



**AKFEN HOLDİNG A.Ş.**  
**MANAGEMENT'S REVIEW OF**  
**1<sup>st</sup> QUARTER 2011 RESULTS**  
**1 January 2011 – 31 March 2011**

**13 May 2011**

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## 1. AKFEN HOLDING – HIGHLIGHTS OF 1<sup>st</sup> QUARTER 2011

### 1.1 Summary Financials

US\$ 000	31.03.2011	31.03.2010
Revenues	179,077	140,775
Adjusted EBITDA	29,800	16,047
EBITDA Margin (%)	16.7%	11.5%
Net Profit from Continuing Operations	-5,478	-5,350
Net Profit from Discontinued Operations	0	12,970
Net Profit	-5,478	7,620
US\$ 000	31.03.2011	31.12.2010
Shareholder's Equity	633,394	617,584
Consolidated Net Debt	1,231,668	1,100,110
Total Assets	2,492,636	2,405,605
Number of Employees	23,051	23,109

**1Q Consolidated revenue increased significantly:** As of March 31, 2011, Akfen generated a consolidated revenue of USD 179.1 mn, increased by 27.2% compared to the same period of 2010. TAV Investment, TAV Airports Holding and Mersin International Port were the main contributors to an increase on the top-line. Our consolidated revenue numbers do not include any contribution of energy assets, which were not operational by the end of 1Q2011.

**As a result of strong operational performance of TAV Airports Holding and MIP, EBITDA increased by 85.7%:** EBITDA increased by 85.7%, accounting for USD 29.8 mn in 1Q 2011. Thanks to strong EBITDA growth in two business units TAV Airports Holding and MIP, EBITDA margin increased to 16.7% which was 11.5% in the same period of previous year.

**Net loss in 1Q2011** Akfen posted 1Q2011 net loss of USD 5.5 mn. High net financial expenses due to leveraged balance sheet as a result of new acquisitions and on-going investments in business units in the last couple of years, limited revenue contribution from Akfen REIT and no revenue flow from energy assets are the main factors behind the loss. For 1Q2010, profit for the period of Akfen's discontinued operations such as Akfen Altyapı Danışmanlık, Akınısı, Akfen Turizm, Artı Döviz IBS is classified as "profit from discontinued operations, net of tax" for the consolidated financial statements, which was the main source of the profitability in this period.

**In the first 3 months of 2011 the total asset grew by 3.6%,** mainly due to increase in investment property of Akfen REIT and investments in hydro power plants.

**Number of employees** – As of 31 March 2011, Akfen Holding and its subsidiaries and joint ventures employed a total of 23.051 people. Compared with the previous year, the number has fallen by 0.3%, which is chiefly attributable to laying off entire labor force in Libya and to shifting from outsourcing to insourcing in Mersin container port.

## 2. MAIN PERFORMANCE FIGURES BY BUSINESS UNITS

1Q 2011 (US\$ 000)	TAV Construc.	Akfen Construc.	Akfen REIT	HEPP I-II-III	MIP	TASK Water	TAV Airports	Other	Other Discont. Operat.	Elimin.	Classific.	Total
<b>Ownership Percentage</b>	<b>42.5%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>50.0%</b>	<b>50.0%</b>	<b>26.1%</b>					
Revenue	82,492	1,984	3,701	12	25,968	507	64,412	0	0	0	0	179,077
EBITDA	1,871	-2,317	2,613	-485	14,988	209	12,525	-591	0	988	0	29,800
EBITDA Margin	2.3%	n.a.	70.6%	n.a.	57.7%	28.5%	19.8%	n.a.	n.a.	n.a.	n.a.	16.7%
Net Profit	-2,763	-4,999	20,236	-6,449	5,725	-402	-6,003	1,542	n.a.	-12,367	n.a.	-5,478
Capex	1,099	150	12	35,769	268	10	8,086	284	0	0	0	45,677
<b>Total Assets</b>	<b>224,565</b>	<b>213,596</b>	<b>498,455</b>	<b>438,420</b>	<b>418,584</b>	<b>16,827</b>	<b>608,970</b>	<b>73,219</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,492,636</b>

1Q 2010 (US\$ 000)	TAV Construc.	Akfen Construc.	Akfen REIT	HEPP I-II-III	MIP	TASK Water	TAV Airports	Other	Other Discont. Operat.	Elimin.	Classific.	Total
<b>Ownership Percentage</b>	<b>42.5%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>50.0%</b>	<b>50.0%</b>	<b>26.1%</b>					
Revenue	62,590	2,447	2,825	155	20,785	2,179	49,772	23	9,519	0	-9,519	140,775
EBITDA	-199	-589	1,478	-1,535	10,506	-88	6,355	-64	13,186	184	-13,186	16,047
EBITDA Margin	n.a.	n.a.	52.3%	n.a.	50.5%	n.a.	12.6%	n.a.	138.5%	0.0%	0.0%	11.5%
Net Profit	433	-1,911	5,285	1,918	2,408	139	-5,681	-6,306	12,970	-1,635	n.a.	7,620
Capex	854	9	0	33,631	2,662	13	8,495	57	0	0	0	45,722
<b>Total Assets (*)</b>	<b>218,294</b>	<b>221,223</b>	<b>452,138</b>	<b>418,628</b>	<b>407,219</b>	<b>16,607</b>	<b>579,329</b>	<b>92,167</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,405,605</b>

(\*) Total assets as of 31 December 2010.

Diff. 2011/2010	TAV Construc.	Akfen Construc.	Akfen REIT	HEPP I-II-III	MIP	TASK Water	TAV Airports	Other	Other Discont. Operat.	Elimin.	Classific.	Total
<b>Ownership Percentage</b>	<b>42.5%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>50.0%</b>	<b>50.0%</b>	<b>26.1%</b>					
Revenue	31.8%	-18.9%	31.0%	-92.2%	24.9%	-76.7%	29.4%	-100.0%	-100.0%	0.0%	-100.0%	27.2%
EBITDA	n.a.	n.a.	76.8%	n.a.	42.7%	n.a.	97.1%	n.a.	n.a.	n.a.	n.a.	85.7%
EBITDA Margin	n.a.	n.a.	18.3%	n.a.	7.2%	n.a.	12.6%	n.a.	n.a.	n.a.	n.a.	5.2%
Net Profit	-738.3%	161.6%	282.9%	-436.3%	137.7%	-388.6%	5.7%	-124.5%	n.a.	656.3%	0.0%	-171.9%
Capex	28.7%	1561.8%	n.a.	6.4%	-89.9%	-25.1%	-4.8%	398.6%	0.0%	0.0%	0.0%	-0.1%
<b>Total Assets</b>	<b>2.9%</b>	<b>-3.4%</b>	<b>10.2%</b>	<b>4.7%</b>	<b>2.8%</b>	<b>1.3%</b>	<b>5.1%</b>	<b>-20.6%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>3.6%</b>

### MIP

As a result of strong growth of Turkish foreign trade volume, container throughput recorded a 19% increase in first quarter of 2011 compared to first quarter of 2010. Thanks to compound effects of volume growth and tariff increase made in June 2010, MIP revenues increased by 24.9%. EBITDA climbed to USD 15.0 mn by an increase of 42.7% from USD 10.5 mn in 1Q 2010. Tariff adjustments, cost savings through economies of scale as well as operational improvements are the main reasons of EBITDA margin improvement.

### TAV AIRPORTS HOLDING

In TAV Airports the revenues increased by 29.4% due to an increase of 8% in number of passengers despite of strong contraction in Tunisia, and strong contribution from ground handling and duty free operations. TAV's consolidated EBITDA doubled in 1Q 2011 compared to 1Q 2010 thanks to various positive factors such as increase in limitations from duty free shops, 16% growth of ATM, weak TL or lower holding expenses such as the decline consultancy expenses.

### TAV INVESTMENT HOLDING

TAV Investment Holding generated USD 82.5 mn of construction revenue, representing an increase of 31.8% in 1Q 2011. The growth stemmed mainly from faster completion of Qatar Project in the first quarter of 2011 when no revenue was booked in Libya. An EBITDA of USD 1.9 mn or an EBITDA margin of 2.3% is much below of our EBITDA expectation of 6

to 8% because the Company was obliged to book a reversal of profit as a result of negative change of expected profitability of Doha Project.

### **HEPP I-II-III**

Of the three portfolios, Akfen has recently four operational plants (Sirma, Çamlıca III, Otluca I, Saraçbendi) in the portfolio, out of these four plants, two of them, namely Otluca nad Camlica III, have started generating electricity in April 2011 and Saracbendi HEPP in May 2011. Thus, revenue contribution of the only operational plant, Sirma, to Akfen was negligible in this period.

### **AKFEN REIT**

As of 31 March 2011, Akfen has a room capacity of 1.768. Revenue of the Company was increased by 31.0% and EBITDA by 76.8% in 1Q 2011 compared to the same period of the previous year due to the increase in the performance of the hotels and the additional income generated from the new hotel opening. The occupancy rate of all hotels as well as average room rates increased in 1Q2011.

### **TASK**

The revenue figure was significantly less in 1Q2011 due to a construction revenue of USD app. 2mn booked in 1Q2010. In 1Q2011, the consolidated revenue excluding construction revenues increased around 5x in. The EBITDA turned to positive in 1Q 2011, impacted by the opening of Dilovasi waste water treatment plant in July 2010.

### **AKFEN CONSTRUCTION**

The Company remained focused on Akfen subsidiaries construction projects, primarily Akfen REIT and Akfen HEPP. Generated revenue of Akfen Construction for 1Q 2011 revenue ended up with c.a. USD 2 mn.

### 3. KEY EVENTS OF THE PERIOD AND FACTS OCCURRED

#### 3.1 AKFEN HOLDING

The maturity of Garanti Bank loan amount of EUR 78.710 Mio was extended from August 2012 to November 2014 at the expense of increasing the margin from 3% to 4.2%. Post rescheduling, average maturity of the debt is end of August 2013.

The consortium between Akfen Holding (30%), Tepe Construction (30%), Souther Investments LLP (30%) and Sera Construction (10%) won the tender for block sale of 100% of Istanbul Fast Ferries Co. (IDO) stake by submitting US\$861mn bid on April 8, 2011. IDO, currently operates on 35 piers and 14 lines (5 inner-city, 9 inter-city) with 10 fast ferries, 25 sea buses and 17 conventional vehicle-passenger ferries.

According to the tender specifications, subsequent to the tender commission's decision, the process is followed by application to Competition Board. Competition Board's and İstanbul Metropolitan Municipality Council's approvals were obtained in May 2011. The SPV which will be incorporated by the partners of the joint venture will sign Share Purchase Agreement (SPA) and 100% shares of IDO will be transferred to the SPV.

#### 3.2. MIP

As a result of the insourcing process of the CFS service, the subcontractor MPO's personnel is incorporated to MIP by 1<sup>st</sup> of January 2011.

Automotive import started from Mersin with the establishment of Specialized Customs Directorate for Automotive in Mersin in March 2011 which will increase the vessel traffic to MIP and cause positive effect on both marine and ro-ro revenues. MIP is the only port which has automotive import permit in its region.

#### 3.3. TAV AIRPORTS HOLDINGS

In TAV Urban Georgia LLC, 66% of the capital of which is owned by TAV Airports, the shares of Sera YapıEndüstri Tic. A.Ş., i.e. 5.5% and of Akfen İnşaat Turizm ve Ticaret A.Ş., i.e. 4.5%, corresponding to 10% of the company capital will be acquired in return for 8,583,000 USD and the share transfer is planned within the next 3 months.

In TAV Batumi Operations LLC, 60% of the capital of which is owned by TAV Airports, the shares of Aeroser International Holding, i.e. 6% and the shares of Akfen İnşaat Turizm ve Ticaret A.Ş., i.e. 10%, corresponding to 16% of the company capital, will be acquired in return for 667.200 USD and the share transfer is planned within the next 3 months. The purchase value of these shares was determined by negotiations.

In TAV Özel Güvenlik Hizmetleri A.Ş.(TAV Security), 66.67% of the capital of which is owned by TAV Airports, the shares of Tepe Savunma ve Güvenlik Sistemleri Sanayi A.Ş. corresponding to 33.33% of the company capital will be acquired in return for 6,000,000 TL and the share transfer is planned within the next 3 months. The purchase value of these shares was determined by calculations based on the valuation report.

Regarding the latest developments in Tunisia, some European countries like England, France and Germany have removed / eased their warnings for their citizens regarding their travels to Tunisia. The operations at Monastir and Enfidha Airports have been going on uninterrupted.

The airports will be operated by TAV Tunisia SA by 2047, where TAV Airports Holding has a 67% stake.

### **3.4. TAV INVESTMENT HOLDING**

Abu Dhabi Pilecaps project has been awarded in late January 2011. This project is the first project of TAV Investment in Abu Dhabi and is a part of Abu Dhabi International Airport project. Therefore, it might be considered as an access point to Abu Dhabi International Airport project.

With the rising tension in the MENA region and the turmoil in Libya in January 2011, TAV Investment and their partners in Libya (Odebrecht, CCC) successfully evacuated their construction site by the end of February and moved their headquarters and key personnel to Malta. The Consortium is now monitoring the situation in order to decide for the further steps.

### **3.5. TASK WATER and WASTE WATER**

TASK Dilovası and TASK Güllük finalized the closing of the long term senior loan agreements with European Bank of Reconstruction and Development and already utilized Euro 10.5 mn and EURO 2.5 mn, respectively. Since the beginning of EBRD's operations in Turkey, this transaction represents the first EBRD loan in Turkish municipal sector, providing long-term funding for investments in water and wastewater sector in Turkey. In addition to the debt financing, EBRD would like to engage equity participation process with TASK Su.

### **3.6. AKFEN HEPP**

Construction in the projects under HEPP 1 portfolio have come to a completion stage and temporary acceptance process started in Otluca, Camlica, Sarabendi, Karasu 1, Karasu 2, Karasu 4.2, Karasu 4.3 and Karasu 5 HEPPs whereas as of the submission date of this report Otluca 1 HEPP, Çamlıca HEPP and Saraçbendi HEPP have started generation 7 April, 1 April and 6 May 2011 respectively.

License is granted for Laleli HEPP as of 9 February 2011 and the project design works have been started.

### **3.7 AKFEN REIT**

For the land in İzmir Alsancak a lease agreement between Akfen REIT and Tamaris Tourism (affiliate of Accor Group in Turkey) was signed on 2<sup>nd</sup> February, 2011. Construction of Esenyurt Ibis Hotel and Adana Ibis Hotel have started in January 2011.

The land located in KKTC, Bafra, has been allocated for the usage of Akfen İnşaat for a duration of 49 years. It was decided to transfer the contract (holding the usage right) to Akfen GT, the affiliate company of Akfen REIT. The transfer has been approved by the Council of Ministers with the decision dated 23<sup>rd</sup> February 2011.

Considering the performance and profitability of the Company, it is decided that it is feasible to distribute 30% of the distributable profit upon approval at general shareholder's meeting. This will be considered for the 2011 fiscal period.

Share purchase agreement was signed on 4th February 2011 with Horus International B.V. which owns the Company Keramit B.V.I, in order to acquire the shares of Keramit Financial

Company B.V.I holding 100% shares of the Dinamo- Petrovskiy Park XXI Vek-MS Co. Share transfer will take place after the conditions precedents are fulfilled.

Akfen REIT has closed successfully its offering of 54,117,500 shares with the issue oversubscribed approximately 3.1 times. Turkish retail investors oversubscribed around 5.4 times, while leading Turkish and international institutional investors became new shareholders of Akfen REIT. 85% of the IPO, 46,000,000 shares, are newly issued shares and the remaining 15%, 8,117,500 shares, are secondary shares sold by Akfen Holding. Immediately following the IPO, Akfen REIT has an aggregate of 184,000,000 shares outstanding, including a free-float of 54,117,500 shares, representing 29.41% of Akfen REIT's capital. After the IPO, the share of Akfen Holding in Akfen REIT reduced to 51.71%. With the successful completion of the offering, Akfen REIT has fulfilled the minimum free float rate requirement of 25% with respect to the Communiqué of Real Estate Investment Trusts in Turkey. In connection with the IPO, Akfen Holding did not exercise its green-shoe option.

The offer price has been set at TL 2.28 per share. Based on the offer price, the gross proceeds from the offering is approximately TL 105 mn and TL 18.5 mn for Akfen REIT and Akfen Holding, respectively. The initial market capitalization of Akfen REIT is around TL 420 mn. Akfen Holding will allocate the proceeds from the sale of secondary shares to conduct price stabilization activities for a maximum period of 30 days following the commencement of trading of Akfen REIT shares on ISE. The trading commence on 11th of May and upon listing, Akfen REIT became the second subsidiary of Akfen Holding publicly trading on ISE.

### **3.8. AKFEN CONSTRUCTION**

Akfen İnşaat decided to sell all its shares in TAV Urban Georgia LLC to TAV Airports Holding A.Ş (TAV Airports) and TAV Batumi Operations LLC to TAV Airports Holding A.Ş (TAV Airports).



## 4. FINANCIAL RESULTS

### A. Income Statement Explanations

US\$ 000	31.03.2011	31.03.2010
Total Revenue	179,077	140,775
Adjusted EBITDA	29,802	16,047
Depreciation	10,518	8,184
Corporate Income Tax & Deferred Tax	-5,953	-1,507
Net Profit / (Loss) from Continuing Operations	-5,478	-5,350
Net Profit from Discontinued Operations	0	12,970
Net Profit	-5,478	7,620
Net Profit Holding Share	-0.068	0.153

In the first quarter of 2011, revenues increased by 27.2% to USD 179.1 mn compared to the same period of previous year. This evolution is primarily backed by the 31.8% growth in TAV Investment Holding, 29.4% increase in TAV Airports and 24.9% in MIP.

International sales stand at c.a. USD 90 mn to reach 49.9% of total revenues. It is important to underline that international revenue primarily consists of TAV Investment.

With regard to geographical distribution of revenue, Turkey represents the major chunk with 49.9%, followed by Qatar with 31.9%, Oman, Macedonia, Tunisia, Georgia, Dubai and Abu Dhabi make up the rest.

The operating profit was at USD 43.5 mn, representing 288% growth YOY, as the profitability of MIP and TAV Airports improved and the fair value adjustment of Akfen REIT, coming in at USD 30 mn, compensated poor profitability of TAV Investments.

Net financial expenses remained to be the drag on the profitability of the Company. Due to strengthening of EURO against other currencies, a FX gain of USD 7.5 mn in 1Q 2010 turned to FX loss of USD 17.5 USD mn in this quarter of 2011. Total interest expense was USD 29.7 mn, up from USD 25.1 mn a year earlier.

With regards to EBITDA performance, EBITDA increased by 85.7% largely thanks to MIP and TAV Airports. EBITDA of MIP was at around USD 15 mn in 1Q 2011, increasing from USD 10.5 in 1Q2010. TAV Airports' EBITDA increased to USD 12.5 mn in this quarter from USD 6.4 mn in 1Q2010. Meanwhile, EBITDA contribution of TASK and Akfen REIT remained small, since both businesses are at the beginning of ramp-up phase.

Net Income recorded at a loss of USD 5.5 mn. except MIP and Akfen REIT, all other subsidiaries booked net losses. We believe 1Q 2011 should not be considered as an indication for Akfen's performance because of various reasons such as 1Q is an off-season for TAV Airports, our HEPP assets started to be operational in 2Q 2011.

**B. Balance Sheet**

US\$ 000	31.03.2011	31.12.2010
<b>Non – Current Assets</b>	<b>1,891,421</b>	<b>1,760,086</b>
of which intangible fixed assets	678,305	662,195
of which tangible fixed assets	384,682	348,288
of which property investments	463,643	426,105
Other	364,791	323,498
<b>Current Assets</b>	<b>601,216</b>	<b>645,519</b>
of which cash and cash equivalents	223,664	273,331
of which restricted bank balance	78,234	79,806
Trade Receivables	156,494	142,673
Other	142,824	149,710
<b>TOTAL ASSETS</b>	<b>2,492,636</b>	<b>2,405,605</b>
Equity	522,401	513,699
Non-Controlling Interest	110,993	103,884
<b>Total Equity</b>	<b>633,394</b>	<b>617,583</b>
Financial Debt	1,533,566	1,453,246
Other Current Liabilities	226,245	233,868
Other Non-Current Liabilities	99,432	100,907
<b>TOTAL LIABILITIES</b>	<b>2,492,636</b>	<b>2,405,605</b>

In 1Q 2011, Akfen's total assets increased by 3.6% to USD 2.49 bn compared to 1Q 2010. This increase was especially due to an increase of app USD 30 mn in investment property in the Akfen REIT and on-going investments especially in HEPP companies, which was at USD 35.8 mn in 1Q2011.

TAV Airports made the annual concession rent payment for Istanbul Ataturk Airport in January, which increased prepaid rent and net debt.

**Financial Debt Obligations:****Maturity Profile**

Holding consolidated financial debt at 31 March 2011 is USD 1.525 mn, of which 23% are short-term, 34% are medium term and the remaining 43% are long-term.

The consolidated debt increased by 5.6%. The outstanding financial debt of TAV Airports, TAV Investment and HEPP I increased due to concession rent payment for Istanbul Ataturk Airport, speeding up the construction in Muscat project & funding on-going parking construction & funding the Dubai projects, funding on-going construction work of hydro assets, respectively.

<b>HOLDING CONSOLIDATED (US\$ 000)*</b>				
	<b>1Q 2011</b>	<b>Share</b>	<b>2010</b>	<b>Share</b>
Withing one year	352,498	23%	238,625	17%
In the 2 <sup>nd</sup> Year	219,209	14%	270,233	19%
In the 3 <sup>rd</sup> Year	183,347	12%	233,545	16%
In the 4 <sup>th</sup> Year	116,839	8%	86,882	6%
After 5 Years	653,278	43%	615,478	43%
	<b>1,525,171</b>		<b>1,444,763</b>	

\* Leasing Lease Obligations of USD 8,394 in 1Q 2011 and USD 8,484 are not included.

Akfen Holding's gross financial debt consists of 49% short-term, 32% medium-term and 18% are long-term. Akfen Holding's corporate bond has a maturity date of March 2012, which makes the largest portion of short-term debt. When the bond matures, we intend to roll over into a new bond.

<b>HOLDING SOLO (US\$ 000)</b>				
	<b>1Q 2011</b>	<b>Share</b>	<b>2010</b>	<b>Share</b>
Withing one year	143,299	49%	49,372	18%
In the 2 <sup>nd</sup> Year	70,098	24%	155,767	56%
In the 3 <sup>rd</sup> Year	14,651	5%	14,338	5%
In the 4 <sup>th</sup> Year	9,444	3%	9,222	3%
After 5 Years	52,558	18%	51,050	18%
	<b>290,050</b>		<b>279,749</b>	

Principal Repayment Schedule of Holding Solo Financial Debt is given below:

<b>Currency 000</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
TRY	0	100.00	0	0	0
Dollar	8,888	8,888	8,888	4,444	75,000
Euro	19,677	59,032	0	0	0

Akfen Holding extended the maturity of its Euro 78 mn bank debt for 16.5 months in April 2011 at the expenses of raising the margin from 300 bps to 420 bps.

The long-term debt is a cash collateralized debt obligation.

**Net Debt**

US\$ 000	1Q2011	2010	Difference
<b>Akfen Holding</b>	<b>213,495</b>	<b>194,689</b>	<b>10%</b>
Akfen Construction	-6,097	-8,589	n.a.
Akfen REIT	149,850	136,408	10%
Akfen HEPP	217,402	175,377	24%
TASK	6,345	6,376	0%
MIP	279,161	291,112	-4%
TAV Investments Holding	33,324	20,479	63%
TAV Airports	338,263	284,372	19%
Other	-76	-114	-34%
<b>Total</b>	<b>1,231,668</b>	<b>1,100,110</b>	<b>12%</b>

Since Akfen Holding does not have any cash inflow from its subsidiaries, it uses further leverage to pay its operational expenses, financial expenses as well as support short-term cash needs of its subsidiaries such as Akfen REIT. Meanwhile, appreciation of EURO against USD resulted in higher net debt in USD terms.

Due to funding annual concession rent payment to DHMI for Istanbul Ataturk Airport in January, TAV Airports's net debt increased to USD mn as of the end of 1Q2011. Since no rent payment is scheduled for 2011, we expect the net debt figure to decrease until the year end.

Our energy and REIT business continue to be under construction and completion phase thus the net debt of these segments kept increasing in the first quarter of 2011. Appreciation of EURO against other currencies is an important factor in the increased of both companies' net debt. Meanwhile, Akfen Holding completed most of its capital commitment for energy and all of them for REIT projects, thus except around EURO 10 mn capital commitment, which includes around EURO 5 mn for Tepe and Catak (both projects are currently not under construction due to legal issues) for HEPP 2, no more capital deployment is necessary for these businesses.

TAV Investment Holding's net debt increased in the 1Q2011 due to deploying intercompany loan to parking business for the construction of on-going parking facilities, funding Muscat project to speed-up construction, funding Dubai projects as well as payment of holding expenses.

Akfen and its subsidiaries borrow FX denominated loans whose currency risk is tried to be balanced by revenue flow from operations in the same currency.

**C. Cash Flow Statement**

<b>US\$ 000</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
Profit for the period	-9,895	15,928
Adjustments for the profit	67,430	16,753
Net Cash provided from / (used in) operating activities	-63,213	-35,045
Net Cash provided from / (used in) investing activities	-49,831	-45,187
Net Cash provided from financing activities	6,249	32,494
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	<b>-49,261</b>	<b>-15,058</b>
<b>Cash and Cash Equivalents at 1 January</b>	<b>272,924</b>	<b>226,101</b>
<b>Cash and Cash Equivalents at 31 March</b>	<b>223,664</b>	<b>211,044</b>

Due to ongoing investments, consolidated free cash flow remained negative.

## 5. BUSINESS PERFORMANCE BY BUSINESS UNITS

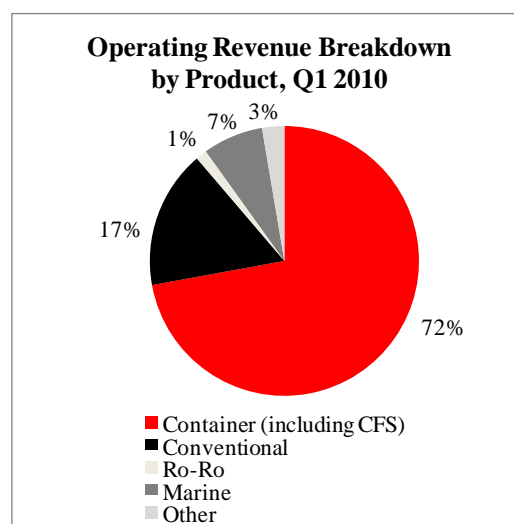
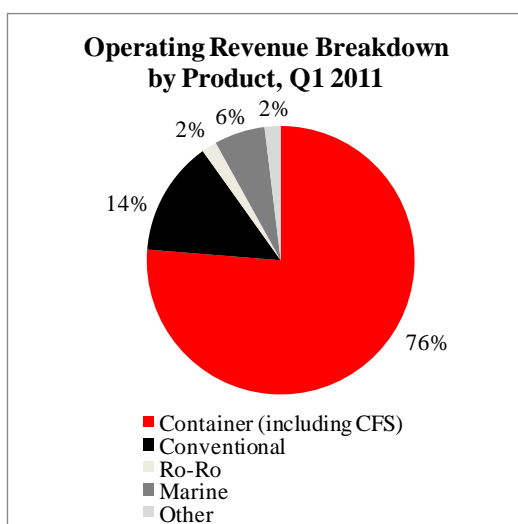
### 5.1 MIP

#### Operational Results:

As of 31 March 2011					
Container & Conventional Cargo Statistics					
	LTM 2011	2010	Δ YTD	Δ MoM	Δ LTM
Container Volumes (TEU)	1.074.699	1.030.391	19,2%	15,8%	18,3%
Conventional Throughput (Ton)*	6.753.778	6.652.028	6,1%	-6,8%	15,1%
* General Cargo - Dry Bulk - Liquid Bulk					
Container Regime Breakdown					
	LTM 2011	2010			
Import	42,8%	42,9%			
Export	43,3%	43,4%			
Transit	10,2%	10,5%			
Transshipment	2,9%	2,7%			
Cabotage	0,8%	0,5%			

As of March 2011, according to the last 12 months data (April 2010 – March 2011), the container volume handled in MIP (1 million TEU) was increased by 18% compared to the same period in the previous year. In the said periods the conventional cargo throughput handled was realized as 6.8 million tons and showed an increase of 15%.

In 1Q2011, the container volume (275,665 TEU) was increased by 19% compared to the same period of 2010 whereas in the same period the conventional cargo throughput (1.7 million tons) was increased by 6%.



## 5.2 TAV Airports Holding

### Traffic Results:

As of 31 March 2011					
Passenger Figures*					
	LTM 2011	2010	Δ YTD	Δ MoM	Δ LTM
<b>Atatürk Airport</b>	<b>32.608.622</b>	<b>32.145.619</b>	<b>6,7%</b>	<b>6,6%</b>	<b>5,8%</b>
International	20.748.499	20.344.620	9,7%	8,3%	8,7%
Domestic	11.860.123	11.800.999	2,1%	4,0%	1,1%
<b>Esenboğa Airport</b>	<b>8.094.820</b>	<b>7.759.479</b>	<b>20,6%</b>	<b>17,6%</b>	<b>26,6%</b>
International	1.383.979	1.325.989	26,0%	18,1%	23,2%
Domestic	6.710.841	6.433.490	19,7%	17,4%	27,3%
<b>İzmir Airport</b>	<b>2.201.692</b>	<b>2.127.457</b>	<b>33,6%</b>	<b>36,5%</b>	<b>28,6%</b>
<b>TAV TURKEY TOTAL</b>	<b>42.905.134</b>	<b>42.032.555</b>	<b>10,0%</b>	<b>9,5%</b>	<b>10,2%</b>
International	24.334.170	23.798.066	11,6%	10,2%	11,0%
Domestic	18.570.964	18.234.489	8,1%	8,5%	9,3%
<b>Monastir+Enfidha Airports</b>	<b>3.769.917</b>	<b>3.916.977</b>	<b>-45,6%</b>	<b>-48,5%</b>	<b>-0,6%</b>
<b>Tbilisi Airport</b>	<b>862.973</b>	<b>821.606</b>	<b>29,7%</b>	<b>30,6%</b>	<b>21,2%</b>
<b>Batumi Airport</b>	<b>93.087</b>	<b>88.624</b>	<b>38,2%</b>	<b>34,5%</b>	<b>28,5%</b>
<b>Macedonia (Skopje &amp; Ohrid)***</b>	<b>739.085</b>	<b>730.095</b>	<b>6,9%</b>	<b>1,9%</b>	<b>-</b>
<b>TAV TOTAL</b>	<b>48.370.196</b>	<b>47.589.857</b>	<b>8,3%</b>	<b>7,2%</b>	<b>10,9%</b>
International	29.748.061	29.307.403	8,5%	6,2%	11,8%
Domestic	18.622.135	18.282.454	8,2%	8,6%	9,4%

\* Both departing and arriving passengers, excluding transit

Air Traffic Movements**					
	LTM 2011	2010	Δ YTD	Δ MoM	Δ LTM
<b>Atatürk Airport</b>	<b>277.430</b>	<b>273.704</b>	<b>5,9%</b>	<b>7,5%</b>	<b>2,3%</b>
International	182.104	178.817	8,1%	9,0%	4,5%
Domestic	95.326	94.887	2,0%	4,7%	-1,6%
<b>Esenboğa Airport</b>	<b>66.547</b>	<b>63.385</b>	<b>23,4%</b>	<b>22,9%</b>	<b>24,5%</b>
International	12.007	11.742	11,6%	7,9%	14,0%
Domestic	54.540	51.643	25,8%	26,3%	27,1%
<b>İzmir Airport</b>	<b>16.290</b>	<b>16.149</b>	<b>6,7%</b>	<b>11,7%</b>	<b>19,6%</b>
<b>TAV TURKEY TOTAL</b>	<b>360.267</b>	<b>353.238</b>	<b>9,0%</b>	<b>10,2%</b>	<b>6,5%</b>
International	210.401	206.708	8,2%	9,1%	6,1%
Domestic	149.866	146.530	10,0%	11,9%	7,2%
<b>Monastir+Enfidha Airports</b>	<b>30.989</b>	<b>31.801</b>	<b>-25,8%</b>	<b>-24,3%</b>	<b>1,7%</b>
<b>Tbilisi Airport</b>	<b>17.382</b>	<b>16.472</b>	<b>28,8%</b>	<b>27,1%</b>	<b>21,5%</b>
<b>Batumi Airport</b>	<b>2.432</b>	<b>2.276</b>	<b>44,8%</b>	<b>-6,9%</b>	<b>34,4%</b>
<b>Macedonia (Skopje &amp; Ohrid)***</b>	<b>12.328</b>	<b>12.808</b>	<b>-17,8%</b>	<b>-20,7%</b>	<b>-</b>
<b>TAV TOTAL</b>	<b>423.398</b>	<b>416.595</b>	<b>7,8%</b>	<b>8,3%</b>	<b>9,3%</b>
International	271.150	267.929	5,9%	6,1%	10,2%
Domestic	152.248	148.666	10,7%	12,0%	7,6%

\*\* Commercial flights only

\*\*\* As the operations started on 1 March 2010, LTM change data cannot be given

Source: State Airports Authority (DHMI), Georgian Authority for Tbilisi and Batumi, TAV Tunisia for Monastir and Enfidha, TAV Macedonia for Skopje and Ohrid Airports

The number of passengers using airports operated by TAV increased by 8% to 10.1 million in the first quarter of 2011. The number of international passengers served by TAV also showed a similar trend, increasing by 8% YoY to 5.6 million in 1Q2011.

### 5.3 TAV Investments Holding

As of 31 March 2011				
ONGOING PROJECTS				
Project	Employer	TAV Construction's Share	Contract Value (US\$)	Physical Completion as of 28 February 2011
DUBAI - SULAFATOWER	MR MOHAMMED ABDULLA MOHAMMED AL SAYYAH	100%	104	100%
DUBAI - EFT	EMIRATES FINANCIAL TOWERS LLC	100%	115	100%
DUBAI - MARINA 101	M/S SHEFFIELD HOLDINGS LIMITED	100%	198	45%
MACEDONIA	TAV MACEDONIA DOOEL SKOPJE	100%	111	56%
2010 INVESTMENTS	TAV İSTANBUL TERMINAL İŞLETMECİLİĞİ A.Ş	100%	36	95%
LIBYA - TRIPOLI	THE LIBYAN CIVIL AVIATION AUTHORITY	25%	2,103	37%
LIBYA - SEBHA	THE LIBYAN CIVIL AVIATION AUTHORITY	50%	229	7%
DOHA	GOVERNMENT OF THE STATE OF QUATAR	35%	3,744	68%
OMAN MCI	SULTANATE OF OMAN MINISTRY OF TRANSPORT AND COMM.	50%	1,170	33%
ABU DABI - PILECAPS	SUPERVISION COMMITTEE FOR THE EXPANSION OF ABU DHABI INTERNATIONAL AIRPORT (SCADIA)	50%	57	3%
<b>TOTAL</b>			<b>7,867</b>	

REVENUE	Backlog 2010	Backlog 1Q 2011
<b>Contract Revenue - Domestic</b>	<b>6.60</b>	<b>21.20</b>
<b>Contract Revenue - Foreign</b>	<b>1,553.63</b>	<b>1,367.46</b>
MAJESTIC TOWER RESIDENTIAL		
SULAFATOWER	85.00	81.33
EMIRATES FINANCIAL TOWERS		
MARINA 101 HOTEL AND RESIDENCE		
ENFIDHA INTERNATIONAL AIRPORT	-	-
TRIPOLI INTERNATIONAL AIRPORT PROJECT	323.25	323.25
SEBHA	114.50	114.50
NEW DOHA INT. AIRPORT PASSENGER TERMINAL PROJECT	501.85	367.35
CAIRO INTERNATIONAL AIRPORT TB3	-	-
MAKEDONYA	86.49	67.51
MUSCAT MC 1	413.54	385.36
ABU DHABI Pile Caps	29.00	28.16
<b>TOTAL</b>	<b>1,560.23</b>	<b>1,388.66</b>

TAV Investment's backlog as of March 2011 is USD 1.389 mn which was USD 1.560 mn end of year 2010. Airport construction related projects accounts for 94% of the total backlog as of first quarter of 2011.

### 5.4 TASK Water and Waste Water

TASK Güllük - As of 28 February 2011					
Volume (m3)					
TASK Güllük	2011 LTM	2010	Δ YTD	Δ MoM	Δ LTM
Invoiced Water Volume (m3)	476,147	467,246	26.8%	30.5%	9.1%

TASK Dilovası - As of 31 March 2011					
TASK Dilovası	2011 LTM*	2010	Δ YTD	Δ MoM	Δ LTM
Treated Waste Water Volume(m3)	1,883,351	1,220,723	-	-	-

\* TASK Dilovası is operational since July 2010. LTM is calculated for 9 months



EBRD loan of Euro 2.5 mn granted to Task Güllük was utilized in April 2011.

The invoiced water volume in TASK Güllük increased by 20% in January – March 2011 compared with the same period in the previous year, reaching 70,248 m<sup>3</sup> from 58,458 m<sup>3</sup>. The total subscriber number increased by 8% and reached to 5,052 in 1Q 2011.

Since the beginning of its operation in July 2010, the volume of treated waste water in Dilovası reached to 1,883,351 m<sup>3</sup> as of the end of March 2011. In March 2011, the number of operating factories in Dilovası Organized Industrial Zone was 211.

## 5.5 Akfen HEPP

The hydro activities are divided into three entities, namely Akfen HEPP Yatirimlari ve Elektrik Uretim A.S. (“HEPP1”), Akfen Hidroelektrik Santrali Yatirimlari A.S. (“HEPP2”) and Akfen Enerji Kaynaklari Yatirim ve Tic A.S. (“HEPP3”).

As of March 2011					
Company	HEPP	Installed Capacity (MW)	Generation Capacity (GWh/yr)	Operational (Y/N)	Civil Work Progress (%)
Beyobası	Otluca <sup>5</sup>	44.7	207.6	N	98.0%
	Sırma	5.9	26.7	Y	
	Yuvarlakçay <sup>1</sup>	3.2	22.8	N	0.0%
	Sekiyaka	3.5	16.8	N	0.0%
İdeal	Karasu – 1	3.7	23.1	N	96.0%
	Karasu – 2	3.1	19.6	N	95.0%
	Karasu – 4.2	9.9	56.4	N	91.0%
	Karasu – 4.3	3.7	16.9	N	96.0%
	Karasu – 5	4.0	23.2	N	97.0%
Çamlıca	Çamlıca III <sup>6</sup>	25.8	94.5	N	99.5%
	Saraçbendi <sup>7</sup>	24.0	86.1	N	99.7%
<b>HEPP 1</b>		<b>131.7</b>	<b>593.7</b>		
Elen	Doğançay	30.6	171.6	N	26.0%
Pak	Kavakcalı	10.9	48.2	N	0.0%
	Demirciler	9.4	32.3	N	43.0%
	Gelinkaya	7.1	30.9	N	20.0%
BT Bordo	Yağmur	8.5	36.2	N	18.0%
Yenidoruk	Doruk	28.8	82.1	N	7.0%
Zeki	Çatak <sup>2</sup>	10.0	42.9	N	0.0%
Rize İpek	Tepe <sup>3</sup>	13.6	32.6	N	0.0%
<b>HEPP 2</b>		<b>118.8</b>	<b>476.8</b>		
Laleli	Laleli	99.0	240.5	N	0.0%
Değirmenyanı	Adadağı <sup>4</sup>	4.7	18.2	N	0.0%
<b>HEPP 3</b>		<b>103.7</b>	<b>258.7</b>		
<b>Total</b>		<b>354.2</b>	<b>1,329.2</b>		

1 Stay of execution decision has been taken. Legal process is ongoing.

2 Plant area has been announced as the first degree protected area. Within the scope of Renewable Energy Law amended on 29 December 2010, application for the consideration as a plant area has been made and the project will be examined on site by the expert to be designated by the local court once having the favorable weather conditions.

3 Stay of execution decision has been taken. Legal process is ongoing.

4 Licencing process is ongoing.

5 Otluca 1 HEPP (the first part of Otluca HEPP project) with an installed capacity of 38,32 MW and annual generation capacity of 169,82 GWh has successfully completed temporary acceptance process and started to generate electricity as of 7 April 2011.

6 Çamlıca III HEPP has successfully completed temporary acceptance process and started to generate electricity as of 1 April 2011.

7 Saraçbendi HEPP has successfully completed temporary acceptance process and started to generate electricity as of 6 May 2011.

### Facts Occurring Since 31 March 2011

Akfen Holding's subsidiary Akfen Hidroelektrik Santral Yatırımları A.Ş. (HEPP 1) and its subsidiary Çamlıca Elektrik Üretim A.Ş. HEPP Project obtained temporary acceptance from the Ministry of Energy. The plant is located in Kayseri and has an installed capacity of 25.81 MW and annual generation capacity of 94.47 GWh and started to generate electricity as of 1st of April 2011.

Otluca 1 HEPP , located in Mersin-Anamur with an installed capacity of 38.32 MW and annual generation capacity of 169.82 GWh has obtained temporary acceptance from the Ministry of Energy and started generating energy at late-night on 7th April, 2011. Otluca HEPP I is the first part of Otluca HEPP Project having a total installed capacity of 48.77 MW and annual generation capacity of 224 GWh held by Beyobası Enerji Üretim A.Ş, which is a subsidiary of Akfen Hidroelektrik Santral Yatırımları A.Ş. (HEPP 1).

Çamlıca Elektrik Üretim A.Ş. obtained provisional acceptance for SARAÇBENDİ HEPP Project from the Ministry of Energy. The plant is located in Sivas and has an installed capacity of 24.01 MW and annual generation capacity of 86.13 GWh. SARACBENDİ HEPP started generating electricity as of 6th May 2011 at 12.00 a.m.

The environmental impact assessment (EIA) process has been successfully completed and positive EIA decision is being provided on 9 November 2010 followed by the license granted by EMRA on 9 February 2011. Project design works are ongoing.

System Usage Agreements has been signed with TEİAŞ for all HEPP 1 plants.

Connection agreements have been signed for all HEPP 1 and HEPP 2 plants excluding TEPE HEPP.

Registration of Ideal Enerji Üretimi A.Ş.and Camlıca Elektrik Üretim A.Ş. for the Balancing and Settlement Market has been made. Beyobası enerji Üretim A.Ş is already registered as Sırma HEPP under this company is up and running since May 2009.

### 5.6 Akfen REIT

Construction works for Esenyurt Ibis Hotel project and Adana Ibis Hotel project are ongoing. Application has been made to Izmir Konak Municipality for the hotel building license for the underground works license .

As of March 2011, according to the last 12 months data (April 2010 – March 2011), the occupancy rates of the hotels (2 hotels in Zeytinburnu, 1 hotel in Eskişehir and 1 hotel in Trabzon) increased by 18.0% on average.

The construction of offices and Ibis hotel of 204 rooms in Samara, Russia has reached a progress level of 95%. The construction of Ibis Hotel with 177 rooms in Yaroslavl has reached a progress level of 80%.

Russia Projects			
City	Type	Status	Completion( %)
Samara	Ibis Hotel	Under construction	95%
Yaroslavl	Ibis Hotel	Under construction	80%
Kaliningrad	Ibis Hotel	Licensing stage	n.a
Moskow	Ibis Hotel	Under development	n.a
Samara	Office	Under construction	98%

Turkey Projects			
City	Type	Status	Completion( %)
Istanbul	Esenyurt Ibis Hotel	Under construction	5%
Adana	Ibis Hotel	Under construction	11%
Izmir	Ibis Hotel	Under development	n.a

As of 31<sup>st</sup> March 2011

Occupancy Rate					
Hotels	Room Number*	March 2011	YTD 2011	LTM 2011	2010
Zeytinburnu Ibis	228	94%	85%	88%	84%
Zeytinburnu Nov	208	84%	76%	85%	84%
Eskişehir Ibis	108	71%	71%	74%	74%
Trabzon Novotel	200	67%	62%	66%	61%
Gaziantep Ibis	177	36%	35%	26%	19%
Gaziantep Novotel	92	51%	46%	38%	29%
Kayseri Ibis	160	46%	34%	32%	31%
Kayseri Novotel	96	49%	44%	39%	36%
Bursa Ibis	200	53%	42%	35%	24%

Rev Par (€)**					
Hotels	Room Number*	March 2011	YTD 2011	LTM 2011	2010
Zeytinburnu Ibis	228	65	58	60	58
Zeytinburnu Nov	208	71	59	67	65
Eskişehir Ibis	108	33	34	37	37
Trabzon Novotel	200	35	32	35	32
Gaziantep Ibis	177	12	12	9	7
Gaziantep Novotel	92	24	22	18	14
Kayseri Ibis	160	15	12	13	12
Kayseri Novotel	96	24	21	20	19
Bursa Ibis	200	21	17	15	11

\* Mercure Hotel in Northern Cyprus with 299 rooms is not included

\*\* Rev Par = Average Room Rate x Occupancy Rate

### Facts Occurring Since 31 March 2011

Akfen REIT has closed successfully its offering of 54,117,500 shares with the issue oversubscribed approximately 3.1 times. Turkish retail investors oversubscribed around 5.4 times, while leading Turkish and international institutional investors became new shareholders of Akfen REIT.

85% of the IPO, 46,000,000 shares, are newly issued shares and the remaining 15%, 8,117,500 shares, are secondary shares sold by Akfen Holding. Immediately following the IPO, Akfen REIT has an aggregate of 184,000,000 shares outstanding, including a free-float of 54,117,500 shares, representing 29.41% of Akfen REIT's capital. After the IPO, the share of Akfen Holding in Akfen REIT reduced to 51.71%. With the successful completion of the offering, Akfen REIT has fulfilled the minimum free float rate requirement of 25% with respect to the Communiqué of Real Estate Investment Trusts in Turkey. In connection with the IPO, Akfen Holding did not exercise its green-shoe option.

The offer price has been set at TL 2.28 per share. Based on the offer price, the gross proceeds from the offering is approximately TL 105 mn and TL 18.5 mn for Akfen REIT and Akfen Holding, respectively. The initial market capitalization of Akfen REIT is around TL 420 mn.

Akfen Holding will allocate the proceeds from the sale of secondary shares to conduct price stabilization activities for a maximum period of 30 days following the commencement of trading of Akfen REIT shares on ISE.

The trading has started on 11th of May and upon listing, Akfen REIT became the second subsidiary of Akfen Holding publicly trading on ISE.

### **5.7 Akfen Construction**

As of 31 March 2011, the total contract value of Akfen Construction assignments in HEPP projects is €181,6 million and the total amount of cumulated progress payments of ongoing HEPP projects reached to €121,1 million. This amount corresponds the 66,7% of the total contract value.

As of March 2011, with Adana Ibis, Izmir Ibis and Esenyurt Ibis construction contracts, Akfen Construction's total contract value in hotel projects reached to €17,4 million (including Akfen Construction's mark up).

Akfen Construction decided to sell its shares in TAV Urban Georgia LLC to TAV Airports Holding A.Ş (TAV Airports) with the Board Decision dated 28.03.2011. Shares shall be sold to 3.862.350 USD. The share transfer is planned within the next 3 months. After the share transfer, Akfen İnşaat Turizm ve Ticaret A.Ş. shall no longer have any shares in TAV Urban Georgia LLC.

Akfen Construction decided to sell its shares in TAV Batumi Operations LLC to TAV Airports Holding A.Ş (TAV Airports) with the Board Decision dated 28.03.2011. Shares shall be sold to 417.000 USD. The share transfer is planned within the next 3 months. After the share transfer, Akfen İnşaat Turizm ve Ticaret A.Ş. shall no longer have any shares in TAV Batumi Operations LLC.

## 6. APPENDICES

### 6.1 Consolidated Income Statement

Consolidated Income Statement	TL 000	US\$ 000	TL 000	US\$ 000
	<i>31 Mar 2011</i>	<i>31 Mar 2011</i>	<i>31 Mar 2010</i>	<i>31 Mar 2010</i>
<b>CONTINUING OPERATIONS</b>				
Revenues	281,258	179,077	211,360	140,775
Cost of Sales (-)	-225,789	-143,760	-172,653	-114,995
<b>GROSS PROFIT</b>	<b>55,469</b>	<b>35,317</b>	<b>38,707</b>	<b>25,781</b>
General Administration Expenses (-)	-35,500	-22,603	-33,767	-22,490
Other Operational Income	51,616	32,864	14,251	9,492
Other Operating Expenses (-)	-3,284	-2,091	-2,400	-1,599
<b>OPERATING PROFIT</b>	<b>68,301</b>	<b>43,487</b>	<b>16,791</b>	<b>11,184</b>
Financial Income	18,964	12,074	42,171	28,088
Financial Expenses (-)	-86,518	-55,086	-64,732	-43,114
<b>PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>747</b>	<b>476</b>	<b>-5,770</b>	<b>-3,843</b>
<b>Tax Income (Expense) of Continuing Operations</b>	<b>-9,350</b>	<b>-5,953</b>	<b>-2,262</b>	<b>-1,507</b>
Tax Expense for the Period	-3,030	-1,929	-5,752	-3,831
Deferred Tax Income	-6,320	-4,024	3,490	2,324
<b>PROFIT/(LOSS) FROM THE CONTINUING OPERATIONS</b>	<b>-8,603</b>	<b>-5,478</b>	<b>-8,032</b>	<b>-5,350</b>
<b>DISCONTINUED OPERATIONS</b>				
Profit/Loss from the discontinued operations	0	0	19,473	12,970
<b>PROFIT / LOSS FOR THE PERIOD</b>	<b>-8,603</b>	<b>-5,478</b>	<b>11,441</b>	<b>7,620</b>
<b>Other Comprehensive Income / Expense</b>				
Revaluation surplus change in non current assets	10	6	0	0
Hedging Reserves	8,316	5,295	-7,790	-5,188
Foreign Currency Conversion Adjustments	19,719	12,555	-12,570	-8,372
Tax income/expense of Other Comprehensive Income	-1,837	-1,170	72	48
<b>OTHER COMPREHENSIVE INCOME / EXPENSE AFTER TAX</b>	<b>26,208</b>	<b>16,687</b>	<b>-20,288</b>	<b>-13,513</b>
<b>TOTAL COMPREHENSIVE INCOME / EXPENSE</b>	<b>17,605</b>	<b>11,209</b>	<b>-8,847</b>	<b>-5,893</b>
<b>Distribution of the Profit / Loss</b>				
Non-Controlling Interest	6,938	4,417	-12,473	-8,308
Owners of the Company	-15,541	-9,895	23,914	15,928
<b>Net Profit / Loss of the Period</b>	<b>-8,603</b>	<b>-5,478</b>	<b>11,441</b>	<b>7,620</b>
<b>Distribution of Total Comprehensive Income / Expense</b>				
Minority Interests	11,299	7,194	-13,846	-9,222
Subsidiaries	6,306	4,015	4,999	3,330
<b>Total Comprehensive Income</b>	<b>17,605</b>	<b>11,209</b>	<b>-8,847</b>	<b>-5,893</b>
<b>Profit/(Loss) per Share</b>	<b>-0.107</b>	<b>-0.068</b>	<b>0.229</b>	<b>0.153</b>

## 6.2 Consolidated Balance Sheet

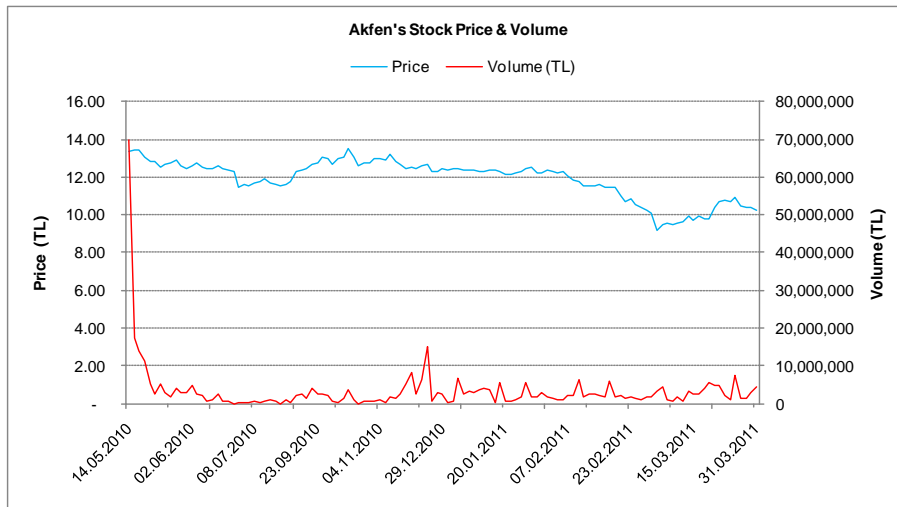
Consolidated Balance Sheet	TL 000	US\$ 000	TL 000	US\$ 000
	31 Mar 2011	31 Mar 2011	31 Dec 2010	31 Dec 2010
<b>ASSETS</b>				
<b>Current Assets</b>	<b>930,862</b>	<b>601,216</b>	<b>997,973</b>	<b>645,519</b>
Cash and Cash Equivalents	346,299	223,664	422,569	273,331
Trade Receivables				
- Due from related parties	1,175	759	12,039	7,787
- Other Trade Receivables	242,299	156,494	220,572	142,673
Other receivables				
- Due from related parties	11,180	7,221	10,514	6,801
- Other Receivables	8,865	5,726	4,498	2,909
Financial investments	2,835	1,831	5,671	3,668
Derivative Instruments	1,788	1,155	0	0
Restricted bank balances	121,129	78,234	123,380	79,806
Inventories	9,041	5,839	8,205	5,307
Other Current Assets	186,251	120,294	190,525	123,237
	<b>930,862</b>	<b>601,216</b>	<b>997,973</b>	<b>645,519</b>
<b>Non-Current Assets</b>	<b>2,928,487</b>	<b>1,891,421</b>	<b>2,721,093</b>	<b>1,760,086</b>
Trade Receivables				
- Due from related parties	1,976	1,276	2,007	1,298
- Other related receivables	112,440	72,622	109,351	70,732
Other Trade Receivables				
- Due from related parties	22,527	14,550	24,465	15,825
- Other receivables	735	475	1,934	1,251
Financial Investments	9,482	6,124	2,520	1,630
Property Investments	717,859	463,643	658,758	426,105
Tangible Assets	595,603	384,682	538,453	348,288
Intangible Assets	1,050,219	678,305	1,023,754	662,195
Goodwill	119,111	76,930	113,781	73,597
Deferred tax assets	64,116	41,411	66,770	43,189
Other non-current assets	234,419	151,404	179,300	115,977
<b>TOTAL ASSETS</b>	<b>3,859,349</b>	<b>2,492,636</b>	<b>3,719,066</b>	<b>2,405,605</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>	<b>897,988</b>	<b>579,983</b>	<b>732,246</b>	<b>473,639</b>
Bank Loans	547,693	353,738	370,686	239,771
Obligations under finance leases	52,863	34,143	56,180	36,339
Trade Payables				0
- Due to related parties	2,617	1,690	16,043	10,377
- Other Trade Payables	112,923	72,934	106,802	69,083
Other Payables				0
- Due to related parties	13,087	8,452	14,323	9,265
- Other trade payables	101,561	65,595	108,975	70,488
Provisions	7,998	5,166	8,665	5,605
Other Current Liabilities	59,246	38,265	50,572	32,712
	<b>897,988</b>	<b>579,983</b>	<b>732,246</b>	<b>473,639</b>
<b>NON-CURRENT LIABILITIES</b>	<b>1,980,677</b>	<b>1,279,259</b>	<b>2,032,035</b>	<b>1,314,382</b>
Bank Loans	1,826,727	1,179,828	1,876,033	1,213,475
Derivatives	49,720	32,113	50,354	32,571
Trade Payables				
- Due to related parties	44	28	0	0
- Other Trade Payables	22,912	14,798	21,329	13,796
Other Payables				
- Due to related parties	10,991	7,099	14,607	9,448
- Other trade payables	26,619	17,192	26,141	16,909
Provision for employment termination benefits	9,742	6,292	9,672	6,256
Deferred tax liabilities	21,312	13,765	21,239	13,738
Other non-current liabilities	12,610	8,144	12,660	8,189
<b>SHAREHOLDERS' EQUITY</b>	<b>980,684</b>	<b>633,394</b>	<b>954,785</b>	<b>617,583</b>
<b>Total equity attributable to equity holders of the Company</b>	<b>808,834</b>	<b>522,401</b>	<b>794,180</b>	<b>513,699</b>
Paid-in Capital	145,500	93,974	145,500	94,114
Adjustments to share capital	-7,257	-4,687	-7,257	-4,694
Capital adjustments due to cross ownership	-3,709	-2,396	-3,709	-2,399
Business combination of entities under common control	20,062	12,957	20,062	12,977
Revaluation Reserve	-2,066	-1,334	-2,076	-1,343
Risk preventing reserve	-65,134	-42,068	-71,363	-46,160
Foreign Currency Conversion Adjustments	33,701	21,766	17,914	11,587
Limited reserves redeemed from the profit	12,469	8,053	12,081	7,814
Other reserves	-93,099	-60,130	-93,780	-60,660
Share Premiums	454,782	293,730	454,782	294,167
Accumulated Profit	329,126	212,572	250,199	161,836
Net Profit for the period	-15,541	-9,895	71,827	47,913
Translation Profit/(Loss)	0	-143	0	-1,454
<b>Non-Controlling interest</b>	<b>171,850</b>	<b>110,993</b>	<b>160,605</b>	<b>103,884</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>3,859,349</b>	<b>2,492,636</b>	<b>3,719,066</b>	<b>2,405,605</b>

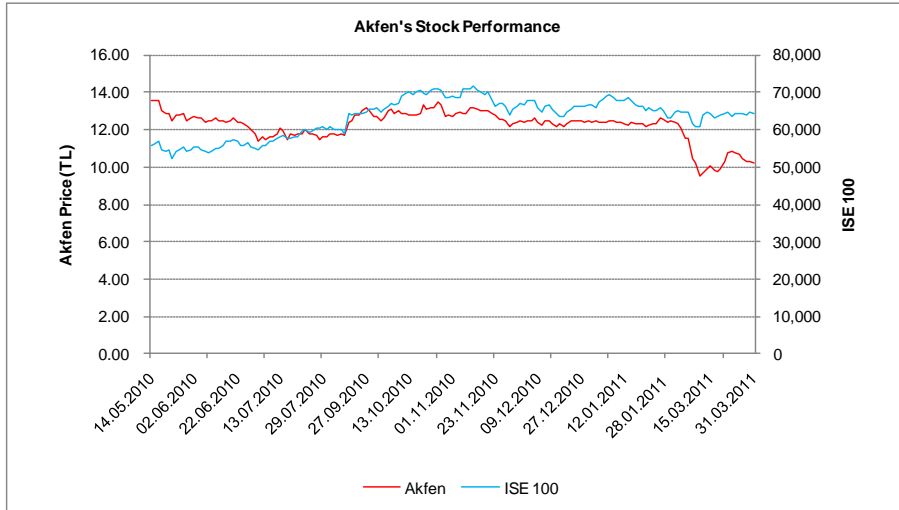
### 6.3 Employees

Company/ Number of Employee	1Q 2011	2010	Diff 1Q2011/ 2010
Akfen Holding	38	41	-7.3%
Akfen İnşaat	134	126	6.3%
Akfen HEPP Companies	21	19	10.5%
Akfen REIT	16	14	14.3%
RPI and RHI	26	16	62.5%
TAV Investments Holding	2,920	3,537	-17.4%
TAV Airports Holding	18,953	18,768	1.0%
MIP	904	550	64.4%
TASK	39	38	2.6%
<b>Total</b>	<b>23,051</b>	<b>23,109</b>	<b>-0.3%</b>

### 6.4 Akfen Share Performance

AKFEN.IS	
Number of shares outstanding (mn)	145.5
Closing Price (as of 31.03.2011) (TL)	10.25
Average Price over the period (TL)	12.22
Average Daily Volume (TL)	2,652,215
Max. Volume (14.05.2010 – 31.03.2011) (TL)	69,823,620
Min. Volume (14.05.2010 – 31.03.2011) (TL)	203.11





As of 31 March 2011, Akfen Holding's market cap was realized as USD 970.8 million.

## 6.5 Akfen Bond Performance

SAKFH31213B	
Closing Price (as of 31.03.2011) (TL)	100.8
Average Price over the period (TL)	103.6
Average Daily Volume (TL)	191,083
Max. Volume (12.03.2010) (TL)	10,449,638
Min. Volume (08.10.2010) (TL)	4,062



As of 31 March 2011, the issue price of Akfen Holding's bond was TL 100.8. Total trading volume in March was TL747.7 thousands. As of 31 March 2011, the issue yield corresponding benchmark bond (TRT080812T26) compound rate of 9,01% + 233 bps spread.



## 6.6 Akfen Shareholding Structure

Shareholder	Share (000 TRY)	Share %
Hamdi Akın	99,209	68.19%
Akfen İnşaat Turizm ve Tic. A.Ş.	3,995	2.75%
Akınısı Makine San. ve Tic. A.Ş.	529	0.36%
Akfen Turizm Yat. ve İşl. A.Ş.	529	0.36%
Other	122	0.08%
Free Float	41,116	28.26%
<b>Total</b>	<b>145,500</b>	<b>100.00%</b>

## 6.7 Accounting Policies

IFRIC 12 is a new application regarding to interpretation of most of existing standards in the IFRS for example, IAS 11-Construction Contracts, IAS 16-Property Plant and equipment, IAS 17-Leases, IAS 36-Impairment of Assets and IAS 38-Intangible Assets,

IFRIC 12 Service Concession Arrangements was developed by the International Financial Reporting Interpretations Committee, Effective date of the application is 1 January 2008,

IFRIC 12 affects P&L in terms of the decrease in aviation income (for the guaranteed passenger fees) and depreciation expenses while the increase in financial income in accordance with such interpretation, "BOT assets" are classified as "airport operation right" and "trade receivable" in the consolidated financial statements, same applies for TASK Dilovası regarding the guaranteed revenue by the Organized Industrial Zone.

Subsidiaries, TAV Istanbul, TAV Esenboga, TAV Izmir, Havaş and TAV Tunisie under TAV Airports Holding enter into swap transactions in order to diminish exposure to foreign currency mismatch relating to DHMI installments and interest rate risk to manage exposure to the floating interest rates relating to loans used.

100%, 65%,100% and 50% of floating bank loans for TAV Istanbul, TAV Izmir, TAV Esenboga and HAVAŞ, respectively are fixed with financial derivatives, 100% of floating senior bank loans for TAV Tunisie was fixed with financial derivative until 31 October 2009 and 85% of floating senior bank loans for TAV Tunisie is fixed with financial derivative starting from 1 November 2009. 75% of the senior loan agreement of Mersin International Port amounting \$450 mn is fixed with interest rate swap agreement.

## 6.8 Contact Details

For further information please contact:

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## 6.9 Disclaimer

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