosed in Part XIII (*Operating and Financial Review—Current trading and prospects*), there has been no significant change in the financial or trading position of the Group since 31 December 2016, the date to which the historical information in Part XX (*Historical Financial Information*) has been prepared.

14. Financing Arrangements

14.1 *Financing of the acquisition of Creuers*

In July 2013, Global Liman entered into a loan facility of US$11.2 million with an interest rate of LIBOR plus 5.35% from Garanti Bank. The facility's intended purpose was the purchase of a 23% interest in Creuers, which at that time was owned by Transmediterranea Company through BPI (a holding company created by Global Liman and RCCL for the acquisition of Creuers). In December 2013, Global Liman financed BPI's second share purchase of a 20% interest in Creuers, which at that time was owned by the BPA. The investment was financed by Global Liman with a loan facility of US$10.5 million granted by Garanti Bank, with an interest rate of LIBOR plus 5.6%. On 30 September 2014, BPI acquired the outstanding 57% interest in Creuers from Vapores Suardiaz (34%) and World Duty Free Group (23%), bringing Creuers wholly under the control of BPI. This final share purchase was financed by a consortium of four banks, Banco Bilbao Vizcaya Argentaria (BBVA), Banco Santander (Santander), Caixabank (Caixa), and Demir-Halk Bank (Nederland) (DHB). BPI borrowed €60.3 million from this consortium, at an interest rate of EURIBOR plus 4% secured by a first ranking pledge by Global Liman and RCCL of 100% of their shares in BPI and a first ranking pledge by BPI of 100% of its shares in Creuers (Barcelona). At the same time Global Liman purchased 13% of RCCL's shares in BPI, increasing its shareholding in BPI to 62% and giving Global Liman control of BPI. Global Liman's purchase of the 13% interest in BPI was funded by €4.1 million of its own working capital.

14.2 *2014 Bond issuance*

On 14 November 2014, Global Liman issued US$250 million aggregate principal amount of 8.125% Senior Unsecured Notes due 2021 (the "Notes"). The Notes bear interest at a rate of 8.125% per annum, which accrues from 14 November 2014 and will be payable semi-annually on 14 May and 14 November of each year, commencing on 14 May 2015. The Notes will mature on 14 November 2021. The proceeds of the issuance of the Notes, were used to repay in full all outstanding loans incurred in connection with the initial acquisition of the port operation rights for the Turkish ports and Port of Adria-Bar, investments and capital expenditures, as well as the buy back of 22.114% of the shares of Global Liman held by Savina Holding GmbH, a special purpose subsidiary of Venice Shipping and Logistic S.p.a, a strategic partner of VEI Capital for US$95.9 million on 24 December 2012, whilst the €56.4 million outstanding of the Barcelona Acquisition Financing was not repaid using the proceeds of the issuance of the Notes.

The Notes contain certain covenants, including the following:

If a concession termination event occurs, Global Liman must offer to repurchase all of the notes pursuant to the terms set forth in the indenture (a "Concession Termination Event Offer"). In the Concession Termination Event Offer, Global Liman will offer a "Concession Termination Event Payment" in cash equal to 100% of the aggregate principal amount of the Notes repurchased plus accrued and unpaid interest and additional amounts, if any, on the Notes repurchased, to the date of purchase (the "Concession Termination Event Payment Date"), subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant interest payment date.

The consolidated leverage ratio should not exceed 5.0 to 1. Excluding the consolidated leverage ratio breach, Global Liman and any Restricted Subsidiary (any subsidiary of Global Liman other than Cruceros Málaga, S.A. and any subsidiary designated by Global Liman's board of directors will be entitled to incur any or all of the following (a) Indebtedness incurred by Global Liman or any Guarantor (each of Ege Liman and Ortadoğu Antalya) pursuant to one or more credit facilities in an aggregate principal amount outstanding at any time not exceeding US$ 5 million; (b) Purchase Money Indebtedness incurred to finance the acquisition by Global Liman or a Restricted Subsidiary of assets in the ordinary course of business in an aggregate principal amount which, when added together with the amount of Indebtedness Incurred pursuant to this sub-clause and then outstanding, does not exceed US$10 million; (c) Any additional Indebtedness of Global Liman or any Guarantor (other than and in addition to Indebtedness permitted above) and Port of Adria Indebtedness, provided, however, that the aggregate principal amount of Indebtedness outstanding at any time does not exceed US$ 20 million; and provided further, that more than 50% in aggregate principal amount of any Port of Adria Indebtedness incurred pursuant to this clause is borrowed from the International Finance Corporation and/or the European Bank for Reconstruction and Development.

14.3 *Financing of investments into Port Akdeniz-Antalya*

In 2011, 2012, 2013 and 2014, Port Akdeniz-Antalya invested US$8.9 million, US$2.4 million, US$5.2 million and US$3.1 million, respectively, in Port Akdeniz-Antalya.

On 12 June 2014, Ortadoğu Liman entered into a finance lease agreement for a port tugboat with the interest rate of 7.35% maturing on 16 July 2020. On 27 June 2014, Ortadoğu Liman signed a finance lease agreement for a port forklift with the interest rate of 7.35% with the maturity of 16 August 2019.

On 1 July 2013, Port Akdeniz-Antalya assumed the rights and obligations of Bali Orman Ürünleri Gemi Acentalığı Liman Hizmetleri Lojistik Taşımacılık İnşaat Sanayi ve Ticaret Limited Şirketi under a 49 month financial leasing agreement with Burgan Finansal Kiralama A.Ş. dated 3 May 2013 with respect to the financial leasing of a forklift. Port Akdeniz-Antalya is obligated to pay the remaining principal amount of US$284,519 in equal instalments until 2 June 2017. Port Akdeniz-Antalya also obtained an option to purchase the forklift from Burgan Finansal Kiralama A.Ş. for US$236 (including VAT) on or after 30 June 2017, provided certain conditions are satisfied.

14.4 *Financing of investments into Cruceros Málaga, S.A.*

On 12 January 2010, Cruceros Málaga, S.A. entered into a loan agreement with Unicaja regarding a €9 million loan to finance the construction of the new terminal at Málaga Cruise Port. This loan had an 18-month grace period, it is linked to EURIBOR and has a term of 180 months from the agreement execution date, therefore the maturity date of the loan is on 12 January 2025. A mortgage has been taken out on the administrative concession agreement to guarantee repayment of the loan principal and accrued interest thereon.

14.5 *Financing of investments into Valletta Cruise Port*

On 16 November 2015 Global Ports Europe BV as borrower ("Global BV") and Global Liman as the joint and several guarantor entered into a loan agreement with Demir-Halk Bank (Nederland) N.V. ("DHB") regarding a €22 million loan to finance the capital expenditure at Valletta Cruise Port. The loan is for a period of 5 years starting from the credit utilisation date and the maturity date is on 26 November 2020. Principal and interest is paid twice, on May and November of each year. The applicable interest rate of the loan is linked to EURIBOR. The loan had a 12-month grace period, meaning that the first instalment payment was due at the end of the 12th month after the first credit utilisation date.

The liability of Global Liman in its capacity as joint and several guarantor is limited to €24.2 million. Global Liman has granted to DHB Bank a first ranking pledge over 100% of the share capital Global BV, pursuant to an Agreement and Deed of First Right of Pledge dated 25 November 2015 between Global Liman, DHB Bank and Global BV. DHB Bank may require immediate repayment of the outstanding principle amount and accrued interest upon Global BV's breach of a condition or an event of default. Global BV has the right to prepay all or part of the principal amount and accrued interest of the loan, upon 30 days' prior notice to DHB Bank and subject to a prepayment fee equal to 2% of the principle amount prepaid. The loan agreement contains covenants from Global BV and Global Liman, including (a) an undertaking to submit evidence documents that the facility amount is used for the purchase of 55.6% shares of Valletta Cruise Port plc (b) an undertaking that the consolidated leverage ratio of Global Liman will not exceed 5:1 at all times until the maturity of the loan (c) Global BV may not create or permit to subsist any security over any of its assets (d) Global BV may not enter into a transaction to dispose of or deal with assets having a value of more than €100,000 without the prior written consent of DHB Bank (e) Global BV may not declare or pay any dividend without the prior consent of DHB Bank (f) Global BV may not incur or increase any financial indebtedness without the prior consent of DHB Bank.

14.6 *Financing of investments into Lisbon Cruise Port*

On 31 March 2016, LCT as borrower entered into a facility agreement for €14 million (maturing in 2030) with Banco Santander Totta and Caixa Geral de Depositos. The facility agreement is for a term of 14 years (from the credit utilisation date), with an applicable interest rate of EURIBOR + 2.5%, and the maturity date is 30 September 2030. The facility agreement has an 18-month grace period (the first instalment payment will be due 18 months after the first credit utilisation date). The liability of Global Liman in its capacity as joint guarantor is limited up to 40% of the secured obligations.

15. Litigation

There are pending lawsuits that have been filed against or by the Group. The management of the Group assesses the possible results and financial effects of these lawsuits at the end of each period and as a result of these assessments, the required provisions are recognised for the possible expenses and liabilities. The amount of provision that has been accounted for as at 31 December 2016 was US$0.7 million.

The information related to the significant lawsuits that the Group is directly or indirectly a party to is as follows:

15.1 ***Legal proceedings in relation to Ortadoğu Antalya, Ege Liman and Bodrum Liman's applications for extension of their operation rights***

On 6 June 2013, the Turkish Constitutional Court partially annulled a law that had prevented operators of certain facilities from applying to extend their operating term. Ortadoğu Antalya, Ege Liman, and Bodrum Liman then applied to extend the concession terms of Port Akdeniz-Antalya, Ege Ports-Kuşadası and Bodrum Cruise Port, respectively, for up to, in total, 49 years. After these applications were rejected by the administrative authorities, the respective Group companies filed proceedings with administrative courts challenging these rejections.

Bodrum Liman

The Group's three lawsuits relating to Bodrum Cruise Port were accepted at first instance, and the Group's ability to renew the Bodrum Cruise Port concession was affirmed. The relevant public authorities appealed these decisions; these cases are now pending before the Council of State and the court of second instance.

Ortadoğu Antalya

The Group's lawsuits were rejected at first instance and were appealed by the Group. The case is pending before the Council of State.

Ege Liman

The Group's lawsuits were rejected at first instance and were appealed by the Group. On appeal, the Council of State reversed the lower court's judgement and allowed the extension of the concession agreement related to Ege Ports-Kuşadası. The relevant public authorities applied to the Council of State for reversal of this judgement and the case is pending.

15.2 ***Legal challenges against the privatisation tender process of Ege Ports-Kuşadası***

There is a final court judgment against the privatisation tender process by which Ege Ports-Kuşadası was awarded to Ege Liman. The challenge sought the return of Ege Ports-Kuşadası to the State, and the challenge was upheld by the court of first instance and the Council of State. The Privatisation Administration has the responsibility to enforce the court decision and return Ege Ports-Kuşadası to the State.

In practice there are many instances in which the Privatisation Administration has ultimately not enforced decisions cancelling tender approvals on the basis of "impossibility of performance". Management is not aware of any instance in which a privatised asset has been returned to the State as a result of such a challenge to the tender process. Furthermore, in 2011 the Council of Ministers decided not to enforce court decisions for the return of privatised assets to the State, including the decision relating to Ege Ports-Kuşadası.

Consistent with this historic approach, the Privatisation Administration declared in 2014 that it will not take any action to return Ege Ports-Kuşadası to the State. Following this, an additional legal provision

(Provisional Article 26 added to Law no 4046) that prevents the Privatisation Administration from taking actions for the return of privatised assets was introduced and the Privatisation Administration again confirmed that it will not take any actions for the enforcement of court decision with regard to claiming the return of Ege Ports-Kuşadası and it will not initiate any lawsuit in this regard. Although the Constitutional Court annulled this legal provision, to date the Privatisation Administration has maintained its position to not to enforce the cancellation of the Privatisation High Council's decision regarding the privatisation.

15.3 ***A fee claim by the Ministry of Environment and Forestry against Port Akdeniz-Antalya for the allocation of land from the TDI***

There is another final court judgment regarding payment for land allocated to Port Akdeniz-Antalya by Türkiye Denizcilik İşletmeleri A.Ş. (the "TDI"). The land was transferred without consideration as part of the operating rights agreement with respect to Port Akdeniz-Antalya. The Ministry of Environment and Forestry General Directorate challenged the land allocation before the courts on the basis that the TDI should have sought compensation for the land. As far as the Group is aware, the TDI and the Ministry of Environment and Forestry have not come to an agreement regarding collection of the relevant consideration as of the date of this Prospectus.

In case of a disagreement between the TDI and the Ministry of Environment and Forestry on the consideration for land allocated, the Ministry of Environment and Forestry may request from the Group the same amount that it previously requested from the TDI for allocation of these lands. As of the date of this Prospectus, no claim has been made against the Group, by the Ministry of Environment and Forestry, except for the claim requesting the return of the training and social facilities operated by third parties which are being used outside of the scope of port operations. As the dispute is between the two administrative bodies the Group has no knowledge of their claim and no claim has been made against the Group concerning any payment relating to land allocation of Port Akdeniz-Antalya. However, there can no assurance that such claim will not be brought in the future.

15.4 ***Other legal proceedings***

The Port Adria-Bar was party to a collective bargaining agreement with a union representing workers in a range of functions, that expired in 2010, before the Port of Adria-Bar was acquired by the Group. However, a number of lawsuits have been brought by employees in connection to this collective bargaining agreement (that the Company believes is invalid), seeking (i) unpaid wages for periods before the handover of the port to the Group (from 2011 to 2014), and (ii) alleged underpaid wages as of the start of 2014. In April 2017, the Supreme Court ruled that the collective bargaining agreement is not valid. Although various cases remain pending before lower courts, this judgment establishes a precedent that would apply to the remaining pending cases before the lower courts. Accordingly, Management believes that the pending cases will be decided in favour of the Group.

Save as disclosed above, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had during the 12 months preceding the date of this Prospectus, significant effects on the Company's and/or the Group's financial position or profitability.

16. Related party transactions

Parties are generally considered to be related if the parties are under common control or one party has the ability to control the other party or can exercise significant influence over the other party in making financial or operational decisions as defined in IAS 24 "*Related Party Disclosures*". In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. Related parties may enter into transactions which unrelated parties might not, and transactions between related parties might not be effected on the same terms, conditions and amounts as transactions between unrelated parties. Members of the Group are, and have been, party to various agreements and other arrangements with certain related parties, all of which have been conducted on an arms-length basis and on market terms.

In the years ended 31 December 2016, 31 December 2015 and 31 December 2014, turnover attributable to related party transactions did not amount to any of total turnover.

The Company's related parties include its directors and officers as well as its parent company, Global Yatırım Holding A.Ş. Further related parties are Global Liman İşletmeleri A.Ş., Ortadoğu Antalya Liman İşletmeleri A.Ş., Ege Liman İşletmeleri A.Ş., Valletta Cruise Port PLC, Bodrum Yolcu Limanı İşletmeleri A.Ş., Venezia Terminal Passegeri S.p.A., Ravenna Terminal Passegeri S.r.l., Cagliari Cruise Port S.r.l., Catania Cruise Terminal S.r.l., La Spezia Cruise Facility S.c.a.r.l,, Container Terminal and General Cargo JSC-Bar and Barcelona Port Investments SL, which are companies in which the Company effectively holds an equity stake and which are described under Part X (*The Business*); and certain other companies in which one or both of the Company's parent company owns a controlling interest, including Global Sigorta Aracılık Hizmetleri A.Ş., Global Menkul Değerler A.Ş. and Naturel Gaz.

On 12 April 2017, the Company instituted a related party transactions policy. For more information, see Part XI (*Directors, Senior Management and Corporate Governance—Corporate governance standards to be implemented under the Framework Agreement*).

The compensation paid to directors and officers is described under Part XI (*Directors, Senior Management and Corporate Governance—Remuneration and Benefits*). For more detailed information about the Company's related party transactions, see Note 30 to the 2016 Historical Financial Information included in this Prospectus.

As at 31 December 2016, the related parties of the Group disclosed comprise the following:

	Relationship
Mehmet Kutman	Shareholder
Global Yatırım Holding	Parent Company
Global Sigorta Aracılık Hizmetleri A.Ş.	Parent Company's subsidiary
Global Menkul Değerler A.Ş.	Parent Company's subsidiary
IEG Kurumsal Finansal Danışmanlık A.Ş.	Parent Company's subsidiary
Adonia Shipping	Parent Company's subsidiary
Naturel Gaz	Parent Company's subsidiary

Due from related parties

The table below shows current receivables from related parties to Global Liman for the periods indicated:

	For the year ended 31 December		
Current receivables from related parties	**2014**	**2015**	**2016**
	(Amounts in US$' 000)		
Global Yatırım Holding(1)	44,595	35,507	29,058
Adonia Shipping(2)	1,653	1,801	1,066
IEG Kurumsal Finansal Danışmanlık A.Ş.(2)	563	—	—
Naturel Gaz(2)	118	72	69
Mehmet Kutman	90	77	26
Others	236	685	1,282
Total	**47,255**	**38,142**	**31,501**

Notes:

(1) The receivable from Global Yatırım Holding represents charges and expenses incurred by the Group companies on behalf of Global Yatırım Holding and amounts advanced before 2014.

(2) These amounts are related with the work advances. The charged interest rate was 8.50% as at 31 December 2016, 10.50% as at 31 December 2015 and as at 31 December 2014.

As of 31 December 2014, a receivable of TL 103.4 million was due to Global Liman from GIH (the "GIH Receivable"), comprising of charges and expenses incurred by Global Liman's subsidiaries on behalf of GIH. There is no defined payment schedule for the GIH Receivable, however GIH intends to repay GIH Receivable in full, approximately US$29 million, from the proceeds of the Offer received from the GPH B.V.

Due to related parties

The table below shows current payables from Global Liman to related parties for the periods indicated:

Current payables to related parties	For the year ended 31 December		
	2014	2015	2016
	(Amounts in US$' 000)		
Mehmet Kutman	319	247	204
Global Sigorta[(1)]	134	418	356
Global Menkul[(1)]	17	12	21
Other	12	24	—
Total	**482**	**701**	**581**

Notes:

(1) The charged interest rate was 8.50% as at 31 December 2016, 10.50% as at 31 December 2015 and as at 31 December 2014.

Transactions with related parties

The table below shows significant transactions of Global Liman with other related parties for the periods indicated:

	For the year ended 31 December					
	2014		2015		2016	
	(Amounts in US$' 000)					
	Interest received	Other	Interest Received	Other	Interest received	Other
Global Yatırım Holding	2,062	—	2,651	—	2,819	—
Adonia Shipping	—	—	—	—	—	5
Total	2,062	—	2,651	—		—

	For the year ended 31 December					
	2014		2015		2016	
	(Amounts in US$' 000)					
	Interest Given	Other	Interest Given	Other	Interest Given	Other
Global Yatırım Holding	31	3	30	4	8	4
Global Menkul	2	54	1	—	—	—
Total	**33**	**57**	**31**	**4**	**8**	**4**

For the years ended 31 December 2016, 2015 and 2014 the Group recognised interest income on these bonds amounting to US$1.93 million, US$2.54 million and US$2.06 million respectively). For the years ended 31 December 2016, 2015 and 2014 the effective interest rate was 14.45 per cent, 14.95 per cent and 14.95 per cent respectively. For the year ended 31 December 2016 the Group accounted for a gain amounting to US$405,000 from the purchase and the sale of Global Yatırım Holding's publicly traded share certificates, for the year ended 31 December 2015 the Group accounted for a gain amounting to US$109,000 and for the year ended 31 December 2014 the Group accounted for a loss amounting to US$174,000.

17. Takeover Bids

17.1 ***Takeover Bids***

No public takeover bid has been made in relation to the Company during the last financial year or the current financial year.

The City Code on Takeovers and Mergers (the City Code) as issued and administered by the Panel on Takeovers and Mergers (the Panel) applies to the Company. Under the City Code, if an acquisition of interests in the Shares were to increase the aggregate holding of an acquirer and persons acting in concert with it to an interest in the Shares carrying 30% or more of the voting rights in the Shares, the acquirer and, depending on the circumstances, person acting in concert with it, would be required (except with the consent of the Panel) to make a cash offer (a Mandatory Offer) at the highest price paid by the acquirer (or any person acting in concert with it) for shares within the preceding 12 months, to the holders of any class of equity share capital and also to the holders of any other class of transferable securities carrying any rights. A similar obligation to make such a mandatory offer would also arise on the acquisition of an interest in the Shares by a person holding (together with persons acting in concert with it) an interest in the Offering Shares carrying between 30% and 50% of the voting rights in the Shares if the effect of such acquisition were to increase that person's percentage of the voting rights.

Following the Offer, GIH will (indirectly) own at least 50.1% of the voting rights attached to the issued share capital of the Company. For so long as GIH will hold more than 50% of the voting rights in the Shares, it will have no obligation to make a Mandatory Offer when acquiring further interests in the Shares. If GIH's indirect holding were to subsequently fall to between 30% and 50% of the voting rights in the Shares then it would have an obligation to make a Mandatory Offer if it were to later acquire further interests in the Shares.

17.2 ***Squeeze-out***

Under the Companies Act, if a ''takeover offer'' (as defined in section 974 of the Companies Act) is made for any Shares and the offeror were to acquire, or unconditionally contract to acquire, not less than 90% in value of the Shares and not less than 90% of the voting rights attached to the Shares, within three months of the last day on which its offer can be accepted, it could acquire compulsorily the remaining 10%. Such an acquisition would be made by sending a notice to the outstanding holders of the Shares that stated that it would acquire compulsorily the Shares held by them and then, six weeks later, by executing a transfer of outstanding Shares in its favour and paying the consideration to the Company and the Company would hold the consideration on trust for the outstanding holders of the Shares. The consideration offered to the holders of the Shares whose Shares are so compulsorily acquired must, in general, be the same consideration as was available under the takeover offer.

17.3 ***Sell-out***

The Companies Act also provides minority holders of the Shares the right to be bought out in certain circumstances by an offeror that has made a takeover offer. If the takeover offer related to all of the Shares and at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90% of the Shares to which the offer relates, any holder of the Shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those Shares. The offeror is required to give a holder of the Shares notice of its right to be bought out within one month of the right arising. The 197 offeror may impose a time limit on the rights of the minority holders of the Shares to be bought out, but that period cannot end less than three months after the end of the acceptance period of the relevant takeover offer. If a holder of Shares exercises its rights, the offeror is bound to acquire those Shares on the terms of the offer or on such other terms as may be agreed.

18. Working capital

In the opinion of the Company, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this Prospectus.

19. Principal Shareholders

19.1 As of the date of this Prospectus, the Company's share capital amounts to £50,005, comprising 1 Share with a nominal value of £5.00, and 50,000 Redeemable Shares with a nominal value of £1.00, all of which are fully paid.

19.2 Insofar as is known to the Company, as at the date of this Prospectus, the persons set out in the tables below are expected to have notifiable interests in 3% or more (being the threshold for notification of interests that applies to the Company and Shareholders as of Admission pursuant to Chapter 5 of the Disclosure and Transparency Rules) of the issued share capital of the Company. Expected interests both immediately prior to Admission and following Admission are disclosed in the tables below (and are calculated on the basis that there is no exercise of the Over-allotment Option). An updated table will be published in the Pricing Statement:

(A) Top of the Price Range

Shareholder	Immediately prior to Admission: Number of Shares(1)	Immediately prior to Admission: Percentage of issued share capital(1)	Immediately following Admission: Number of Shares(1)(2)	Immediately following Admission: Percentage of issued share capital(1)(2)
Global Ports Holding B.V.	49,038,000	89.16%	At least 34,110,286	At least 55.3%
EBRD	5,692,000	10.84%	1,788,600 - 5,962,000	2.9% - 9.6%
Total	55,000,000	100.00%	61,630,000	100.00%

Notes:

(1) Following completion of the Pre-IPO Reorganisation described in Section 3 (*Corporate Resolutions and Share Capital of the Company*) of Part XVIII (*Additional Information*).

(2) Assuming no exercise of the Over-allotment Option.

(B) Bottom of the Price Range

Shareholder	Immediately prior to Admission: Number of Shares(1)	Immediately prior to Admission: Percentage of issued share capital(1)	Immediately following Admission: Number of Shares(1)(2)	Immediately following Admission: Percentage of issued share capital(1)(2)
Global Ports Holding B.V.	49,038,000	89.16%	At least 34,825,173	At least 55.4%
EBRD	5,692,000	10.84%	1,788,600 - 5,962,000	2.8% - 9.6%
Total	55,000,000	100.00%	62,892,857	100.00%

Notes:

(1) Following completion of the Pre-IPO Reorganisation described in Section 3 (*Corporate Resolutions and Share Capital of the Company*) of Part XVIII (*Additional Information*).

(2) Assuming no exercise of the Over-allotment Option.

GPH B.V. has committed that the minimum free float will be such number of Shares as results in total proceeds of the Offer of not less than USD 200,000,000 (approximately GBP 154,700,000).

None of the Company's shareholders have voting rights different from any other holders of Shares.

The Company is not aware of any shareholder, which, immediately after the Offer, directly or indirectly, will own a majority of the Shares or could exercise control over the Company, or of any existing arrangements the operation of which may at a subsequent date result in a change in control of the Company.

On 1 February 2017 GIH entered into a TL 162,000,000 Pre-IPO Single Currency Term Facility Agreement (the "**Facility**") with VTB Capital plc which is secured by a pledge over 22.5% of the share capital of Global Liman (the "**Pledge Agreement**"). Under the terms of the Pledge Agreement, prior to an event of default under the Facility, GIH retains all rights (other than the right to Dividends) relating to the shares subject to the pledge including, but not limited to, voting and dividend rights corresponding to the shares and arising from any capital increase and the proceeds of any sale of the shares. The Facility is for an initial term of eight months which may be extended if the implementation of the Offer is delayed. It is intended that GIH will repay the Facility on completion of the Offer and that the pledge over the shares will be released immediately prior to completion of the Offer.

Immediately following Admission, it is expected that up to 40.9% of the Shares will be held in public hands (assuming no exercise of the Over-allotment Option).

20. Intermediaries

The Intermediaries authorised at the date of this Prospectus to use this Prospectus in connection with the Intermediaries Offer are:

Name	**Address**
AJ Bell Securities Limited	Trafford House Chester Road Manchester M32 0RS
Albert E Sharp LLP	Seven Elm Court Arden Street Stratford-Upon-Avon CV37 6PA
Alliance Trust Savings Limited	PO Box 164 8 West Marketgait Dundee DD1 9YP
Barclays Bank PLC	1 Churchill Place London E14 5HP
Beaufort Securities Limited	63 St. Mary Axe London EC3A 8AA
Canaccord Genuity Wealth Limited	41 Lothbury London EC2R 7AE
Charles Stanley & Co Limited	55 Bishopsgate London EC2N 3AS
Cornhill Capital Limited	4th floor 18 St Swithins Lane London EC4N 8AD
Equiniti Financial Services Limited	Aspect House Spencer Road Lancing BN99 6DA
Hargreave Hale Limited	Talisman House Boardmans Way Blackpool FY4 5FY
Hargreaves Lansdown Asset Management Limited	One College Square South Anchor Road Bristol BS1 5HL
iDealing.com Limited	114 Middlesex Street London E1 7HY
IG Markets Limited	Cannon Bridge House 25 Dowgate Hill London EC4R 2YA

Name	Address
Interactive Investor Trading Limited	Standon House 21 Mansell Street London E1 8AA
Jarvis Investment Management Limited	78 Mount Ephraim Tunbridge Wells Kent TN4 8BS
Killik & Co LLP	46 Grosvenor Street London W1K 3HN
Redmayne-Bentley LLP	9 Bond Court Leeds LS1 2JZ
SVS Securities PLC	20 Ropemaker Street London EC2X 9AR
TD Direct Investing (Europe) Limited	Exchange Court Duncombe Street Leeds LS1 4AX
The Share Centre Limited	Oxford Road Aylesbury HP21 8SZ
WH Ireland Limited	11 St James's Square Manchester M2 6WH

Any new information with respect to financial intermediaries unknown at the time of the publication of this Prospectus, including in respect of: (i) any intermediary financial institution that is appointed by the Company in connection with the Intermediaries Offer after the date of this Prospectus following its agreement to adhere to and be bound by the Intermediaries Terms and Conditions; and (ii) any Intermediary that ceases to participate in the Intermediaries Offer, will, in each case, be made available on the Company's website at http://www.globalports.com.tr/ipo.php

21. Documents available for inspection

Copies of the following documents will be available and may be inspected free of charge from the date of publication of this Prospectus at the Company's head office at: Rıhtım Cad. No: 51, Karaköy 34425, Istanbul during normal business hours on any day that is not a Saturday, Sunday or public holiday, and in electronic form from the Company's website:

(a) this Prospectus;

(b) the Articles of Association;

(c) the Historical Financial Information and the Accountant's Report; and

(d) the consent letter referred to in Part XVIII (*Independent Auditors*).

PART XIX—DEFINITIONS AND GLOSSARY

The following definitions apply throughout this document unless the context requires otherwise:

"Accountant's Report"	the accountant's report prepared by Deloitte UK as independent reporting accountants appearing in Part XX (*Historical Financial Information*) of the Prospectus on the Historical Financial Information.
"ADB"	Asian Development Bank
"Admission"	the admission of the Offer Shares to the standard listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities
"Annual Exemption"	as defined under "Part XIV (*Taxation—PART B: United Kingdom Tax Considerations—Taxation of Disposals*)"
"Arkas Line"	Arkas Denizcilik ve Nakliyat Anonim Şirketi
"Articles of Association"	the articles of association of the Company
"B2B"	Business to Business
"B2C"	Business to Customer
"Board"	the board of directors of the Company
"BOT"	Build Operate Transfer
"BPA"	Barcelona Port Authority
"BPI"	Barcelona Port Investments SL
"CAGR"	Compound Annual Growth Rate
"CCL"	Carnival Corporation
"CCP"	Cagliari Cruise Port S.r.l.
"CEO"	Chief Executive Officer
"CFO"	Chief Financial Officer
"CLIA"	Cruise Lines International Association
"Closing Date"	17 May 2017
"CMA"	CMA CGM S.A.
"CMB"	Capital Markets Board of Turkey
"Company"	Global Ports Holding PLC, the issuer of the Offer Shares
"CA 2006"	the Companies Act 2006
"Court Hearing"	the hearing by the English Court of the claim form to confirm the Reduction of Capital under section 468 of the Act
"CTT"	Catania Cruise Terminal S.r.l.
"CUSIP"	Committee on Uniform Securities Identification Procedures
"Directors"	the directors of the Company
"DLH"	Demiryolları, Limanlar ve Havayolları
"DTC"	the Depositary Trust Company
"EBRD"	European Bank for Reconstruction and Development
"EEA"	the European Economic Area
"EPS"	Earnings Per Share
"EURIBOR"	Euro Interbank Offered Rate
"Euroclear"	Euroclear Bank SA/NV

"European Union" or "EU"	the economic and political union established in 1993 by the Maastricht Treaty, with the aim of achieving closer economic and political union between member states that are primarily located in Europe
"Exchange Act"	US Securities Exchange Act of 1934, as amended
"Existing Shares"	up to 18,556,757 existing shares be sold as part of the Offer by the Selling Shareholders (excluding, for the avoidance of doubt, the Over-allotment Shares)
"FCA"	the Financial Conduct Authority
"FDIC"	US Federal Deposit Insurance Corporation
"FSMA"	the Financial Services and Markets Act 2000, as amended
"GBP"	pounds sterling
"GIH" or "Global Investment Holdings"	Global Yatırım Holding Anonim Şirketi
"Global Liman"	Global Liman İşletmeleri Anonim Şirketi
"GMD"	Global Menkul Değerler A.Ş.
"GMS"	General Meeting of Shareholders
"GPH"	prior to Admission, Global Liman İşletmeleri Anonim ıirketi and its consolidated subsidiaries, and following Admission, the Company and its consolidated subsidiaries
"GPH B.V."	Global Ports Holding B.V.
"Group"	prior to Admission, Global Liman İşletmeleri Anonim Sirketi and its consolidated subsidiaries, and following Admission, the Company and its consolidated subsidiaries
"GRT"	Gross Register Tons
"Historical Financial Information"	the consolidated historical financial information as at and for each of the three years ended 31 December 2014, 31 December 2015 and 31 December 2016, as appearing in Part XX *(Historical Financial Information)*
"HMRC"	HM Revenue and Customs
"IAS"	International Accounting Standards
"IASB"	International Accounting Standards Board
"IFRS"	International Financial Reporting Standards, as adopted by the European Union
"Institutional Offer"	the offer of Offer Shares to certain institutional and other investors, including QIBs in the United States, as described in Part XV (*Details of the Offer*);
"Intermediaries"	the entities listed in Section 19 (*Intermediaries*) of Part XVIII (*Additional Information*), together with any other intermediary (if any) that is appointed by the Company in connection with the Intermediaries Offer after the date of this Prospectus;
"Intermediaries Offer"	the offer of Offer Shares to the Intermediaries as described in Part XV (*Details of the Offer*);
"Intermediaries Offer Adviser	Solid Solutions Associates (UK) Limited;
"Intermediaries Offer Application Form"	the form of application for Offer Shares in the Intermediaries Offer used by the Intermediaries;

"Intermediaries Terms and Conditions"	the terms and conditions set out in the Intermediaries Agreement dated 19 April 2017 upon which the Intermediaries have agreed to be appointed by the Company to act as an Intermediary in the Intermediaries Offer and pursuant to which the Intermediaries may apply for OPffer Shares in the Intermediaries Offer, details of which are set out in Part XV (*Details of the Offer—Intermediaries Terms and Conditions*);
"IOB"	the International Order Book of the London Stock Exchange
"ISA"	International Standards of Auditing
"ISPS"	International Ship and Port Facility Security
"Issuance Certificate"	means the Turkish-language issuance certificate (ihrac belgesi) subject to the approval of the CMB that relates to the Offer
"IT"	information technology
"Joint Bookrunner"	VTB Capital plc
"Joint Global Co-ordinators"	Citigroup Global Markets Limited, Goldman Sachs International and Barclays Bank PLC
"KAP"	Kombinat Aluminijuma Podgorica
"LCIA"	London Court of International Arbitration
"Lead Manager"	Shore Capital Stockbrokers Limited
"Listing Rules"	the rules and regulations made by the FCA under Part VI of FSMA
"London Stock Exchange"	London Stock Exchange plc
"MENA"	Middle East and North Africa
"MSC"	MSC Gemi Acenteliği Anonim Şirketi
"New Shares"	up to 7,892,587 new shares in the capital of the Company to be allotted and issued as part of the Institutional Offer and the Intermediaries Offer;
"NCL"	Norwegian Cruise Line Holdings Limited
"OCI"	Other Comprehensive Income
"Offer"	the offer of the Offer Shares pursuant to the Institutional Offer and the Intermediaries Offer
"Offer Price"	the price at which each Share is to be issued or sold under the Offer
"Offer Shares"	the New Shares and the Existing Shares
"Official List"	the Official List of the FCA
"Order"	Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended
"Over-allotment Option"	the option expected to be granted to the Stabilising Manager by the Over-allotment Shareholder to purchase, or procure purchasers for, up to 15% of the total number of Offer Shares as more particularly described in Part XV (*Details of the Offer—Over-allotment and stabilisation*).
"Over-allotment Shareholder"	GPH B.V.
"Over-allotment Shares"	the Offer Shares the subject of the Over-allotment Option
"PFIC"	passive foreign investment company
"Price Range"	the range within which the Offer Price is currently expected to be set, being between 735 and 875

"Pricing Statement"	the pricing statement to be published on or about 12 May 2017 by the Company detailing (amongst other items) the Offer Price and the number of Offer Shares which are the subject of the Offer;
"Prospectus"	this document
"Prospectus Directive"	Directive (2003/71/EC) (and amendments thereto, including Directive (2010/73/EU), to the extent implemented in a Relevant Member State) and includes all relevant implementing measures in each Relevant Member State
"Prospectus Rules"	the rules published by the FCA under section 73A FSMA
"PWC"	Pricewaterhouse Coopers
"qualified institutional buyers" or "QIBs"	has the meaning given by Rule 144A
"Qualified Investors"	persons who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive
"RCCL"	Royal Caribbean Cruise Line
"Redeemable Shares"	the 50,000 redeemable non-voting preference shares of £1.00 each in the share capital of the Company
"Reduction of Capital"	the proposed reduction of the nominal value of the PLC Offer Shares in issue at the Reduction of Capital Record Time and the cancellation of the amount of the share premium account (if any) in existence at the Reduction of Capital Record Time in order to create distributable reserves
"Reduction of Capital Record Time"	6:00 p.m. on the business day in London immediately preceding the date of the Court Hearing
"Regulated Market"	the London Stock Exchange's regulated market for listed securities which is a regulated market for the purposes of Directive 2004/39/EC (the Markets in Financial Instruments Directive)
"Regulation S"	Regulation S under the Securities Act
"Relevant Implementation Date"	the date on which the Prospectus Directive is implemented in a Relevant Member State
"Relevant Member State"	a member state of the EEA that has implemented the Prospectus Directive
"RTP"	Ravenna Terminal Passeggeri S.r.l.
"Rule 144A"	Rule 144A under the Securities Act
"Sale and Purchase Memorandum"	the sale and purchase memorandum to be executed by the Company, the Selling Shareholders, the Over-allotment Shareholder and the Underwriters immediately prior to the announcement of the Offer Price pursuant to which each of the Underwriters agrees, severally, to (i) use its reasonable endeavours to procure subscribers and purchasers for, or failing which (ii) to subscribe for and/or purchase itself, its relevant proportion of the Offer Shares to be issued, sold and transferred under the Institutional Offer and the Intermediaries Offer as set out therein, in each case at the Offer Price;
"Securities Act"	the United States Securities Act of 1993 (as amended)
"SEDOL"	the London Stock Exchange Daily Official List
"Segmental EBITDA"	earnings before interest, tax, depreciation and amortisation excluding the effects of exceptional and other non-cash income and expenses

	comprising of project expenses, bargain purchase gains and reserves, board member leaving fees, employee termination payments, unallocated expenses, finance income, finance costs, and including the share of equity-accounted investees which is fully integrated into GPH cruise port network
"Selling Shareholders"	GPH B.V. and European Bank for Reconstruction and Development (to the extent EBRD offers Existing Shares in the Offering)
"Shares"	ordinary shares with a nominal value of £5.00 each in the capital of the Company
"Stabilisation Period"	the period beginning on the date on which adequate public disclosure of the price of the Offer Shares is made and ending no later than 30 calendar days thereafter for the purposes of over-allotting of the Offer Shares or other stabilising transactions
"Stabilisation Period End Date"	the date which is 30 days after the commencement of conditional dealings in the Offer Shares on the London Stock Exchange
"Stabilising Manager"	Barclays Capital Securities Limited, an affiliate of Barclays Bank PLC
"TCC"	Turkish Commercial Code
"TDI"	Türkiye Denizcilik İşletmeleri A.Ş.
"TEN-T"	Trans-European Transport Network
"TEU"	The standard industry measurement of a 20-foot equivalent unit
"TFP"	Trade Finance Program
"TOORA"	Transfer of Operation Rights Agreement
"TL"	Turkish Lira
"Treaty"	the Income Tax Convention Between the US and the UK
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"UKLA"	the United Kingdom Listing Authority
"Underwriters"	Citigroup Global Markets Limited, Goldman Sachs International, Barclays Bank PLC, VTB Capital plc and Shore Capital Stockbrokers Limited
"Underwriting Agreement"	the underwriting agreement entered into between the Company, the directors of the Company, GPH B.V. and EBRD (to the extent EBRD offers Existing Shares in the Offering and accedes to entry into the Underwriting Agreement) and the Underwriters described in Part XV (*Details of the Offer—Underwriting arrangements*).
"UNCTAD"	United Nations Conference on Trade and Development
"UNESCO"	United Nations Educational, Scientific and Cultural Organization
"United States" or "US"	the United States of America, its territories and possessions, any State of the United States of America, and the District of Columbia
"UNWTO"	United Nations World Tourism Organization
"US$, USD"	US Dollars
"VAT"	Value added tax
"VCP"	Valleta Cruise Port
"VI Consortium"	Venezia Investimenti S.R.L.
"VTP"	Venezia Terminal Passeggeri S.p.A.
"WTC"	World Trade Centre
"ZIM"	ZIM Integrated Shipping Services Ltd.

PART XX—HISTORICAL FINANCIAL INFORMATION

The Company was incorporated in preparation for the Offer on 20 February 2017. To provide historical financial information for the Company's business, this Part XX (*Historical Financial Information*) sets forth consolidated historical financial information for Global Liman İşletmeleri A.Ş. and its subsidiaries as of and for the years ended 31 December 2014, 2015 and 2016.

Deloitte.

Deloitte LLP
2 New Street Square
London
EC4A 3BZ

The Board of Directors
on behalf of Global Ports Holding PLC
100 New Bridge Street
London EC4V 6JA

2 May 2017

Dear Sirs

Global Ports Holding PLC

We report on the financial information of Global Liman Isletmeleri A.S. and its subsidiaries (together the "Oldco Group") for the three years ended 31 December 2016 set out in Part XX of the prospectus dated 2 May 2017 of Global Ports Holding PLC (the "Company") (the "Prospectus").

This financial information has been prepared for inclusion in the Prospectus on the basis of the accounting policies set out in note 3 to the financial information. This report is required by Annex I item 20.1 of Commission Regulation (EC) No 809/2004 (the "Prospectus Directive Regulation") and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Annex I item 23.1 of the Prospectus Directive Regulation, consenting to its inclusion in the Prospectus.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the Oldco Group as at 31 December 2014, 31 December 2015, 31 December 2016 and of its profits, cash flows and changes in equity for the years then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f), we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex I item 1.2 of the Prospectus Directive Regulation.

Yours faithfully

Deloitte LLP
Chartered Accountants

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 2 New Street Square, London EC4A 3BZ, United Kingdom. Deloitte LLP is the United Kingdom member firm of Deloitte Touche Tohmatsu Limited ("DTTL"), a UK private company limited by guarantee, whose member firms are legally separate and independent entities. Please see www.deloitte.co.uk/about for a detailed description of the legal structure of DTTL and its member firms.

Consolidated income statement and other comprehensive income
For the years ended 31 December 2014, 2015 and 2016

	Note	**Year ended 31 December 2014 (USD '000)**	**Year ended 31 December 2015 (USD '000)**	**Year ended 31 December 2016 (USD '000)**
Revenue	*8*	90,684	105,481	114,869
Cost of sales	*8*	(56,290)	(67,259)	(72,083)
Gross profit		**34,394**	**38,222**	**42,786**
Other income		618	572	475
Gain on bargain purchase	*6*	5,733	5,190	—
Selling and marketing expenses	*9*	(470)	(317)	(808)
Administrative expenses	*10*	(10,767)	(11,300)	(16,204)
Other expenses		(6,285)	(7,839)	(5,508)
Operating profit		**23,223**	**24,528**	**20,741**
Finance income	*11*	11,344	25,127	17,511
Finance costs	*11*	(28,108)	(36,392)	(35,272)
Net finance costs		**(16,764)**	**(11,265)**	**(17,761)**
Share of profit of equity-accounted investees	*15*	19,088	671	2,219
Profit before tax		**25,547**	**13,934**	**5,199**
Tax (expense)/benefit	*17*	(1,965)	2,526	(925)
Profit for the year		**23,582**	**16,460**	**4,274**
Profit for the year attributable to:				
Owners of the Company		21,865	14,157	2,208
Non-controlling interests		1,717	2,303	2,066
		23,582	**16,460**	**4,274**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit liability	*25*	(12)	34	50
Income tax relating to items that will not be reclassified subsequently to profit or loss	*17*	2	(7)	(10)
		(10)	**27**	**40**
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences		1,191	13,078	25,200
Cash flow hedges—effective portion of changes in fair value		(1,228)	93	(247)
Losses on a hedge of a net investment		(20,405)	(64,629)	(59,569)
Income tax relating to items that may be reclassified subsequently to profit or loss	*17*	4,388	12,903	11,975
		(16,054)	**(38,555)**	**(22,641)**
Other comprehensive loss for the year, net of income tax		**(16,064)**	**(38,528)**	**(22,601)**
Total comprehensive income/(loss) for the year		**7,518**	**(22,068)**	**(18,327)**
Total comprehensive income/(loss) attributable to:				
Owners of the Company		9,129	(18,386)	(17,799)
Non-controlling interests		(1,611)	(3,682)	(528)
		7,518	**(22,068)**	**(18,327)**
Basic and diluted earnings per share (cents per share)	*27*	**33.0**	**21.0**	**3.0**

Consolidated balance sheet
As at 31 December 2014, 2015 and 2016

	Note	As at 31 December 2014 (USD '000)	As at 31 December 2015 (USD '000)	As at 31 December 2016 (USD '000)
Non-current assets				
Property and equipment	*12*	95,730	119,771	115,765
Intangible assets	*13*	452,118	462,277	426,081
Goodwill	*14*	12,860	12,860	14,515
Equity-accounted investees	*15*	1,214	6,627	17,168
Other investments		10	8	8
Deferred tax assets	*17*	5,010	3,804	3,047
Other non-current assets	*19*	12,319	13,047	11,412
		579,261	**618,394**	**587,996**
Current assets				
Trade and other receivables	*18*	8,804	10,801	11,922
Due from related parties	*30*	47,255	38,142	31,501
Other investments	*16*	15,073	16,907	14,602
Other current assets	*19*	10,374	8,008	6,263
Income tax receivable	*19*	—	—	1,505
Prepaid taxes		1,642	158	1,815
Cash and cash equivalents	*20*	45,095	77,423	44,310
		128,243	**151,439**	**111,918**
Total assets		**707,504**	**769,833**	**699,914**
Current liabilities				
Loans and borrowings	*23*	30,210	36,621	43,659
Other financial liabilities	*31*	—	261	140
Trade and other payables	*24*	13,264	14,665	14,463
Due to related parties	*30*	482	701	581
Current tax liabilities	*17*	2,026	1,900	1,814
Provisions	*26*	608	412	1,199
		46,590	**54,560**	**61,856**
Non-current liabilities				
Loans and borrowings	*23*	306,651	314,528	299,020
Other financial liabilities	*31*	—	2,156	2,524
Derivative financial liabilities	*31*	1,160	953	1,131
Deferred tax liabilities	*17*	97,986	104,170	97,173
Provisions	*26*	13,338	14,178	14,858
Employee benefits	*25*	1,552	1,464	1,287
		420,687	**437,449**	**415,993**
Total liabilities		**467,277**	**492,009**	**477,849**
Net assets		**240,227**	**277,824**	**222,065**
Equity				
Share capital	*21*	31,050	33,836	33,836
Share premium account	*21*	—	54,539	54,539
Legal reserves	*21*	10,117	9,917	12,424
Hedging and translation reserves		49,673	17,103	(2,944)
Retained earnings		84,104	78,488	43,622
Equity attributable to equity holders of the Company		**174,944**	**193,883**	**141,477**
Non-controlling interests	*22*	**65,283**	**83,941**	**80,588**
Total equity		**240,227**	**277,824**	**222,065**

Global Liman İşletmeleri A.Ş. and its Subsidiaries
Consolidated statement of changes in equity
For the years ended 31 December 2014, 2015 and 2016

USD '000	*Note*	Share capital	Share premium	Legal reserves	Hedging reserves	Translation reserves	Retained earnings	Total	Non-controlling interests	Total Equity
Balance at 1 January 2014		**31,050**	**—**	**8,860**	**(5,989)**	**68,388**	**75,272**	**177,581**	**34,532**	**212,113**
Profit for the year		—	—	—	—	—	21,865	**21,865**	1,717	23,582
Other comprehensive income/(loss) for the year	*21*	—	—	—	(17,245)	4,519	(10)	**(12,736)**	(3,328)	(16,064)
Total comprehensive income/(loss) for the year		**—**	**—**	**—**	**(17,245)**	**4,519**	**21,855**	**9,129**	**(1,611)**	**7,518**
Transactions with owners of the Company										
Transfer to legal reserves		—	—	1,257	—	—	(1,257)	**—**	—	—
Dividends	*21(c)*	—	—	—	—	—	(12,577)	**(12,577)**	(1,397)	(13,974)
Total contributions and distributions		**—**	**—**	**1,257**	**—**	**—**	**(13,834)**	**(12,577)**	**(1,397)**	**(13,974)**
Changes in ownership interests										
Acquisition of subsidiary with non-controlling interests	*6(i)*	—	—	—	—	—	—	**—**	34,947	34,947
Acquisition of non-controlling interests without a change in control	*7*	—	—	—	—	—	811	**811**	(1,188)	(377)
Total changes in ownership interests		**—**	**—**	**—**	**—**	**—**	**811**	**811**	**33,759**	**34,570**
Total transactions with owners of the Company		**—**	**—**	**1,257**	**(17,245)**	**4,519**	**8,832**	**(2,637)**	**30,751**	**28,114**
Balance at 31 December 2014		**31,050**	**—**	**10,117**	**(23,234)**	**72,907**	**84,104**	**174,944**	**65,283**	**240,227**

Global Liman İşletmeleri A.Ş. and its Subsidiaries
Consolidated statement of changes in equity
For the years ended 31 December 2014, 2015 and 2016

USD '000	*Note*	**Share capital**	**Share premium**	**Legal reserves**	**Hedging reserves**	**Translation reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total Equity**
Balance at 1 January 2015		**31,050**	**—**	**10,117**	**(23,234)**	**72,907**	**84,104**	**174,944**	**65,283**	**240,227**
Profit for the year		—	—	—	—	—	14,157	**14,157**	2,303	16,460
Other comprehensive income/(loss) for the year	*21*	—	—	—	(51,633)	19,063	27	**(32,543)**	(5,985)	(38,528)
Total comprehensive income/(loss) for the year		**—**	**—**	**—**	**(51,633)**	**19,063**	**14,184**	**(18,386)**	**(3,682)**	**(22,068)**
Transactions with owners of the Company										
Issue of share capital	*21*	2,786	54,539	—	—	—	—	**57,325**	—	57,325
Transfer to legal reserves		—	—	(200)	—	—	200	**—**	—	—
Dividends	*21(c)*	—	—	—	—	—	(20,000)	**(20,000)**	(3,256)	(23,256)
Total contributions and distributions		**2,786**	**54,539**	**(200)**	**—**	**—**	**(19,800)**	**37,325**	**(3,256)**	**34,069**
Changes in ownership interests										
Acquisition of subsidiary	*6(ii)*	—	—	—	—	—	—	**—**	25,596	25,596
Total changes in ownership interests		**—**	**—**	**—**	**—**	**—**	**—**	**—**	**25,596**	**25,596**
Total transactions with owners of the Company		**2,786**	**54,539**	**(200)**	**(51,633)**	**19,063**	**(5,616)**	**18,939**	**18,658**	**37,597**
Balance at 31 December 2015		**33,836**	**54,539**	**9,917**	**(74,867)**	**91,970**	**78,488**	**193,883**	**83,941**	**277,824**

Global Liman İşletmeleri A.Ş. and its Subsidiaries
Consolidated statement of changes in equity
For the years ended 31 December 2014, 2015 and 2016

USD '000	*Note*	**Share capital**	**Share premium**	**Legal reserves**	**Hedging reserves**	**Translation reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total Equity**
Balance at 1 January 2016		**33,836**	**54,539**	**9,917**	**(74,867)**	**91,970**	**78,488**	**193,883**	**83,941**	**277,824**
Profit for the year		—	—	—	—	—	2,208	**2,208**	2,066	4,274
Other comprehensive income/(loss) for the year	*21*	—	—	—	(47,841)	27,794	40	**(20,007)**	(2,594)	(22,601)
Total comprehensive income/(loss) for the year		**—**	**—**	**—**	**(47,841)**	**27,794**	**2,248**	**(17,799)**	**(528)**	**(18,327)**
Transactions with owners of the Company										
Transfer to legal reserves		—	—	2,507	—	—	(2,507)	**—**	—	—
Dividends	*21(c)*	—	—	—	—	—	(34,607)	**(34,607)**	(3,010)	(37,617)
Total contributions and distributions		**—**	**—**	**2,507**	**—**	**—**	**(37,114)**	**(34,607)**	**(3,010)**	**(37,617)**
Changes in ownership interests										
Acquisition of subsidiary	*6(iii)*	—	—	—	—	—	—	**—**	185	185
Total changes in ownership interests		**—**	**—**	**—**	**—**	**—**	**—**	**—**	**185**	**185**
Total transactions with owners of the Company		**—**	**—**	**2,507**	**(47,841)**	**27,794**	**(34,866)**	**(52,406)**	**(3,353)**	**(55,759)**
Balance at 31 December 2016		**33,836**	**54,539**	**12,424**	**(122,708)**	**119,764**	**43,622**	**141,477**	**80,588**	**222,065**

Global Liman İşletmeleri A.Ş. and its Subsidiaries
Consolidated cash flow statement

	Note	Year ended 31 December 2014 (USD '000)	Year ended 31 December 2015 (USD '000)	Year ended 31 December 2016 (USD '000)
Cash flows from operating activities				
Profit for the year		23,582	16,460	4,274
Adjustments for:				
Depreciation and amortisation expense	*12,13*	30,738	38,184	40,556
Bargain purchase gain	*6, 9*	(5,733)	(5,190)	—
Share of profit of equity-accounted investees, net of tax	*15*	(19,088)	(671)	(2,219)
Finance costs (excluding foreign exchange differences)		22,751	25,257	27,237
Finance income (excluding foreign exchange differences)		(4,830)	(5,130)	(3,922)
Foreign exchange differences on finance costs and income, net		(1,157)	(8,862)	(5,553)
Income tax expense/(benefit)	*17*	1,965	(2,526)	925
Employment termination indemnity reserve	*25*	334	299	172
Provisional charges	*26*	1,927	2,783	3,740
Operating cash flow before changes in operating assets and liabilities		**50,489**	**60,604**	**65,210**
Changes in:				
—trade and other receivables		(2,952)	(4,111)	(2,059)
—other current assets		(5,820)	4,268	(1,205)
—related party receivables		10	46	3
—other non-current assets		(2,286)	(733)	3,189
—trade and other payables		1,578	(740)	776
—related party payables		33	279	(53)
—provisions		(4,970)	(741)	(1,524)
Cash generated by operations before benefit and tax payments		**36,082**	**58,872**	**64,337**
Employee benefits paid	*25*	(462)	(183)	(229)
Income taxes paid	*17*	(5,318)	(6,192)	(4,478)
Net cash generated from operating activities		**30,302**	**52,497**	**59,630**
Investing activities				
Acquisition of property and equipment	*12*	(12,364)	(7,146)	(8,296)
Acquisition of intangible assets	*13*	(192)	(73)	(99)
Proceeds from sale of property and equipment		—	36	38
Financial investments		2,343	331	4,511
Interest received		137	282	600
Investment in equity-accounted investee		—	(4,781)	(8,576)
Acquisition of subsidiary (net)	*6*	24,615	(24,950)	(2,181)
Advances given for tangible assets		(391)	(367)	(2,247)
Net cash (used in)/from investing activities		**14,148**	**(36,668)**	**(16,250)**
Financing activities				
Increase in share capital	*6*	—	57,325	—
Change in due from related parties		(38,870)	1,334	910
Change in due to related parties		(8,495)	62	295
Dividends paid		(13,974)	(23,256)	(37,617)
Interest paid		(18,597)	(21,173)	(26,255)
Proceeds from borrowings		292,781	27,021	12,486
Repayments of borrowings		(243,642)	(18,337)	(17,608)
Net cash (used in)/from financing activities		**(30,797)**	**22,976**	**(67,789)**
Net increase in cash and cash equivalents		**13,653**	**38,805**	**(24,409)**
Effect of foreign exchange rate changes on cash and cash equivalents		11,015	(10,401)	(10,279)
Cash and cash equivalents at beginning of year	*20*	19,972	44,640	73,044
Cash and cash equivalents at end of year	*20*	**44,640**	**73,044**	**38,356**

1 General information

Global Altyapı Hizmetleri ve İşletmecilik A.Ş. was incorporated in 2004 in Istanbul, Turkey as a joint stock company to invest in Global Yatırım Holding A.Ş. ("Global Yatırım Holding")'s infrastructure projects. On 13 September 2007, Global Altyapı Hizmetleri ve İşletmecilik A.Ş. changed its trade name to Global Liman İşletmeleri A.Ş. ("Global Liman", the "Company" or "GPH").

The principal activities of the Company and its subsidiaries (together, the "Group") is to invest in the capital and management of companies that operate or will operate in the ports and port management industry.

The address of the registered office of the Company is "Rıhtım Caddesi No: 51 Karaköy / İstanbul".

As at 31 December 2014, 100% of the shares of the Company were owned by Global Yatırım Holding. In 2015, European Bank of Reconstruction and Development ("EBRD") acquired 10.84% of the Company's shares. As at 31 December 2016, 89.16% of the shares of the Company are owned by Global Yatırım Holding and 10.84% by EBRD.

As at 31 December 2016, the number of employees of the Group was 666 (31 December 2015: 702, 31 December 2014: 679).

The nature of the operations and the locations of the subsidiaries of the Company are listed below:

Subsidiaries	Locations	Operations
Ege Liman İşletmeleri A.Ş. ("Ege Liman")	Aydın-Turkey	Port operations
Ortadoğu Antalya Liman İşletmeleri A.Ş. ("Ortadoğu Liman")	Antalya-Turkey	Port operations
Bodrum Liman İşletmeleri A.Ş. ("Bodrum Liman")	Muğla-Turkey	Port operations
Container Terminal and General Cargo—Bar ("Port of Adria")	Montenegro	Port operations
Barcelona Port Investments, S.L ("BPI")	Spain	Port investments
Creuers del Port de Barcelona, S.A. ("Creuers")	Spain	Port operations
Cruceros Malaga, S.A. ("Malaga Port")	Spain	Port operations
Global Ports Europe B.V ("Global BV")	Netherlands	Port investments
Perquisite Holdings Ltd. ("Perquisite")	Malta	Port investments
Global Ports Malta Ltd. ("GP Malta")	Malta	Port investments
Valletta Cruise Port PLC ("VCP")	Valletta – Malta	Port operations
Port Operation Holding Srl ("POH")	Italy	Port investments
Royal Caribbean Investments (Cyprus) Ltd ("RCI Cyprus")	Cyprus	Port investments
Ravenna Terminali Passegeri Srl ("Ravenna")	Italy	Port operations
Catania Terminali Passegeri Srl ("Catania")	Italy	Port operations
Cagliari Terminali Passegeri Srl ("Cagliari")	Italy	Port operations
Global Depolama A.Ş. ("Global Depolama")	İstanbul-Turkey	Storage
Randa Denizcilik San. ve Tic. Ltd. Şti. ("Randa")	Antalya-Turkey	Marine vehicle trade

Ege Liman

Kuşadası Cruise Port was constructed in 1968 and was operated by the Turkish Maritime Organisation Inc. (Türkiye Denizcilik Isletmeleri A.Ş.) ("TDI") until its Privatisation in 2003. On 2 July 2003, Ege Liman entered into a transfer of operational rights agreement ("TOORA") for Kuşadası Cruise Port for a period of 30 years with the Privatisation Administration (Özelleştirme İdaresi Başkanlığı) ("OIB") and TDI. The TOORA will end in 2033.

Global Liman acquired 72.50% of the shares of Ege Liman on 6 July 2005", with Royal Caribbean Cruises ("RCCL") holding a 27.49% interest and the TDI owns one share

Ege Liman offers the following basic services to ships calling at the port: tugging, pilotage, sheltering, security, clean water supply, disposal of solid waste, underwater diving inspection, fuel supply and liquid waste collection.

1 General information (continued)

Ortadoğu Liman

Antalya Port, constructed in 1977, is a multi-functional facility harbouring a cruise port, a marina and a commercial port and was operated by the TDI until its privatisation in 1998. Operational rights for Antalya Port were taken over for a period of 30 years by Ortadoğu Liman in August 1998. In 2001, due to the difficulties in the other commercial activities of the former shareholders of Ortadoğu Liman, Savings Deposit Insurance Fund ("SDIF") confiscated the company.

Akdeniz Liman İşletmeleri A.Ş. ("Akdeniz Liman"), a joint venture of Global Liman, acquired 99.99% of the shares of Ortadoğu Liman which were subsequently tendered by the SDIF. Akdeniz Liman merged with Ortadoğu Liman in December 2006 and all the rights and obligations of Akdeniz Liman were transferred to Ortadoğu Liman which was denoted the successor entity. The concession period will end in 2028.

Until 29 July 2010, Global Liman owned 39.80% shares of Ortadoğu Liman. On 29 July 2010, Global Liman acquired the 60% of the shares of Ortadoğu Liman from other shareholders and obtained control by raising the ownership to 99.80%.

Bodrum Liman

Bodrum Cruise Port was tendered by the State Railways, Ports and Airports Construction Company (Demiryolları, Limanlar ve Havayolları) ("DLH") in September 2003 through a 12-year Build-Operate-Transfer ("BOT") tender agreement, which commenced in December 2007. The BOT agreement period will end in 2019. The winning bidder of the BOT concession was a consortium, which later established Bodrum Liman to carry out the operations of Bodrum Cruise Port.

Global Liman acquired 60% of the shares of Bodrum Liman on 16 June 2008. As at 31 December 2016 shareholders of the remaining 30% and 10% of the shares of Bodrum Liman are Yüksel Çağlar and Setur Servis Turistik A.Ş. ("Setur"), respectively.

Port of Adria

On 23 July 2013, Global Liman won the tender for the repair, financing, operation, maintenance and transfer of Port of Adria and the right to acquire 62.09% of the shares in Port of Adria from the Montenegro Government through Container Terminal and General Cargo JSC-Bar, which has an operating concession for thirty years (terminating in 2043). Global Liman finalised a share purchase agreement with the Montenegro Government on 15 November 2013 that was approved by the tender commission, the Montenegro Privatisation and Capital Investments Authority and the Montenegro Council of Ministers. The shares were transferred to the Group on 30 December 2013.

Port of Adria represents an important link in the chain of intermodal transport because of its integration with the Belgrade-Bar railway and road traffic network, and benefits from a free zone regime.

For the first three years of its ownership, the Group is obliged to implement certain investment programmes and social programmes outlined in the share purchase agreement.

BPI and Creuers

Barcelona Port Investments, S.L ("BPI") was established as a joint venture between the Group and Royal Caribbean Cruises Ltd. ("RCCL") on 26 July 2013, where the Group held a 49% interest in BPI which was accounted for using the equity method. BPI then acquired a 43% interest in Creuers on 30 December 2013. Creuers holds a 100% interest in the port operation rights for the Barcelona cruise port, as well as 80% in the port operation rights for the Malaga cruise port and a 40% interest in the port operation rights for the Singapore cruise port.

On 30 September 2014, BPI acquired an additional 57% interest in Creuers which resulted in BPI obtaining control of Creuers as of that date.

Subsequently on 30 September 2014, the Group increased its interest in BPI from 49% to 62% by acquiring a 13% interest from RCCL. As a result, the Group became the controlling shareholder of Creuers.

1 General information (continued)

Global BV, Perquisite, GP Malta and VCP

Global BV was established in the Netherlands for investments in European Ports. As of 15 November 2015, Global BV acquired 55.60% of VCP shares through Holding Companies of GP Malta and Perquisite. VCP was set up to develop the Valletta Waterfront, situated on the Grand Harbour, Malta, for the purpose of the operation and management of a cruise liner passenger terminal and an international ferry passenger terminal together with complementary leisure facilities. VCP is also responsible for the handling of international cruise and ferry passengers and was granted a license by the Malta Maritime Authority.

Port Operation Holding, Ravenna, Catania and Cagliari

POH was established in Italy for investments made in Italian Ports. As of 31 December 2016, POH acquired 51% of Ravenna shares, 62% of Catania shares and 71% of Cagliari shares. Ravenna, Cagliari, and Catania were set up to operate the cruise liner passenger terminal together with complementary leisure facilities at their territories. The companies are responsible for the handling of international cruise passengers.

Global Depolama

Global Depolama was established on 9 July 2008 for the purpose of investing in the warehousing sector.

2 Adoption of new and revised standards

i. *Amendments to International Financial Reporting Standards ("IFRSs") that are mandatorily effective for the current year*

In the year ended 31 December 2016, the Group applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2016. Their adoption has not had any material impact on the disclosures or on the amounts reported in this consolidated historical financial information.

ii. *New and revised IFRSs in issue but not yet effective*

At the date of this historical financial information, the Group has not yet applied the following new and revised standards and amendments that have been issued as these are not yet effective and in some cases had not yet been adopted by the EU:

IFRS 9	*Financial Instruments*
IFRS 15	*Revenue from Contracts with Customers*
IFRS 16	*Leases*

- IFRS 9: Management's preliminary assessment of the impact of IFRS 9 is that it would not have a material impact on the Group's historical financial information. To date, given the nature of the Group's financial instruments held and/or issued, limited changes to the classification and measurement of financial instruments have been identified. The impact of the hedge accounting requirements of the standard, with certain exceptions, will be applied prospectively from 1 January 2018. Whilst the requirements for hedge accounting are simplified in IFRS 9, the Group does not expect to hedge account significantly more items. Further work will be conducted in 2017 to complete the outstanding reviews and update the assessment for new financial instruments entered into by the Group in 2017.
- IFRS 15: In relation to IFRS 15, management has commenced its assessment of how IFRS 15 will impact the recognition and disclosure of revenues from revenue arrangements. The work performed to date has identified that, for the majority of the Group's revenue, the application of IFRS 15 will have no impact on the current revenue recognition under IAS 18: 'Revenue'. The principal reason for this is that the Group is only entitled to invoice for services on completion and does not satisfy any of the conditions for recognising revenue over time. Further work is still required in 2017 to complete the reviews and confirm management's initial assessment.

2 Adoption of new and revised standards (continued)

ii. New and revised IFRSs in issue but not yet effective (continued)

Separately, management is still evaluating whether there will be changes to the amounts deferred on the balance sheet related to costs to obtain contracts under IFRS 15 when compared to the current treatment.

Additionally as the business develops new service offerings, the IFRS 15 implications of these will also need to be reviewed.

The necessary processes to capture all of the adjustments and additional disclosures required under IFRS 15 will be put into place during 2017.

- IFRS 16: The implementation of IFRS 16, which was issued in January 2016, is likely to have a significant impact on the Group's future consolidated historical financial information as all leases will be recognised on the balance sheet (with the exception of short-term and immaterial leases) and extensive disclosures will be required by IFRS 16. Initial assessments of the impact of the standard have commenced. The majority of the implementation work will take place in 2017 and therefore it has not been practicable at this stage to quantify the full effect it will have on the Group's consolidated historical financial information upon transition.

  The Group's current commitments in respect of operating lease rentals payable, for which all of the underlying lease agreements are likely to be impacted by the implementation of this standard, are set out in Note 28 (d). Total committed future operating lease rental payments were USD 78.9 million as at 31 December 2016.

- The Group is in the process of completing a detailed review of the impact of the aforementioned standards on the results and financial position.

- Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in this consolidated historical financial information and have been applied consistently by the Group entities.

a) Basis of preparation

The consolidated historical financial information has been prepared in accordance with IFRSs as adopted by the European Union.

b) Basis of measurement

The consolidated historical financial information has been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

c) Functional and presentation currency

The individual financial statements of each group company are presented in the currency of the primary economic environment in which it operates (its functional currency). The functional currency of the Company is Turkish Lira ("TL").

For the purpose of the consolidated historical financial information, United States Dollars ("USD") is chosen as the presentation currency by management to facilitate the investors' ability to evaluate the Group's performance and financial position to similar companies domiciled in different jurisdictions, and to eliminate the depreciating effect of TL against hard currencies considering all subsidiaries of the Company are earning in terms of hard currencies. The consolidated historical financial information is rounded to the nearest thousand dollars, except when otherwise indicated.

3 Significant accounting policies (continued)

c) Functional and presentation currency (continued)

The Company and its subsidiaries operating in Turkey maintain their books of account and prepare their statutory financial statements in TL in accordance with the Turkish Commercial Code, tax legislation and Turkish Uniform Chart of Accounts. The subsidiaries operating in Montenegro, Spain and Malta maintain their books of account and prepare their statutory financial statements in Euro in accordance with their respective local laws. The accompanying consolidated historical financial information is based on these statutory records with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRS.

USD is the most significant currency to the operations of Ortadoğu Liman, and therefore USD has been determined as its functional currency in line with IAS 21 "The Effects of Changes in Foreign Exchange Rates".

USD was the most significant currency to the operations of the subsidiaries, Ege Liman and Bodrum Liman for the years ended 31 December 2014 and 2015, and therefore USD was determined as the functional currency of these companies for these periods. From 1 January 2016, the most significant currency used in Ege Liman and Bodrum Liman's operations changed to Euro, and therefore the functional currency changed to Euro for the year ended 31 December 2016. This in line with IAS 21 "The Effects of Changes in Foreign Exchange Rates".

Euro is significantly used in the operations of the Port of Adria, VCP, BPI, Creuers, Malaga Port, Ravenna, Cagliara and Catania. Therefore, Euro has been determined as the functional currency of these companies in line with IAS 21—"The Effects of Changes in Foreign Exchange Rates".

d) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgments, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated historical financial information:

Intangible assets

The Group's intangible assets recognised in a business combination primarily consist of the port operation rights.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets require a fair value exercise to be undertaken at initial recognition in order to allocate the purchase price (cost) to the fair value of the port operation rights. As a result of the nature fair value assessments, the valuation method and the purchase price allocation exercise requires subjective judgements based on a wide range of variables at a point in time. Management engages external specialists to perform these fair value assessments and uses all available information to make the fair value determinations.

3 Significant accounting policies (continued)

d) Critical accounting judgements and key sources of estimation uncertainty (continued)

Critical judgements in applying the Group's accounting policies (continued)

Judgement is applied by management to determine whether IFRIC 12 *'Service Concession Arrangements'* applies to port operating rights arising from a service concession arrangement. IFRIC 12 will be applied when there is an arrangement whereby a government or other public sector body contracts with a private operator to develop (or upgrade), operate and maintain the grantor's infrastructure assets, and the private operator charges users for a public services, and when specific conditions are met. The conditions include where the grantor (government or port authorities) controls or regulates what services the Group can provide with the infrastructure, to whom it must provide them to and at what price.

Business combinations

The acquisition of subsidiaries and businesses from third parties are accounted for using the acquisition method.

The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued be the group. Business combinations require a fair value exercise to be undertaken to allocate the purchase price (cost) to the fair value of the acquired identifiable assets, liabilities, contingent liabilities and goodwill. As a result of the nature fair value assessments, the valuation method and the purchase price allocation exercise requires subjective judgements based on a wide range of variables at a point in time. Management engage external specialists to perform these fair value assessments and use all available information to make the fair value determinations.

Allowances for recoverable amounts of cash generating units—goodwill

The Group identifies individual ports as cash-generating units to which goodwill is allocated. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. The Group makes judgements in considering whether the carrying amounts of these cash-generating units are recoverable.

Cash flow forecasts for each port are prepared up to the end of the port usage rights. Management assumes that the expected increase in the intensity of the port activity will increase operational profit. Cash flows used to calculate value-in-use are prepared in functional currencies. A discount rate (decided by management as the cost of equity) is used for discounting these future cash flows. The management perform sensitivity analysis tests on the cash flow forecasts using changes in the key assumptions, to understand the recoverability of goodwill and the feasibility of port operating rights under different cases.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Recognition of deferred tax assets: availability of future taxable profit against which carry forward tax losses can be used

The Group has statutory tax losses available for offsetting against future profits. Deferred tax assets have not been recognised in respect to a portion of these items since it is not probable that future taxable profits will be available and therefore utilised by the Group.

Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

There are pending lawsuits that have been filed against or by the Group. Management has performed an assessment of the possible outcomes of the lawsuits against the Group and the financial impact of these lawsuits at the end of each period. As a result of these assessments, the necessary provisions have been recognised for the potential expenses and liabilities that could be incurred by the Group.

3 Significant accounting policies (continued)

d) Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty (continued)

Acquisition of subsidiary: fair value measurements

The fair value of the identifiable monetary assets are assessed to be equal to the carrying value and the fair value of non-monetary assets are determined either by revaluation reports provided by experts or cost.

The fair value of subsidiaries acquired has been determined by using the weighted average of the value based on the market approach and income approach methods prepared by an independent appraisal companies.

According to the income approach method, the enterprise value has been determined by using the discounted cash flow method for cash flows over a specified length of time in the future. The Company value has been determined based on the discounted cash flow method. As part of the valuation process, current and forecast port traffic, existing capacities and capacities which the Group is targeting to have after planned investment have been taken into consideration. Discounted cash flows have been calculated over the remaining period of projections incorporating any commitments of contract articles and planning restructuring operations. In the market approach method, the valuation methods with respect to relative valuation approach and comparable share trading transactions were used based upon Price/Sales and Firm Value standard rates of similar companies.

e) Basis of consolidation

The consolidated historical financial information includes the accounts of the Company, entities controlled by the Company (its subsidiaries) and joint arrangements on the basis set out in sections below.

(i) Subsidiaries

As at 31 December 2016, the consolidated historical financial information includes the financial results of the Company and its controlled subsidiaries.

The historical financial information of the Company and its subsidiaries used in the consolidated historical financial information have the same financial year ended 31 December except for subsidiary VCP which has a financial year ended 30 November. It is not practicable for VCP to prepare a separate set of financial statements for the consolidation, the financial statements of VCP for the period ended 30 November have been included in the consolidated historical financial information after adjusting for the effects of significant transactions or events that occur between the date of those financial statements and the date of the consolidated historical financial information.

Control is achieved when the Company:

- has the power over the investee;
- has exposure, or has rights, to variable return from its involvement in the investee; and
- has the ability to use its power over the investee to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Group. The consolidated historical financial information is prepared using uniform accounting policies for similar transactions and events and is prepared with the same chart as accounts of the Company.

3 Significant accounting policies (continued)

e) Basis of consolidation (continued)

(i) Subsidiaries (continued)

As at 31 December 2014, 2015 and 2016, the subsidiaries in which the Group owned a majority shareholding and/or effectively controlled their operations are as shown below:

	Effective ownership (%)			Voting power held (%)		
	2014	2015	2016	2014	2015	2016
Ege Liman	72.50	72.50	72.50	72.50	72.50	72.50
Ortadoğu Liman	100.00	100.00	100.00	100.00	100.00	100.00
Bodrum Liman	60.00	60.00	60.00	60.00	60.00	60.00
Port of Adria	63.79	63.79	63.79	63.79	63.79	63.79
Malaga Port	49.60	49.60	49.60	80.00	80.00	80.00
Creuers	62.00	62.00	62.00	62.00	62.00	62.00
BPI	62.00	62.00	62.00	62.00	62.00	62.00
Global Depolama	100.00	100.00	100.00	100.00	100.00	100.00
Global BV	—	100.00	100.00	—	100.00	100.00
VCP	—	55.60	55.60	—	55.60	55.60
Ravenna	—	—	53.67	—	—	53.67
Cagliari	—	—	70.89	—	—	70.89
Catania	—	—	62.21	—	—	62.21

(ii) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in joint ventures and associates. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in the equity-accounted investees are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated historical financial information includes the Group's share of profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

On acquisition of the investment in equity-accounted investees, any excess of the cost of the investment over the Group's share of the next fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any 'negative goodwill' is excluded from the carrying amount of the investment and is instead included as income in the investor's share of profit or loss in the associate in the period of acquisition.

The table below demonstrates the rates of the effective ownership and the voting power held in terms of percentages (%) as of 31 December 2014, 2015 and 2016 for the equity-accounted investees:

	Effective ownership rates			Voting power held		
	31 December 2014 (%)	31 December 2015 (%)	31 December 2016 (%)	31 December 2016 (%)	31 December 2015 (%)	31 December 2014 (%)
Port of Lisbon	46.2	46.2	46.2	50	50	50
Singapore Port	24.8	24.8	24.8	40	40	40
Venezia Investimenti	—	—	25.0	—	—	25
La Spezia	—	—	28.5	—	—	30

3 Significant accounting policies (continued)

e) Basis of consolidation (continued)

(iii) Non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is deducted from equity. Gains or losses on disposals to non-controlling interests are also recorded in equity. For disposals to non-controlling interests, differences between any proceeds received and the relevant share of non-controlling interests are also recorded in equity.

(iv) Transactions eliminated on consolidation

Subsidiaries are consolidated by using the full consolidation method. Therefore, the carrying value of subsidiaries is eliminated against the related equity. The equity and net income attributable to non-controlling interests are shown separately in the consolidated statement of financial position and profit or loss and other comprehensive income. Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated historical financial information.

(v) Business combinations

The acquisition of subsidiaries and businesses from third parties are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group. Any costs directly attributable to the business combination are recognised in the profit or loss as incurred. The acquiree’s identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 *Business Combinations* are recognised at their fair values at the acquisition date.

The excess of the consideration transferred over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is accounted for as goodwill. Goodwill arising from business combinations is not amortised, but tested for impairment annually or more frequently if there is any evidence that the goodwill may be impaired.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

If the share of the fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree exceed the cost of a business combination, the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity’s net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests’ proportionate share of the recognised amounts of the acquiree’s identifiable net assets.

The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When a business combination is achieved in stages, the Group’s previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

3 Significant accounting policies (continued)

e) Basis of consolidation (continued)

(v) Business combinations (continued)

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated historical financial information.

The components of equity of the acquired entities are added to the same components within the Group equity except that any share capital of the acquired entities is recognised as part of share premium. Any cash paid for the acquisition is recognised directly in equity.

f) Going concern

The directors have a reasonable expectation that the Company and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated historical financial information.

g) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Group entities by using 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 the reporting date. Non-monetary assets and liabilities denominated in foreign currencies carried at historical cost should be retranslated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

The Group entities use USD, Euro or TL as their functional currencies since these currencies are used to a significant extent in, or have a significant impact on, the operations of the related Group entities and reflect the economic substance of the underlying events and circumstances relevant to these entities. All currencies other than the currency selected for measuring items in the consolidated historical financial information are treated as foreign currencies. Accordingly, transactions and balances not already measured in the functional currency have been re-measured to the related functional currencies in accordance with the relevant provisions of IAS 21 *The Effect of Changes in Foreign Exchange Rates*. The Group uses USD as the presentation currency.

Assets and liabilities of those Group entities with a different functional currency than the presentation currency of the Group are translated into the presentation currency of the Group at the rate of exchange ruling at the reporting date. The income and expenses of the Group entities are translated into the presentation currency at the average exchange rates for the period. Equity items, except for net income, are translated using their historical costs. These foreign currency differences are recognised in "other comprehensive income" ("OCI"), within equity, under "translation reserves".

As at 31 December 2014, 2015 and 2016 foreign currency exchange rates of the Central Bank of the Turkish Republic were as follows:

	2014	2015	2016
TL/USD	0.4312	0.3439	0.2842
Euro/USD	1.2164	1.0929	1.0542

For the years ended 31 December 2014, 2015 and 2016, average foreign currency exchange rates of the Central Bank of the Turkish Republic were as follows:

	2014	2015	2016
TL/USD	0.4574	0.3676	0.3310
Euro/USD	1.3282	1.1097	1.1055

3 Significant accounting policies (continued)

g) Foreign currency (continued)

(ii) Foreign operations

For the purpose of presenting consolidated historical financial information, the assets and liabilities of the Group's foreign operations are translated into USD using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in OCI and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in OCI.

If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, then foreign currency differences arising from such items form part of the net investment in the foreign operation. Accordingly, such differences are recognised in OCI and accumulated in translation reserves.

h) Financial instruments

The Group classifies non-derivative financial assets into the following categories: financial assets 'at fair value through profit or loss', 'loans and receivables' and 'available-for-sale' financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Group classifies non-derivative financial liabilities into the other financial liabilities category.

(i) Non-derivative financial assets and financial liabilities—recognition and derecognition

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3 Significant accounting policies (continued)

h) Financial instruments (continued)

(ii) Non-derivative financial assets—measurement

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is designated as such upon initial recognition or is classified as held for trading. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise bank deposits and trade and other receivables. Bank deposits with original maturities of three months or less are classified as cash and cash equivalents.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, bank deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

Available-for-sale financial assets

Available-for-sale financial assets are measured at fair value subsequent to initial recognition. Unrealised gains or losses from the changes in fair value of the available for sale financial assets are accounted for in the consolidated income statement and other comprehensive income and "fair value reserve" under equity. If the market for an available for sale financial asset is not active, the Group establishes fair value by using a valuation technique. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same and discounted cash flow analysis. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment losses. Fair value reserves accounted for under equity are recycled to the profit or loss when available for sale financial assets are derecognised.

(iii) Non-derivative financial liabilities—recognition, derecognition and measurement

Financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group has the following non-derivative financial liabilities: loans and borrowings and trade and other payables. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

3 Significant accounting policies (continued)

h) Financial instruments (continued)

(iv) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

The fair value of interest rate swap contracts is determined by reference to market value for similar instruments.

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Company assesses the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

It is expected that a hedge transaction is to be effective in stabilising changes between changes in fair value or cash flow. During all financial reporting periods in which it is defined, a hedge transaction is evaluated continuously for identification of effectiveness and it is expected to be consistent with documented risk management strategy. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80-125 percent.

For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported net income.

The derivatives are recognised initially at fair value. Attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity.

The amount recognised in other comprehensive income is removed and included in profit or loss in the same period as the hedged cash flows affect profit or loss under the same line item in the statement of comprehensive income as the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated, exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in other comprehensive income and presented in the hedging reserve in equity remains there until the forecast transaction affects profit or loss. When the hedged item is a non-financial asset, the amount recognised in other comprehensive income is transferred to the carrying amount of the asset when the asset is recognised. If the forecast transaction is no longer expected to occur, then the balance in other comprehensive income is recognised immediately in profit or loss. In other cases the amount recognised in other comprehensive income is transferred to profit or loss in the same period that the hedged item affects profit or loss.

3 Significant accounting policies (continued)

h) Financial instruments (continued)

(iv) Derivative financial instruments (continued)

Net investment hedges

A net investment hedge is a hedge of the foreign currency exposure arising from a net investment in a foreign operation using derivative or non-derivative financial items as the hedging instrument. If a monetary item is a part of net investments made to subsidiaries of the Company whose functional currency is other than TL, foreign exchange differences arise in consolidated historical financial information of the Company. Those foreign exchange differences are recognised in other comprehensive income in the consolidated historical financial information when the differences are considered as hedging instruments.

Hedges of net investments in a subsidiary whose functional currency is other than TL are accounted for similarly to cash flow accounting hedges. Any gains or losses on the hedging instrument are accounted as follows:

- the effective portion of gain or loss arising from the hedging instrument is recognised in other comprehensive income; and
- the ineffective portion of gain or loss arising from the hedging instrument is recognised in profit or loss.

Gain or loss on hedging instruments related to the effective portion accumulated in other comprehensive income is reclassified to profit or loss on disposal of the related subsidiary.

i) Property and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Borrowing costs related to the acquisition, construction or production of qualifying assets are capitalised up to the point when the asset is substantially complete.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

(ii) Subsequent costs

The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Leasehold improvements are amortised over the periods of the respective leases, also on a straight-line basis.

3 Significant accounting policies (continued)

i) Property and equipment (continued)

(iii) Depreciation (continued)

The estimated useful lives for the current and comparative periods are as follows:

	Years
Leasehold improvements	4-50
Furniture and fixtures	4-20
Machinery and equipment	4-30
Motor vehicles	4-18

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iv) De-recognition

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

j) Intangible assets

(i) Recognition and measurement

Intangible assets comprise port operation rights, contract-based customer relationships and software. Intangible assets are stated at cost, less accumulated amortisation and accumulated impairment losses.

(ii) Subsequent expenditures

Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognised in profit or loss as incurred.

(iii) Intangible assets recognised in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). The Group's intangible assets recognised in a business combination comprise the port operation rights and the customer relationships. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(iv) Service concession arrangements

The Group recognises an intangible asset arising from a service concession arrangement when it has a right to charge for use of the concession infrastructure. An intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement is measured at fair value on initial recognition with reference to the fair value of the services provided. Subsequent to initial recognition, the intangible asset is measured at cost, which includes capitalised borrowing costs, less accumulated amortisation and accumulated impairment losses.

Port operation rights arising from a service concession arrangement are recognised in line with IFRIC 12 *'Service Concession Arrangements'* when there is an arrangement whereby a government or other public sector body contracts with a private operator to develop (or upgrade), operate and maintain the grantor's infrastructure assets, and the private operator charges users for a public service, and when specific conditions are met. The conditions include where the grantor (government or port authorities) controls or regulates what services the Group can provide with the infrastructure, to whom it must provide them to and

3 Significant accounting policies (continued)

j) Intangible Assets (continued)

(iv) Service concession arrangements **(continued)**

at what price. The grantor also has to control any significant residual interest in the infrastructure such as property, plant and equipment, if the infrastructure is existing infrastructure of the grantor or the infrastructure is constructed or purchased by the Group as part of the service concession arrangement.

The estimated useful life of an intangible asset in a service concession arrangement is the period from when the Group is able to charge the public for the use of the infrastructure to the end of the concession period.

These assets are amortised based on the lower of their useful lives or concession period.

(v) Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated finite useful lives of intangible assets from the date they are available for use, since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the assets.

The estimated useful lives for the current and comparative periods are as follows:

	Years
Port operation rights	12-50
Customer relationships	12
Software	5

(vi) Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

k) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated income statement and other comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

l) Leased assets

(i) Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease.

3 Significant accounting policies (continued)

l) Leased assets (continued)

(i) Determining whether an arrangement contains a lease (continued)

At inception or on reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset and subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

(ii) Leased assets

Assets held by the Company under leases which transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Group's consolidated balance sheet.

(iii) Lease payments

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

m) Impairment

(i) Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy; or
- adverse changes in the payment status of borrowers or issuers.

Financial assets measured at amortised cost

The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

3 Significant accounting policies (continued)

m) Impairment (continued)

(i) Non-derivative financial assets (continued)

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between the asset's carrying amount, and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value reserve, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss, otherwise, it is reversed through OCI.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss for an asset other than goodwill is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3 Significant accounting policies (continued)

n) Employee benefits

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plans as per IAS 19 (revised) *Employee Benefits* ("IAS 19"). The retirement benefit obligation recognised in the consolidated balance sheet represents the present value of the defined benefit obligation. The actuarial gains and losses are recognised in other comprehensive income. The key assumptions used in the calculation of the retirement pay liability are detailed in Note 25.

o) Provisions, contingent assets and liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

p) Revenue

Revenue is recognised when services are rendered, recovery of the consideration is probable, the stage of completion at the balance sheet date can be measured reliably and the amount of revenue can be measured reliably. Revenue is stated net of taxes and measured at the fair value of the consideration received or receivable.

(i) Container cargo revenue

Container cargo revenues comprise of services provided for container cargo handling including sea and land services, recognised on completion of service provided.

(ii) Port service revenue

Port service revenues comprise of services provided to ships and motorboats (pilotage, towage, tugboat rents, etc.) recognised on completion of service provided.

(iii) Cargo revenues

Cargo revenues comprise of services provided for general and bulk cargo handling including sea and land services, recognised on completion of service provided.

(iv) Landing fees

Landing fees relate to services provided to cruise ships including passenger landing, luggage handling, security fees, etc. recognised on completion of service provided.

(v) Rental income

Rent income relates to rental income from marina and shopping centers. Rental income is recognised in profit or loss on a straight-line basis over the term of the lease.

(vi) Rental income from duty free

Rent income from duty free stores is recognised in profit or loss on a straight-line basis over the term of duty-free stores.

3 Significant accounting policies (continued)

q) Operating profit

Operating profit is profit for the year stated before the share of results of equity-accounted investees, finance income, finance costs and tax.

r) Finance income and finance costs

Finance income comprises interest income, gains on sale of marketable securities and net foreign currency gains that are recognised in profit or loss. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense on borrowings, net foreign currency losses and losses on sale of marketable securities. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

s) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated income statement and other comprehensive income because of items of income or expense that are taxable or deductible in other years and it excludes items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A current tax provision is recognised when the Group has a present obligation as a result of a past event and it is probable that the Group will be required to settle that obligation.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated historical financial information and the corresponding tax bases which are used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3 Significant accounting policies (continued)

s) Income tax (continued)

(ii) Deferred tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

(iii) Current and deferred tax for the period

Current and deferred tax are recognised as in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

t) Government subsidies and incentives

All subsidies and incentives, including non-monetary incentives stated at fair market values, are included in the consolidated historical financial information when there is reasonable certainty that the Group will qualify and receive such subsidies and incentives. Government incentives utilised by the Group comprises investment allowances (Note 18).

u) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are recognised when the contingency is resolved.

4 Determination of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market and observable data as far as possible.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in Note 32—Financial risk management.

5 Segment reporting

a) Products and services from which reportable segments derive their revenues

The Group operates various cruise and commercial ports and all revenue is generated from external customers such as cruise liners, ferries, yachts, individual passengers, container ships and bulk and general cargo ships.

b) Reportable segments

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

The Group has identified each port as an operating segment, as each port represents a set of activities which generates revenue and the financial information of each port is reviewed by the Group's chief operating decision maker in deciding how to allocate resources and assess performance. The Group's chief operating decision maker is the Chief Executive Officer ("CEO"), who reviews the management reports of each port at least on a monthly basis.

The CEO evaluates segmental performance on the basis of earnings before interest, tax, depreciation and amortisation excluding the effects of exceptional and other non-cash income and expenses comprising project expenses, bargain purchase gains and reserves, board member leaving fees, employee termination payments, unallocated expenses, finance income, finance costs, and including the share of equity-accounted investees which is fully integrated into GPH cruise port network ("Adjusted EBITDA" or "Segmental EBITDA"). Adjusted EBITDA is considered by Group management to be the most appropriate profit measure for the review of the segment operations because it excludes items which the Company does not consider to represent the operating cash flows generated by underlying business performance. The share of equity-accounted investees has been included as they are it is considered to represent operating cash flows generated by the Group's operations that are structured in this manner.

The Group has the following operating segments under IFRS 8:

- BPI ("Creuers" or "Creuers (Barcelona and Málaga)"), VCP ("Valetta Cruise Port"), Ege Liman ("Ege Ports-Kuşadası"), Bodrum Liman ("Bodrum Cruise Port"), Ortadoğu Liman (Cruise port operations), POH, Lisbon Cruise Terminals, LDA ("Port of Lisbon" or "Lisbon Cruise Port"), SATS – Creuers Cruise Services Pte. Ltd. ("Singapore Port"), Venezia Investimenti Srl. ("Venice Investment" or "Venice Cruise Port") and La Spezia Cruise Facility Srl. ("La Spezia") which fall under the Group's cruise port operations.
- Ortadoğu Liman (Commercial port operations) ("Port Akdeniz-Antalya") and Port of Adria ("Port of Adria-Bar") which both fall under the Group's commercial port operations.

The Group's reportable segments under IFRS 8 are BPI, VCP, Ege Liman, Ortadoğu Liman (Commercial port operations) and Port of Adria. Segments that do not exceed the quantitative thresholds for reporting information about operating segments have been included in Other.

Global Depolama does not generate revenues from external customers and therefore is presented as unallocated to reconcile to the consolidated historical financial information results.

The controlling interests of Creuers were acquired on 30 September 2014. Therefore, the profit or loss effect of the last three-month period of 2014 has been reflected in the consolidated income statement as a subsidiary in the consolidated historical financial information for the year ended 31 December 2014. It was recognised as an equity-accounted investee in the consolidated historical financial information until 30 September 2014.

VCP was acquired at the end of 2015 and did not generate revenue for the Group in 2015.

Ravenna, Cagliari and Catania (consolidated under POH) were acquired at the end of 2016, therefore they did not generate any revenue for the Group in 2016.

Assets, revenue and expenses directly attributable to segments are reported under each reportable segment. Any items which are not attributable to segments have been disclosed as unallocated.

5 Segment Reporting (continued)

b) Reportable segments (continued)

(i) Segment revenues, results and reconciliation to profit before tax

The following is an analysis of the Group's revenue, results and reconciliation to profit before tax by reportable segment:

USD '000	BPI	VCP	Ege Liman	Other	*Total Cruise*	Ortadoğu Liman	Port of Adria	*Total Commercial*	Total
31 December 2014									
Revenue	5,617	—	16,350	5,013	*26,980*	54,439	9,265	*63,704*	90,684
Adjusted EBITDA	4,775	—	12,754	2,853	*20,382*	38,926	2,618	*41,544*	61,926
Reconciliation to profit before tax									
Depreciation and amortisation expenses									(30,738)
Exceptional & other non-cash items (*)									14,230
Unallocated expenses									(3,107)
Finance income									11,344
Finance costs									(28,108)
Profit before income tax									**25,547**
31 December 2015									
Revenue	24,691	—	17,347	4,990	*47,028*	49,925	8,528	*58,453*	105,481
Adjusted EBITDA	16,187	—	14,189	4,051	*34,427*	37,459	2,246	*39,705*	74,132
Reconciliation to profit before tax									
Depreciation and amortisation expenses									(38,184)
Exceptional & other non-cash items(*)									(7,837)
Unallocated expenses									(2,912)
Finance income									25,127
Finance costs									(36,392)
Profit before income tax									**13,934**
31 December 2016									
Revenue	27,113	11,838	11,650	3,034	*53,635*	53,351	7,883	*61,234*	114,869
Adjusted EBITDA	18,032	5,859	8,976	4,050	*36,917*	41,288	2,728	*44,016*	80,933
Reconciliation to profit before tax									
Depreciation and amortisation expenses									(40,556)
Exceptional & other non-cash items(*)									(12,406)
Unallocated expenses									(5,011)
Finance income									17,511
Finance costs									(35,272)
Profit before income tax									**5,199**

(*) Exceptional and other non-cash items comprising project expenses, bargain purchase gains and reserves, board member leaving fees, employee termination payments.

The Group did not have inter-segment revenues in any of the periods shown above.

5 Segment Reporting (continued)

b) Reportable segments (continued)

(ii) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment for the years ended:

USD '000	BPI	VCP	Ege Liman	Other	*Total Cruise*	Ortadoğu Liman	Port of Adria	*Total Commercial*	Total
31 December 2014									
Segment assets	209,453	—	53,247	11,694	*274,394*	271,950	65,661	*337,611*	612,005
Equity-accounted investees	—	—	—	1,214	*1,214*	—	—	—	1,214
Unallocated assets									94,285
Total assets									**707,504**
Segment liabilities	130,663	—	14,141	2,345	*147,149*	54,183	11,146	*65,329*	212,478
Unallocated liabilities									254,799
Total liabilities									**467,277**
31 December 2015									
Segment assets	168,454	96,601	54,762	9,781	*329,598*	271,900	58,885	*330,785*	660,383
Equity-accounted investees		—	—	6,627	*6,627*	—	—	—	6,627
Unallocated assets									102,823
Total assets									**769,833**
Segment liabilities	96,756	16,598	13,435	1,543	*128,332*	51,356	10,403	*61,759*	**190,091**
Unallocated liabilities									301,918
Total liabilities									**492,009**
31 December 2016									
Segment assets	146,068	101,804	53,066	11,713	*312,651*	250,527	59,127	*309,654*	622,305
Equity-accounted investees	—	—	—	17,168	*17,168*	—	—	—	17,168
Unallocated assets									60,441
Total assets									**699,914**
Segment liabilities	88,696	35,075	12,942	3,192	*139,905*	50,840	9,630	*60,470*	200,375
Unallocated liabilities									277,474
Total liabilities									**477,849**

5 Segment Reporting (continued)

b) Reportable segments (continued)

(iii) Other segment information

The following table details other segment information for the years ended:

USD '000	BPI	VCP	Ege Liman	Other	*Total Cruise*	Ortadoğu Liman	Port of Adria	*Total Commercial*	Unallocated	Total
31 December 2014										
Depreciation and amortisation expenses	(740)	—	(2,364)	(2,675)	*(5,779)*	(20,151)	(2,353)	*(22,504)*	(2,455)	(30,738)
Additions to non-current assets (*)										
- Capital expenditures	262	—	7,650	32	*7,944*	3,794	739	*4,533*	79	12,556
Total additions to non-current assets (*)	**262**	**—**	**7,650**	**32**	***7,944***	**3,794**	**739**	***4,533***	**79**	**12,556**
31 December 2015										
Depreciation and amortisation expenses	(10,574)	—	(2,306)	(2,757)	*(15,637)*	(20,418)	(2,090)	*(22,508)*	(39)	(38,184)
Additions to non-current assets (*)										
- Capital expenditures	1,126	—	539	107	*1,772*	4,353	1,763	*6,116*	19	7,907
Total additions to non-current assets (*)	**1,126**	**—**	**539**	**107**	***1,772***	**4,353**	**1,763**	***6,116***	**19**	**7,907**
31 December 2016										
Depreciation and amortisation expenses	(10,572)	(2,356)	(2,543)	(2,205)	*(17,676)*	(20,589)	(2,177)	*(22,766)*	(114)	(40,556)
Additions to non-current assets (*)										
- Capital expenditures	126	1,960	1,255	4	*3,345*	1,400	4,009	*5,409*	261	9,015
- Other	—	—	—	—	—	—	—	—	2,110	2,110
Total additions to non-current assets (*)	**126**	**1,960**	**1,255**	**4**	***3,345***	**1,400**	**4,009**	***5,409***	**2,371**	**11,125**

(*) Non-current assets exclude those relating to deferred tax assets and financial instruments (including equity-accounted investees).

(iv) Geographical information

The Port operations of the Group are managed on a worldwide basis, but operational ports and management offices are primarily in Turkey, Montenegro, Spain and Singapore. The geographic information below analyses the Group's revenue and non-current assets by the Company's country of domicile and other countries. In presenting the following information, segment revenue has been based on the geographic location of port operations and segment non-current assets were based on the geographic location of the assets.

	Year ended 31 December 2014 (USD '000)	Year ended 31 December 2015 (USD '000)	Year ended 31 December 2016 (USD '000)
Revenue			
Turkey	**75,802**	**72,262**	**68,034**
All foreign countries	**14,882**	**33,219**	**46,835**
Montenegro	9,265	8,528	7,884
Malta	—	—	11,838
Spain	5,617	24,691	27,113
	90,684	**105,481**	**114,869**

5 Segment Reporting (continued)

b) Reportable segments (continued)

(iv) Geographical information (continued)

	As at 31 December 2014 (USD '000)	As at 31 December 2015 (USD '000)	As at 31 December 2016 (USD '000)
Non-current assets			
Turkey	**324,016**	**281,604**	**280,549**
All foreign countries	**249,011**	**326,351**	**287,224**
Spain	185,857	152,969	137,601
Malta	—	117,073	90,321
Montenegro	63,154	56,309	56,094
Italy	—	—	12,000
	573,027	**607,955**	**567,773**

Non-current assets exclude those relating to deferred tax assets and financial instruments (including equity-accounted investees).

(v) Information about major customers

The Group did not have a single customer that accounted for more than 10% of the Group's consolidated net revenues in any of the periods presented.

6 Acquisition of subsidiary

a) Indirect acquisition of Creuers del Port de Barcelona S.A. ("Creuers")

Barcelona Port Investments, S.L ("BPI") was established as a joint venture between the Group and Royal Caribbean Cruises Ltd. ("RCCL") on 26 July 2013, where the Group held a 49% interest in BPI which was accounted for using the equity method. BPI then acquired a 43% interest in Creuers on 30 December 2013.

Creuers holds a 100% interest in the port operation rights for the Barcelona cruise port, as well as 80% in the port operation rights for the Malaga cruise port and a 40% interest in the port operation rights for the Singapore cruise port.

On 30 September 2014, BPI acquired an additional 57% interest in Creuers for a cash consideration of USD 34,728 thousand which resulted in BPI obtaining control of Creuers as of that date. The Group's share of the gain on bargain purchase amounts to USD 8,587 thousand and is included in share of profit of equity-accounted investees in the consolidated income statement for the year ended 31 December 2014.

Subsequently on 30 September 2014, the Group increased its interest in BPI from 49% to 62% by acquiring a 13% interest from RCCL for a cash consideration of USD 5,224 thousand. As a result, the Group became the controlling shareholder of Creuers.

The additional interest in BPI was acquired as part of the Group's plans to increase port investments overseas and expand its port portfolio overseas.

The Group incurred acquisition-related costs of USD 5,128 thousand on legal fees and due diligence costs. These costs have been included in "other expenses".

6 Acquisition of subsidiary (continued)

a) Indirect acquisition of Creuers del Port de Barcelona S.A. ("Creuers") (continued)

(i) Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

As at 30 September 2014 (acquisition date)	*Note*	USD '000
Property and equipment	*12*	3,038
Port operation rights	*13*	187,009
Other intangible assets	*13*	14
Investments		828
Other assets		2,909
Trade and other receivables		7,565
Cash and cash equivalents		29,839
Loans and borrowings		(85,779)
Trade and other payables		(5,365)
Non-current provisions	*26*	(10,143)
Deferred tax liabilities		(42,709)
Total identifiable net assets acquired		**87,206**

The gross contractual amount of receivables of Creuers as of 30 September 2014 is USD 7,601 thousand and the estimated contractual cash flows not expected to be collected are USD 38 thousand.

(ii) Gain on bargain purchase

Gain on bargain purchase arising from the acquisition of an additional 13% of BPI's interest has been recognised as follows:

As at 30 September 2014 (acquisition date)	*Note*	USD '000
Consideration transferred	*(a)*	5,224
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities of BPI		34,947
Fair value of identifiable net assets	*(a)(i)*	(87,206)
Fair value of previously held interest (49%)		41,302
Gain on bargain purchase		**(5,733)**

USD 5,733 thousand gain on bargain purchase has been recognised in the consolidated income statement and other comprehensive income.

The gain on bargain purchase primarily arose due to expected growth in the operations due to the location of the ports within Creuers which ensures a strong network in the Mediterranean Sea.

No gain or loss was recognised in the consolidated historical financial information as a result of remeasuring the Group's previously held equity interest in BPI. This is due to the fact there was no material change in the fair value of the net assets of BPI from the date that BPI gained control of Creuers (30 December 2013) to the date that the Group gained control of BPI (30 September 2014). BPI does not have any operations or investments other than its investment in Creuers.

(iii) Net cash inflow on the acquisition of control of BPI

	USD '000
Consideration paid:	5,224
Cash associated with acquired assets	(29,839)
Net cash inflow	**(24,615)**

6 Acquisition of subsidiary (continued)

a) Indirect acquisition of Creuers del Port de Barcelona S.A. ("Creuers") (continued)

(iv) Impact of acquisition on results of the Group

In the three months to 31 December 2014, BPI contributed revenue of USD 5,617 thousand and a loss of USD 110 thousand to the Group's results. If the acquisition had occurred on 1 January 2014, management estimates that consolidated revenue would have been USD 110,745 thousand, and consolidated profit for the year would have been USD 21,396 thousand. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2014.

b) Acquisition of Valletta Cruise Port

On 30 November 2015, the Group purchased a 55.60% interest of Valletta Cruise Port in Malta for a cash consideration of USD 26,862 thousand and recorded a gain on bargain purchase of USD 5,190 thousand.

The acquisition of Valletta Cruise Port was completed as part of the Group's plans to increase port investments overseas and expand its port portfolio overseas.

The Group incurred acquisition-related costs of USD 93 thousand on legal fees and due diligence costs. These costs have been included in "other expenses" as project expenses.

(i) Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

As at 30 November 2015 (acquisition date)	*Note*	USD '000
Property and equipment	*12*	29,083
Port operation rights	*13*	62,745
Other investments		92
Other assets		418
Trade and other receivables		1,444
Cash and cash equivalents		1,818
Loans and borrowings		(12,030)
Other financial liabilities		(2,417)
Trade and other payables		(1,428)
Corporate taxes payable		(216)
Deferred income		(507)
Deferred tax liabilities		(21,354)
Total identifiable net assets acquired		**57,648**

The gross contractual amount of receivables of Valletta as of 30 November 2015 is USD 2,025 thousand and the estimated contractual cash flows not expected to be collected are USD 581 thousand.

(ii) Gain on bargain purchase

Gain on bargain purchase arising from the acquisition of Valletta Cruise Port interest has been recognised as follows:

As at 30 November 2015 (acquisition date)	*Note*	USD '000
Consideration transferred	*(b)*	26,862
Fair value of identifiable net assets acquired (55.60% of 57,648)	*(b)(i)*	(32,052)
Gain on bargain purchase		**(5,190)**

USD 5,190 thousand gain on bargain purchase has been recognised in the consolidated income statement and other comprehensive income.

6 Acquisition of subsidiary (continued)

b) Acquisition of Valletta Cruise Port (continued)

(ii) Gain on bargain purchase (continued)

The gain on bargain purchase primarily arose due to expected growth in the operations due to the location of the Valletta Cruise Port which ensures a strong network in the Mediterranean Sea.

(iii) Net cash outflow on the acquisition of Valletta Cruise Port

	USD '000
Consideration paid:	26,862
Cash associated with acquired assets	(1,913)
Net cash outflow	**24,950**

(iv) Impact of acquisition on results of the Group

As it was not practicable for VCP to prepare a separate set of financial statements for the consolidation as at 31 December 2015, the financial statements of VCP for the period ended 30 November 2015 have been included in the consolidated historical financial information as explained in Note 3(e). If the acquisition had occurred on 1 January 2015, management estimates that consolidated revenue would have been USD 115,722 thousand, and consolidated profit for the year would have been USD 18,052 thousand. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2015.

c) Acquisition of Ravenna, Cagliari and Catania Cruise Ports

As at 31 December 2016, the Group held 67.55% shares of Cagliari Passenger Terminal, 59.05% shares of Catania Passenger Terminal and 51% shares of Ravenna Passenger Terminal in Italy, purchased on 30 November 2016 for a total cash consideration of USD 2,411 thousand with related goodwill of USD 2,110 thousand recognised in the consolidated balance sheet.

The acquisitions of Ravenna, Cagliari, and Catania were completed as part of the Group's plans to increase port investments overseas and expand its port portfolio overseas.

The Group incurred acquisition-related costs of USD 160 thousand on legal fees and due diligence costs. These costs have been included in "other expenses" as project expenses.

(i) Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

As at 30 November 2016 (acquisition date)	*Note*	USD '000
Property and equipment	*12*	939
Intangible assets	*13*	136
Other assets		236
Trade and other receivables		595
Cash and cash equivalents		230
Loans and borrowings		(604)
Trade and other payables		(1,031)
Employee termination indemnity		(14)
Total identifiable net assets acquired		**487**

The gross contractual amount of receivables of Ravenna, Cagliari, and Catania as of 30 November 2016 is USD 595 thousand and there are no contractual cash flows which are not expected to be collected.

6 Acquisition of subsidiary (continued)

c) Acquisition of Ravenna, Cagliari and Catania Cruise Ports (continued)

(ii) Goodwill

Goodwill arising from the acquisition of Ravenna, Cagliari, and Catania interest has been recognised as follows:

As at 30 November 2016 (acquisition date)	*Note*	USD '000
Consideration transferred	*(c)*	2,411
Fair value of identifiable net assets acquired (100%)	*(c)(i)*	(487)
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities of Ravenna, Cagliari, and Catania		186
Goodwill	14	**2,110**

USD 2,110 thousand goodwill has been recognised in the consolidated balance sheet.

(iii) Net cash outflow on the acquisition of Ravenna, Cagliari, and Catania

	USD '000
Consideration paid:	2,411
Cash associated with acquired assets	(230)
Net cash outflow	**2,181**

(iv) Impact of acquisition on results of the Group

The financial statements of all three companies for the year ended 31 December 2016 has been included in the consolidated historical financial information. If the acquisitions had occurred on 1 January 2016, management estimates that consolidated revenue would have been USD 116,482 thousand, and consolidated profit for the year would have been USD 4,393 thousand.

7 Acquisition of non-controlling interests

In 2014, the Group acquired an additional 1.70% interest in Port of Adria for a total amount of USD 377 thousand increasing its ownership from 62.09% to 63.79% in Port of Adria. The Group recognised:

- a decrease in NCI of USD 1,188 thousand; and
- an increase in retained earnings of USD 811 thousand.

8 Revenue and cost of sales

Revenue

For the years ended 31 December, revenue comprised the following:

	2014 (USD '000)	2015 (USD '000)	2016 (USD '000)
Container revenue	39,064	37,967	39,529
Landing fees	9,855	27,334	31,148
Port service revenue	21,031	19,637	14,458
Rental income	5,297	6,455	13,544
Cargo revenue	12,322	10,790	13,452
Income from duty free	1,418	1,319	1,068
Domestic water sales	652	1,286	973
Other revenue	1,045	693	697
Total	**90,684**	**105,481**	**114,869**

8 Revenue and cost of sales (continued)

Cost of sales

For the years ended 31 December, cost of sales comprised the following:

	2014 (USD '000)	2015 (USD '000)	2016 (USD '000)
Depreciation and amortisation expenses	29,852	36,459	37,575
Personnel expenses	12,936	13,414	13,789
Shopping mall expenses	345	358	3,360
Commission fees to government authorities and pilotage expense	1,201	2,370	3,204
Subcontractor crane and container service expenses	3,548	2,685	2,783
Security expenses	1,102	1,735	1,866
Repair and maintenance expense	1,038	1,676	1,716
Insurance expenses	713	966	1,102
Energy usage expenses	628	823	786
Fuel expenses	1,263	809	642
Freshwater expenses	285	752	601
Container transportation expenses	856	746	600
Waste removal expenses	320	333	215
Tugboat rent expenses	450	549	200
Port rental expenses	141	131	154
Expenses in relation to replacement provisions	526	1,853	1,939
Other expenses	1,086	1,600	1,551
Total	**56,290**	**67,259**	**72,083**

9 Selling and marketing expenses

For the years ended 31 December, selling and marketing expenses comprised the following:

	2014 (USD '000)	2015 (USD '000)	2016 (USD '000)
Advertising and promotion expenses	178	154	562
Personnel expenses (*)	—	124	180
Travelling expenses	10	7	48
Representation expenses	24	28	13
Commission expenses (**)	241	—	—
Other	17	4	5
Total	**470**	**317**	**808**

(*) There were no personnel expenses incurred in 2014, as the marketing department for Port of Adria was established in 2015.
(**) Commission expenses relate to a payment made in 2014 for shifting calls of a cruise line from a competing port to a Group port.

10 Administrative expenses

For the years ended 31 December, administrative expenses comprised the following:

	2014 (USD '000)	2015 (USD '000)	2016 (USD '000)
Personnel expenses	5,065	4,877	5,591
Depreciation and amortisation expenses	886	1,725	2,981
Consultancy expenses	1,281	1,630	2,879
Legal fees	184	458	882
Taxes other than on income	1,105	725	732
Travelling expenses	294	296	687
Allowance for doubtful receivables	740	(103)	680
IT expenses	270	206	260
Communication expenses	135	218	252
Vehicle expenses	155	126	154
Stationery expenses	81	80	115
Office operating expenses	70	60	92
Rent expenses	13	13	70
Repair and maintenance expenses	62	71	50
Other expenses	426	918	779
Total	**10,767**	**11,300**	**16,204**

11 Finance income and costs

For the years ended 31 December, finance income comprised the following:

Finance income	2014 (USD '000)	2015 (USD '000)	2016 (USD '000)
Foreign exchange gains on loans and borrowings	2,131	—	13
Other foreign exchange gains	4,383	19,997	13,577
Interest income on marketable securities (*)	2,058	2,537	1,928
Interest income on related parties	1,834	1,864	891
Interest income on banks and others	137	249	568
Gain on sale of marketable securities	201	109	408
Interest income from housing loans	600	33	32
Other income	—	338	94
Total	**11,344**	**25,127**	**17,511**

(*) Interest income on marketable securities comprises the interest income earned from the Global Yatırım Holding's bonds during the year. Global Yatırım Holding is the parent company of the Company.

The income from financial instruments within the category loans and receivables is USD 3,419 thousand (31 December 2015: USD 4,683 thousand, 31 December 2014: USD 4,030 thousand). Income from financial instruments within the category fair value through profit and loss is nil (31 December 2015: USD 338 thousand, 31 December 2014: nil).

11 Finance income and costs (continued)

For the years ended 31 December, finance costs comprised the following:

Finance costs	2014 (USD '000)	2015 (USD '000)	2016 (USD '000)
Interest expense on loans and borrowings	17,377	23,742	26,153
Foreign exchange losses on loans and borrowings	1,990	5,118	4,793
Other foreign exchange losses	3,367	6,017	3,244
Other interest expenses	786	360	435
Letter of guarantee commission expenses	10	22	14
Loan commission expenses	3,870	—	53
Loss on sale of marketable securities	374	—	3
Unwinding of provisions during the year (Note 26)	75	528	528
Other costs	259	605	49
Total	**28,108**	**36,392**	**35,272**

The interest expense for financial liabilities not classified as fair value through profit or loss is USD26,588 thousand (31 December 2015: USD 24,102 thousand, 31 December 2014: USD 18,133 thousand).

12 Property and equipment

Movements of property and equipment for the year ended 31 December 2014 comprised the following:

USD '000

Cost	1 January 2014	Additions	Disposals	Transfers	Acquisition through business combinations (*)	Currency translation differences	31 December 2014
Leasehold improvements	74,350	978	—	1,842	—	(4,535)	72,635
Machinery and equipment	32,488	1,208	(2)	—	1,981	(162)	35,513
Motor vehicles	8,881	7,209	(5)	—	16	372	16,473
Furniture and fixtures	3,217	269	—	—	971	309	4,766
Construction in progress	844	2,700	—	(1,842)	70	389	2,161
Land improvement	8	—	—	—	—	—	8
Total	**119,788**	**12,364**	**(7)**	**—**	**3,038**	**(3,627)**	**131,556**

Accumulated depreciation	1 January 2014	Current charge	Disposals	Transfers	Acquisition through business combinations	Currency translation differences	31 December 2014
Leasehold improvements	10,379	3,455	—	—	—	(102)	13,732
Machinery and equipment	12,245	3,323	(2)	—	—	(21)	15,545
Motor vehicles	3,233	1,322	(5)	—	—	(65)	4,485
Furniture and fixtures	1,531	545	—	—	—	(13)	2,063
Land improvement	1	—	—	—	—	—	1
Total	**27,389**	**8,645**	**(7)**	**—**	**—**	**(201)**	**35,826**
Net book value	**92,399**						**95,730**

(*) See Note 6(a).

12 Property and equipment (continued)

Movements of property and equipment for the year ended 31 December 2015 comprised the following:

USD '000

Cost	**1 January 2015**	**Additions**	**Disposals**	**Transfers**	**Acquisition through business combinations (*)**	**Currency translation differences**	**31 December 2015**
Leasehold improvements	72,635	1,296	—	2,027	27,747	(4,147)	99,558
Machinery and equipment	35,513	2,631	(180)	708	120	(377)	38,415
Motor vehicles	16,473	37	(45)	—	9	22	16,496
Furniture and fixtures	4,766	446	(5)	—	1,207	(120)	6,294
Construction in progress	2,161	3,424	(28)	(2,670)	—	780	3,667
Land improvement	8	—	—	—	—	—	8
Total	**131,556**	**7,834**	**(258)**	**65**	**29,083**	**(3,842)**	**164,438**

Accumulated depreciation	**1 January 2015**	**Current charge**	**Disposals**	**Transfers**	**Acquisition through business combinations**	**Currency translation differences**	**31 December 2015**
Leasehold improvements	13,732	3,473	—	—	—	(124)	17,081
Machinery and equipment	15,545	3,663	(180)	—	—	5	19,033
Motor vehicles	4,485	1,322	(37)	—	—	95	5,865
Furniture and fixtures	2,063	655	(5)	—	—	(26)	2,687
Land improvement	1	—	—	—	—	—	1
Total	**35,826**	**9,113**	**(222)**	**—**	**—**	**(50)**	**44,667**
Net book value	**95,730**						**119,771**

(*) See Note 6(b).

Movements of property and equipment for the year ended 31 December 2016 comprised the following:

USD '000

Cost	**1 January 2016**	**Additions**	**Disposals**	**Transfers**	**Acquisition through business combinations (*)**	**Currency translation differences**	**31 December 2016**
Leasehold improvements	99,558	1,346	(15)	182	218	(2,981)	98,308
Machinery and equipment	38,415	2,527	(34)	330	12	(38)	41,212
Motor vehicles	16,496	110	(14)	—	1	256	16,849
Furniture and fixtures	6,294	2,091	(167)	—	15	(846)	7,387
Construction in progress	3,667	2,842	(38)	(1,011)	693	(399)	5,754
Land improvement	8	—	—	—	—	—	8
Total	**164,438**	**8,916**	**(268)**	**(499)**	**939**	**(4,008)**	**169,518**

Accumulated depreciation	**1 January 2016**	**Current charge**	**Disposals**	**Transfers**	**Acquisition through business combinations**	**Currency translation differences**	**31 December 2016**
Leasehold improvements	17,081	4,205	(15)	—	—	(553)	20,718
Machinery and equipment	19,033	3,417	(34)	—	—	(71)	22,345
Motor vehicles	5,865	1,460	(14)	—	—	(133)	7,178
Furniture and fixtures	2,687	1,117	(167)	—	—	(126)	3,511
Land improvement	1	—	—	—	—	—	1
Total	**44,667**	**10,199**	**(230)**	**—**	**—**	**(883)**	**53,753**
Net book value	**119,771**					**(3,125)**	**115,765**

(*) See Note 6(c).

12 Property and equipment (continued)

As at 31 December 2016, the net book value of machinery and equipment purchased through leasing amounts to USD 2,438 thousand (31 December 2015: USD 2,814 thousand, 31 December 2014: USD 3,015 thousand), the net book value of motor vehicles purchased through leasing amounts to USD 9,829 thousand (31 December 2015: USD 11,279 thousand, 31 December 2014: USD 4,500 thousand), and the net book value of furniture and fixtures purchased through leasing amounts to USD 190 thousand (31 December 2015: USD 298 thousand, 31 December 2014: nil). In 2016, the capital expenditure amounting to USD 620 thousand was through finance leases (31 December 2015: USD 578 thousand, 31 December 2014: USD 11,305 thousand).

As at 31 December 2014, 2015 and 2016, according to the "TOORA" and "BOT" tender agreements signed with related Authorities, at the end of the agreement periods, real estate with their capital improvements will be returned as running, clean, free of any liability and free of charge. The details of the pledge or mortgage on property and equipment regarding the loans and borrowings are explained on Note 28.

For the years ended 31 December 2014, 2015 and 2016, there is no capitalised borrowing cost on property and equipment.

As at 31 December 2016, the insured amount of property and equipment amounts to USD 202,880 thousand (31 December 2015: USD 179,269 thousand, 31 December 2014: USD 138,925 thousand).

13 Intangible assets

Movements of intangible assets for the year ended 31 December 2014 comprised the following:

USD '000

Cost	**1 January 2014**	**Additions**	**Transfers**	**Acquisition through business combinations (*)**	**Currency translation differences**	**31 December 2014**
Port operation rights	358,588	—	—	187,009	(965)	544,632
Customer relationships	3,755	—	—	—	—	3,755
Software	380	48	—	14	(13)	429
Other intangibles	115	144	—	—	(13)	256
Total	**362,838**	**192**	**—**	**187,023**	**(981)**	**549,072**

Accumulated amortisation	**1 January 2014**	**Amortisation expense**	**Transfers**	**Acquisition through business combinations**	**Currency translation differences**	**31 December 2014**
Port operation rights	73,730	21,698	—	—	(862)	94,566
Customer relationships	1,643	313	—	—	—	1,956
Software	288	54	—	—	(16)	326
Other intangibles	80	29	—	—	(3)	106
Total	**75,741**	**22,094**	**—**	**—**	**(881)**	**96,954**
Net book value	**287,097**					**452,118**

(*) See Note 6(a).

13 Intangible assets (continued)

Movements of intangible assets for the year ended 31 December 2015 comprised the following:

USD '000

Cost	**1 January 2015**	**Additions**	**Transfers**	**Acquisition through business combinations (*)**	**Currency translation differences**	**31 December 2015**
Port operation rights	544,632	—	—	62,745	(25,469)	581,908
Customer relationships	3,755	—	—	—	—	3,755
Software	429	5	—	—	(53)	381
Other intangibles	256	68	(65)	—	1	260
Total	**549,072**	**73**	**(65)**	**62,745**	**(25,521)**	**586,304**

Accumulated amortisation	**1 January 2015**	**Amortisation expense**	**Transfers**	**Acquisition through business combinations**	**Currency translation differences**	**31 December 2015**
Port operation rights	94,566	28,667	—	—	(1,952)	121,281
Customer relationships	1,956	314	—	—	—	2,270
Software	326	38	—	—	(40)	324
Other intangibles	106	51	—	—	(5)	152
Total	**96,954**	**29,070**	**—**	**—**	**(1,997)**	**124,027**
Net book value	**452,118**					**462,277**

(*) See Note 6(b).

Movements of intangible assets for the year ended 31 December 2016 comprised the following:

USD '000

Cost	**1 January 2016**	**Additions**	**Transfers**	**Acquisition through business combinations (*)**	**Currency translation differences**	**31 December 2016**
Port operation rights	581,908	—	—	—	(8,949)	572,959
Customer relationships	3,755	—	—	—	(133)	3,622
Software	381	51	—	136	24	592
Other intangibles	260	47	499	1	(91)	716
Total	**586,304**	**98**	**499**	**137**	**(9,149)**	**577,889**

Accumulated amortisation	**1 January 2016**	**Amortisation expense**	**Transfers**	**Acquisition through business combinations**	**Currency translation differences**	**31 December 2016**
Port operation rights	121,281	29,927	—	—	(2,456)	148,752
Customer relationships	2,270	317	—	—	(95)	2,492
Software	324	44	—	—	(21)	347
Other intangibles	152	69	—	—	(4)	217
Total	**124,027**	**30,357**	**—**	**—**	**(2,576)**	**151,808**
Net book value	**462,277**					**426,081**

(*) See Note 6(c).

13 Intangible assets (continued)

The details of Port operation rights for the years ended 31 December 2014, 2015 and 2016 are as follows:

USD '000	As at 31 December 2014 Carrying Amount	As at 31 December 2014 Remaining Amortisation Period	As at 31 December 2015 Carrying Amount	As at 31 December 2015 Remaining Amortisation Period	As at 31 December 2016 Carrying Amount	As at 31 December 2016 Remaining Amortisation Period
Barcelona Ports Investment	180,934	186 months	149,433	174 months	134,461	162 months
Valletta Cruise Port	—	—	63,138	611 months	61,409	599 months
Port of Adria	25,761	348 months	22,347	336 months	20,786	324 months
Port Akdeniz	227,336	164 months	210,701	152 months	194,067	140 months
Ege Ports	14,699	219 months	13,905	207 months	12,646	195 months
Bodrum Cruise Port	1,336	51 months	1,102	39 months	839	27 months

14 Goodwill

Movements of goodwill for the years ended 31 December comprised the following:

Cost	USD '000
At 1 January 2014	**12,860**
At 31 December 2014	**12,860**
At 31 December 2015	**12,860**
Recognised on acquisition of a subsidiary (Note 6(c))	2,110
Exchange differences	(455)
At 31 December 2016	**14,515**

As at 31 December 2014, 2015 and 2016, the Group recognised goodwill related to the acquisition of Ege Liman, which had a functional currency of USD in 2014 and 2015, and changed to a functional currency of Euro in 2016, in its consolidated historical financial information.

In addition to that, as of 31 December 2016, the Group recognised provisional goodwill related to the acquisition of three Italian Ports, namely Ravenna, Cagliari and Catania (see Note 6(c)).

As at 31 December 2014, 2015 and 2016, the Group tested impairment by comparing the goodwill from the acquisition of Ege Liman with the values in use of the cash generating unit and concluded that no impairment exists. Cash flow forecasts are prepared up to the end of the port usage rights, which is 2033. The key assumption is that the expected increase in the intensity of the port activity will increase operational profit. Cash flows used to calculate value-in-use are prepared in USD. A pre-tax discount rate of 11% (31 December 2015: 11%, 31 December 2014: 11%) was used for discounting future cash flows to reporting date. The EBITDA growth rate was assumed at 9.7% for the forecast period from 1 January 2017 to the end of concession period, 2032 (forecast period from 1 January 2016 to end of concession period: 15.3%, forecast period from 1 January 2015 to the end of concession period: 15.3%). Management believes that all assumptions used are reflective of management's past experience and consistent with external sources of information.

The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount.

15 Equity-accounted investees

The nature of the operations and the locations of the equity-accounted investees of the Company are listed below:

Equity-accounted investees	Locations	Operations
LCT—Lisbon Cruise Terminals, LDA ("Port of Lisbon")	Portugal	Port operations
SATS—Creuers Cruise Services Pte. Ltd. ("Singapore Port")	Singapore	Port operations
Venezia Investimenti Srl. ("Venice Investment")	Italy	Port investments
La Spezia Cruise Facility Srl. ("La Spezia")	Italy	Port operations

Port of Lisbon

The Group has entered into the concession agreement of Lisbon Cruise Port within the framework of a public-service concession on 18 July 2014 as a part of the consortium comprising Global Liman, RCCL, Creuers and Group Sousa—Investimentos SGPS, LDA. The operation right of Lisbon Cruise Port has been transferred by the Port Authority of Lisbon to LCT-Lisbon Cruise Terminals, LDA, which was established by the Consortium, on 26 August 2014. The Group has a 46.2% effective interest in Port of Lisbon as at 31 December 2016. Port of Lisbon has been recognised as an equity-accounted investee in the consolidated historical financial information as at and for the year ended 31 December 2014, 2015 and 2016.

Singapore Port

Barcelona Port Investments, S.L ("BPI") was established as a joint venture between the Group and Royal Caribbean Cruises Ltd. ("RCCL") on 26 July 2013 for the purpose of acquiring a 43% interest in Creuers. The Group held a 49% interest in BPI which was accounted for using the equity method. Creuers holds a 100% interest in the port operation rights for the Barcelona cruise port, as well as an 80% interest in the port operation rights for the Malaga cruise port and a 40% interest in the port operation rights for the Singapore cruise port. On 30 December 2013, BPI acquired an additional 57% interest in Creuers which resulted in BPI obtaining control of Creuers as of that date. BPI was recognised as an equity-accounted investee in the consolidated financial statements as at and for the year ended 31 December 2013. Subsequently on 30 September 2014, the Group increased its interest in BPI from 49% to 62% by acquiring 13% interest from RCCL and became the controlling shareholder of Creuers with 62% of interest indirectly on 30 September 2014. Creuers has been fully consolidated from 30 September 2014. Refer to Note 6(a).

Venice Investment

Venezia Investimenti Srl is an international consortium formed for investing in Venezia Terminal Passegeri S.p.A ("VTP"). The international consortium formed by GPH, Costa Crociere SpA, MSC Cruises SA and Royal Caribbean Cruises Ltd each have a 25% share of the Company.

La Spezia

GPH purchased a non-controlling interest of 28.5% through POH in La Spezia Cruise Facility Srl, which has the operating rights of La Spezia Cruise Port, Italy.

15 Equity-accounted investees (continued)

For the year ended 31 December 2014

The following table summarises the financial information of Port of Lisbon and Singapore Port as included in the consolidated historical financial information as at 31 December 2014. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Port of Lisbon and Singapore Port.

	Port of Lisbon (USD '000)	Singapore Port (USD '000)
Percentage ownership interest	50%	40%
Non-current assets	554	4,353
Current assets	2,069	3,181
Non-current liabilities	—	(3,121)
Current liabilities	(1,776)	(2,437)
Net assets (100%)	847	1,976
Group's share of net assets	423	791
Carrying amount of interest in equity-accounted investees	**423**	**791**
Revenue	1,340	7,088
Expenses	(1,280)	(7,673)
Profit / (loss) and total comprehensive income for the year (100%)	60	(585)
Group's share of profit and total comprehensive income	**30**	**(234)**

As at 31 December 2014, the amounts in the above table include the following:

	Port of Lisbon (USD '000)	Singapore Port (USD '000)
Cash and cash equivalents	50	1,855
Non-current financial liabilities (excluding trade and other payables and provisions)	—	(3,121)
Current financial liabilities (excluding trade and other payables and provisions)	(35)	(43)
Interest income	4	—
Depreciation and amortisation	(4)	(340)
Interest expense	—	(52)
Interest tax expense	(19)	65

For the year ended 31 December 2014, the Group's share of profit and total comprehensive income is set out below:

	Net profit / (loss) (USD '000)
Port of Lisbon	30
Singapore Port	(234)
BPI's effect before acquiring the control for the nine month period ended 30 September 2014	1,768
Gain on bargain purchase	17,524
Group's share of profit and total comprehensive income	**19,088**

15 Equity-accounted investees (continued)

For the year ended 31 December 2015

The following table summarises the financial information of Port of Lisbon and Singapore Port as included in the consolidated historical financial information as at 31 December 2015. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Port of Lisbon and Singapore Port.

	Port of Lisbon (USD '000)	Singapore Port (USD '000)
Percentage ownership interest	50%	40%
Non-current assets	2,346	3,830
Current assets	10,833	3,814
Non-current liabilities	—	(2,898)
Current liabilities	(1,933)	(2,236)
Net assets (100%)	(11,246)	2,510
Group's share of net assets	(5,623)	1,004
Carrying amount of interest in equity-accounted investees	**(5,623)**	**1,004**
Revenue	3,131	8,285
Expenses:	(2,208)	(7,762)
Profit / (loss) and total comprehensive income for the year (100%)	923	523
Group's share of profit and total comprehensive income	**462**	**209**

As at 31 December 2015, the amounts in the above table include the following:

	Port of Lisbon (USD '000)	Singapore Port (USD '000)
Cash and cash equivalents	9,881	1,372
Non-current financial liabilities (excluding trade and other payables and provisions)	—	(2,898)
Current financial liabilities (excluding trade and other payables and provisions)	(283)	(67)
Interest income	1	—
Depreciation and amortisation	(14)	(703)
Interest expense	—	(148)
Interest tax expense	(274)	(124)

For the year ended 31 December 2015, the Group's share of profit and total comprehensive income is set out below:

	Net profit (USD '000)
Port of Lisbon	462
Singapore Port	209
Group's share of profit and total comprehensive income	**671**

15 Equity-accounted investees (continued)

For the year ended 31 December 2016

At 31 December 2016, Venezia Investimenti, Port of Lisbon and Singapore Port are equity-accounted investees in which the Group participates.

The following table summarises the financial information of Venezia Investimenti, Port of Lisbon and Singapore Port as included in the consolidated historical financial information as at 31 December 2016. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Port of Lisbon and Singapore Port.

	La Spezia (USD '000)	Venezia Investimenti (USD '000)	Port of Lisbon (USD '000)	Singapore Port (USD '000)
Percentage ownership interest	30.00%	25.00%	50.00%	40.00%
Non-current assets	—	33,463	9,605	2,972
Current assets	123	1,708	6,279	7,428
Non-current liabilities	—	—	—	(2,314)
Current liabilities	—	(154)	(2,302)	(4,121)
Net assets (100%)	123	35,017	13,582	3,965
Group's share of net assets	37	8,754	6,791	1,586
Carrying amount of interest in equity-accounted investees	**37**	**8,754**	**6,791**	**1,586**
Revenue	—	2,798	5,201	10,351
Expenses	—	(236)	(3,267)	(8,822)
Profit / (loss) and total comprehensive income for the year (100%)	—	2,562	1,934	1,529
Group's share of profit and total comprehensive income	**—**	**640**	**967**	**612**

As at 31 December 2016, the amounts in the above table include the following:

USD '000	La Spezia (USD '000)	Venezia Investimenti (USD '000)	Port of Lisbon (USD '000)	Singapore Port (USD '000)
Cash and cash equivalents	123	1,023	4,685	3,164
Non-current financial liabilities (excluding trade and other payables and provisions)	—	—	—	(2,314)
Current financial liabilities (excluding trade and other payables and provisions)	—	(154)	(350)	(131)
Interest income	—	—	—	—
Depreciation and amortisation	—	(2)	(21)	(736)
Interest expense	—	—	—	(128)
Interest tax expense	—	—	(595)	(313)

For the year ended 31 December 2016, the Group's share of profit and total comprehensive income is set out below:

	Net profit (USD '000)
Venezia Investimenti	640
Port of Lisbon	967
Singapore Port	612
Group's share of profit and total comprehensive income	**2,219**

16 Other investments

As at 31 December, financial assets available for sale comprised the following:

	2014 (USD '000)	2015 (USD '000)	2016 (USD '000)
Global Yatırım Holding bonds (*)	13,749	14,334	14,412
Other bonds	—	140	—
Time deposits with the maturity more than 3 months	1,324	151	190
Liquid funds with asset management companies	—	2,282	—
Total	**15,073**	**16,907**	**14,602**

(*) The Group has purchased Global Yatırım Holding's (the parent company) bonds. The bonds' maturity is 30 June 2017 with an annual nominal interest rate of 11% and nominal amounts of USD 13,944 thousand (31 December 2015: the bonds' maturity is 30 June 2017, annual nominal interest rate of 11% and a nominal amount of USD 14,240 thousand, 31 December 2014: the bonds' maturity is 30 June 2017, annual nominal interest rate of 11% and a nominal amount of USD 14,750 thousand).

17 Taxation

Corporate tax

Turkey

Corporate income tax is levied at the rate of 20% on the statutory corporate income tax base, which is determined by modifying income for certain tax exclusions and allowances.

Advance corporate income tax payments are made on a quarterly basis and are offset against the final corporate income tax liability of the company for the period.

The tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes shown in the consolidated historical financial information reflects the total amount of taxes calculated on each Turkish company that is included in the consolidation.

Losses can be carried forward for offsetting against future taxable income for up to 5 years. Losses cannot be carried back.

Spain

The corporate tax rate for the year ended 31 December 2016 is determined at 25% (31 December 2015: 28%, 31 December 2014: 30%).

BPI files a consolidated income tax return for the Spanish companies, namely Creuers, Cruceros and BPI.

Losses can be carried forward indefinitely to offset future taxable income, subject to certain limitations. Losses cannot be carried back.

Other countries

The corporate tax rates in the Netherlands, Italy, Malta and Montenegro are 25%, 28%, 35% and 9%, respectively.

17 Taxation (continued)

Tax expense

For the years ended 31 December, income tax expense comprised the following:

	2014 (USD '000)	2015 (USD '000)	2016 (USD '000)
Current tax charge			
In respect of the current year	(6,128)	(6,692)	(5,500)
Benefit arising from unrecognised tax loss used to reduce current tax expense	634	—	—
Total	**(5,494)**	**(6,692)**	**(5,500)**
Deferred tax benefit			
In respect of the current year	3,529	3,604	4,575
Adjustment to deferred tax attributable to change in tax rates	—	5,614	—
Total	**3,529**	**9,218**	**4,575**
Total tax (expense)/benefit	**(1,965)**	**2,526**	**(925)**

As at 31 December, current tax liabilities for the period comprised the following:

	2014 (USD '000)	2015 (USD '000)	2016 (USD '000)
Current tax liability at 1 January	2,350	2,026	1,900
Current tax charge	5,494	6,692	5,500
Business combination effect (Note 6 (a))	—	216	
Currency translation difference	(500)	(842)	(1,108)
Taxes paid during year	(5,318)	(6,192)	(4,478)
Total	**2,026**	**1,900**	**1,814**

The tax reconciliation for the years ended 31 December is as follows:

	2014 (USD '000)	2015 (USD '000)	2016 (USD '000)
Profit before income tax	25,547	13,934	5,199
Tax using the Turkish corporate income tax rate of 20% (2015: 20%, 2014: 20%)	(5,110)	(2,787)	(1,040)
Effect of tax rates in foreign jurisdictions	(2,460)	(343)	(710)
Income from tax exempt maritime operations (*)	1,792	1,828	1,824
Recognition of previously unrecognised losses	—	13	828
Recognition of losses not recognised for deferred tax	(1,966)	(715)	(2,969)
Permanent differences	(1,564)	(3,508)	(2,712)
Impact of change in tax rate (**)	—	5,614	—
Disallowable expenses	(499)	6	(179)
Tax return filed based on Creuers acquisition (***)	—	—	3,091
Deferred tax arising from business combinations	6,977	1,038	—
Donations	840	—	1,167
Other	24	1,380	(225)
	(1,965)	**2,526**	**(925)**

(*) Income generated through the vessels covered by the Turkish International Ship Registry Law authorised on 16 December 1999 is not subject to income tax and expenses related to these operations as they are considered disallowable expenses.

(**) The impact of the change in tax rate in 2015 arises due to the revaluation of deferred tax balances in Spain following the enactment of a reduced corporate tax rate of 25% (2014: 30%, 2015: 28%) which applied from 1 January 2016.

(***) A tax credit arose in BPI following a successful claim to the Spanish tax authorities to eliminate domestic double taxation arising on the 2013 and 2014 acquisitions of interests in Creuers.

17 Taxation (continued)

Deferred tax

The balance comprises temporary differences attributable to:

	2014 (USD '000)	2015 (USD '000)	2016 (USD '000)
Property and equipment	2,061	2,316	1,740
Tax losses carried forward	1,609	1,347	1,551
Provision for employment termination indemnity and vacation pay	206	355	181
Available for sale financial assets	—	(1,043)	(857)
Intangible assets	(96,204)	(101,530)	(94,541)
Other	(648)	(1,811)	(2,200)
Set-off of deferred tax assets pursuant to set-off provisions	(5,010)	(3,804)	(3,047)
Deferred tax liabilities	**(97,986)**	**(104,170)**	**(97,173)**

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated balance sheet:

USD'000

	Property and equipment	Tax losses carried forward	Provision for employment termination indemnity and vacation pay	Available for sale financial assets	Intangible assets	Other	Total
At 1 January 2014	**4,677**	**1,520**	**193**	**143**	**(56,071)**	**408**	**(49,130)**
Charge/(credit) to profit or loss	(2,638)	(203)	30	(140)	8,759	(2,279)	3,529
Acquisition of subsidiary	244	401	—	—	(43,560)	1,126	(41,789)
Exchange differences	(222)	(109)	(17)	(3)	(5,332)	97	(5,586)
At 31 December 2014	**2,061**	**1,609**	**206**	**—**	**(96,204)**	**(648)**	**(92,976)**
Charge/(credit) to profit or loss	221	68	204	(1,115)	5,760	(1,533)	3,605
Acquisition of subsidiary	466	—	—	—	(21,960)	140	(21,354)
Exchange differences	(432)	(330)	(55)	72	5,260	230	4,745
Effect of change in tax rate:							
—income statement	—	—	—	—	5,614	—	5,614
At 31 December 2015	**2,316**	**1,347**	**355**	**(1,043)**	**(101,530)**	**(1,812)**	**(100,366)**
Charge/(credit) to profit or loss	(202)	510	(131)	6	5,211	(819)	4,575
Acquisition of subsidiary	—	—	—	—	—	—	—
Exchange differences	(374)	(306)	(43)	180	1,778	431	1,666
At 31 December 2016	**1,740**	**1,551**	**181**	**(857)**	**(94,541)**	**(2,200)**	**(94,126)**

As at 31 December 2014, 2015 and 2016, the breakdown of the tax losses carried forward in terms of their final years of utilisation is as follows:

USD '000	2014		2015		2016	
	Recognised	Unrecognised	Recognised	Unrecognised	Recognised	Unrecognised
Expiry years of the tax losses carried forward						
2015	784	5,003	—	—	—	—
2016	5,717	7,459	4,596	6,755	—	—
2017	—	3,203	—	2,900	—	3,049
2018	—	948	—	858	—	902
2019	1,625	7,189	1,306	6,331	—	6,655
2020	—	—	1,298	3,339	2,601	3,235
2021	—	—	—	—	6,435	2,672
	8,126	**23,802**	**7,200**	**20,183**	**9,036**	**16,513**

17 Taxation (continued)

Unrecognised deferred tax assets

At the reporting date, the Group has Turkey and Montenegro statutory tax losses available for offsetting against future profits which are shown above. Such carried forward tax losses do not expire until 2020. Deferred tax assets have not been recognised in respect of some portion of these items since it is not probable that future taxable profit will be available against which the Group can utilise the benefits there from.

Amounts recognised in OCI

USD '000	2014			2015			2016		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Remeasurements of defined benefit liability	(12)	2	(10)	34	(7)	27	50	(10)	40
Foreign operations—foreign currency translation differences	1,191	—	1,191	13,078	—	13,078	25,200	—	25,200
Net investment hedge	(20,405)	4,081	(16,324)	(64,629)	12,927	(51,702)	(59,569)	11,915	(47,654)
Cash flow hedges	(1,228)	307	(921)	93	(24)	69	(247)	60	(187)
Total	**(20,454)**	**4,390**	**(16,064)**	**(51,424)**	**(12,896)**	**(38,528)**	**(34,566)**	**11,965**	**(22,601)**

18 Trade and other receivables

As at 31 December, trade and other receivables comprised the following:

	2014 (USD '000)	2015 (USD '000)	2016 (USD '000)
Trade receivables	8,079	10,345	10,121
Deposits and advances given	81	14	12
Other receivables	644	442	1,789
Total trade and other receivables	**8,804**	**10,801**	**11,922**

As at 31 December, trade receivables comprised the following:

	2014 (USD '000)	2015 (USD '000)	2016 (USD '000)
Receivables from customers—considered not doubtful	8,079	10,345	10,121
Doubtful receivables	850	508	1,213
Allowance for doubtful receivables	(850)	(508)	(1,213)
Total	**8,079**	**10,345**	**10,121**

18 Trade and other receivables (continued)

Movements in the allowance for doubtful trade receivables for the years ended 31 December, comprised the following:

	2014 (USD '000)	2015 (USD '000)	2016 (USD '000)
Balance at the beginning of the year	(213)	(850)	(508)
Allowance for the year	(586)	(190)	(733)
Collections	—	292	3
Translation difference	(61)	103	(28)
Written off during the year	10	137	53
Balance at the end of the year	**(850)**	**(508)**	**(1,213)**

As at 31 December, current trade receivables mature between 0-1 months.

Credit risk and foreign currency risk with respect to trade and other receivables are disclosed in Note 31.

Bad debt expense on doubtful receivables is recognised in administrative expenses.

19 Other assets

Other non-current assets

As at 31 December, other non-current assets comprised the following:

	2014 (USD '000)	2015 (USD '000)	2016 (USD '000)
Advances given (*)	320	2,418	5,770
Housing loans given to employees (**)	3,588	3,089	2,854
Prepaid expenses	5,966	5,796	2,753
Deposits and guarantees given	271	14	35
Other	2,174	1,730	—
Total	**12,319**	**13,047**	**11,412**

(*) Advances given are mainly composed of the advances given by Ortadoğu Liman for the purchase of machinery and for the investments related to the passenger terminal, and Global Ports Holding for the purchase of Mobile Harbor Crane for Port of Adria.

(**) As a state-owned company before being acquired by the Group, Port of Adria had granted housing loans to its employees up to a maturity of 35 years. The housing loans were acquired as part of business combinations and recognised at fair value on acquisition date.

Other current assets

As at 31 December, other current assets comprised the following:

	2014 (USD '000)	2015 (USD '000)	2016 (USD '000)
Prepaid expenses	4,578	3,056	3,419
Advances given	2,794	2,886	1,567
Income tax receivable	—	—	1,505
Value added tax receivable	2,197	1,184	430
Other	805	882	847
Total	**10,374**	**8,008**	**7,768**

20 Cash and cash equivalents

As at 31 December, cash and cash equivalents comprised the following:

	2014 (USD '000)	2015 (USD '000)	2016 (USD '000)
Cash on hand	130	97	69
Cash at banks	44,965	77,326	44,241
—Demand deposits	*19,018*	*43,999*	*13,820*
—Time deposits	*25,947*	*31,276*	*30,308*
—Overnight deposits	*—*	*2,051*	*113*
Cash and cash equivalents	**45,095**	**77,423**	**44,310**

	2014 (USD '000)	2015 (USD '000)	2016 (USD '000)
Cash and cash equivalents per consolidated balance sheet	45,095	77,423	44,310
Less: Restricted cash	(455)	(4,379)	(5,954)
Cash and cash equivalents per consolidated cash flow statement	**44,640**	**73,044**	**38,356**

As at 31 December, maturities of time deposits comprised the following:

	2014 (USD '000)	2015 (USD '000)	2016 (USD '000)
Up to 1 month	24,947	31,276	30,216
1-3 months	1,000	—	92
Total	**25,947**	**31,276**	**30,308**

As at 31 December, the ranges of interest rates for time deposits are as follows:

	2014	2015	2016
Interest rate for time deposit-TL (highest)	8.65%	13.00%	6.75%
Interest rate for time deposit-TL (lowest)	8.65%	13.00%	6.75%
Interest rate for time deposit-USD (highest)	0.50%	0.25%	0.35%
Interest rate for time deposit-USD (lowest)	2.75%	0.25%	0.35%
Interest rate for time deposit-EUR (highest)	2.70%	0.10%	0.75%
Interest rate for time deposit-EUR (lowest)	0.05%	0.10%	0.75%

As at 31 December 2016, cash at bank amounting to USD 5,954 thousand (31 December 2015: USD 4,379 thousand, 31 December 2014: USD 455 thousand) is restricted due to the bank loan guarantees and subscription guarantees (Note 23).

The Group's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities is disclosed in Note 31.

21 Capital and reserves

a) Share capital

As at 31 December 2014, the Company's statutory nominal value of authorised and paid-in share capital consists of 66,253,100 registered ordinary shares with a par value of TL 1 each.

On 12 November 2015, the Company issued 8,054,299 new shares with a 1 TL par value which was purchased by EBRD for a consideration of USD 57,325 thousand (TL 165,727 thousand). The difference between the consideration received and the value of shares amounting to USD 54,539 thousand is recorded as premium on issued shares.

21 Capital and reserves (continued)

a) Share capital (continued)

As at 31 December 2016, the Company's statutory nominal value of authorised and paid-in share capital consists of 74,307,399 registered ordinary shares with a par value of TL 1 each.

As at 31 December, the share ownership structure of the Company was as follows:

	2014		2015		2016	
	Nominal value of shares (USD '000)	Proportion of share (%)	Nominal value of shares (USD '000)	Proportion of share (%)	Nominal value of shares (USD '000)	Proportion of share (%)
Global Yatırım Holding A.Ş.	31,042	100.00	31,042	89.16	31,042	89.16
European Bank of Reconstruction and Development	—	—	2,786	10.84	2,786	10.84
Paid in capital (nominal)	**31,042**	**100.00**	**33,828**	**100.00**	**33,828**	**100.00**
Inflation accounting adjustment	8		8		8	
Inflation adjusted capital	**31,050**		**33,836**		**33,836**	

The Company's shares are ordinary voting shares. There are no preferential rights attached to any shares of the Company.

b) Nature and purpose of reserves

(i) Translation reserves

The translation reserves amounting to USD 119,764 thousand (31 December 2015: USD 91,970 thousand, 31 December 2014: USD 72,907 thousand) are recognised as a separate account under equity and comprises foreign exchange differences arising from the translation of the consolidated historical financial information of subsidiaries and equity-accounted investees from their functional currencies (of Euro and TL) to the presentation currency, USD.

(ii) Legal reserves

Under the Turkish Commercial Code, Turkish companies are required to set aside first and second level legal reserves out of their profits. First level legal reserves are set aside as up to 5% of the distributable income per the statutory accounts each year. The ceiling of the first level reserves is 20% of the paid-up share capital. The requirement to set aside ends when the 20% of the paid-up capital level has been reached. Second level legal reserves correspond to 10% of profit actually distributed after the deduction of the first legal reserves and the minimum obligatory dividend pay-out, but holding companies are not subject to this regulation. There is no ceiling for second level legal reserves and they are accumulated every year. First and second level legal reserves cannot be distributed until they exceed 50% of the capital, but the reserves can be used for offsetting the losses in case free reserves are unavailable As at 31 December 2016, the legal reserves of the Group amounted to USD 12,424 thousand (31 December 2015: USD 9,917 thousand, 31 December 2014: USD 10,117 thousand).

(iii) Hedging reserves

Investment hedge

The Company has used its Eurobond financing as a non-derivative financial item to hedge the net investments of Ege Ports, Port Akdeniz and Bodrum Cruise Port. As of 31 December 2016, the net asset values of Ege Ports, Port Akdeniz and Bodrum Cruise Port amount to USD 40,467 thousand, USD 4,110 thousand and USD 190,833 thousand, respectively, and the carrying value of Eurobond amounts to USD 252,600 thousand. (31 December 2015: the net asset values of Ege Ports, Port Akdeniz and Bodrum Cruise Port amount to USD 39,560 thousand, USD 4,884 thousand and USD 194,443 thousand, respectively, and the carrying value of Eurobond amounts to USD 252,558 thousand, 31 December 2014: the net asset values of Ege Ports, Port Akdeniz and Bodrum Cruise Port amount to USD 40,937 thousand,

21 Capital and reserves (continued)

b) Nature and purpose of reserves (continued)

(iii) Hedging reserves—(Continued)

USD 5,184 thousand and USD 199,267 thousand, respectively, and the carrying value of Eurobond amounts to USD 252,575 thousand). The ineffective portion of the investment hedge is USD 887 thousand as at 31 December 2016 (31 December 2015: USD 1,407 thousand, 31 December 2014: USD 2 thousand)).

As at 31 December 2016, the effective portion of gain or loss arising from investment hedging instrument is recognised in other comprehensive income, net of tax amounting to USD 47,653 thousand (31 December 2015: USD 51,703 thousand, 31 December 2014: USD 16,324 thousand).

Cash flow hedge

The Group entered into an interest rate swap in order to hedge its position against changes in interest rates. The effective portion of the cash flow hedge that was recognised in other comprehensive income was USD 187 thousand loss (31 December 2015, USD 69 thousand gain, 31 December 2014: USD 921 thousand loss). The amount that was reclassified from equity to profit and loss within the cash flow hedges—effective portion of changes in fair value line item for the year was USD 345 thousand (31 December 2015, USD 342 thousand, 31 December 2014: USD 157 thousand).

The principal payments will be made in the periods shown below, at which time the amount deferred in equity will be reclassified to profit and loss:

	3 months or less (USD '000)	More than 3 months but less than 1 year (USD '000)	5 years or less but more than 1 year (USD '000)	More than 5 years (USD '000)
Net cash inflows/(outflows) exposure				
Liabilities	—	315	883	104
At 31 December 2016	**—**	**315**	**883**	**104**
Net cash inflows/(outflows) exposure				
Liabilities	—	240	670	159
At 31 December 2015	**—**	**240**	**670**	**159**
Net cash inflows/(outflows) exposure				
Liabilities	—	262	774	280
At 31 December 2014	**—**	**262**	**774**	**280**

c) Dividends

Dividend distributions are made by the Company in TL in accordance with its articles, after deducting taxes and setting aside the legal reserves as discussed above.

The dividends amount per share for the year ended 31 December 2016 was USD 0.21 per share (31 December 2015: USD 0.30 per share, 31 December 2014 USD 0.51 per share).

At the 2016 General Assembly, GPH decided to distribute USD 34,607 thousand to its shareholders. Valletta Cruise Port distributed USD 819 thousand to other shareholders, and BPI distributed USD 2,191 thousand to RCCL. A total of USD 37,617 thousand was paid out in cash to shareholders.

In 2015, General Assembly of GPH decided to distribute USD 20,000 to its shareholders. Ege Liman distributed USD 2,694 thousand to RCCL, and Cruceros Malaga distributed USD 562 thousand to Malaga Port Authority. A total of USD 23,256 thousand was paid out in cash to shareholders.

In 2014, the General Assembly decided to distribute USD 12,577 thousand to its shareholders. Ege Liman distributed USD 1,397 thousand to RCCL. A total of USD 13,974 thousand was paid out in cash to shareholders.

22 Non-controlling interests

Summarised financial information in respect of each of the Group's subsidiaries that have non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations for the year ended 31 December 2014:

USD '000

	Ege Ports	Bodrum Cruise Port	Port of Adria	BPI	Cruceros
NCI percentage	27.5%	40.0%	36.2%	38.0%	50.4%
Non-current assets	33,788	9,816	63,154	175,962	17,221
Current assets	25,911	2,218	2,507	14,207	7,784
Non-current liabilities	(7,068)	(1,268)	(13,367)	(112,808)	(9,462)
Current liabilities	(13,905)	(2,126)	(2,987)	(8,137)	(1,618)
Net assets	**38,726**	**8,640**	**49,307**	**69,224**	**13,925**
Net assets attributable to NCI	10,650	3,456	17,853	26,305	7,019
Revenue	16,350	2,828	9,265	4,377	1,240
Profit	11,565	(598)	(3,190)	(110)	53
OCI	257	(147)	(5,920)	(2,483)	(502)
Total comprehensive income	**11,822**	**(745)**	**(9,110)**	**(2,593)**	**(449)**
Profit for the year attributable to NCI	3,180	(239)	(1,209)	(42)	27
OCI for the year attributable to NCI	71	(59)	(2,143)	(944)	(253)
Dividends paid to NCI	1,397	—	—	—	—
Net cash inflow/(outflow) from operating activities	8,631	820	516	6,901	897
Net cash inflow/(outflow) from investing activities	(3,461)	(34)	(783)	9,040	(217)
Net cash inflow/(outflow) from financing activities	(3,717)	(335)	140	(20,965)	(1,923)
Net cash inflow/(outflow)	**1,453**	**451**	**(127)**	**(5,024)**	**(1,243)**

Summarised financial information in respect of each of the Group's subsidiaries that has non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations for the year ended 31 December 2015:

USD '000

	Ege Ports	Bodrum Cruise Port	Port of Adria	BPI	Cruceros	Valletta
NCI percentage	27.5%	40.0%	36.2%	38.0%	50.4%	44.4%
Non-current assets	34,077	8,250	56,309	143,791	14,717	92,827
Current assets	29,901	1,704	2,576	11,594	3,193	3,774
Non-current liabilities	(6,579)	(1,054)	(7,255)	(80,220)	(8,196)	(34,287)
Current liabilities	(20,560)	(751)	(10,693)	(7,431)	(1,217)	(4,409)
Net assets	**36,839**	**8,149**	**40,937**	**67,734**	**8,497**	**57,905**
Net assets attributable to NCI	10,131	3,260	14,823	25,739	4,282	25,709
Revenue	17,347	2,840	8,528	22,383	2,308	—
Profit	7,711	(649)	(3,414)	6,151	(1,308)	—
OCI	198	157	(4,956)	(7,642)	(3,011)	256
Total comprehensive income	**7,909**	**(492)**	**(8,370)**	**(1,491)**	**(4,319)**	**256**
Profit for the year attributable to NCI	2,121	(260)	(1,236)	2,337	(659)	—
OCI for the year attributable to NCI	54	63	(1,795)	(2,904)	(1,518)	114
Dividends paid to NCI	2,694	—	—	—	562	—
Net cash inflow/(outflow) from operating activities	4,136	703	1,997	8,183	(26)	4,100
Net cash inflow/(outflow) from investing activities	(2,601)	(114)	(1,763)	(986)	(18)	(898)
Net cash inflow/(outflow) from financing activities	(1,541)	(913)	(118)	(12,652)	(3,455)	(2,407)
Net cash inflow/(outflow)	**(6)**	**(324)**	**116**	**(5,455)**	**(3,499)**	**795**

22 Non-controlling interests (continued)

Summarised financial information in respect of each of the Group's subsidiaries that have non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations for the year ended 31 December 2016:

USD '000

	Ege Ports	Bodrum Cruise Port	Port of Adria	BPI	Cruceros	Valletta	Ravenna	Cagliari	Catania
NCI percentage	27.5%	40.0%	36.2%	38.0%	50.4%	44.4%	46.3%	29.1%	37.8%
Non-current assets	31,159	6,007	55,919	128,747	13,883	91,115	85	762	252
Current assets	23,855	2,440	3,208	13,967	2,929	2,042	288	391	358
Non-current liabilities	(6,287)	(877)	(5,849)	(72,844)	(7,626)	(31,530)	(10)	(4)	—
Current liabilities	(9,423)	(666)	(16,069)	(6,936)	(1,320)	(4,240)	(128)	(933)	(574)
Net assets	**39,304**	**6,904**	**37,209**	**62,934**	**7,866**	**57,387**	**235**	**216**	**36**
Net assets attributable to NCI	10,809	2,762	13,473	23,915	3,964	25,480	109	63	13
Revenue	11,650	2,168	7,884	24,237	2,876	12,418	—	—	—
Profit	3,865	(1,003)	(2,390)	4,296	(340)	1,733	—	—	—
OCI	(1,400)	(242)	(1,338)	(3,329)	(285)	(494)	—	—	—
Total comprehensive income	**2,465**	**(1,245)**	**(3,728)**	**967**	**(625)**	**1,239**	**—**	**—**	**—**
Profit for the year attributable to NCI	1,063	(401)	(866)	1,633	(171)	808	—	—	—
OCI for the year attributable to NCI	(385)	(97)	(484)	(1,265)	(143)	(220)	—	—	—
Dividends paid to NCI	—	—	—	2,191	—	819	—	—	—
Net cash inflow/(outflow) from operating activities	53	(386)	5,246	11,427	1,249	4,167	—	—	—
Net cash inflow/(outflow) from investing activities	(1,134)	4	(4,081)	(270)	(5)	(1,913)	—	—	—
Net cash inflow/(outflow) from financing activities	(668)	365	(125)	(11,336)	(718)	(4,036)	—	—	—
Net cash inflow/(outflow)	**(1,749)**	**(17)**	**1,040**	**(179)**	**526**	**(1,782)**	**—**	**—**	**—**

23 Loans and borrowings

As at 31 December, loans and borrowings comprised the following:

Short term loans and borrowings	**2014 (USD '000)**	**2015 (USD '000)**	**2016 (USD '000)**
Short term portion of Eurobond issued	19,340	19,335	19,340
Short term bank loans	2,158	3,195	9,068
- TL Loans	*647*	*102*	*1,397*
- Foreign currency loans	*1,511*	*3,093*	*7,671*
Short term portion of long term bank loans	7,128	12,662	13,710
- TL Loans	*16*	—	—
- Foreign currency loans	*7,112*	*12,662*	*13,710*
Finance lease obligations	1,584	1,429	1,541
Total	**30,210**	**36,621**	**43,659**

Long term loans and borrowings	**2014 (USD '000)**	**2015 (USD '000)**	**2016 (USD '000)**
Long term portion of Eurobonds issued	233,235	233,223	233,260
Long term bank loans	68,476	77,439	62,845
- TL Loans	—	—	—
- Foreign currency loans	*68,476*	*77,439*	*62,845*
Finance lease obligations	4,940	3,866	2,915
Total	**306,651**	**314,528**	**299,020**

As at 31 December, maturity profile of long term bank loans comprised the following:

Year	**2014 (USD '000)**	**2015 (USD '000)**	**2016 (USD '000)**
Between 1-2 years	26,154	31,069	30,338
Between 2-3 years	23,856	29,464	29,497
Between 3-4 years	22,069	28,304	27,310
Over 5 years	229,632	221,825	208,960
Total	**301,711**	**310,662**	**296,105**

As at 31 December, the maturity profile of finance lease obligations comprised the following:

USD '000	**2014**			**2015**			**2016**		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than one year	2,054	470	1,584	1,603	175	1,429	1,677	136	1,541
Between one and five years	5,927	987	4,940	4,608	743	3,866	3,312	397	2,915
Total	**7,981**	**1,457**	**6,524**	**6,211**	**918**	**5,295**	**4,989**	**533**	**4,456**

23 Loans and borrowings (continued)

Details of the loans and borrowings as at 31 December 2014 are as follows:

					As at 31 December 2014		
Loans and borrowings type	**Company name**	**Currency**	**Maturity**	**Interest type**	**Interest rate (%)**	**Principal ('000)**	**Carrying value ('000)**
Loans used to finance investments and projects							
Unsecured Eurobonds *(i)*	Global Liman	USD	2021	Fixed	8.13	250,000	252,575
Unsecured Loan	Bodrum Liman	USD	2016	Fixed	7.75	441	449
Secured Loan	Ortadoğu Liman	TL	2015	Fixed	11.76	16	16
Secured Loan *(ii)*	BPI	EUR	2023	Floating	Euribor + 4.00	62,406	62,479
Secured Loan *(iii)*	Malaga Port	EUR	2025	Floating	Euribor 3m + 1.75	8,816	8,885
Secured Loan	Port of Adria	EUR	2016	Floating	Euribor + 6.20	512	512
Secured Loan	Port of Adria	EUR	2017	Fixed	8.20	502	505
						322,693	**325,421**
Loans used to finance working capital							
Unsecured Loan	Bodrum Liman	TL	2015	Fixed	11.00	647	647
Unsecured Loan	Ege Liman	USD	2015	Fixed	6.25	1,000	1,000
Secured Loan *(ii)*	Creuers	EUR	2024	Floating	Euribor + 4.00	2,918	2,918
Secured Loan	Port of Adria	EUR	2017	Fixed	8.00	343	351
						4,908	**4,916**
Finance lease obligations							
Leasing	Ortadoğu Liman	USD	2015	Fixed	5.92	270	270
Leasing	Ortadoğu Liman	USD	2017	Fixed	5.75	190	190
Leasing *(vi)*	Ortadoğu Liman	USD	2020	Fixed	7.35	1,680	1,680
Leasing	Ortadoğu Liman	USD	2019	Fixed	7.35	392	392
Leasing	Ortadoğu Liman	USD	2019	Fixed	0.00	31	31
Leasing *(vii)*	Ege Liman	EUR	2020	Fixed	7.75	3,750	3,750
Leasing	Ege Liman	USD	2017	Fixed	6.50	118	118
Leasing	Ege Liman	USD	2017	Fixed	5.75	32	32
Leasing	Ege Liman	USD	2017	Fixed	6.00	62	62
						6,525	**6,525**
						334,126	**336,862**

23 Loans and borrowings (continued)

Details of the loans and borrowings as at 31 December 2015 are as follows:

					As at 31 December 2015		
Loans and borrowings type	**Company name**	**Currency**	**Maturity**	**Interest type**	**Interest rate (%)**	**Principal ('000)**	**Carrying value('000)**
Loans used to finance investments and projects							
Unsecured Eurobonds *(i)*	Global Liman	USD	2021	Fixed	8.13	250,000	252,558
Unsecured Loan	Bodrum Liman	USD	2016	Fixed	7.75	153	156
Secured Loan *(ii)*	BPI	EUR	2023	Floating	Euribor + 4.00	44,709	43,447
Secured Loan *(iii)*	Malaga Port	EUR	2025	Floating	Euribor 3m + 1.75	7,281	7,245
Secured Loan (iv)	VCP	EUR	2026	Floating	Euribor + 4.00	11,673	12,031
Secured Loan (v)	Global BV	EUR	2020	Floating	Euribor + 4.60	24,043	24,158
Secured Loan	Port of Adria	EUR	2016	Floating	Euribor + 6.20	688	688
Secured Loan	Port of Adria	EUR	2017	Fixed	8.20	296	295
						338,843	**340,578**
Loans used to finance working capital							
Unsecured Loan	Global Liman	TL	2016	Fixed	11.70	102	102
Unsecured Loan	Ege Liman	USD	2016	Fixed	6.25	1,000	955
Unsecured Loan	Ege Liman	USD	2016	Fixed	5.20	1,300	1,300
Unsecured Loan	Ege Liman	USD	2016	Fixed	5.75	150	150
Secured Loan *(ii)*	Creuers	EUR	2024	Floating	Euribor + 4.00	2,621	2,557
Secured Loan	Port of Adria	EUR	2017	Fixed	8.00	213	213
						5,386	**5,277**
Finance lease obligations							
Leasing *(vi)*	Ortadoğu Liman	USD	2020	Fixed	7.35	1,426	1,426
Leasing	Ortadoğu Liman	USD	2019	Fixed	7.35	314	314
Leasing	Ortadoğu Liman	USD	2018	Fixed	7.35	208	208
Leasing	Ortadoğu Liman	USD	2017	Fixed	7.35	128	128
Leasing	Ortadoğu Liman	USD	2019	Fixed	5.75	117	117
Leasing	Ortadoğu Liman	USD	2019	Fixed	7.35	25	25
Leasing *(vii)*	Ege Liman	EUR	2020	Fixed	7.75	2,865	2,865
Leasing	Ege Liman	USD	2017	Fixed	6.50	74	74
Leasing	Ege Liman	USD	2018	Fixed	6.00	77	77
Leasing	Ege Liman	USD	2017	Fixed	5.75	21	21
Leasing	Ege Liman	USD	2017	Fixed	6.00	39	39
						5,294	**5,294**
						349,523	**351,149**

23 Loans and borrowings (continued)

Details of the loans and borrowings as at 31 December 2016 are as follows:

					As at 31 December 2016		
Loans and borrowings type	**Company name**	**Currency**	**Maturity**	**Interest type**	**Interest rate (%)**	**Principal (‘000)**	**Carrying value (‘000)**
Loans used to finance investments and projects							
Unsecured Eurobonds *(i)*	Global Liman	USD	2021	Fixed	8.13	250,000	252,600
Secured Loan *(ii)*	BPI	EUR	2023	Floating	Euribor + 4.00	37,603	36,644
Secured Loan *(iii)*	Malaga Cruise Port	EUR	2025	Floating	Euribor 3m + 1.75	6,376	6,307
Secured Loan *(iv)*	VCP	EUR	2029	Floating	Euribor + 3.00	9,389	9,614
Secured Loan *(v)*	Global BV	EUR	2020	Floating	Euribor + 4.60	20,609	20,546
Secured Loan	Cagliari Cruise Port	EUR	2026	Fixed	2.75	604	604
Secured Loan	Ortadoğu Liman	USD	2016	Fixed	4.40	125	125
Secured Loan	Port of Adria	EUR	2017	Fixed	5.00	796	796
Secured Loan	Port of Adria	EUR	2017	Fixed	8.20	135	135
						325,637	**327,371**
Loans used to finance working capital							
Unsecured Loan	Ege Liman	USD	2017	Fixed	4.50	2,000	2,000
Unsecured Loan	Ege Liman	TL	2017	Fixed	15.60	200	200
Unsecured Loan	Ege Liman	USD	2017	Fixed	4.50	875	875
Unsecured Loan	Ege Liman	USD	2017	Fixed	4.95	900	900
Unsecured Loan	Ege Liman	TL	2017	Fixed	15.60	55	55
Unsecured Loan	Ortadoğu Liman	USD	2017	Fixed	4.95	3,100	3,100
Unsecured Loan	Ortadoğu Liman	TL	2017	Fixed	13.00	375	377
Unsecured Loan	Bodrum Liman	TL	2017	Fixed	15.60	509	509
Unsecured Loan	Global Liman	TL	2017	Fixed	13.00	256	256
Secured Loan *(ii)*	Creuers	EUR	2024	Floating	Euribor + 4.00	2,529	2,474
Secured Loan	Port of Adria	EUR	2017	Fixed	8.00	107	106
						10,906	**10,852**

23 Loans and borrowings (continued)

Loans and borrowings type	Company name	Currency	Maturity	Interest type	As at 31 December 2016 Interest rate (%)	Principal (‘000)	Carrying value (‘000)
Finance lease obligations							
Leasing *(vi)*	Ortadoğu Liman	USD	2020	Fixed	7.35	1,150	1,150
Leasing	Ortadoğu Liman	USD	2019	Fixed	7.35	231	231
Leasing	Ortadoğu Liman	USD	2018	Fixed	7.35	108	108
Leasing	Ortadoğu Liman	USD	2017	Fixed	7.35	96	96
Leasing	Ortadoğu Liman	USD	2019	Fixed	5.75	40	40
Leasing	Ortadoğu Liman	USD	2019	Fixed	7.35	19	19
Leasing *(vii)*	Ege Liman	EUR	2020	Fixed	7.75	2,236	2,236
Leasing	Ege Liman	USD	2020	Fixed	5.50	480	480
Leasing	Ege Liman	USD	2017	Fixed	6.50	26	26
Leasing	Ege Liman	USD	2018	Fixed	6.00	46	46
Leasing	Ege Liman	USD	2017	Fixed	5.75	10	10
Leasing	Ege Liman	USD	2017	Fixed	6.00	14	14
						4,456	**4,456**
						340,999	**342,679**

23 Loans and borrowings (continued)

The detailed information related to the significant loans borrowed by the Group is as follows:

(i) The sales process of the Eurobond issuances amounting to USD 250 million with 7 years of maturity, and 8.125% coupon rate based on 8.250% reoffer yield was completed on 14 November 2014. Coupon repayment was made semi-annually. The bonds are now quoted on the Irish Stock Exchange. Eurobonds contain the following covenants:

- If a concession termination event occurs at any time, Global Liman (the "Issuer") must offer to repurchase all of the notes pursuant to the terms set forth in the indenture (a "Concession Termination Event Offer"). In the Concession Termination Event Offer, the Issuer will offer a "Concession Termination Event Payment" in cash equal to 100% of the aggregate principal amount of Notes repurchased plus accrued and unpaid interest and Additional Amounts, if any, on the Notes repurchased, to the date of purchase (the "Concession Termination Event Payment Date"), subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant interest payment date.
- The consolidated leverage ratio may not exceed 5.0 to 1. Excluding the consolidated leverage ratio breach, the Issuer and all its subsidiaries except Malaga Cruise Port and Lisbon Cruise Port ("Restricted Subsidiary") will be entitled to incur any or all of the following Indebtedness:
  - Indebtedness incurred by the Issuer, Ege Ports ("Guarantor") or Ortadoğu Liman ("Guarantor") pursuant to one or more credit facilities in an aggregate principal amount outstanding at any time not exceeding USD 5,000,000;
  - Purchase money indebtedness incurred to finance the acquisition by the Issuer or a Restricted Subsidiary of assets in the ordinary course of business in an aggregate principal amount which, when added together with the amount of indebtedness incurred and then outstanding, does not exceed USD 10,000,000;
  - Any additional indebtedness of the Issuer or any Guarantor (other than and in addition to indebtedness permitted above) and Port of Adria indebtedness, provided, however, that the aggregate principal amount of Indebtedness outstanding at any time of this clause does not exceed USD 20,000,000; and provided further, that more than 50% in aggregate principal amount of any Port of Adria indebtedness incurred pursuant to this clause is borrowed from the International Finance Corporation and/or the European Bank for Reconstruction and Development.

(ii) On 30 September 2014, BPI and Creuers entered into a syndicated loan amounting to Euro 60,250 thousand. Tranche A of this loan, amounting to Euro 54,000 thousand, is paid semi-annually, at the end of June and December, the last payment being in 2023. Tranche B has been already paid for Euro 3,851 thousand as of 10 October 2014. Tranche C amounting to Euro 2,399 thousand has a bullet payment in 2024. The interest rate of this loan is Euribor 6m + 4.00%. The syndicated loan is subject to a number of financial ratios and restrictions, breach of which could lead to early repayment being requested. Under this loan, in the event of default, the shares of BPI and Creuers are pledged together with certain rights of these companies. The agreement includes terms about certain limitations on dividends payments, new investments, and change in the control of the companies, change of the business, new loans and disposal of assets.

(iii) On 12 January 2010, Cruceros Málaga, S.A. entered into a loan agreement with Unicaja regarding a Euro 9 million loan to finance the construction of the new terminal. This loan had an 18-month grace period; it is linked to Euribor and has a term of 180 months from the agreement execution date, therefore the maturity date of the loan is on 12 January 2025. A mortgage has been taken out on the administrative concession agreement to guarantee repayment of the loan principal and accrued interest thereon.

(iv) VCP bank loans and overdraft facilities bear interest at 3.90%—4.15% (31 December 2015: 3.90%—4.15%, 31 December 2014: 3.90%—4.30%) per annum and are secured by a mortgage over VCP's present and future assets, together with a mortgage over specific property within the concession site for a period of 65 years commencing on 21 November 2001.

(v) Global Ports Europe BV entered into a loan amounting to Euro 22,000, thousand in total on 16 November 2015 with a 6-year maturity, 12 months grace period and an interest rate of Euribor

23 Loans and borrowings (continued)

+ 4.60%. Principal and interest is paid twice, on May and November of each year. Under this loan agreement, in the event of default, the shares of Global Ports Europe BV are pledged in accordance with a share pledge agreement. The remaining principal amount of the loan as at 31 December 2015 is Euro 22,000 thousand (31 December 2014: nil).

(vi) On 12 June 2014, Ortadoğu Liman has signed a finance lease agreement for a port tugboat with the interest rate of 7.35% having the maturity of 16 July 2020.

(vii) On June 2014, Ege Liman has signed a finance lease agreement for port tugboat with the interest rate of 7.75% with the maturity at 2020.

24 Trade and other payables

As at 31 December, current trade and other payables comprised the following:

	2014 (USD '000)	2015 (USD '000)	2016 (USD '000)
Payables to suppliers	5,056	6,210	7,974
Taxes payable and social security contributions	2,906	2,347	1,625
Due to non-controlling interest	2,307	2,330	187
Payables to personnel	1,278	1,111	1,348
Deposits received	553	445	351
Advances received	347	510	880
Expense accruals	319	962	1,178
Deferred revenue	4	510	124
Other	494	240	796
Total	**13,264**	**14,665**	**14,463**

The Group's average credit period for trade purchases is 47 days as of 31 December 2016 (31 December 2015: 36, 31 December 2014: 35). The directors consider that the carrying amount of trade payables approximates to their fair value. The Group's exposure to currency and liquidity risk related to the trade and other payables is disclosed in Note 31.

25 Employee benefits

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

The amount payable consists of one month's salary limited to a maximum of USD 1,121 for each period of service at 31 December 2016 (31 December 2015: USD 1,407, 31 December 2014: USD 1,572).

Retirement pay liability is not subject to any kind of funding legally. Provision for retirement pay liability is calculated by estimating the present value of probable liability amount arising due to retirement of employees. IAS 19 *Employee Benefits* stipulates the development of a company's liabilities by using actuarial valuation methods under defined benefit plans. In this direction, actuarial assumptions used in calculation of total liabilities are described as follows:

Ceiling amount of USD 1,358 which is in effect since 1 January 2017 is used in the calculation of the Group's provision for retirement pay liability for the year ended 31 December 2016 (1 January 2016: USD 1,408, 1 January 2015: USD 1,527). The principal statistical assumptions used in the calculation of the total liability in the accompanying consolidated historical financial information at 31 December were as follows:

	2014	2015	2016
Discount rate	3.81%	4.23%	4.72%
Turnover rate for the expectation of retirement probability	90%-100%	90%-100%	90%-100%

25 Employee benefits (continued)

Movements in the reserve for employee termination indemnity during the years ended 31 December comprised the following:

	2014 (USD '000)	2015 (USD '000)	2016 (USD '000)
1 January	1,706	1,552	1,464
Included in profit or loss			
Current service costs and interest	334	299	186
Provision reversals			(2)
Included in OCI			
Actuarial (gain) / losses	13	(36)	(50)
Other			
Benefits paid	(462)	(183)	(229)
Foreign currency translation differences	(39)	(168)	(82)
31 December	**1,552**	**1,464**	**1,287**

26 Provisions

Non-current	As at 31 December 2014 (USD '000)	As at 31 December 2015 (USD '000)	As at 31 December 2016 (USD '000)
Replacement provisions for Creuers (*)	9,955	11,612	13,487
Restructuring provisions for Port of Adria (**)	3,383	2,566	1,371
Total	**13,338**	**14,178**	**14,858**

(*) As part of the concession agreement between Creuers and the Barcelona and Malaga Port Authorities entered in 2013 (see Note 28(c)), the Company has an obligation to maintain the port equipment in good operating condition throughout its operating period, and in addition return the port equipment to the Port Authorities in a specific condition at the end of the agreement. Therefore, replacement provisions have been recognised based on Management's best estimate of the potential capital expenditure required to be incurred in order to replace the port equipment assets in order to meet this requirement.

(**) On 27 December 2013, the Government of Montenegro and Container Terminal and General Cargo JSC-Bar ("CTGC") entered into an agreement regarding the operating concession for the Port of Adria-Bar which terminates on 27 December 2043 (see Note 28 (c)).

(a) For the first three years of the agreement, CTGC was required to launch and invest Euro 6.5 million in certain social programmes at Port of Adria Bar. The social programmes refer to the retrenching of employees which included the establishment of a successful management trainee programme, and subsidising employees to attend training and acquire additional qualifications, as well as the provision of English lessons to such employees.

(b) From the fourth year of the agreement, CTGC had an obligation to pay a concession fee to the Government of Montenegro of Euro 500,000 per year until the end of the agreement.

Current	As at 31 December 2014 (USD '000)	As at 31 December 2015 (USD '000)	As at 31 December 2016 (USD '000)
Other	608	412	1,199
Total	**608**	**412**	**1,199**

26 Provisions (continued)

For the years ended 31 December, the movements of the provisions as below:

	2014 (USD '000)	2015 (USD '000)	2016 (USD '000)
Balance at 1 January	**7,798**	**13,946**	**14,590**
Assumed in a business combination (Note 6)	10,143	—	—
Provisions made during the year	1,964	2,317	3,212
Reversal made during the year	(112)	(62)	—
Provisions used during the year	(4,970)	(741)	(1,524)
Unwinding of provisions during the year	75	528	528
Currency translation difference	(952)	(1,398)	(749)
Balance at 31 December	**13,946**	**14,590**	**16,057**
Non-current	13,338	14,178	14,858
Current	608	412	1,199
	13,946	**14,590**	**16,057**

27 Earnings per share

The Group presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, less own shares acquired.

The Group does not present diluted earnings per share ("diluted EPS") data, because there are no potential convertible dilutive securities.

For the years ended 31 December, earnings per share is calculated by dividing the profit attributable to ordinary shareholders, by the weighted average number of shares outstanding.

	2014 (USD '000)	2015 (USD '000)	2016 (USD '000)
Profit attributable to owners of the Company	21,865	14,157	2,208
Weighted average number of shares	66,253,100	67,336,588	74,323,982
Basic and diluted earnings per share with par value of TL 1 (cents per share)	33.0	21.0	3.0

28 Commitment and contingencies

a) Litigation

There are pending lawsuits that have been filed against or by the Group. Management of the Group assesses the possible results and financial effects of these lawsuits at the end of each period and as a result of these assessments, the required provisions are recognised for the possible expenses and liabilities. The total provision amount that has been recognised as at 31 December 2016 is USD 698 thousand (31 December 2015: USD 65 thousand, 31 December 2014: nil).

The information related to the significant lawsuits that the Group is directly or indirectly a party to, is outlined below:

Legal proceedings in relation to Ortadoğu Antalya, Ege Liman and Bodrum Liman's applications for extension of their operation rights

On 6 June 2013, the Turkish Constitutional Court partially annulled a law that had prevented operators of privatised facilities from applying to extend their operating term. The respective Group companies then applied to extend the concession terms of Port Akdeniz-Antalya, Ege Ports-Kuşadası and Bodrum Cruise Port for extension of terms up to, in total, 49 years. After these applications were rejected, the respective Group companies filed lawsuits with administrative courts challenging the decisions. The lawsuits were rejected by the courts of first instance, except for three lawsuits relating to Bodrum Cruise Port in which the courts of first instance upheld the respective Group companies' claims relating to extension. All foregoing

28 Commitment and contingencies (continued)

a) Litigation (continued)

court rulings were appealed either by the Group companies or relevant administration. The Council of State reversed the lower courts' judgment with respect to Ege Ports-Kuşadası, but the relevant administration applied to the Council of State for reversal of this judgment and the case is still pending. The appeal relating to Port Akdeniz-Antalya is still pending before the Council of State. The three lawsuits regarding the extension of Bodrum Cruise Port's operating rights are pending before the Council of State and the court of second instance.

Therefore, no liability or provision has been recognised in the consolidated balance sheet as at 31 December 2014, 2015 and 2016 in relation to these cases.

Legal challenges against the privatisation tender process of Ege Ports-Kuşadası

There is a finalised legal challenge of the privatisation tender process by which Ege Ports-Kuşadası was awarded to Ege Liman. The challenge sought the return of Ege Ports-Kuşadası to the State, and the challenge was upheld by the court of first instance and the Council of State. The Privatisation Administration has the responsibility to enforce the court decision and return Ege Ports-Kuşadası to the State.

In practice there are many instances in which the Privatisation Administration has ultimately not enforced decisions cancelling tender approvals on the basis of "impossibility of performance". Management is not aware of any instance in which a privatised asset has been returned to the State as a result of such a challenge to the tender process. Furthermore, in 2011, the Council of Ministers decided not to enforce court decisions for the return of privatised assets to the State, including the decision relating to Ege Ports-Kuşadası. Consistent with this historic approach, the Privatisation Administration declared in 2014 that it will not take any action to return Ege Ports-Kuşadası to the State. Following this, a legal provision that prevents the Privatisation Administration from taking actions for the return of privatised assets was introduced and the Privatisation Administration again confirmed that it will not take any actions for the enforcement of court decision with regard to claiming the return of Ege Ports-Kuşadası and it will not initiate any lawsuit in this regard. Although the Constitutional Court annulled this legal provision, to date the Privatisation Administration has maintained its position to not to enforce the cancellation of the Privatisation High Council's decision regarding the privatisation.

Given the time passed since the annulment of the foregoing legal provision and the Privatisation Administration's expressed approach, the Group expects that the Privatisation Administration will not take any action. In addition, if Ege Ports-Kuşadası were to be returned to the State, the Group may claim any damages arising out of the cancellation of Privatisation High Council's decision, including the amount paid to the Privatisation Administration for the concession, newly constructed buildings and other structures and any other investments made to Ege Ports-Kuşadası to date, with interest. The Group may also claim loss of profit for the remaining term of the concession period. However, as there are no previous instances of a privatised asset being returned to the State, such a lawsuit would be without precedent.

Therefore, no liability or provision has been recognised in the consolidated balance sheet as at 31 December 2014, 2015 and 2016 in relation to these cases.

Legal challenges relating to Zoning Plans of Ege Ports-Kuşadası

Four different zoning plans have been issued in relation to the land of Ege Ports-Kuşadası in 2006, 2010, 2011 and 2015. Local residents and the Municipality of Kuşadası initiated legal challenges against each of the 2006, 2010 and 2011 zoning plans, among other reasons, challenging the designation of the land for use as a cruise port. The challenges to the 2010 and 2011 zoning plans were dismissed by the courts on the basis that the Ministry of Environment and Urbanisation had issued a new zoning plan in 2015. A construction licence was obtained by Ege Ports-Kuşadası under the 2015 zoning plan and it is awaiting approval for an occupancy permit. The challenges relating to the 2006 zoning plan remain pending before the Council of State.

Therefore, no liability or provision has been recognised in the consolidated balance sheet as at 31 December 2014, 2015 and 2016 in relation to these cases.

28 Commitment and contingencies (continued)

a) Litigation (continued)

A fee claim by the Ministry of Environment and Forestry against Port Akdeniz-Antalya for the allocation of land from the TDI

There is a finalised legal challenge regarding payment for land allocated to Port Akdeniz-Antalya by the TDI. The land was transferred without payment as part of the operating rights agreement with respect to Port Akdeniz-Antalya. The Council of the State and the Ministry of Environment and Forestry General Directorate challenged the land allocation on the basis that the TDI should have sought compensation for the land. As far as the Group is aware, the TDI and the Ministry of Environment and Forestry have not come to an agreement regarding collection of the relevant consideration as of the date of this Prospectus.

As a result of a disagreement between the TDI and the Ministry of Environment and Forestry on the consideration for land allocated, the Ministry of Environment and Forestry may request from the Group the same amount that it previously requested from the TDI for allocation of these lands. As of the date of this Prospectus, no claim has been made against the Group, by the Ministry of Environment and Forestry, except for the claim requesting the return of the training and social facilities operated by third parties which are being used outside of the scope of port operations, and no claim has been made against the Group concerning any payment relating to land allocation of Port Akdeniz-Antalya.

If the Group is forced to pay the aforesaid amount to the Ministry of Environment and Forestry, the Group may seek reimbursement from the TDI, on the grounds of its right of recourse arising from the agreement transferring operational rights to the land at Port Akdeniz-Antalya.

Therefore, no liability or provision has been recognised in the consolidated balance sheet as at 31 December 2014, 2015 and 2016 in relation to these cases.

b) Guarantees

As at 31 December, the letters of guarantee given comprised the following:

Letters of guarantee	2014 (USD '000)	2015 (USD '000)	2016 (USD '000)
Given to seller for the call option on APVS shares (*)	—	—	5,138
Given to Privatisation Administration / Port Authority	2,940	4,754	4,047
Given to Electricity Distribution Companies	231	41	8
Given to courts	67	—	64
Others	318	108	520
Total letters of guarantee	**3,556**	**4,903**	**9,777**

(*) Venetto Sviluppo, the 51% shareholder of APVS, which in turn owns a 53% stake in Venezia Terminal Passegeri S.p.A (VTP), has a put option to sell its shares in APVS partially or completely (up to 51%) to Venezia Investimenti (VI). This option can be exercised between 15th May 2017 and 15th November 2018. If VS exercises the put option completely, VI will own 99% of APVS and accordingly 71.51% of VTP. The Company has given a guarantee letter for its portion of 25% in VI, which in turn has given the full amount of call option as guarantee letter to VS.

Other collaterals are disclosed in Note 23.

c) Contractual obligations

Ege Liman

The details of the TOORA dated 2 July 2003, executed by and between Ege Liman and OIB together with TDI are stated below:

The agreement allows Ege Liman to operate Ege Ports-Kuşadası for a term of 30 years for a total consideration of USD 24.3 million which has already been paid. Ege Liman's operation rights extend to port facilities, infrastructure and facilities which are either owned by the State or were used by TDI for operating the port, as well as the duty-free stores leased by the TDI. Ege Liman is entitled to construct and operate new stores in the port area with the written consent of the TDI.

28 Commitment and contingencies (continued) (continued)

c) Contractual obligations (continued)

Ege Liman is able to determine tariffs for Ege Ports- Kuşadası's port services at its own discretion without TDI's approval (apart from the tariffs for services provided to Turkish military ships).

The TOORA requires that the foreign ownership or voting rights in Ege Liman do not exceed 49%. Pursuant to the terms of the TOORA, the TDI is entitled to hold one share in Ege Liman and to nominate one of Ege Ports-Kuşadası's board members. Global Liman appoints the remaining board members and otherwise controls all operational decisions associated with the port. Ege Ports-Kuşadası does not have the right to transfer its operating rights to a third party.

<u>Ortadoğu Liman</u>

The details of the TOORA dated 31 August 1998, executed by and between Ortadoğu Liman and OIB together with TDI are stated below:

Ortadoğu Liman will be performing services such as sheltering, installing, charging, discharging, shifting, terminal services, pilotage, towing, moorings, water quenching, waste reception, operating, maintaining and repairing of cruise terminals, in Antalya Port for an operational period of 30 years. Ortadoğu Liman is liable for the maintenance of Antalya Port together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the TDI, while the movable properties stay with Ortadoğu Liman. Ortadoğu Liman is able to determine tariffs for Port Akdeniz-Antalya's port services at its own discretion without being subject to TDI's approval (apart from the tariffs for services provided to Turkish military ships).

The TOORA requires that foreign ownership or voting rights in Ortadoğu Liman do not exceed 49%. Pursuant to the terms of the TOORA, the TDI is entitled to hold one share in Ortadoğu Liman. The TDI can also appoint one of Ortadoğu Liman's board members. Ortadoğu Liman cannot transfer its operating rights to a third party without the prior approval of the TDI.

<u>Bodrum Liman</u>

The details of the BOT Agreement dated 23 June 2004, executed by and between Bodrum Liman and the DLH are stated below:

Bodrum Liman had to construct the Bodrum Cruise Port in a period of 1 year and 4 months following the delivery of the land and thereafter, will operate the Bodrum Cruise Port for 12 years. The final acceptance of the construction was performed on 4 December 2007, and thus the operation period has commenced.

Bodrum Liman also executed a Concession Agreement with the General Directorate of National Property on 18 July 2006 ("Bodrum Port Concession Agreement"). The BOT Agreement is attached to the Bodrum Port Concession Agreement and Bodrum Liman is entitled to use the Bodrum Cruise Port under these agreements. The BOT Agreement permits Bodrum Liman to determine tariffs for Bodrum Cruise Port's port services at its own discretion, provided that it complies with applicable legislation, such as applicable maritime laws and competition laws.

For the first year of operation, Bodrum Liman was required to pay the Directorate General for Infrastructure Investments a land utilisation fee of USD 125 thousand. This fee increases by 3% in US Dollar terms each year.

<u>Port of Adria</u>

The details of the TOORA Contract dated 15 November 2013, executed by and between Global Liman and the Government of Montenegro and Container Terminal and General Cargo JSC-Bar ("CTGC") are stated below:

Global Liman will be performing services such as repair, financing, operation, maintenance in the Port of Adria for an operational period of 30 years (terminating in 2043).

28 Commitment and contingencies (continued) (continued)

c) Contractual obligations (continued)

CTGC has an obligation to pay to the Government of Montenegro (a) a fixed concession fee in the amount of Euro 500,000 per year; (b) a variable concession fee in the amount of Euro 5 per twenty-foot equivalent ("TEU") (full and empty) handled over the quay (ship-to-shore and shore-to-ship container handling), no fees are charged for the movement of the containers; (c) a variable concession fee in the amount of Euro 0.20 per ton of general cargo handled over the quay (ship-to-shore and shore-to-ship general cargo handling). However, pursuant to Montenegrin Law on Concessions, as an aid to the investor for investing in a port of national interest, the concession fee was set in the amount of Euro 1 for the period of three years starting from the effective date of the TOORA Contract. Tariffs for services are regulated pursuant to the terms of the concession agreement with the Montenegro port authority, where the maximum rates are subject to adjustments for inflation.

For the first three years of the agreement, CTGC had to implement certain investment and social programmes outlined in the agreement and had to commit Euro 13.6 million towards capital expenditure during that period. This includes launching and investing Euro 6.5 million in certain social programmes at Port of Adria Bar such as retrenching employees, the establishment of a successful management trainee programme, and subsidising employees to attend training and acquire additional qualifications, as well as the provision of English lessons to employees.

Global Liman is liable for the maintenance of the Port of Adria together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the Government of Montenegro at a specific condition, while the movable properties stay with Global Liman.

Barcelona Cruise Port

The details of the TOORA Contract dated 29 July 1999, executed by and between Creuers del Port de Barcelona and the Barcelona Port authority are stated below:

Creuers del Port de Barcelona, S.A. ("Creuers") will be performing the management of port services related to the traffic of tourist cruises at the Port of Barcelona, as well as the development of commercial complementary activities corresponding to a seaport, in Adossat Wharf in Barcelona for an operational period of 27 years. The port operation rights for Adossat Wharf (comprised of Terminals A and B) terminates in 2030. The Port concession period can be extended automatically for three years provided that (i) Creuers has complied with all the obligations set forth in the Port Concession; and (ii) Creuers remains rendering port services on tourist cruises until the expiry of the extended term. Therefore, the concession the concession period is considered to be 30 years.

Creuers is liable for the maintenance of Adossat Wharf Terminals A and B, as well as ensuring that port equipment is maintained in good repair and in operating condition throughout its concession period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the Barcelona Port Authority.

The concession is subject to an annual payment, which was Euro 308,788 in 2016, which consisted of the following fees: (i) a fee for the occupancy of the public land at the port, (ii) a fee for the operation of public land for commercial activities, and (iii) a general service fee.

The details of the TOORA Contract dated 26 July 2003, executed by and between Creuers and the Barcelona Port authority are stated below:

Creuers will be performing the management of port services related to the traffic of tourist cruises at the Port of Barcelona, as well as the development of commercial complementary activities corresponding to a seaport, in WTC Wharf in Barcelona for an operational period of 27 years. The port operation rights for the World Trade Centre Wharf (comprised of Terminals N and S) terminate in 2027. However, the Port concession period can be extended automatically for three years provided that (i) Creuers has complied with all the obligations set forth in the Port Concession; and (ii) Creuers remains rendering port services on tourist cruises until the expiry of the extended term. Therefore, the concession period is considered as

28 Commitment and contingencies (continued) (continued)

c) Contractual obligations (continued)

Barcelona Cruise Port

30 years. Creuers is liable for the maintenance of Adossat Wharf Terminals N and S together with the port equipment in good repair and in operating condition throughout its operating right period. After the expiry of the contractual period, the real estate and the integral parts of it shall be surrendered to the Barcelona Port Authority.

Malaga Cruise Port

The details of the TOORA Contract dated 9 July 2008, executed by and between Cruceros Malaga and the Malaga Port authority are stated below:

Cruceros Málaga, S.A. obtained an administrative concession to occupy the Levante Terminal of the Malaga Port and its exploitation, for a 30-year period, terminating in 2038. The concession term can be extended for up to fifteen years, in two terms of 10 and 5 additional years (extending the total concession period to 45 years), due to an amendment to the Malaga Levante Agreement approved by the Malaga Port Authority in its resolution dated 28 October 2009. These extensions require (i) the approval by the Malaga Port Authority and (ii) Cruceros Malaga to comply with all of the obligations set forth in the concession. Cruceros will perform passenger services, terminal usage and luggage services, as well as undertake general maintenance of the Levante Terminal. Cruceros is responsible for ensuring that the port equipment is maintained in good repair and operating condition throughout the concession term.

The concession is subject to an annual payment, which was Euro 509,000 in 2016, which consisted of the following fees: (i) a fee for the occupancy of the public land at the port, and (ii) a fee for the operation of public land for commercial activities.

The details of the TOORA Contract dated 11 December 2011, executed by and between Cruceros Malaga and the Malaga Port authority are stated below:

Cruceros Málaga, S.A. obtained an administrative concession to occupy El Palmeral Terminal of the Malaga Port and its exploitation, for a 30-year period, terminating in 2042. Cruceros will perform passenger services, terminal usage and luggage services, as well as undertake general maintenance of the El Palmeral Terminal. Cruceros is responsible for ensuring that the port equipment is maintained in good repair and operating condition throughout the concession term.

The concession is subject to an annual payment, which was Euro 154,897 in 2016, which consisted of the following fees: (i) a fee for the occupancy of the public land at the port, and (ii) a fee for the operation of public land for commercial activities.

Valletta Cruise Port

On 22 November 2001, VCP signed a deed with the Government of Malta by virtue of which the Government granted a 65-year concession over the buildings and lands situated in Floriana, which has an area of 46,197square metres (“sqm”). VCP will perform operation and management of a cruise liner passenger terminal and an international ferry passenger terminal together with complementary leisure facilities. The area transferred is used as follows: retail 6,854sqm, office 4,833sqm, terminal 21,145sqm and potential buildings 13,365sqm.

A ground rent is payable by Valletta Cruise Port to the Government of Malta in the sum of Euro 734,848 per annum. At the end of each 12 month period, VCP is required pay to the Government of Malta (a) 15% of all revenue deriving from the letting of any buildings or facilities on the concession site for that 12 month period, and (b) 10% of revenue deriving from passenger and cruise liner operations, subject to the deduction of direct costs and services from the revenue upon which 10% fee is payable.

28 Commitment and contingencies (continued)

d) Operating leases

Lease as lessee

The Group entered into various operating lease agreements. Operating lease rentals are payable as follows:

	As at 31 December 2014 (USD '000)	As at 31 December 2015 (USD '000)	As at 31 December 2016 (USD '000)
Less than one year	859	1,481	1,506
Between one and five years	2,694	5,463	5,324
More than five years	13,137	75,286	72,032
	16,690	**82,230**	**78,862**

In the periods presented, the Group's main operating lease arrangements as lessee are the port rent agreement of Valletta Cruise Port until 2066, Port of Adria until 2043 and Bodrum Liman until 2019.

For the year ended 31 December 2016 payments recognised as rent expense were USD 1,109 thousand (31 December 2015: USD 1,420 thousand, 31 December 2014: USD 870 thousand) in the consolidated income statement and other comprehensive income.

Lease as lessor

The future lease receipts or future lease receivables under operating leases are as follows:

	As at 31 December 2014 (USD '000)	As at 31 December 2015 (USD '000)	As at 31 December 2016 (USD '000)
Less than one year	3,054	2,984	4,327
Between one and five years	8,155	4,941	8,013
More than five years	6,205	6,967	5,592
	17,414	**14,892**	**17,932**

The Group's main operating lease arrangements as lessor are a marina lease agreement of Ortadoğu Liman until 2028, and various shopping center rent agreements of Ege Liman and Bodrum Liman of up to 5 years.

During the year ended 31 December 2016, USD 14,611 thousand (31 December 2015: USD 7,774 thousand, 31 December 2014: USD 6,732 thousand) was recognised as rental income in the consolidated income statement and other comprehensive income.

29 Service concession arrangement

The port operation rights, which belongs to Creuers, recognised under intangible assets represents fixed asset elements built or acquired from third parties to adapt Sea Stations North and South of the World Trade Center and A and B of the Adossat Wharf of Port of Barcelona, according to administrative concession contracts to adapt and exploit such terminals in order to render the basic passengers' boarding and disembarkation port services and luggage and vehicle loading and unloading under passage system on cruise terminals.

The intangible model is applied to such agreements, since the consideration received consists on the right to collect the corresponding rates on the basis of the usage degree of the public service. Rates applied by Creuers are annually reviewed and approved by the Port Authorities of Barcelona.

Creuers pays occupancy and utilisation royalty to the Port Authorities of Barcelona on the basis of surfaces occupied and the value of fixtures made available. Additionally, an activity rate is accrued on the basis of the turnover generated by the activity.

On the basis of obligations assumed on the concession agreement, the corresponding provision for reposition and large repair actions is recorded (Note 26).

29 Service concession arrangement (continued)

The administrative concession contracts signed between the Port Authorities of Barcelona and Creuers are described below:

- Contract to adapt the Sea Station and render the tourist cruise port service of North and South terminals of the World Trade Center, signed for a 27-year period from its granting date, in October 1999.
- Contract to adapt the Sea Station A and B of the Adossat Wharf of Port of Barcelona and render the tourist cruise port service signed for a 27-year period from its granting date, in May 2003.

The Creuers' main actions in relation to the adaptation of the Sea Station refer to the construction of a building, fixed fixtures and equipment of terminals for their exploitation under the terms contemplated on concession agreements.

Under the syndicated loan agreement signed on 23 May 2008 the Company had undertaken a mortgage commitment on the concessions in favour of the lenders. In 2014, after settling all the amounts outstanding, the Company cancelled the guarantees extended to secure compliance with the obligations arising from this loan. On 26 September 2014 the Company arranged new guarantees in accordance with the new syndicated loan arranged (see Note 23), for which it pledged the receivables from the concession arrangements in favour of the lenders.

The Group's policy is to formalise insurance policies to cover possible risks to which certain elements related to administrative concessions are subject. There is a pledge commitment of credit rights derived from insurance policies by virtue of the syndicate loan contract signed on 23 May 2008 in favour of the lenders.

30 Related parties

The related parties of the Group which are disclosed in this note comprised the following:

Related parties	Relationship
Mehmet Kutman	Shareholder of Parent Company
Global Yatırım Holding	Parent Company and ultimate controlling party
Global Sigorta Aracılık Hizmetleri A.Ş. ("Global Sigorta")	Parent Company's subsidiary
IEG Kurumsal Finansal Danışmanlık A.Ş.	Parent Company's subsidiary
Global Menkul Değerler A.Ş. ("Global Menkul")	Parent Company's subsidiary
Adonia Shipping	Parent Company's subsidiary
Naturel Gaz	Parent Company's subsidiary

All related party transactions between the Company and its subsidiaries have been eliminated on consolidation, and are therefore not disclosed in this note.

Due from related parties

As at 31 December, current receivables from related parties comprised the following:

Current receivables from related parties	2014 (USD '000)	2015 (USD '000)	2016 (USD '000)
Global Yatırım Holding (*)	44,595	35,507	29,058
Adonia Shipping (**)	1,653	1,801	1,066
IEG Kurumsal Finansal Danışmanlık AŞ (**)	563	—	—
Naturel Gaz (**)	118	72	69
Mehmet Kutman	90	77	26
Others	236	685	1,282
Total	**47,255**	**38,142**	**31,501**

(*) The receivable from Global Yatırım Holding comprises charges and expenses incurred by the subsidiaries of the Group on behalf of Global Yatırım Holding prior to 2014.

(**) These amounts are related with the work advances. The charged interest rate is 10.50% as at 31 December 2016 (31 December 2015: 10.50%, 31 December 2014: 10.50 %).

30 Related parties (continued)

Due to related parties

As at 31 December, current payables to related parties comprised the following:

Current payables to related parties	2014 (USD '000)	2015 (USD '000)	2016 (USD '000)
Mehmet Kutman	319	247	204
Global Sigorta (*)	134	418	356
Global Menkul (*)	17	12	21
Other	12	24	—
Total	**482**	**701**	**581**

(*) These amounts are related to professional services taken. The charged interest rate is 10.50% as at 31 December 2016 (31 December 2015: 10.50%, 31 December 2014: 10.50%).

Transactions with related parties

For the years ended 31 December, transactions with other related parties comprised the following:

USD '000	2014		2015		2016	
	Interest received	Other	Interest Received	Other	Interest received	Other
Global Yatırım Holding	2,062	—	2,651	—	2,819	—
Adonia Shipping	—	—	—	—	—	5
Total	**2,062**	**—**	**2,651**	**—**	**2,819**	**5**

USD '000	2014		2015		2016	
	Interest Given	Other	Interest Given	Other	Interest Given	Other
Global Yatırım Holding	31	3	30	4	8	4
Global Menkul	2	54	1	—	—	—
Total	**33**	**57**	**31**	**4**	**8**	**4**

For the year ended 31 December 2016, the Group recognised interest income on these bonds amounting to USD 1,928 thousand (31 December 2015: USD 2,537 thousand, 31 December 2014: USD 2,058 thousand). For the year ended 31 December 2016, the effective interest rate was 14.45% (31 December 2015: 14.95%, 31 December 2014: 14.95%). For the year ended 31 December 2016, the Group accounted for a gain amounting to USD 405 thousand from the purchase and the sale of Global Yatırım Holding's publicly traded share certificates (31 December 2015: a gain of USD 109 thousand, 31 December 2014: a loss of USD 174 thousand).

Transactions with key management personnel

Key management personnel comprised the members of the Board and GPH's senior management. For the years ended 31 December, details of benefits to key management personnel comprised the following:

	2014 (USD '000)	2015 (USD '000)	2016 (USD '000)
Salaries	2,803	2,118	1,761
Bonus	875	49	34
Attendance fees to Board of Directors	498	480	253
Termination benefits	534	50	34
Total	**4,710**	**2,697**	**2,082**

31 Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout this consolidated historical financial information.

Financial risk management objectives

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Capital risk management

The Group seeks to provide superior returns to its shareholders, and ensure that it is not overly dependent upon short and medium term debt that might not be available at renewal. Maintaining the flexibility to invest for growth is a key capital management consideration. The Group manages its capital structure and reacts to changes in economic conditions by varying returns to shareholders, issuing new shares or increasing or reducing borrowings.

The Group is not exposed to any externally imposed capital requirements. The total capital structure of the Group consists of net loans and borrowings (as detailed in Note 23 offset by cash and cash equivalents) and equity of the Group (comprising share capital, share premium, legal reserves and retained earnings (as detailed in Note 21).

To maintain the financial strength to access new capital at reasonable cost. The Group monitors its net leverage ratio which is operating net loans and borrowings to adjusted EBITDA. The Group is also mindful of potential impacts on the key metrics employed by the credit rating agencies in considering increases to its borrowings. The Group is comfortably in compliance with its bank facility ratio covenants and these measures do not inhibit the Group's operations or its financing plans.

Credit risk

<u>Credit risk management</u>

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. Management has a credit risk policy in place to monitor the exposure to credit risk on an ongoing basis. The Group has the ability to receive collateral for its financial assets. Furthermore, the Group obtains letters of guarantee or similar collaterals from third parties for specific agreements and projects, if necessary. Regarding the credibility of the counterparty, letters of guarantee or advance payments are received as collateral for trade receivables from port operations. Within the context of credit risk policies described in this paragraph, the Group does not have significant credit risk from port operations.

31 Financial risk management (continued)

Credit risk (continued)

Credit exposure

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

USD '000	**RECEIVABLES**					
As at 31 December 2014	**Trade receivables**	**Due from related parties**	**Other receivables**	**Cash at bank**	**Financial investments**	**Total**
Net book value of financial assets not overdue or not exposed to impairment	5,596	49,461	133	44,909	15,073	**115,172**
Net book value of assets overdue but not exposed to impairment	2,483	—	520	56	—	**3,059**
Net book value of assets exposed to impairment	—	—	—	—	—	**—**
- Overdue (gross book value)	850	—	—	—	—	**850**
- Impairment	(850)	—	—	—	—	**(850)**
Maximum credit risk exposure at reporting date	**8,079**	**49,461**	**653**	**44,965**	**15,073**	**118,231**
As at 31 December 2015						
Net book value of financial assets not overdue or not exposed to impairment	6,055	38,142	259	75,275	16,907	**136,638**
Net book value of assets overdue but not exposed to impairment	4,290	—	197	—	—	**4,487**
Net book value of assets exposed to impairment	**—**	**—**	**—**	**—**	**—**	**—**
- Overdue (gross book value)	508	—	—	—	—	**508**
- Impairment	(508)	—	—	—	—	**(508)**
Maximum credit risk exposure at reporting date	**10,345**	**38,142**	**456**	**75,275**	**16,907**	**141,125**
As at 31 December 2016						
Net book value of financial assets not overdue or not exposed to impairment	9,630	31,502	1,798	44,128	14,602	**101,660**
Net book value of assets overdue but not exposed to impairment	491	—	3	—	—	**494**
Net book value of assets exposed to impairment	—	—	—	—	—	**—**
- Overdue (gross book value)	1,213	—	—	—	—	**1,213**
- Impairment	(1,213)	—	—	—	—	**(1,213)**
Maximum credit risk exposure at reporting date	**10,121**	**31,502**	**1,801**	**44,128**	**14,602**	**102,154**

Maturity analysis

The maturity analysis of the assets overdue but not impaired is as follows:

	Trade receivables		
	As at 31 December 2014 (USD '000)	**As at 31 December 2015 (USD '000)**	**As at 31 December 2016 (USD '000)**
1 to 30 days overdue	1,483	2,476	162
1 to 3 months overdue	733	1,421	42
3 to 12 months overdue	267	393	287
Total	**2,483**	**4,290**	**491**

31 Financial risk management (continued)

Liquidity risk

Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has access to funding sources from banks and keeps a certain level of assets as cash and cash equivalents required for daily operations of the Group entities. The Group continuously assesses liquidity risk by identifying and monitoring changes in funding required in meeting business goals and targets set in terms of the overall Group strategy.

Current and future loan needs of the Group are supplied by continuous accessibility of a sufficient number of high quality banks for major subsidiaries of the Group.

Financing facilities

	2014 (USD '000)	2015 (USD '000)	2016 (USD '000)
Bank credit lines			
- amount used	2,599	3,393	7,761
- amount unused	5,574	4,361	509
Total	**8,173**	**7,754**	**8,270**

Liquidity risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative and derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the balance sheet date. The contractual maturity is based on the earliest date on which the Group may be required to pay.

USD '000
As at 31 December 2014

CONTRACTUAL MATURITIES	Carrying value	Total cash outflow due to contracts	0-3 months	3-12 months	1-5 years	>5 years
NON-DERIVATIVE FINANCIAL LIABILITIES						
Banks loans	330,337	485,772	477	74,915	106,945	303,435
Finance lease liabilities	6,524	7,129	501	1,279	4,295	1,054
Trade and other payables (*)	8,729	8,729	529	8,200	—	—
Due to related parties	482	482	—	482	—	—
DERIVATIVE FINANCIAL LIABILITIES						
Net settled:						
Interest rate swaps	1,160	1,316	—	262	774	280

(*) Trade and other payables in the consolidated balance sheet includes taxes payable and social security contribution USD 2,906 thousand, payables to personnel USD 1,278 thousand, advanced received USD 347 thousand and deferred revenue USD 4 thousand, which are not financial liabilities and hence excluded from the tables above.

31 Financial risk management (continued)

Liquidity risk (continued)

Liquidity risk tables (continued)

As at 31 December 2015

CONTRACTUAL MATURITIES	**Carrying value**	**Total cash outflow due to contracts**	**0-3 months**	**3-12 months**	**1-5 years**	**>5 years**
NON-DERIVATIVE FINANCIAL LIABILITIES						
Banks loans	345,854	481,532	11,281	38,011	142,146	290,094
Finance lease liabilities	5,294	5,764	406	1,214	3,874	270
Other financial liabilities	2,417	2,417	261	—	2,156	—
Trade and other payables (*)	10,187	10,187	2,465	7,722	—	—
Due to related parties	701	701	—	701	—	—
Net settled:						
Interest rate swaps	953	1,069	—	240	670	159

(*) Trade and other payables in the consolidated balance sheet includes taxes payable and social security contribution USD 2,347 thousand, payables to personnel USD 1,111 thousand, advanced received USD 510 thousand and deferred revenue USD 510 thousand, which are not financial liabilities and hence excluded from the tables above.

As at 31 December 2016

CONTRACTUAL MATURITIES	**Carrying value**	**Total cash outflow due to contracts**	**0-3 months**	**3-12 months**	**1-5 years**	**>5 years**
NON-DERIVATIVE FINANCIAL LIABILITIES						
Banks loans	338,223	448,228	5,475	39,805	384,298	18,650
Finance lease liabilities	4,456	4,735	432	1,248	3,055	—
Other financial liabilities	1,684	1,684	140	—	1,544	—
Trade and other payables (*)	10,486	10,486	1,854	8,632	—	—
Due to related parties	581	581	—	581	—	—
DERIVATIVE FINANCIAL LIABILITIES						
Net settled:						
Interest rate swaps	1,131	1,252	—	315	833	104

(*) Trade and other payables in the consolidated balance sheet includes taxes payable and social security contribution USD 1,625 thousand, payables to personnel USD 1,348 thousand, advanced received USD 880 thousand and deferred revenue USD 124 thousand, which are not financial liabilities and hence excluded from the tables above.

Market risk

Market risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Market risk for all subsidiaries is monitored and managed by the Global Yatırım Holding's Treasury and Fund Management Department.

The Group has exposure to the following market risks from its use of financial instruments:

- currency risk
- interest rate risk

31 Financial risk management (continued)

Market risk (continued)

Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currency of each company. The currencies in which these transactions primarily are denominated are USD, Euro and TL.

Ortadoğu Liman having functional currency of USD, and Ege Liman and Bodrum Liman having functional currency of Euro are exposed to currency risk on purchases that are denominated in TL. Global Liman having a functional currency of TL is exposed to currency risk on borrowings that are denominated in USD.

As at 31 December 2016, the Group had outstanding foreign-currency denominated borrowing designated as a hedge of net foreign investment of USD 252,600 thousand (31 December 2015: USD 252,558 thousand, 31 December 2014: USD 252,575 thousand). The results of hedges of the Group's net investment in foreign operations included in hedging and translation reserves was a net loss of USD 47,653 thousand after tax for the period ended 31 December 2016 (net loss of USD 51,703 thousand after tax for the period ended 31 December 2015, net loss of USD 16,324 thousand after tax for the period ended 31 December 2014). In the years ended 31 December 2015 and 2016, USD 1,407 thousand, USD 887 thousand respectively was recognised in profit or loss due to hedge ineffectiveness (31 December 2014: Nil).

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Interest rate risk

The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or reprice at different times or in differing amounts. As at 31 December 2014, 2015 and 2016, the Group uses interest rate swaps to hedge its floating interest rate risk.

Currency risk exposures

As at 31 December 2014, foreign currency risk exposures of the Group comprised the following:

	As at 31 December 2014 ('000)			
	USD equivalents	USD	EUR	TL
Other non-current assets	4,728	4,361	—	852
Non-current assets	**4,728**	**4,361**	**—**	**852**
Trade and other receivables	603	—	346	422
Due from related parties	1,870	—	298	3,497
Other current assets	4,574	618	188	8,643
Cash and cash equivalents	21,417	17,912	2,285	1,683
Current assets	**28,464**	**18,530**	**3,117**	**14,245**
Total assets	**33,192**	**22,891**	**3,117**	**15,097**
Loans and borrowings	16,929	13,994	2,413	—
Employee benefits	823	—	—	1,908
Non-current liabilities	**17,752**	**13,994**	**2,413**	**1,908**
Loans and borrowings	2,638	1,160	670	1,537
Trade and other payables	6,502	—	102	14,789
Current tax liabilities	1,604	—	—	3,719
Provisions	125	—	—	289
Current liabilities	**10,868**	**1,160**	**772**	**20,334**
Total liabilities	**28,621**	**15,154**	**3,185**	**22,242**
Net foreign currency position	**4,571**	**7,737**	**(68)**	**(7,145)**

31 Financial risk management (continued)

Currency risk exposures (continued)

As at 31 December 2015, foreign currency risk exposures of the Group comprised the following:

	As at 31 December 2015 (‘000)			
	USD equivalents	USD	EUR	TL
Other non-current assets	6,726	4,105	—	7,621
Non-current assets	**6,726**	**4,105**	**—**	**7,621**
Trade and other receivables	1,415	182	146	3,122
Due from related parties	24,278	—	162	70,077
Investments	140	—	—	406
Other current assets	4,176	2,322	—	5,391
Cash and cash equivalents	51,252	11,703	35,693	1,576
Current assets	**81,261**	**14,207**	**36,001**	**80,572**
Total assets	**87,987**	**18,312**	**36,001**	**88,193**
Loans and borrowings	14,847	12,625	2,033	—
Employee benefits	747	—	—	2,171
Non-current liabilities	**15,594**	**12,625**	**2,033**	**2,171**
Loans and borrowings	1,901	1,047	782	—
Trade and other payables	6,872	1,261	274	15,441
Due to related parties	357	—	27	954
Current tax liabilities	1,347	—	—	3,915
Provisions	65	—	—	190
Current liabilities	**10,542**	**2,308**	**1,083**	**20,500**
Total liabilities	**26,136**	**14,933**	**3,116**	**22,671**
Net foreign currency position	**61,851**	**3,379**	**32,885**	**65,522**

31 Financial risk management (continued)

Currency risk exposures (continued)

As at 31 December 2016, foreign currency risk exposures of the Group comprised the following:

	As at 31 December 2016 ('000)			
	USD equivalents	USD	EUR	TL
Other non-current assets	3,341	1,500	—	6,481
Non-current assets	**3,341**	**1,500**	**—**	**6,481**
Trade and other receivables	1,233	705	—	1,855
Due from related parties	13,987	411	97	47,417
Other investments	12,362	12,362	—	—
Other current assets	1,544	9	38	5,261
Cash and cash equivalents	26,174	2,336	22,040	2,123
Current assets	**55,300**	**15,823**	**22,175**	**56,656**
Total assets	**58,641**	**17,323**	**22,175**	**63,137**
Loans and borrowings	16,190	16,190	—	—
Employee benefits	722	—	—	2,541
Non-current liabilities	**16,912**	**16,190**	**—**	**2,541**
Loans and borrowings	6,490	5,350	—	4,014
Trade and other payables	5,068	156	2,727	7,172
Due to related parties	192	107	59	81
Current tax liabilities	1,589	—	—	5,593
Provisions	67	—	—	236
Current liabilities	**13,406**	**5,613**	**2,786**	**17,096**
Total liabilities	**30,318**	**21,803**	**2,786**	**19,637**
Net foreign currency position	**28,323**	**(4,480)**	**19,389**	**43,500**

Currency risk sensitivity analysis

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10 per cent against the respective functional currencies of the Company and its subsidiaries.

The following tables detail the Group's sensitivity analysis based on the net exposures of each of the subsidiaries and the Group as at 31 December 2014, 2015 and 2016, which could affect the consolidated income statement and other comprehensive income.

10 per cent is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

This analysis assumes that all other variables, in particular interest rates, remain constant.

The Group's sensitivity to foreign currency rates has increased during the current period and is primarily due to the increase in its portfolio of ports in the Mediterranean, namely the European region.

The following tables show the Group's foreign currency sensitivity analysis as at 31 December 2014, 2015 and 2016:

Year ended 31 December 2014 USD '000	USD	TL	EUR
Net financial assets	7,737	—	—
Net financial liabilities	—	(3,082)	(83)

31 Financial risk management (continued)

Currency risk sensitivity analysis (continued)

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Group and its subsidiaries would result in decrease/increase in the Group's profit before tax and other comprehensive income by approximately USD 457 thousand and USD 1,632 thousand respectively, for the year ended 2014.

Year ended 31 December 2015 **USD '000**	**USD**	**TL**	**EUR**
Net financial assets	3,379	22,535	35,939
Net financial liabilities	—	—	—

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Group and its subsidiaries would result in decrease/increase in the Group's profit before tax and other comprehensive income by approximately USD 6,185 thousand and USD 5,170 thousand respectively, for the year ended 2015.

Year ended 31 December 2016 **USD '000**	**USD**	**TL**	**EUR**
Net financial assets	—	12,361	20,440
Net financial liabilities	(4,480)	—	—

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Group and its subsidiaries would result in decrease/increase in the Group's profit before tax and other comprehensive income by approximately USD 3,663 thousand and USD 4,766 thousand respectively, for the year ended 2016.

Interest rate risk exposures

The Group is exposed to interest rate risk because entities in the Group borrow funds at floating interest rates. The risk is managed by the use of interest rate swap contracts.

The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or re-price at different times or in differing amounts.

Interest rate exposure **USD 000's**		**As at 31 December 2014**	**As at 31 December 2015**	**As at 31 December 2016**
Fixed-rate financial instruments				
Financial assets	Cash and cash equivalents	25,947	33,328	30,308
	Available for sale financial assets	15,073	16,907	14,602
	Amounts due from related parties	47,137	38,070	31,433
Financial liabilities	Loans and borrowings	(262,067)	(261,023)	(267,094)
	Other financial liabilities	—	(2,417)	(2,664)
		(239,233)	**(221,204)**	**(232,588)**
Effect of interest rate swap		(65,323)	(46,069)	(39,173)
		(239,440)	**(221,894)**	**(233,856)**
Floating-rate financial instruments				
Financial liabilities	Loans and borrowings	(74,794)	(90,126)	(75,586)
Effect of interest rate swap (*)		65,323	46,069	39,173
		(9,471)	**(44,057)**	**(36,413)**

(*) 75% of the loan to BPI has been hedged by entering into an interest rate swap requiring the Group to pay a fixed interest rate of 0.97 percent and receive Euribor until maturity of the loan (31 December 2023).

Floating rate loans with a principal amount of USD 28,203 thousand (31 December 2015: USD 33,533 thousand 31 December 2014: USD 46,804 thousand) have been designated in a cash flow hedge relationship.

31 Financial risk management (continued)

Interest rate swap contracts

Under the interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at the reporting date and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the financial year.

The following tables detail the notional principal amounts and remaining items of interest rate swap contracts outstanding as at the reporting date.

Cash flow hedges

USD '000

As at 31 December 2014

Outstanding receive floating pay fixed contracts	Average contract fixed interest rate (%)	Notional principal value (USD '000)	Fair value (USD '000)
Less than 1 year	0.97	262	255
1 to 2 years	0.97	237	221
2 to 5 years	0.97	538	466
5 years +	0.97	280	216
	0.97	1,317	1,158

As at 31 December 2015

Outstanding receive floating pay fixed contracts	Average contract fixed interest rate (%)	Notional principal value (USD '000)	Fair value (USD '000)
Less than 1 year	0.97	240	233
1 to 2 years	0.97	209	195
2 to 5 years	0.97	461	400
5 years +	0.97	159	125
	0.97	1,069	953

As at 31 December 2016

Outstanding receive floating pay fixed contracts	Average contract fixed interest rate (%)	Notional principal value (USD '000)	Fair value (USD '000)
Less than 1 year	0.97	315	306
1 to 2 years	0.97	275	257
2 to 5 years	0.97	558	486
5 years +	0.97	104	83
	0.97	1,252	1,132

The interest rate swaps settle on a semi-annual basis. The floating rate on the interest rate swaps is 0.97%. The Group will settle the difference between the fixed and floating interest rate on a net basis.

Interest rate swap analysis

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss.

31 Financial risk management (continued)

***Interest rate swap contracts* (continued)**

As at 31 December 2016, had the interest rates been higher by 100 basis points where all other variables remain constant, interest expense would have been higher by USD 364 thousand (31 December 2015: higher by USD 441 thousand, 31 December 2014: higher by USD 95 thousand) and equity attributable to equity holders of the Company, excluding tax effects, would have been lower by USD 364 thousand (31 December 2015: lower by USD 441 thousand, 31 December 2014: lower by USD 95 thousand).

This analysis assumes that all other variables, in particular currency rates, remain constant.

The Group's sensitivity to interest rates has decreased during the current period mainly due to the reduction in variable rate debt instruments and the repayment of principal amounts.

Fair value measurements

The information set out below provides information about how the Group determines fair values of various financial assets and liabilities.

Determination of the fair value of a financial instrument is based on market values when there are two counterparties willing to sell or buy, except under the conditions of events of default forced liquidation. The Group determines the fair values based on appropriate methods and market information and uses the following assumptions: the fair values of cash and cash equivalents, other monetary assets, which are short term, trade receivables and payables and long term foreign currency loans and borrowings with variable interest rates and negligible credit risk change due to borrowings close to year end are expected to approximate to the carrying amounts.

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

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

Except as detailed in the following table, the directors consider the carrying amounts of the financial assets and financial liabilities recognised in the consolidated historical financial information approximate to their fair values.

	Note	As at 31 December 2014		As at 31 December 2015		As at 31 December 2016	
USD '000 **Financial liabilities**		**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Loans and borrowings	23	336,861	298,548	351,149	322,410	342,680	335,763

Loans and borrowings have been included in Level 2 of fair value hierarchy as they have been valued using quotes available for similar liabilities in the active market. The valuation technique and inputs used to determine the fair value of the loans and borrowings is based on discounted future cash flows and discount rates.

The fair value of loans and borrowings has been determined in accordance with the most significant inputs being discounted cash flow analysis and discount rates.

31 Financial risk management (continued)

Fair value measurements (continued)

Financial instruments at fair value

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

USD '000		Level 1	Level 2	Level 3	Total
As at 31 December 2014	Derivative financial liabilities	—	1,160	—	1,160
As at 31 December 2015	Derivative financial liabilities	—	953	—	953
As at 31 December 2016	Derivative financial liabilities	—	1,131	—	1,131

The valuation technique and inputs used to determine the fair value of the interest rate swap is based on future cash flows estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

32 Events after the reporting date

At the 2017 General Assembly of GPH held on 24 March 2017, the Company declared a dividend of USD 26,782 thousand to its shareholders.

Gregory Michael Kiez 1961- ∞

In memoriam and gratitude to Gregory Michael Kiez
Co-founder and Former Chairman of Global Ports Holding

A philanthropist and lawyer.
He will always be fondly remembered by those who knew him.

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