

**LIMAK KOSOVO INTERNATIONAL AIRPORT JSC**

**Independent Auditor's Report  
and Financial Statements as at and  
for the year ended December 31, 2013**

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## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of Limak Kosovo International Airport JSC:

We have audited the accompanying financial statements of Limak Kosovo International Airport JSC ("the Company") which comprise the statement of financial position as at December 31, 2013, and the statement of profit and loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



March 25, 2014  
Prishtina, Kosovo

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**LIMAK KOSOVO INTERNATIONAL AIRPORT JSC**  
**Statement of Profit and Loss and other Comprehensive Income for the year ended December 31, 2013**

*(all amounts are expressed in EUR)*

	Note	For the year ended December 31, 2013	For the year ended December 31, 2012
Revenue	15	33,804,968	33,177,292
Cost of Sales	16.1	(18,957,968)	(13,637,408)
<b>Gross Profit</b>		<b>14,847,000</b>	<b>19,539,884</b>
Marketing, selling and distribution expenses		(699,636)	(74,864)
General administrative expenses	16.2	(4,846,782)	(3,309,112)
<b>Operating profit</b>		<b>9,300,581</b>	<b>16,155,908</b>
Financial income/(expenses), net	17	(215,031)	203,084
<b>Profit before income tax</b>		<b>9,085,550</b>	<b>16,358,992</b>
Income tax	18	(878,281)	(1,260,147)
<b>Net profit for the year</b>		<b>8,207,269</b>	<b>15,098,845</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>8,207,269</b>	<b>15,098,845</b>

**LIMAK KOSOVO INTERNATIONAL AIRPORT JSC**  
**Statement of Financial Position as at December 31, 2013**

*(all amounts are expressed in EUR)*

	Note	December 31, 2013	December 31, 2012
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	4	4,835,614	813,443
Intangible assets	5	104,261,202	-
Construction works in progress	6	-	47,640,367
<b>Total non-current assets</b>		<b>109,096,816</b>	<b>48,453,810</b>
<b>Current assets</b>			
Inventory		469,912	342,470
Accounts receivable, net	7	2,756,013	3,652,962
Other assets	8	10,087,441	8,649,878
Cash and cash equivalents	9	10,918,096	19,323,527
<b>Total current assets</b>		<b>24,231,462</b>	<b>31,968,837</b>
<b>Total assets</b>		<b>133,328,278</b>	<b>80,422,647</b>
<b>Equity</b>			
Share capital	14	25,000,000	10,000,000
Retained earnings		8,309,757	15,102,488
<b>Total equity</b>		<b>33,309,757</b>	<b>25,102,488</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	10	79,850,000	44,900,000
Due to related parties	12	2,260,458	2,172,958
Other liabilities	13	2,500,000	2,500,000
<b>Total non-current liabilities</b>		<b>84,610,458</b>	<b>49,572,958</b>
<b>Current liabilities</b>			
Borrowings	10	5,150,000	-
Accounts payable	11	1,496,600	1,228,959
Due to related parties	12	3,607,600	3,089,000
Deferred tax liability	18	106,121	-
Income tax liability	18	-	599,463
Other liabilities	13	5,047,742	829,779
<b>Total current liabilities</b>		<b>15,408,063</b>	<b>5,747,201</b>
<b>Total liabilities and equity</b>		<b>133,328,278</b>	<b>80,422,647</b>

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

These financial statements have been approved by the Management of Limak Kosovo International Airport JSC on March 25, 2014 and signed on their behalf by:

  
**Haldun Firat KOKTURK**  
 Chief Executive Officer

  
**Alpay DOGUTEPE**  
 Chief Financial Officer

**LIMAK KOSOVO INTERNATIONAL AIRPORT JSC**  
**Statement of Changes in Equity for the year ended December 31, 2013**  
*(all amounts are expressed in EUR)*

	<b>Share capital</b>	<b>Retained Earnings</b>	<b>Total</b>
<b>As at December 31, 2011</b>	<u>1,000,000</u>	<u>9,003,643</u>	<u>10,003,643</u>
Increase of share capital	9,000,000	(9,000,000)	-
Total comprehensive income	<u>-</u>	<u>15,098,845</u>	<u>15,098,845</u>
<b>As at December 31, 2012</b>	<u>10,000,000</u>	<u>15,102,488</u>	<u>25,102,488</u>
Increase of share capital	15,000,000	(15,000,000)	-
Total comprehensive income	<u>-</u>	<u>8,207,269</u>	<u>8,207,269</u>
<b>As at December 31, 2013</b>	<u>25,000,000</u>	<u>8,309,757</u>	<u>33,309,757</u>

**LIMAK KOSOVO INTERNATIONAL AIRPORT JSC**  
**Statement of Cash Flows for the year ended December 31, 2013**

*(all amounts are expressed in EUR)*

	Note	Year ended December 31, 2013	Year ended December 31, 2012
<b>Operating activities</b>			
<b>Profit before tax</b>		<b>9,085,550</b>	<b>16,358,992</b>
<i>Adjustments for:</i>			
Depreciation and amortization	4, 5	776,548	2,123,808
Interest expense		467,313	6,260
Interest income		(261,367)	(216,632)
Impairment charge of the year	7	1,546,999	139,702
		<b>11,615,043</b>	<b>18,412,130</b>
<b>Working capital changes:</b>			
Increase of accounts receivable		(650,050)	(729,587)
Increase/decrease of other assets		(1,437,563)	816,325
Increase of inventories		(127,442)	(49,938)
Increase/decrease of accounts payables		267,641	(1,936,306)
Increase of due to related parties		606,100	2,461,073
Increase of other liabilities		3,618,500	2,869,254
<b>Cash flows generated from operations</b>		<b>13,892,229</b>	<b>21,842,950</b>
Current income tax paid		(1,762,417)	(958,730)
Interest received		261,365	216,632
Interest paid		(2,507,368)	(156,218)
<b>Cash flow from operating activities</b>		<b>9,883,809</b>	<b>20,944,634</b>
<b>Investing activities</b>			
Acquisition of intangibles		(54,093,389)	(24,185,945)
Acquisition of property and equipment		(4,295,852)	(503,928)
<b>Cash flow used in investing activities</b>		<b>(58,389,241)</b>	<b>(24,689,873)</b>
<b>Financing activities</b>			
Borrowings		40,100,000	19,493,289
<b>Cash flows from financing activities</b>		<b>40,100,000</b>	<b>19,493,289</b>
<b>Net increase in cash and cash equivalents</b>		<b>(8,405,432)</b>	<b>15,748,050</b>
<b>Cash and cash equivalents at the beginning of the year (note 9)</b>		<b>19,323,528</b>	<b>3,575,477</b>
<b>Cash and cash equivalents at the end of the year (note 9)</b>	9	<b>10,918,096</b>	<b>19,323,527</b>