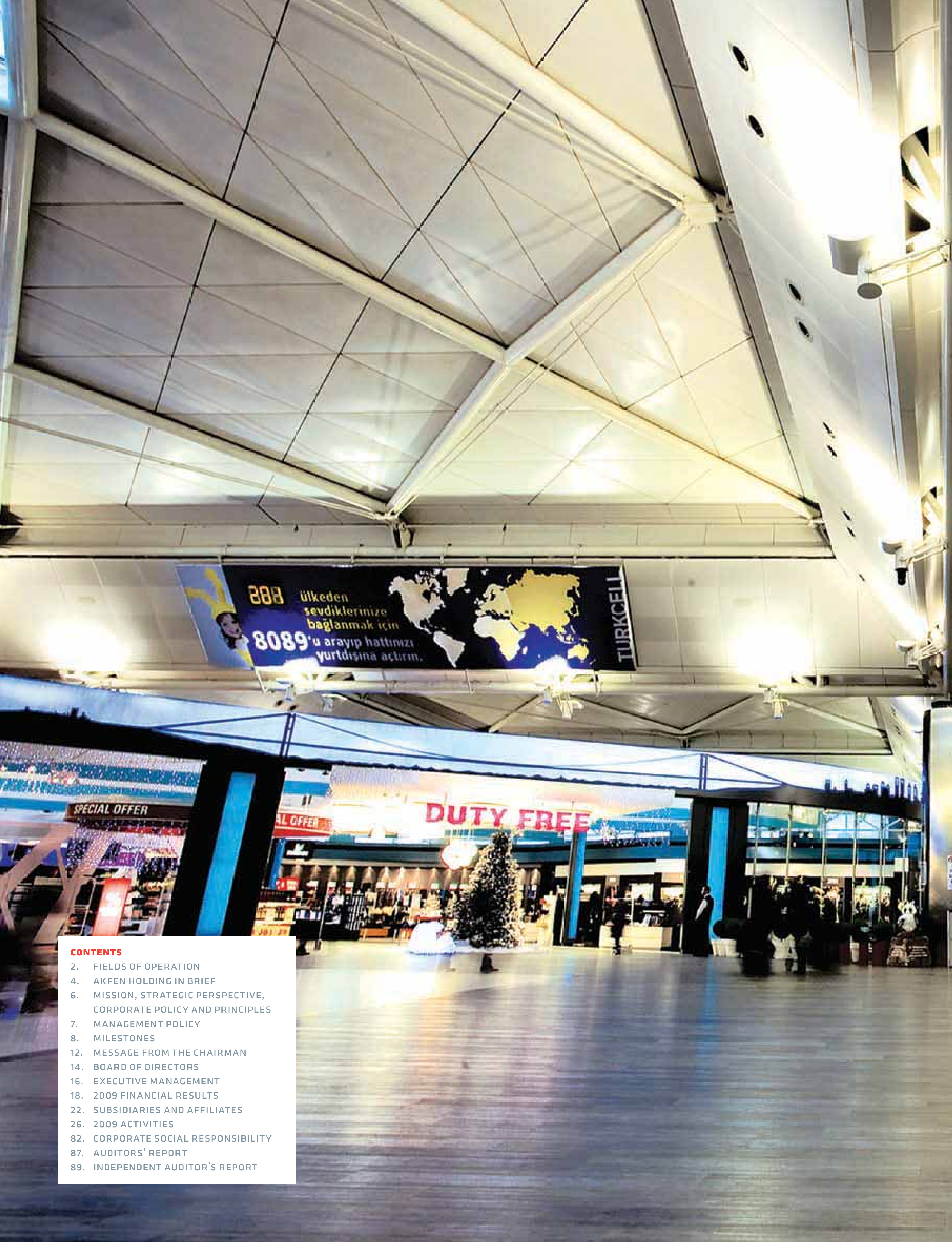
AKFEN HOLDING RECKONS IT IS THE CORPORATE VALUES IT EMBRACES THAT DIRECTS AND DEVELOPS ITS OPERATIONS. YET, ONLY ONE AMONG THOSE VALUES HAS TRANSFORMED AKFEN INTO THE LEADER IT IS TODAY. SINCE THE VERY BEGINNING WE HAVE TAKEN FULL RESPONSIBILITY OF ALL OUR BUSINESS PROCESSES, HELD OURSELVES ACCOUNTABLE ON OUR ACTIONS AND ESTABLISHED AN "OPEN" COMMUNICATION WITH ALL OUR SOCIAL AND ECONOMIC STAKEHOLDERS.

akfen

ANNUAL REPORT 2009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CONTENTS


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FIELDS OF OPERATION

TAV HAVALİMANLARI HOLDİNG A.Ş.
(TAV AIRPORTS HOLDING)

TAV YATIRIM HOLDİNG A.Ş.
(TAV INVESTMENT HOLDING)

AIRPORT CONCESSIONS AND CONSTRUCTION

AKFEN İNŞAAT A.Ş.
(AKFEN CONSTRUCTION)

CONSTRUCTION

MERSİN ULUSLARARASI LİMAN İŞLETMECİLİĞİ A.Ş.
(MERSİN INTERNATIONAL PORT OPERATIONS)

PSA AKFEN LİMAN İŞLETMECİLİĞİ VE YÖNETİM DANIŞMANLIĞI A.Ş.
(PSA AKFEN PORT OPERATIONS AND MANAGEMENT CONSULTANCY)

PORT OPERATIONS

WITH ITS STRENGTH IN THE FORMATION OF NEW SECTORS, PROJECT ORIGINATION DEVELOPMENT AND EXECUTION AKFEN HOLDING HAS POSITIONED ITSELF AS A BUSINESS DEVELOPMENT COMPANY.

TASK SU KANALİZASYON YATIRIM, YAPIM VE İŞLETİM A.Ş.
(TASK WATER AND SEWAGE INVESTMENT, CONSTRUCTION AND MANAGEMENT)

WATER CONCESSIONS

AKFEN ENERJİ YATIRIMLARI
(AKFEN ENERGY INVESTMENTS)

AKFENHES YATIRIMLARI VE ENERJİ ÜRETİM A.Ş. (HES 1)
(AKFENHES INVESTMENTS AND ENERGY PRODUCTION) (HEPP 1)

AKFEN HIDROELEKTRIK SANTRALI YATIRIMLARI A.Ş. (HES 2)
(AKFEN HYDROELECTRIC PLANT INVESTMENTS) (HEPP 2)

AKFEN ENERJİ KAYNAKLARI YATIRIM VE TİCARET A.Ş. (HES 3)
(AKFEN ENERGY RESOURCES INVESTMENT AND TRADE) (HEPP 3)

ENERGY

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
(AKFEN REAL ESTATE INVESTMENT TRUST.)

REAL ESTATE

AKFEN HOLDING IN BRIEF

AKFEN HOLDING IS PLANNING TO EXPAND INTO NEW AREAS IN ACCORDANCE WITH ITS STRATEGY OF SUSTAINABLE AND INNOVATIVE INVESTMENTS IN SECTORS WITH HIGH PROFITABILITY AND LOW COMPETITION.

Established in 1976, Akfen is a leader in all areas in which it is active thanks to strong capital structure and corporate management. After many years of specialization in rights transfer and concession-based infrastructure investments, Akfen became a leading infrastructure platform in Turkey. Akfen Holding, with a history of stable growth, expanded beyond construction activities with the Atatürk Airport build-operate-transfer project awarded in 1997. After consolidating all operational units under a parent holding company, the Group applied the investment planning model adopted for airports to many other projects and became a leading investment holding company in Turkey.

Today, Akfen Holding's main areas of activity are:
• airport and port construction, investment and operation,
• energy and other infrastructure investments,
• development of city hotel projects for Accor brands.

Akfen Holding is making important investments in the energy sector, the driving force behind the healthy, stable, long term growth of the Turkish economy. The increasing energy shortage that appears as the economy grows is one of the main obstacles to sustainable growth. Planning to play an active part in the energy investments that have become the focal point of the market, Akfen Holding has consolidated its hydroelectric plant investments under the umbrella of mainly three companies: Akfenhes Yatırımları ve Enerji Üretim A.Ş., Akfen Hidroelektrik Santrali Yatırımları A.Ş. and Akfen Enerji Kaynakları Yatırım ve Ticaret A.Ş..

Following a strategy of sustainable growth, Akfen Holding is focused on the operations of its subsidiaries in the areas of air and maritime ports and on its city hotel development company, Akfen REIT. Akfen Holding also plans to support its sustainable growth goals with new infrastructure activities. In this regard, privatization projects in infrastructure investments holds a special place in its growth strategy.

Despite the economic uncertainties during 2009, Akfen Holding succeeded in transforming the crisis into an opportunity for growth through its strong, transparent and flexible institutional structure and continued with investments paralleling its strategic priorities. Akfen Holding's continuous success is based on its leadership in the sectors where it is active, its ability to create strategic cooperation with global partners and value creation in society and in the economy through its investments.

Akfen Holding is planning to expand into new areas in accordance with its strategy of sustainable and innovative investments in sectors with high profitability and low competition.

SHAREHOLDING STRUCTURE (31.12.2009)			
SHAREHOLDER	**NUMBER OF SHARES**	**CAPITAL WORTH (TL)**	**SHARE OF CAPITAL (%)**
Hamdi Akın	99,209,331	99,209,331	94.92454
Akfen İnşaat Turizm ve Ticaret A.Ş.	4,124,903	4,124,903	3.94675
Şafak Akın	40,544	40,544	0.03879
Meral Köken	40,544	40,544	0.03879
Nihal Karadayı	40,544	40,544	0.03879
Selim Akın	12	12	0.00001
Pelin Akın	12	12	0.00001
Akınısı Mak. San. ve Tic. A.Ş.	529,000	529,000	0.50615
Akfen Turizm Yat. ve İşlt. A.Ş.	529,000	529,000	0.50615
TOTAL	**104,513,890**	**104,513,890**	**100**

SHAREHOLDING STRUCTURE AFTER THE PUBLIC OFFERING			
SHAREHOLDER	**NUMBER OF SHARES**	**CAPITAL WORTH (TL)**	**SHARE OF CAPITAL (%)**
Hamdi Akın	99,209,331	99,209,331	88.28
Akfen İnşaat Turizm ve Ticaret A.Ş.	3,994,903	3,994,903	3.55
Akınısı Mak. San. ve Tic. A.Ş.	529,000	529,000	0.47
Akfen Turizm Yat. ve İşlt. A.Ş.	529,000	529,000	0.47
Other	121,656	121,656	0.11
Free Float	8,000,000	8,000,000	7.12
TOTAL	**112,383,890**	**112,383,890**	**100**

MISSION

OUR MISSION IS TO MAINTAIN OUR PRIVILEGED POSITION IN OUR SECTORS BY UNDERTAKING SIGNIFICANT AND SUCCESSFUL PROJECTS BOTH AT HOME AND ABROAD.

STRATEGIC PERSPECTIVE

WITH A SUCCESSFUL HISTORY OF OBTAINING AND MANAGING CONCESSIONS IN TURKEY, AKFEN HOLDING WILL CONTINUE TO PLAY A PART IN ITS MAIN FIELDS OF OPERATION AS IT HAS IN THE PAST BY BUILDING ADDITIONAL STRATEGIC PARTNERSHIPS. THE MAIN FOCUS OF AKFEN HOLDING'S INVESTMENTS ARE ON CONCESSIONS AND SECTORS WITH HIGH GROWTH POTENTIAL, MONOPOLISTIC MARKET STRUCTURES AND LONG TERM MINIMUM INCOME GUARANTEE AGREEMENTS. WITH ITS STRENGTH IN THE FIELDS OF FORMING NEW SECTORS, PROJECT ORIGINATION, DEVELOPMENT AND EXECUTION, AKFEN HOLDING HAS POSITIONED ITSELF AS A BUSINESS DEVELOPMENT COMPANY. AKFEN HOLDING ACTS AS AN "INVESTMENT PLATFORM" THANKS TO ITS SUCCESS IN FORMING STRATEGIC PARTNERSHIPS AND ITS FOCUS ON SHAREHOLDER INTEREST AND EXIT STRATEGIES.

CORPORATE POLICY

OUR CORPORATE POLICY IS TO TAKE ADVANTAGE OF THE KNOW-HOW, ORGANIZATIONAL SKILLS AND TECHNOLOGY ACQUIRED SINCE OUR INCEPTION UTILIZING OUR HIGHLY-QUALIFIED HUMAN RESOURCES AND SPECIALIZED TEAMWORK.

OUR PRINCIPLE

OUR PRINCIPLE IS TO WORK WITH WELL-TRAINED AND EXPERIENCED HUMAN RESOURCES, TO PRIORITIZE QUALITY IN PRODUCTION, EXECUTION AND BUSINESS MANAGEMENT, TO COMPLETE CONTRACTED WORK ON TIME AND WITH PREMIUM QUALITY.

MANAGEMENT POLICY

AKFEN HOLDING'S ACTIVITIES ARE SUPPORTED BY ITS EXPERIENCED WORK FORCE AND EXTENSIVE KNOW-HOW AND CONDUCTED VIA ITS SUBSIDIARIES AND AFFILIATES.

Akfen Holding's fundamental goal is to perform all contracted assignments profitably, promptly and in accordance with international criteria, current regulations, specifications and standards without compromising quality, environmental, health and safety requirements. Akfen Holding's activities are supported by its experienced work force and extensive know-how and conducted via its subsidiaries and affiliates.

Ensuring success and securing the future of the company requires not only deliverance of premium quality work, but also ensuring harmony and safety in the work environment. Acting with this insight, Akfen Holding employees regard the comprehensive, accurate and timely execution of their duties as their main objective to achieve quality targets. Akfen Holding considers all persons and institutions it serves as its customers and forms its management system with this understanding. The purpose of this management system is to identify the environmental, occupational and safety hazards in accordance with applicable laws and regulations, to prevent risks at their sources, to protect the environment, human life and property and to improve the management system on a daily basis.

In achieving this goal, Akfen Holding is committed to the following:

- To make improvements in areas of quality, environment, occupational health and security and to build employee awareness through training,
- To establish systems compatible with the appropriate work environment by keeping abreast of the latest technological advances,
- To ensure usage of high quality materials and equipment that accommodate human and environmental health requirements,
- To facilitate optimum levels of natural resource usage in design and construction activities that support recycling and to guarantee that these policies are reviewed by the executive management.

Imbued with the spirit of teamwork, mutual trust and respect, the Akfen Holding employees, all members of the Akfen Family, are instrumental in carrying Akfen to success. Creating and sustaining a business culture that is sensitive to health, security and the environment is the wish and responsibility of all employees, especially the executive management, since quality and success are Akfen Holding's most basic corporate principles.

MILESTONES

AKFEN HOLDING ACTS AS AN "INVESTMENT PLATFORM" THANKS TO ITS SUCCESS IN FORMING STRATEGIC PARTNERSHIPS AND ITS FOCUS ON SHAREHOLDER INTERESTS.

1976

| Hamdi Akın laid the foundations of Akfen by establishing Akınısı Makine Sanayi ve Tic. A.Ş. (Akınısı Machinery Industry and Trade) to produce heating equipment and pressure vessels.

1977

| Akfen Mühendislik Müşavirlik Müteahhitlik ve Mümessillik A.Ş. (Akfen Engineering, Consultancy, Contracting and Agency) was established.

1986

| Akfen took an important step forward in keeping with its growth strategy by winning its first public sector tender.

| Akfen İnşaat Turizm ve Ticaret A.Ş. (Akfen Construction, Tourism and Trade) was established.

1997

| TAV was established as a Tepe-Akfen partnership and was awarded the Istanbul Airport BOT tender, thus paving the way for Akfen's leadership in the sector.

| IBS Sigorta Brokerlik Hizmetleri A.Ş. (IBS Insurance Brokerage Services), Akfen Turizm Yatırım ve İşletmeleri A.Ş. (Akfen Tourism Investments and Ventures) were established.

1998

| Akfen underwent restructuring and adopted a more efficient management system in accordance with its policy of growth.

1999

| All Akfen subsidiaries were reorganized under the umbrella of the Holding.

|The duty-free sales company ATÜ joined TAV and BTA was established to provide catering services.

|The Human Resources Foundation of Turkey was founded.

2000

| TAV began operating Istanbul Atatürk Airport International Terminal Building.

2001

| "primeclass" CIP Service began operations.

2003

| TAV Tepe Akfen Yatırım İnşaat ve İşletme A.Ş. (TAV Tepe Akfen Investment Construction and Operation-TAV İnşaat) was founded.

| TAV İnşaat (TAV Construction) assumed construction of A380 hangars in Dubai for the Emirates.

2004

| BTA began operating Istanbul International Airport Hotel.
| TAV, assumed the construction and operation of Esenboğa Airport Domestic and International Terminals.
| TAV Esenboğa Yatırım Yapım ve İşletme A.Ş. (TAV Esenboğa Investment Construction and Operation) was established.
| TAV Construction's Dubai and Egypt branches were formed.
| TAV İşletme Hizmetleri A.Ş. (TAV Operation Services) was founded.

2005

| TAV won the tender for the operation of Atatürk Airport Domestic and International Terminals, the vehicle parking area and General Aviation Terminal leased for 15.5 years.
| TAV Istanbul Terminal İşletmeciliği A.Ş. (TAV Istanbul Terminal Operations) was established.
| 60% of Havaş's shares were acquired.
| TAV assumed the construction and operation of Izmir Adnan Menderes International Terminal.
| TAV Izmir Terminal İşletmeciliği A.Ş. (TAV Izmir Terminal Operations) was established.
| TAV Bilişim Hizmetleri A.Ş. (TAV IT) was founded.
| TAV won the tender for Georgia's Tbilisi International Airport.
| TAV Construction assumed the construction of Majestic Tower and Tohid Iran schools in Dubai.
| TAV Urban Georgia LLC, was established as an operating company.
| TASK Su (TASK Water) was founded.
| TÜVTURK was founded as the tender for vehicle inspection stations development and operations was won.
| The Mersin Port transfer of operating right tender was won.

2006

| Operation and construction services were restructured under two companies: TAV Havalimanları Holding (TAV Airports Holding) and TAV Construction.
| Izmir Adnan Menderes Airport International Terminal began operations.
| Esenboğa Airport Domestic and International Terminals began operations.
| TAV Özel Güvenlik Hizmetleri A.Ş. (TAV Private Security) was established.
| TAV Construction won the tender for New Doha International Airport Passenger Terminali construction in Qatar with its partner TAISEI.
| TAV Construction Doha branch was established.
| TAV Construction assumed construction of Al Sharaf Mall and Sulafa Tower in Dubai.
| Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. (Akfen Real Estate Investment Trust) was founded.
| The 299 room capacity Mercure Hotel began operations in Northern Cyprus.

2007

| TAV Airports Holding's initial public offering was held.
| Tbilisi International Airport's new passenger terminal began operations.
| Batumi International Airport commenced operations.
| TAV Batumi Operations LLC was established.
| TAV Airports Holding won the tenders for the Monastir Habib Bourguiba and Enfidha Zine El Abidine Ben Ali International Airports in Tunisia.
| TAV Tunisie SA was founded.
| TAV Construction Tunisia branch was established.
| TAV Construction and its partner TAISEI won the tender for the construction of Concourse C for the New Doha International Airport.
| TAV Construction and its partners Odebrecht and CCC assumed the construction of Tripoli Airport in Libya.
| The 40% minority share of Havaş was purchased and Havaş became a 100% TAV Airports Holding subsidiary.
| TAV Airports Holding became the 100% shareholder of TAV Izmir and TAV Esenboğa. TAV Airports Holding won the tender for the operation of Antalya Gazipaşa Airport.
| Hopa Terminal began operations under Havaş. Akfen Enerji Üretim ve Ticaret A.Ş. (Akfen Energy Generation and Trade) began operations.
| Akfen Gayrimenkul Ticaret ve İnşaat A.Ş. (Akfen Real Estate Trade and Construction) was established. The transfer of operating rights contract for Mersin Port was signed and operations commenced.
| TÜVTURK signed a contract to operate vehicle inspection stations.
| TAV Construction Libya and Bahrain branches were established.
| The 208 room Novotel and 228 room Ibis Hotel began operations in Istanbul Zeytinburnu.
| The 108 room Ibis Hotel commenced operations in Eskişehir.
| In November, THO BV, a subsidiary of Goldman Sachs acquired shares from Akfen REIT and became a financial partner.

2008

| Adana-Hatay-İçel Taşıt Muayene İstasyonları İşletim A.Ş. (Adana-Hatay-İçel Vehicle Inspection Stations) commenced operations.
| TÜVTURK İstanbul Taşıt Muayene İstasyonları İşletim A.Ş. (TÜVTURK Istanbul Vehicle Inspection Station Operation) commenced operations.
| TAV Airports Holding assumed the operation of Monastir Habib Bourguiba International Airport in Tunisia.
| TAV Gazipaşa Yatırım-Yapım ve İşletme A.Ş. (TAV Gazipasa Investment-Construction and Operation) was founded for the operation of Antalya Gazipaşa Airport.
| TAV Airports Holding won the tender for the operation of Alexander the Great International Airport in Macedonia's capital Skopje and the St. Paul the Apostle International Airport in Ohrid, as well as the construction of the Shtip Cargo Airport, which TAV Airports Holding also retains an optional right to operate. The related concession contracts were signed.
| Havaş won the tender that led to a 50% ownership of the THY subsidiary TGS (Turkish Ground Services Co.).
| The 200 room Novotel Trabzon commenced operations.
| TAV G Otopark Yapım, Yatırım ve İşletme A.Ş. (TAV G Vehicle Park Construction, Investment and Operations) was established.
| TAV Construction assumed the construction of the Marina 101 hotel and residence complex in Dubai.

2009

| TAV Airports Holding successfully increased its capital by TL 121,000,000.
| TAV Gazipaşa began operations at the Antalya Gazipaşa Airport.
| Enfidha Zine El Abidine Bin Ali Airport was completed and commenced operations. TAV Airports Holding signed a joint venture agreement with Al Rajhi Holdings Group.
| Havaş obtained a 50% share of TGS. Agreement was reached for the sale of Havaş shares.
| The World Bank institution IFC (International Finance Corporation) acquired 15% of TAV Tunisia.
| The 204 room Samara IBIS hotel and office building investment commenced in Russia.
| Akfen's first hydroelectric plant project became operational.
| Akfen Holding divested its vehicle inspection (TÜVTURK) business.
| TAV Construction and its partner CCC won the tender for Muscat Airport MC1 package construction in Oman.
| TAV Construction's subsidiary TAV Construction Muscat LLC was established.
| TAV Construction's subsidiary TAV Construction Qatar LLC was founded.

2010

| 7.12% OF AKFEN HOLDING SHARES ARE LISTED ON THE ISTANBUL STOCK EXCHANGE.

| AKFEN HOLDING BONDS TOTALING TL 100,000,000 WERE ISSUED.

| THE 269 ROOM NOVOTEL & IBIS HOTEL IN GAZIANTEP AND 256 ROOM NOVOTEL & IBIS HOTEL IN KAYSERI BEGAN OPERATIONS.

| TAV CONSTRUCTION ABU DHABI BRANCH WAS ESTABLISHED.

| TAV AIRPORTS HOLDING ASSUMED OPERATION OF THE ALEXANDER THE GREAT AIRPORT AT MACEDONIA'S CAPITAL SKOPJE AND THE ST.PAUL THE APOSTLE INTERNATIONAL AIRPORT AT OHRID.

| 100% OF HAVAŞ SHARES WERE TRANSFERRED TO HAVAŞ HOLDİNG. HSBC INVESTMENT BANK HOLDINGS PLC AND İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI (İŞ VENTURE CAPITAL INVESTMENT TRUST) ACQUIRED 35% OF HAVAŞ HOLDING AND THE REMAINING 65% IS HELD BY TAV AIRPORTS HOLDING

| TAV CONSTRUCTION MACEDONIA BRANCH WAS ESTABLISHED.

| 18% MINORITY SHARE OF TAV TUNISIE SA WAS SOLD TO PAIDF.

| AKFEN REIT'S FINANCIAL PARTNER INTERNATIONAL INVESTMENT BANK GOLDMAN SACHS SUBSIDIARY THO BV TRANSFERRED ITS SHARES IN AKFEN REIT TO AKFEN HOLDING.

MESSAGE FROM THE CHAIRMAN

AKFEN HOLDING'S CONSOLIDATED INCOME REACHED TL 1,029,267,000 IN 2009; NET PROFIT TOTALED TL 153,458,000.

Dear Shareholders,

The credit crunch that began in the USA in the last quarter of 2008 became a global phenomenon affecting both developed and emerging economies. Initially, it impacted financial markets and then the real sector. The effects of the global crisis intensified in 2009, causing a shrinkage of demand and an economic recession around the world and produced an unprecedented impact on industrial production and trade volume.

Thanks to the coordinated expansion policies and demand-creating incentive packages by many governments, as of the last quarter of 2009 there were some indicators signaling the end of the recession. According to IMF data, however, world economy that shrunk by 0.6% in 2009 will go through a gradual recovery; recovery with regard to consumer demand will be rather slow.

Although the Turkish economy has performed better than expected in the crisis, it has shrunk by 4.7% in parallel with global developments. This has been a year in which financial markets retained their uncertainty, while the shrinkage of global demand had disruptive and profound effects on the real sector. In 2010, high budget deficit and unemployment rates are expected to be the main issues confronting the Turkish economy.

With the global economic recession acting as an endurance test for financial institutions and the real sector, the importance of proper financial management was acknowledged once again. Continuing with investments according to its strategic goals in 2009, Akfen Holding managed to overcome this period that could be called the 'crisis of the century' thanks to its experienced management and financial engineering skills. It thus emerged from the crisis even stronger than when it began.

Thanks to its austerity measures and conscientious loan management policy, Akfen Holding has adapted to crisis conditions and restructured the maturity composition of its loans, while taking advantage of alternative financial instruments like bonds to preserve its financial strength in face of the crisis.

The crisis has become an opportunity for Akfen Holding to evaluate its fields of operation and rearrange its priorities. Since 2009 was a good time for strategic sale, the decision to leave the vehicle inspection business was made and Akfen Holding shares were successfully transferred to Bridgepoint, thus ensuring exit from this sector. The funds obtained from operations and the share transfer helped strengthen Akfen Holding's equity during the difficult times of 2009.

Akfen Holding's consolidated income from its 2009 activities reached TL 1,029,267,000; net profit was TL 153,458,000. The Holding's total asset worth at the end of the year reached TL 3,322,286,000.

Despite the difficulties faced by the Turkish real sector in 2009, Akfen Holding has left behind a successful year without compromising its growth strategy and vision of developing a corporate culture.

Akfen Holding, following the steps forward taken during the last years with a crowning moment, has undertaken a successful public offering in the first half of 2010.

We listed Akfen Holding at the Istanbul Stock Exchange in 2010 to strengthen our corporate values and preserve our sustainable growth. With this transformation we reinforced our risk perception and adopted a quantifiable management style. We made sure that this understanding was internalized by all levels in Holding management, beginning with the executive management. Without a doubt, the public offering was one of the most significant moments of our 35 years of institutional history.

Despite the negative impact of the global economic crisis on the domestic market, Akfen Holding went forward with its initial public offering between May 5-7, 2010, a clear expression of its trust in developing a corporate culture; it entered the Stock Market with 7% of its stock publicly owned. Work continues on widening the investor base and increasing the free float of the Holding, currently trading under the AKFEN ticker in the Istanbul Stock Exchange.

In addition to developing a corporate culture and transparency, the public offering has played an important role in Akfen Holding's strengthened position within these competitive market conditions and has provided resources for new investments by reinforcing its finances. A financial structure totally free of loans and a stable growth strategy has put Akfen Holding in a dynamic position in its fields of operation and provided an unshakeable foundation for the pursuit of new investments.

During 2009, we focused on effective management of our risks without compromising our fundamental goals. Thanks to this policy, despite all the uncertainties, we continued with our investments according to our strategic priorities. Projects in the field of energy and hotel development have been our priority investments.

In addition to our subsidiaries operating in the air and maritime port sector, we plan to focus on high potential and long term projects of Akfen REIT and Akfen Energy in the future, as per our policy of sustainable growth. We are supportive of potential public offerings of Akfen Holding subsidiaries that have reached a certain maturity. An IPO strengthening the equity capital of Akfen REIT with a profitable portfolio consisting of hotels in Turkey, Russia, the CIS and Cyprus is one of our main priorities.

Reinforcing its financial integrity in 2010, Akfen Holding will continue to invest in privileged areas with strong domestic and international partners in keeping with the same strategy since its inception: sustainable, innovative investments in areas with high profitability and low competition.

As I conclude my words, on behalf of our Board of Directors, I would like to thank the main force underlying our success, our experienced and dedicated employees and managers. I would also like to express my gratitude to our customers who have maintained their strong trust in Akfen, also our partners and to all social stakeholders. Last but not the least, I would like to welcome our new shareholders who joined us in the public offering.

Respectfully yours,

HAMDİ AKIN

CHAIRMAN OF THE BOARD OF DIRECTORS

BOARD OF DIRECTORS

HAMDİ AKIN (1)

CHAIRMAN OF THE BOARD OF DIRECTORS

Born in 1954 in Istanbul, Hamdi Akın is a graduate of Gazi University, Department of Mechanical Engineering. He founded Akfen Holding, active in construction, tourism, trade and service sectors, in 1976. In addition to serving as the Chairman of the Board of Directors at Akfen Holding, in 2005, he also became Chairman of TAV Airports Holding of which he is a founder and a shareholder. Akın also carried his dynamism and hard work in business into volunteer efforts and non-governmental organizations as a manager and founder of many societies, foundations, chambers of commerce. He has served as Vice President of Fenerbahce Sports Club (2000-2002), MESS-Metal Industrialists' Union President of Ankara Regional Representatives Council (1992-2004), President of TÜGİAD-Turkish Young Businessmen's Association (1998-2000), member of Board of Directors of TİSK-Turkish Confederation of Employers' Associations (1995-2001), member of Board of Directors of TÜSİAD-Turkish Industrialists' and Businessmen's Association and has also served as the President of Information Society and New Technologies Commission (2008-2009).

AWARDS GIVEN TO HAMDİ AKIN

2000 "Company with the Largest Export Volume" award for Akfen Dış Ticaret A.Ş. (Akfen International Trade) from the Ankara Chamber of Commerce;
2004 "Businessman of the Year" award bestowed by the Dünya Newspaper's Traditional Honorary Chair of Economy and "Businessman of the Year in the Economy" award from Yeni Para magazine;
2005 "Businessman of the Year" award from National Center for Productivity;
2006 IDE2006 "Best of the Business World" Entrepreneurial Businessman award from CNBC-e TV channel;
2006 Selected "Businessman of the Year" by a committee for the 2006 Turkey Success Awards, organized by True Magazine and TİKAD (Turkish Businesswomen's Association);
2010 "Businessman of the Year" award by White Gold Turkey Entrepreneurship Awards organized by EGSİAD and
2010 "Businessman of the Year" award from Stars of the Year organized by EKOVİTRİN magazine.

Hamdi Akın, along with Akfen Holding, is a founder of the Contemporary Turkey Studies Chair at the London School of Economics. He is also the founding member and Honorary President of the Turkey Human Resources Foundation (TİKAV), founded in 1999 to provide Turkey with well-trained human resources.

MUSTAFA KETEN (2)

VICE CHAIRMAN OF THE BOARD OF DIRECTORS

Born in Konya in 1946, Mustafa Keten graduated from the Istanbul Academy of Economics and Commercial Sciences, Department of Economic Administration in 1968. Keten began his professional career in 1970 as an Assistant Specialist in the State Planning Organization. In 1978, he received an MA in Development Administration from the Institute of Social Studies in the Netherlands. From 1979 to 1999, he served at the State Planning Organization as President of Priority Development Regions, then as Undersecretary of Agriculture, Forestry and Village Affairs, Advisor to the Prime Minister, President of Special Environmental Protection Board, General Manager of Prime Ministerial Foundations and President of Foundations Board. During his time in the public sector, he also served on the Board of Directors at Petkim (petrochemicals) and Tamek Gıda (canned foods) and as the Chairman of the Board of Directors at Güneş Sigorta (insurance) and Vakıfbank. He has been a faculty member at various educational institutions. Keten joined Akfen Holding in 1999 as Vice Chairman of the Board of Directors. He is currently a member of the Board at the Eurasian Business Council, Turkish-Russian Business Council and the Turkish-Georgian Business Council, as well as President of the Turkish-Moldavian Business Council.

İRFAN ERCİYAS (3)

MEMBER OF THE BOARD OF DIRECTORS / EXECUTIVE DIRECTOR

Born in 1954, İrfan Erciyas graduated from Gazi University, Department of Economics and Public Finance in 1977. He began his professional career at Türkiye Vakıflar Bankası (Vakıfbank). After serving as an auditor and a branch manager, he was appointed Assistant General Manager in 1996 and General Manager in 2002. He joined Akfen Holding in 2003 as Vice Chairman of the Board of Directors. As of March 2010 he has served as Executive Director.

İBRAHİM SÜHA GÜÇSAV (4)

MEMBER OF THE BOARD OF DİRECTORS / CEO

Born in 1968, İbrahim Süha Güçsav graduated from Istanbul University, Department of Economics in 1992, he later received his MA from Gazi University, Institute of Social Sciences, Department of Business Administration. Beginning his professional career in 1992 at Alexender & Alexander Insurance Brokerage Co., Güçsav joined Akfen Holding in 1994 where he served as Financial Group President and CEO; from 2003 to 2010, he was Vice Chairman of the Board of Directors. Akfen Holding CEO and member of Board of Directors. Since March 2010, Güçsav also serves as Chairman of the Board of Directors of Akfen GYO (Real Estate Investment Trust), member of the Board of Directors at TAV Airports Holding, Mersin International Port Operations and Akfen Energy Investments Holding.

SELİM AKIN (5)

MEMBER OF THE BOARD OF DIRECTORS

Selim Akin was born in 1983 and graduated from Surrey University, Business Administration Department in England. As the future director of Akfen Holding, Akın serves as a member of the Board of Directors at Akfen Holding and various subsidiaries. He has served as Surrey University Turkish Association President in 2005-2006 and is a member of Turkish Young Businessmen's Association, Turkey Anatolian Employees and a honorary member of the Workers' Association.

ŞABAN ERDİKLER (6)

INDEPENDENT MEMBER OF THE BOARD OF DIRECTORS

After graduating from Ankara University Political Science Department Şaban Erdikler served in the public sector for six years as a Public Finance Ministry Inspector He later joined Arthur Andersen as Tax Manager. In 1992, he assumed the Chairmanship of the Board of Directors at Arthur Andersen Turkey and became the General Manager; in 1994, he assumed responsibility over Balkan countries. In 2001, he organized the Turkish section of the Andersen under the umbrella of Ernst & Young. He chaired the Board of Directors at Ernst & Young Turkey for approximately two years. In January 2004, he founded Erdikler Yeminli Mali Müşavirlik Limited Şirketi (Erdikler Public Accountancy).

MUMTAZ KHAN (7)

INDEPENDENT MEMBER OF THE BOARD OF DIRECTORS

Mumtaz Khan is a founding partner and CEO of the Middle East and Asia Capital Partners, a Singapore-based venture capital platform joining the Middle East and Asia. Khan is also a founding partner of the Islamic Development Bank in Singapore. After serving as President and CEO of the Bahrain-based Emerging Markets Partnership (EMP) and as a partner and CEO of the Islamic Development Bank Infrastructure Fund with assets of US$ 730,000,000 until December 2007, he served as Vice President of EMP Global based in Washington D.C. He served for three years in Hong Kong as the resident partner and director of the US$ 1,000,000 Asian Infrastructure Fund's Asian operations. Prior to this, he had a total of 13 years of work experience in Jakarta as the permanent representative responsible for investments in Malaysia and Indonesia and in Washington D.C. as the Asian Unit Director for the IFC where he initiated the IFC's Chinese investment program.

AUDITORS' BOARD

BURCU KARABACAK
AYBENİZ SEZGİN


5
3
4
6
1
2

EXECUTIVE MANAGEMENT

MANAGEMENT TEAM

İBRAHİM SÜHA GÜÇSAV
MEMBER OF THE BOARD OF DIRECTORS / CEO

Born in 1968, İbrahim Süha Güçsav graduated from Istanbul University, Department of Economics in 1992, he later received his MA from Gazi University, Institute of Social Sciences, Department of Business Administration. Beginning his professional career in 1992 at Alexender & Alexander Insurance Brokerage Co., Güçsav joined Akfen Holding in 1994 where he served as Financial Group President and CEO; from 2003 to 2010, he was Vice Chairman of the Board of Directors. Acting as Akfen Holding CEO and member of Board of Directors since March 2010, Güçsav also serves as Chairman of the Board of Directors of Akfen GYO (Real Estate Investment Trust), member of the Board of Directors at TAV Airports Holding, Mersin International Port Operations and Akfen Energy Investments Holding.

SILA CILIZ İNANÇ
ASSISTANT GENERAL MANAGER – LEGAL COORDINATOR
AKFEN HOLDİNG

Sıla Cılız İnanç graduated from Marmara University, Faculty of Law in 1995. Following the completion of her law internship in 1996, İnanç joined Akfen Holding. She took part in Public Private Partnership projects, which were executed successfully in Turkey and at every stage of build-operate-transfer projects and privatizations including tenders, finalization of transfers, establishment of financial and share structures and signing of credit contacts. İnanç's work concentrates on Energy Law and Corporate Law with a special emphasis on Public Procurement Laws, FIDIC, Concession Contracts, Renewable Energy and the Electricity Market.

HASAN SEMİH ERGÜR
ASSISTANT GENERAL MANAGER – FINANCIAL AFFAIRS
AKFEN HOLDİNG

Hasan Semih Ergür graduated from Middle East Technical University, Department of Mechanical Engineering in 1974. He earned his MA in 1976 and his MBA from AITIA on finance and production management in 1977. He received his PhD from Manchester University in 1983. Ergür worked at Middle East Technical University as a faculty member and was employed by Citibank at various administrative levels from 1986 until 2004. His final post at Citibank was as the Central Asia-Caucasus Regional Manager. From 2004 to 2006, Ergür worked in executive managerial positions in Çalık Holding before joining Akfen Holding in 2007 as CEO of Akfen Altyapı Yatırımları Holding (Akfen Infrastructure Investments Holding). As of March 2010, he has been Assistant General Manager responsible for financial affairs.

HÜSEYİN KADRİ SAMSUNLU
ASSISTANT GENERAL MANAGER – PROJECT DEVELOPMENT
AKFEN HOLDİNG

Hüseyin Kadri Samsunlu graduated from Boğaziçi University, Department of Economics in 1991 and went on to complete his MBA at the University of Missouri in the USA in 1993 and became a Certified Public Accountant registered to the State of Missouri the same year. He began his professional career as a Financial Analyst at Türkiye Sınai Kalkınma Bankası (Turkish Industrial Development Bank) and served in various positions between 1995 and 2006 as general manager and member of Board of Directors at Global Holding and its subsidiaries. Before joining Akfen Holding at the beginning of 2009, he spent three years in Romania and Turkey as an investment and corporate finance advisor. Samsunlu currently serves as Assistant General Manager at Akfen Holding and as a member on the Board of Directors at various Akfen Holding subsidiaries.

GÜLBİN UZUNER BEKİT
FINANCE COORDINATOR
AKFEN HOLDİNG

Gülbin Uzuner Bekit graduated from Hacettepe University, Faculty of Economics and Administrative Sciences, Department of Economics in 1990. She went on to earn her MA in International Finance from Webster University, London in 1992. The same year, she began her professional career at STFA Enerkom and joined Garanti Bank in 1995 where she served as a manager in Financial Analysis, Marketing and Corporate Loans. Bekit joined Akfen Group in 1998, where she currently serves as the Finance Coordinator.

MERAL ALTINOK
BUDGETING AND REPORTING COORDINATOR
AKFEN HOLDİNG

Meral Altınok graduated from the Department of Economics at Istanbul University in 1979. She began her finance career in 1977 and joined Anadolu Kredi Kartı Turizm ve Ticaret A.Ş. (Anadolu Credit Card Tourism and Trade) in 1980. Altınok crossed over to the finance sector by joining The First National Bank of Boston in 1984. From 1993 until 2000 she served at Toprakbank A.Ş. and then at Çalık Holding A.Ş. as Assistant General Manager in charge of Financial Affairs from 2001 until 2008. She joined Akfen Holding in 2008 where she currently serves as the Budgeting and Reporting Coordinator.

AKIN AYDIN
PROJECT DEVELOPMENT AND INVESTOR RELATIONS COORDINATOR
AKFEN HOLDİNG

Akın Aydın graduated from Boğaziçi University, Department of Economics in 1993 and received his MBA from George Washington University in 1995. He began his career in 1995 at TSKB's Corporate Finance Department. Aydın later worked in the Corporate Finance Departments of Yapı Kredi Investment and Garanti Investment. Aydın joined the Akfen Group in 2007.

RAFET YÜKSEL
ACCOUNTING COORDINATOR
AKFEN HOLDİNG

Rafet Yüksel graduated from Anadolu University, Department of Economics in 1987. He served at the PEG A.Ş. accounting service under the Profilo Holding A.Ş. umbrella as an accounting officer. In 1990 he began working at Akfen Müh. Müş. Müt.ve Müm. A.Ş. (Akfen Engineering Consultancy Construction and Representation) as an Accounting Specialist. In 1998, he became a Certified Public Accountant and held management positions at Akfen Holding's Accounting Department. Currently, he is an Accounting Coordinator at Akfen Holding A.Ş..

SUBSIDIARIES AND AFFILIATES

MUSTAFA SANİ ŞENER

CEO
TAV HAVALİMANLARI HOLDİNG A.Ş. (TAV AIRPORTS HOLDING) /TAV YATIRIM HOLDİNG (TAV INVESTMENT HOLDING)

Mustafa Sani Şener graduated the Department of Mechanical Engineering at Karadeniz Technical University in 1977 and completed his graduate studies in fluid mechanics in 1979 at Sussex University, England. He received an honorary PhD by Karadeniz Technical University, Faculty of Mechanical Engineering for his contributions to the development of Turkish engineering on an international level. Before joining TAV Airports Holding, Şener assumed various positions from project manager to general manager in many domestic and international projects. In 1997, Şener was appointed to the Board of Directors at TAV Airports Holding and as CEO. He also serves as a member of Board of Directors of the Airports Council International (ACI) Europe.

COŞKUN MESUT RUHİ

GENERAL MANAGER
AKFEN İNŞAAT TURİZM VE TİCARET A.Ş. (AKFEN CONSTRUCTION TOURISM AND TRADE)

Coşkun Mesut Ruhi graduated from Middle East Technical University, Engineering Faculty, Civil Engineering Department in 1992. He worked for Güriş İnşaat A.Ş. (Güriş Construction) before joining Akfen the same year. He served in various capacities from site engineer to project manager. Since 2005, he has been serving as General Manager of Akfen İnşaat Turizm ve Ticaret A.Ş.

JOHN PHILLIPS

GENERAL MANAGER
MERSIN ULUSLARARASI LİMAN İŞLETMECİLİĞİ (MERSIN INTERNATIONAL PORT OPERATIONS)

John Phillips began his professional career in 1975 in London as a navigator for P&O Maritime. He received his First Class Long Range Certificate at the age of 26 and traveled to many ports and different continents while serving on various ships. After 1987, Phillips held managerial positions in the port operation sector and took part in many port projects in Europe and Scandinavia. He joined Mersin International Port Operations in August 2007.

SAFFET ATICI

GENERAL MANAGER
AKFENHES YATIRIMLARI VE ENERJİ ÜRETİM A.Ş. (AKFENHES INVESTMENTS AND ENERGY GENERATION)

Saffet Atıcı is a graduate from the Department of Civil Engineering at Middle East Technical University. He began his professional career in 1976 with DSİ Adana Bölgesi Sulama ve Arıtma Yapıları (DSİ Adana Region Irrigation and Treatment Structures). Between 1981 and 1985 he served as construction site manager at İvriz, Kapulukaya and Karacaören dams. He assumed the positions of İkizcetepeler Dam Construction Site Manager and Kralkızı Joint Venture Group General Manager while working at MNG Holding, which he joined in 1985. He served between 1992-1996 as Regional Manager at DSİ Atatürk Dam and between 1996-2001 as Manager at the Birecik Dam Construction Site. In 2007, he joined Akfenhepp Investments and Energy Generation and since October 2009 he has served as General Manager of the company.

ORHAN GÜNDÜZ

GENERAL MANAGER
AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. (AKFEN REAL ESTATE INVESTMENT TRUST)

Born in 1970 in Istanbul, Orhan Gündüz graduated from Bilkent University, International Relations Department in 1993 and from the Business Administration Department of the same university in 1995. He received his MBA from Kellogg Graduate School of Management, Northwestern University in the USA. Gündüz began his professional career in 1994 at PricewaterhouseCoopers. From 2001 until 2004, he worked at JP Morgan Chase's New York General Headquarters; in 2004-2005 at Deutsche Bank and from 2006 until 2008 at Lehman Brothers. In 2008 he joined Akfen REIT as Assistant General Manager Responsible for Financial Affairs; as of July 2009, Gündüz has served as the General Manager.

TUNA OZANER

GENERAL MANAGER
TASK SU VE KANALİZASYON YATIRIM, YAPIM VE İŞLETME A.Ş. (TASK WATER AND SEWAGE INVESTMENT, CONSTRUCTION AND MANAGEMENT)

Tuna Ozaner graduated from Istanbul Technical University, Department of Mechanical Engineering in 1986 and received Business Administration education from Istanbul University, Institute of Business Administration Economics. He began his career in 1989 as the Ankara Regional Representative of Türk Pirelli Lastikleri A.Ş. He later held various managerial positions at Sadri Şener A.Ş., Simge Turizm ve İnşaat A.Ş. (Simge Tourism and Construction) and TAHAL Construction Engineering. As of 2007, he has been General Manager of TASK Water and Sewage.

2009 FINANCIAL RESULTS

AKFEN HOLDING'S CONSOLIDATED SALES REVENUE FOR THE YEAR 2009 WAS TL 1,029 BILLION.

Consolidated assets of Akfen Holding totaled 3,322 billion as of year ended December 31, 2009.

•While Akfen subsidiaries have been fully consolidated in the preparation of financial statements, joint ventures have been proportionally consolidated. The joint ventures with the highest share in assets in 2009 were TAV Airports Holding (32.48%), Mersin International Port (18.79%) and Akfen Real Estate Investment Trust (14.45%).

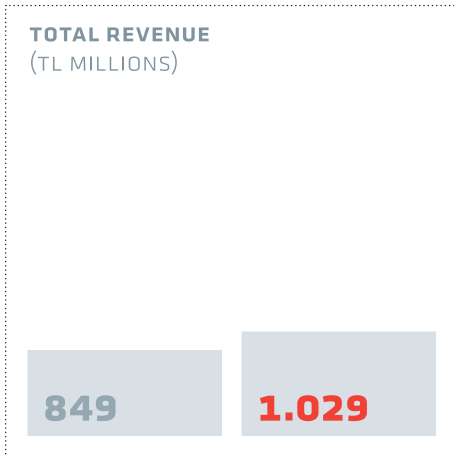
• Akfen Holding assets have recorded a 62% increase from 2007 to 2009. The largest share of this increase belongs to TAV Airports Holding, Hydroelectric companies with continuing investments, Akfen REIT and finally TAV Investment Holding.

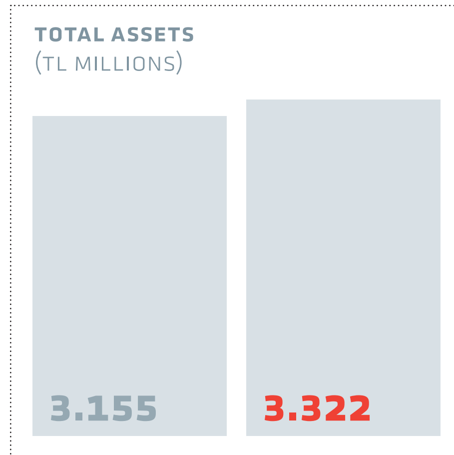
• When the ongoing projects advance and are finalized, Akfen Holding assets will show a balanced distribution in sectors with monopolistic market structure, low risk and high return such as airport construction and operation, port operation, energy and real estate.

• Akfen Holding accrues regular and significant revenue from its subsidiaries and affiliates, as well as from the sale of infrastructure investments, public offerings and from strategic and financial partnerships.

• Akfen Holding's consolidated sales revenue for the year 2009 was TL 1,029 billion.

• In the yearly consolidated turnover for 2009, TAV AirportsHolding's share was 39.43% with TAV Investment Holding's at 39.29%.

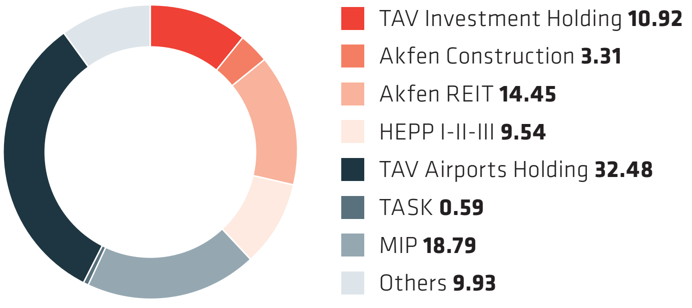




FINANCIAL HIGHLIGHTS
(TL THOUSANDS)

SUMMARY INCOME STATEMENT	**2009**	**2008**
Revenue	1,029,267	849,466
Cost of Sales	(843,347)	(674,777)
Gross Profit	185,920	174,689
Operating Profit	106,926	206,630
Earnings (Loss) before Interest, Taxes, Depreciation and Amortization (EBITDA)	98,170	122,563
Continuing Operations Profit (Loss) before Tax	(40,136)	(26,402)
Discontinued Operations Profit (Loss) before Tax	194,835	(31,243)
Net Profit (Loss) for the Period	153,458	(76,469)
SUMMARY CASH FLOW STATEMENT	**2009**	**2008**
Net Cash Flow from Operations	(289,594)	(298,622)
Net Cash Utilized in Investment Activities	59,340	(506,261)
Net Cash Earned from Financial Activities	406,955	832,422
SUMMARY BALANCE SHEET	**2009**	**2008**
Commercial and Other Receivables	579,081	533,811
Real Estate held for Investment Purposes	531,647	469,343
Total Assets	3,322,286	3,155,941
Financial Debts	2,234,771	1,955,804
Total Liabilities	2,793,278	2,815,633
Total Shareholders' Equity	529,008	340,308
	2009	**2008**
Gross Profit Margin (%)	18	21
Net Profit Margin (%)	15	(9)
EBITDA Margin (%)	8	12
	2009	**2008**
Total Revenue	1,029,267	849,466
Total Assets	3,322,286	3,155,941
Total Shareholders' Equity	529,008	340,308

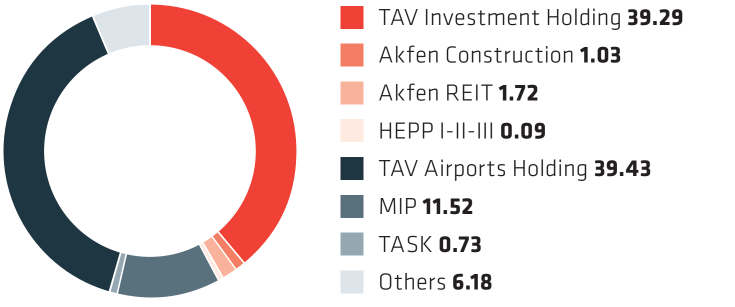
2009 DISTRIBUTION OF CONSOLIDATED ASSETS (%)



YEARLY DISTRIBUTION OF TOTAL ASSETS

(TL MILLIONS)	2007	2008	2009
TAV Investment Holding	167	312.9	362.8
Akfen Construction	156.7	171.5	109.8
Akfen REIT	290	437.4	479.9
HEPP I-II-III	81.7	149.1	316.9
MIP	457.2	619.3	624.3
TASK	-	12.3	19.7
TAV Airports Holding	520.5	742	1,079
Others	378.4	711.4	329.8
Total Assets	2,051.5	3,155.9	3,322.2

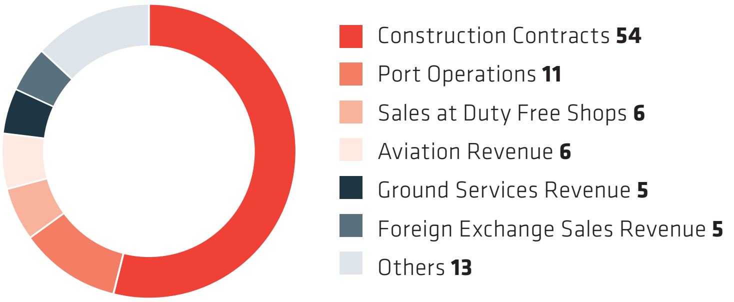
2009 DISTRIBUTION OF CONSOLIDATED SALES (%)



YEARLY DISTRIBUTION OF TOTAL REVENUE (TL MILLIONS)

	2007	2008	2009
TAV Investment Holding	168.7	301.4	404.4
Akfen Construction	159.2	46.3	10.6
Akfen REIT	50.7	15.3	17.7
HEPP I-II-III	-	-	1
MIP	58.9	106.1	118.6
TASK	-	5.7	7.5
TAV Airports Holding	204.6	319.3	405.8
Others	56.1	55.3	63.6
Total Revenue	698.2	849.5	1,029.0

2009 DISTRIBUTION OF REVENUE BY FIELDS OF OPERATION (%)



SUBSIDIARIES AND AFFILIATES

AKFEN HOLDING HAS DIVESTED ITS STAKE IN THE VEHICLE INSPECTION STATIONS WITH A SUCCESSFUL TRANSACTION IN ORDER TO REINFORCE ITS EQUITY BASE AND TO FOCUS ON STRATEGIC AREAS.

TAV HAVALİMANLARI HOLDİNG A.Ş. (TAV AIRPORTS HOLDING)

26.12%

MERSİN ULUSLARARASI LİMAN İŞLETMECİLİĞİ A.Ş. (MERSIN INTERNATIONAL PORT OPERATIONS)

50%

TAV YATIRIM HOLDİNG A.Ş. (TAV INVESTMENT HOLDING)

42.50%

PSA AKFEN LİMAN İŞLETMECİLİĞİ VE YÖNETIM DANIŞMANLIĞI A.Ş. (PSA AKFEN PORT OPERATIONS AND MANAGEMENT CONSULTANCY)

50%

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. (AKFEN REAL ESTATE INVESTMENT TRUST)

42.37%

TASK SU KANALİZASYON YATIRIM, YAPIM VE İŞLETME A.Ş. (TASK WATER SEWAGE INVESTMENT, CONSTRUCTION AND OPERATION)

50%

AKFEN İNŞAAT TURİZM VE TİCARET A.Ş. (AKFEN CONSTRUCTION TOURISM AND TRADE)

99.85%

AKFEN ENERJİ YATIRIMLARI HOLDİNG A.Ş. (AKFEN ENERGY INVESTMENTS HOLDING)

69.75%

AKFENHES YATIRIMLARI VE ENERJİ ÜRETİM A.Ş. (HES 1) (AKFENHEPP INVESTMENTS AND ENERGY GENERATION) (HEPP 1)

100%

AKFEN HİDROELEKTRİK SANTRALI YATIRIMLARI A.Ş. (HES 2) (AKFEN HYDROELECTRIC PLANT INVESTMENTS) (HEPP 2)

100%

AKFEN ENERJİ KAYNAKLARI YATIRIM VE TİCARET A.Ş. (HES 3) (AKFEN ENERGY RESOURCES INVESTMENT AND TRADE) (HEPP 3)

100%

LEADER

42,063,769

THE NUMBER OF PASSENGERS SERVED
BY TAV HAVALİMANLARI HOLDİNG
(TAV AIRPORTS HOLDING) IN 2009

2009
ACTIVITIES

DESPITE THE UNCERTAINTIES OF 2009, AKFEN HOLDING SUCCEEDED IN TRANSFORMING THE CRISIS INTO AN OPPORTUNITY FOR GROWTH THROUGH ITS STRONG, TRANSPARENT AND FLEXIBLE CORPORATE STRUCTURE; IT CONTINUED MAKING INVESTMENTS IN ACCORDANCE WITH ITS STRATEGIC PRIORITIES.

AIRPORT CONCESSIONS AND CONSTRUCTIONS

TAV was established in 1997 after the joint venture between the Tepe and Akfen groups was awarded the Build-Operate-Transfer tender of the Istanbul Atatürk Airport International Terminal. As a company specializing in construction, operation and financing of airports, today TAV is marching forward ambitiously and is becoming a leader in Turkey and a major player in the Middle East, North Africa and the Caucasus. Because of rapid growth and new investment opportunities, TAV was restructured in 2006, placing its operating services under TAV Airports Holding (TAV Airports Holding) and construction services under TAV İnşaat (TAV Construction.) Continuing to maintain a steady stream of successful projects since its establishment, TAV has become an internationally acclaimed Turkish brand in airport construction projects and in the relatively new sector of airport operations.

TAV Airports Holding, TAV Investment Holding and their subsidies plan to emphasize strategic investments for airport terminal projects in Europe, Africa, Middle East, Russia, the CIS and India in their projected business plans.

TAV HAVALİMANLARI HOLDİNG A.Ş. (TAV AIRPORTS HOLDING)

TOGETHER WITH ITS SUBSIDIARIES, TAV AIRPORTS HOLDING TODAY SERVES 375,000 FLIGHTS OF 300 AIRLINE COMPANIES AND 42,000,000 PASSENGERS PER YEAR.

TAV Airports has completed the construction of Istanbul Atatürk Airport International Terminal in just two years after it won the tender in 1998 and opened the terminal to service in 2000.

With this project, one of the world's first examples of the "build-operate-transfer" model in the airports industry and a reflection of Turkey's modern image, TAV Airports has composed a unique success story based on its know-how, experience and creativity. The Company has earned itself a place among global brands of airports operations with the premium quality human resources and high technology at its disposal.

Listed on February 23, 2007, TAV Airports Holding's shares are traded on the Istanbul Stock Exchange with the TAVHL ticker.

Today, together with its subsidiaries, TAV Airports Holding provides service to 375,000 flights by 300 airline companies and 42,000,000 passengers annually. It strengthens its position in Turkey, East Europe, Caucasus and North Africa with determined progress and successful projects. While TAV Airports Holding serves millions of customers domestically in Istanbul, Ankara, Izmir and Antalya Gazipaşa, it also serves passengers abroad in Georgia, Tunisia and Macedonia.

TAV Airports operates the Istanbul Atatürk Airport, Ankara Esenboğa domestic and international terminals, Izmir Adnan Menderes Airport International Terminal and Antalya Gazipaşa Airport. BeyondTurkey's borders, TAV operates Tbilisi and Batumi in Georgia, Monastir Habib Bourguiba and Enfidha Zine Abidine Ben Ali in Tunisia, Skopje Alexander the Great and Ohrid St Paul the Apostle international airports.

With a market share of 48% according to Turkish State Airports Authority's (DHMİ) 2009 statistics, TAV Airports Holding is the leading airport operator in Turkey; with more than 12,000 employees on three continents, it continues to undertake projects in keeping with its goals and principles.

With 57% of its consolidated revenue from sources other than aviation, TAV presents its customers with a unique flight experience through its various services that aim to cater to everything expected of an airport such as ground services, duty-free shops, personalized services as well as security and IT services. There is no margin for errors with regard to airport operations with their round the clock pace. Aware of this, TAV Airports Holding provides service with experienced and genial employees at every point -from the vehicle parking lot to check-in and from the cafeterias to duty free shops, right up to boarding the plane.

TAV Airports Holding's fundamental objective is to present fully integrated services at the airports that serve thousands of people daily and grow from a local to a global company that will serve 100,000,000 passengers per year within the next decade.

TOTAL NUMBER OF PASSENGERS	
2009	42,063,769
2008	40,948,987
Increase (%)	3
TOTAL COMMERCIAL AIR TRAFFIC	
2009	374,952
2008	368,810
Increase (%)	2

Source: State Airports Authority (DHMİ)

TAV ISTANBUL

ATATÜRK AIRPORT

ATATÜRK AIRPORT SERVES APPROXIMATELY 300 AIRLINE COMPANIES FROM AROUND THE WORLD.

INTERNATIONAL TERMINAL

Duration of Operation / End of Operation
15 years 6 months / January 2021

2009 Passenger traffic*: 18,363,739
2009 Commercial air traffic*: 169,086

DOMESTIC TERMINAL

Duration of Operation / End of Operation
15 years 6 months / January 2021

2009 Passenger traffic *: 11,393,645
2009 Commercial air traffic *: 95,395

** Source: State Airports Authority (DHMİ)*

Chosen as the 2010 European Culture Capital by the European Union, Istanbul annually hosts millions of visitors who come to partake of its unique cultural fabric. In such a city, airport operations play a critical role, serving as an international gateway. Built by TAV utilizing a 'build-operate-transfer' model, Istanbul Atatürk Airport's New International Terminal went into service in January 2000.

Istanbul Atatürk Airport is Turkey's largest airport and one of the most highly praised airports in Europe, known for its impressive architecture, rapid passenger flow and quality of service. The airport's parking area is the largest vehicle parking lot under a single roof in Europe.

Istanbul Atatürk Airport serves approximately 82,000 passengers every day, while between 700-730 planes take off and land in any 24 hour period. With all the amenities to be expected from an airport, Atatürk Airport serves approximately 300 airline companies from around the world.

After Turkish Airlines joined the Star Alliance family in 2009, the number of transit flights from Istanbul Atatürk Airport has increased.

As of July 2005, TAV assumed operations at Atatürk Airport Domestic Terminal as well.

Thanks to CUTE, the automation system that connects international airlines with each other through a common software, passengers are spared the hardship of handling their baggage twice during transit flights. The baggage handling system can organize up to 15,000 bags per hour. Utilizing the Explosive Detection System (EDS) since January 2007, all exiting bags are controlled in accordance with the "100% baggage scan" principle.

Domestic and International Terminals expansion and additional open vehicle parking lot operations that began in 2008 following a supplemental contract signed with the Turkish State Airports Authority (DHMİ) have continued throughout 2009.

International Awards Received by Istanbul Atatürk Airport

"Transit Flights Attraction Center" 2009-2010: Best 50 Travel Center Awards, Monocle Magazine

"South Europe's Second Best Airport" 2009: Skytrax World's Best Airports Awards

"High Praise Award" 2007: 13. World Route Development Forum (Routes)

"2nd Best Airport" 2003: www.travelquality.com

"Europe's Most Comfortable International Terminal" 2002: Deutsche Aeroconsult

"Engineering Academy Award" 2002: ACEC-American Council of Engineering Companies (TAV was the first Turkish company to receive this award.)

"Safest Airport in the Middle East and Balkans" 2001: Federal Aviation Administration of USA (FAA)

Note: DHMİ figures have been revised to include transfer passengers since 2008. Thus, 2009-2008 traffic data are not comparable with those of 2007.

TAV ANKARA

ESENBOĞA AIRPORT

AS TURKEY'S PROTOCOL AND DIPLOMACY GATEWAY, ESENBOĞA AIRPORT HAS STRATEGIC SIGNIFICANCE.

INTERNATIONAL TERMINAL

Duration of Operation / End of Operation
16 years 7 months / May 2023

2009 Passenger traffic*: 1,097,143
2009 Commercial flight traffic*: 10,146

International Terminal Passenger Traffic (millions)*
2009: 1.10
2008: 1.25

DOMESTIC TERMINAL

Duration of Operation / End of Operation
16 years 7 months / May 2023

2009 Passenger traffic*: 4,987,983
2009 Commercial flight traffic*: 41,147

Domestic Terminal Passenger Traffic (millions)*
2009: 4.98
2008: 4.44

**Source: State Airports Authority (DHMİ)*

Esenboğa Airport, which has the distinction of being the most contemporary airport in Europe, represents the modern face of Ankara. The only airport in Turkey to combine domestic and international terminals under a single roof, Esenboğa has a terminal area of 182,000 square meters. With original architecture and the open design of the terminal that allows the passengers easy access to their destinations, Esenboğa Airport has brought a touch of novelty to the Turkish capital. Esenboğa Airport was completed one year ahead of schedule and commenced service on October 16, 2006.

Esenboğa Airport is Turkey's gate for protocol and diplomacy therefore, it has strategic significance. Equipped with the latest security systems, every piece of luggage loaded on a plane at Esenboğa is scanned with the Explosive Detection System (EDS) and subjected to a 100% security check.

At the Esenboğa Airport Domestic and International Terminal, electricity is generated from natural gas using a co-generation plant. The excess heat captured with a waste heat recovery boiler is used for terminal air-conditioning. These measures provide 25% savings in energy costs.

TAV IZMIR

ADNAN MENDERES AIRPORT

SITUATED ON 118,000 SQUARE METERS, THE INTERNATIONAL TERMINAL HAS BROUGHT NEW DYNAMISM TO THE VOLUME OF TOURISM AND COMMERCE IN IZMIR.

INTERNATIONAL TERMINAL

Duration of Operation / End of Operation
8 years 4 months / January 2015

2009 Passenger traffic*: 1,667,353
2009 Commercial flight traffic*: 13,137

International Terminal Passenger Traffic (millions)*
2009: 1.67
2008: 1.70

**Source: State Airports Authority (DHMİ)*

Adnan Menderes Airport International Terminal is a significant link in TAV airports' distinctive, high quality design chain. Bringing a fresh touch into the tourism and trade volume of Izmir, which has been an important center of commerce, entertainment and culture throughout the ages, the terminal changed the region's relationship with the world to a whole new dimension.

Constructed under the "build-operate-transfer" model, the terminal commenced service on September 13, 2006.

Situated on 118,000 square meters, the International Terminal has brought new dynamism to the volume of tourism and commerce in Izmir, which has a major role in the commercial traffic of Anatolia.

Conscious of the fact that one of the most important aspects of social responsibility is the preservation of a sustainable environment, TAV Airports Holding is proud that Izmir Adnan Menderes Airport International Terminal has been accepted into the "Airport Carbon Accreditation" program of Aviation Council International, Europe (ACI Europe). Under this program, all projects to increase sensitivity toward the environment are documented and recorded. This project aims to neutralize carbon emissions and thus assist in the minimization of global carbon dioxide levels.

Awards received by Izmir Adnan Menderes Airport

The General Directorate of State Airports Authority organized a contest for the design of the Adnan Menderes Airport International Terminal and vehicle parking lot in 1998. The winning project in this contest was implemented and placed in service by TAV Airports Holding in 2006.

Adnan Menderes International Airport Terminal and multi-story vehicle parking lot project also won first place among the implemented structures in a competition organized by the Turkish Constructional Steelwork Association (TUCSA).

Adnan Menderes Airport Terminal and multi-story vehicle parking facility was deemed the winning project at the European Steel Design Awards (ECCS) ceremony held in Luxembourg in 2007.

It also received the Aegean Region Chamber of Industry's Special Environmental Award in 2008.

TAV ANTALYA

GAZİPAŞA AIRPORT

TAV AIRPORTS HOLDING HAS BEEN AWARDED THE CONCESSION TO OPERATE ANTALYA GAZİPAŞA AIRPORT FOR 25 YEARS.

ANTALYA GAZİPAŞA AIRPORT

Duration of Operation/ End of Operation
25 years / July 2034

Leaving its mark on the civil aviation sector, TAV Airports Holding has assumed the operation of Antalya Gazipaşa Airport for a term of 25 years. This airport saw its significance increase further thanks to the momentum of the Turkish aviation industry. Antalya Gazipaşa Airport, with a terminal area of 2,144 square meters handles half a million passengers annually aided by its modern infrastructure; it has become the new transportation hub for the Eastern Mediterranean region.

TAV Airports Holding is planning to deploy its experience and know-how in airport operations gained in other airport operations to the Antalya Gazipaşa Airport by building and improving boutique airports in Turkey, thereby creating new international flight destinations. Furthermore, there are plans to expand the runway to make the airport into an international center serving Alanya and the surrounding region.

TAV GEORGIA

TBILISI INTERNATIONAL AIRPORT

TBILISI INTERNATIONAL AIRPORT IS A VERY IMPORTANT FIRST STEP IN TAV'S OVERSEAS OPERATING ACTIVITIES.

TBILISI INTERNATIONAL AIRPORT

Duration of Operation / End of Operation
20 years / February 2027

2009 Passenger traffic*: 702,829
2009 Commercial flights traffic*: 13,836

Passenger traffic (thousands)
2009: 703
2008: 715

**Source: Georgia Civil Aviation Authority*

Tbilisi International Airport is expected to become a significant bridge between Europe and Asia in the near future. Since October 31, 2005, it has been operated by TAV Urban Georgia LLC, a 66% owned subsidiary of TAV Airports Holding. The airport, together with the new passenger terminal built by TAV Urban Georgia LLC opened on February 7, 2007; it is the end product of a high tech, modern and functional design. Tbilisi International Airport, located in Georgia's capital city with a population of 1,500,000 serves as the gateway to not only the capital city but to the whole country.

TAV holds the right to operate the Tbilisi International Airport for 20 years. Tbilisi International Airport is a very important first step in TAV's overseas operating activities.

TAV BATUMI

BATUMI INTERNATIONAL AIRPORT

THE BATUMI INTERNATIONAL AIRPORT IS THE FIRST AIRPORT TO BE USED JOINTLY BY TURKEY AND GEORGIA.

BATUMI INTERNATIONAL AIRPORT

Duration of Operation / End of Operation
20 years / August 2027

2009 Passenger traffic*: 69,936
2009 Commercial flight traffic*: 1,806

Passenger traffic
2009: 69,936
2008**: 69,513

**Source: Georgia Civil Aviation Authority*
*** For the period between May 26 – December 31*

The Batumi International Airport is the first airport to be used jointly by Turkey and Georgia. The Batumi International Airport, a tourism and commerce center in Georgia thanks to its location on the Black Sea, is operated by TAV Batumi Operations LLC, a 60%-owned subsidiary of TAV Airports Holding.

TAV Airports Holding assumed the operation of the Batumi International Airport, Georgia's second largest airport, on May 26, 2007. With an annual passenger capacity of 562,500, this airport commenced service with its new runway, taxi route, apron and terminal building.

Thanks to its advanced technology and functional design, Batumi International Airport has a structure that allows future expansion based on growth of passenger potential.

TAV TUNISIE

MONASTIR HABIB BOURGUIBA INTERNATIONAL AIRPORT

MONASTIR HABIB BOURGUIBA INTERNATIONAL AIRPORT HAS A TERMINAL USAGE AREA OF 28,000 SQUARE METERS AND A WAITING AREA OF 18,000 SQUARE METERS.

MONASTIR HABIB BOURGUIBA INTERNATIONAL AIRPORT

Duration of Operation / End of Operation
40 years / May 2047

2009 Passenger traffic*: 3,781,256
2009 Commercial flight traffic*: 30,393

Passenger Traffic (millions)*
2009: 3.78
2008: 4.21

**Source: Tunisia Civil Aviation and Airports Authority (OACA)*

In 2009, 30,000 flights landed and took off from Monastir Habib Bourguiba International Airport, which has a cargo capacity of 900 tons. In January 2008, TAV Airports Holding assumed the operation of the airport for a duration of 40 years.

Located only two hours away from many European capitals, the 3,500,000 passenger capacity Monastir Habib Bourguiba International Airport catered to 3,800,000 international passengers in 2009. In 2009, 30,000 flights landed and took off from Monastir Habib Bourguiba International Airport, which has a cargo capacity of 900 tons. Monastir Habib Bourguiba International Airport has a terminal usage area of 28,000 square meters and a waiting area of 18,000 square meters.

All operations, except for air traffic control at this airport, are being handled by TAV Tunusie SA, a wholly-owned subsidiary of TAV Airports Holding.

ENFIDHA ZINE EL ABIDINE BEN ALI INTERNATIONAL AIRPORT

A PHOTOGRAPH OF ENFIDHA ZINE EL ABIDINE BEN ALI INTERNATIONAL AIRPORT HAS BEEN PRINTED ON THE NEW 50 TUNISIAN DINAR BANKNOTE IN 2009.

ENFIDHA ZINE EL ABIDINE BEN ALI INTERNATIONAL AIRPORT

Duration of Operation / End of Operation
40 years / May 2047

Enfidha Zine El Abidine Ben Ali International Airport with its modern contemporary look went into service by TAV Tunisie SA in December 2009.

Including a terminal building with an outdoor vehicle parking lot, runway, apron, taxi routes and service buildings, the airport sits on 4,300 hectares and the terminal building covers 90,000 square meters. Services are provided by TAV Airports Holding group companies; ATÜ, BTA and TAV Operational Services at the Enfidha Zine El Abidine Ben Ali International Airport.

Boasting the tallest tower in Europe and Africa, in 2009 Enfidha Zine El Abidine Ben Ali International Airport's picture was printed on the new 50 Tunisian dinar banknotes at the request of Tunisian President, Zine El Abidine Ben Ali.

TAV Tunisie SA's International Awards

With the Enfidha Zine El Abidine Ben Ali International Airport, TAV Tunisia SA was granted "Developer of the Year" award at the Infrastructure Awards 2008 ceremony by Africa Investor, a company that provides primary data sources to the governments and the private sector for investing in Africa. In the same competition, TAV Tunisie SA and TAV Airports Holding were finalists in the "Public-Private Partnership of the Year" and "Sponsor of the Year" categories.

TAV Tunisia SA won the "2008 Project Finance of the Year" award from the Euromoney Project Finance magazine for its financing model.

TAV MACEDONIA

SKOPJE ALEXANDER THE GREAT INTERNATIONAL AIRPORT

INVESTMENT EFFORTS AT THE ALEXANDER THE GREAT INTERNATIONAL AIRPORT ARE EXPECTED TO BE COMPLETED IN 20 MONTHS.

SKOPJE ALEXANDER THE GREAT INTERNATIONAL AIRPORT

Duration of Operation / End of Operation
20 years / March 2030

2009 Passenger traffic*: 599,519
2009 Commercial flight traffic*: 12,117

Passenger traffic (thousands)
2009: 600
2008: 652

**Source: JSC Airports of Macedonia*

Taking an important step in its targeted region of Europe, TAV Airports Holding assumed the operation of the Macedonian capital Skopje's Alexander the Great International Airport. Operating the airport in the capital of Macedonia is a significant move for TAV Airports Holding. Thanks to modernization and the technical infrastructure that TAV Airports Holding will undertake at the airport, passenger traffic will be increased. In 2009, approximately 600,000 passengers passed through Macadonia's newest airport and bolstered commercial and tourism for both Skopje and Macedonia, a symbol of ethnic diversity.

OHRID ST. PAUL THE APOSTLE INTERNATIONAL AIRPORT

ONE OF MACEDONIA'S TOURIST DESTINATIONS, OHRID WAS ADDED TO UNESCO'S LIST OF VERY IMPORTANT CITIES.

OHRID ST. PAUL THE APOSTLE INTERNATIONAL AIRPORT

Duration of Operation / End of Operation
20 years / March 2030

2009 Passenger traffic*: 36,652
2009 Commercial flight traffic*: 676

Passenger traffic
2009: 36,652
2008: 46,493

**Source: JSC Airports of Macedonia*

One of Macedonia's tourist destinations due to its historic and natural setting and the lake carrying the city's name, Ohrid was added to UNESCO's list of very important cities.

TAV Airports Holding aims to increase the passenger traffic and the number of airlines at the St. Paul the Apostle International Airport, which it will operate for a term of 20 years, through a modernization project including the airport's technical infrastructure.

HAVAŞ

HAVAŞ, RECEIVED MANY AWARDS FROM THE WORLD'S LEADING AIRLINE COMPANIES.

Havaalanı Yer Hizmetleri A.Ş. (Havaş) is Turkey's first and largest ground handling services company that currently serves 19 airports. Havaş is a continuation of Yer Hizmetleri ve İkram Hizmetleri Şirketi that was founded in 1933 as a state enterprise to provide ground handling and catering services. After the catering services division became a separate company in 1987, Havaş became the first company to be privatized in Turkey. TAV Airports Holding acquired 60% of Havaş's shares in 2005 and 100% as by year ended 2007.

Havaş received many awards from the world's leading airline companies and provides world-class service quality with its equipment park and technological infrastructure.

Havaş's main services include passenger and baggage transactions, ramp, aircraft cleaning, load control, communications, cargo, flight operations, transportation, representation and monitoring. In an attempt to deliver faster and better quality services to its customers, Havaş also provides import warehousing services. The capacity of its warehouse is approximately 700 tons per day.

The Company provides ground handling services at the Istanbul Atatürk, Ankara Esenboğa, Izmir Adnan Menderes, Adana, Antalya, Bodrum, Dalaman, Gaziantep, Trabzon, Kayseri, Nevşehir, Batman, Konya, Sivas, Adıyaman, Şanlıurfa, Elazığ and Muş airports. Havaş has an extensive portfolio of over 200 airlines flying both scheduled and chartered flights.

Havaş provides passenger transportation services between the airport and the city center at Istanbul Atatürk and Sabiha Gökçen, Ankara Esenboğa, Izmir Adnan Menderes, Adana, Antalya, Bodrum, Dalaman, Malatya, Samsun, Hatay, Gaziantep, Konya, Hopa, Şanlıurfa and Trabzon airports, as well as parking services at the Bodrum Airport.

Havaş has operated the Hopa Passenger Terminal since December 2007. This terminal is connected to the Batumi International Airport, operated by TAV Airports Holding, providing an easy travel option to the Eastern Black Sea region.

In 2009, TAV Airports Holding sold 35% of Havaş's shares to deleverage its balance sheet and to create additional resources. On October 16, 2009, an agreement was signed pertaining to the sale of Havaş to a joint venture company made up of TAV Airports Holding, TAV Operational Services, TAV IT, HSBC Investment Bank Holdings PLC and Iş Venture Capital Investment Trust for € 180,000,000. Under the final shareholding structure, shares are distributed as follows: TAV Airports Holding 65%, Iş Venture 6.7% and HSBC Investment Bank 28.3%.

International Awards of Havaş

Istanbul Station, Delta Airlines, 2009 second and third quarters, "Safety and On Time Award in the Atlantic Region, the Grand Slam"

Istanbul Station, Swiss International Airlines, April and June 2009, "STAR of the Month"

Izmir Station, British Airways, "Most Improved Station Summer 2008 Bronze Award"

Istanbul Station, "Best Station of Austrian Airlines Short & Middle Range Flights in 2008"

The Izmir Station was deemed the best of the summer season in 2007 and 2008 among countries served by British Airways.

SAS Norge Airlines, 2007, "Excellence" Award

TÜV, 2004, "World's Best Quality Management" Award

KLM Royal Dutch Airlines, 2004, "5 Crown" Award

British Airways, 2004, "One of Three Best Ground Handling Services Received by British Airlines"

First Choice Airlines, 2004, "World's Best Ground Handling Company" (Havaş ranked first for its services in Dalaman and second for Bodrum.)

First Choice Airlines, 2003, World's Best Ground Handling Company

KLM Royal Dutch Airlines, 2002, KLM Royal Dutch Airlines' second largest ward, "4 Crown"

Privatization Administration, 2000, Best Privatization Certificate

Certifications

ISO 9001:20008 Quality Management System

OHSAS 18001:2007 Occupational Health and Safety Management System

ISO 14001:2004 Environmental Management System

ATÜ

ATÜ HAS MADE A NAME FOR ITSELF IN THE GLOBAL MEDIA DUE TO ITS INNOVATIVE AND MODERN STYLE.

A joint venture between TAV Airports Holding and Unifree, ATÜ offers passengers 40,000 duty-free products at competitive prices from some of the world's most famous brands at 48 outlets on 12,570 meter squares. ATÜ offers duty free shopping services at Istanbul Atatürk, Ankara Esenboğa, Izmir Adnan Menderes, Tbilisi, Batumi and Tunisia Enfidha Zine El Abidine Ben Ali international airports. As of March 2010, ATÜ began servicing the Skopje Alexander the Great and Ohrid St. Paul the Apostle international airports in Macedonia.

Renewing itself daily while increasing its product variety, ATÜ's success has been confirmed by receipt of many international awards. ATÜ was deemed the second best duty free operator in the world in 2000 by Frontier Magazine. In 2007, following the renovation of its shops at the departure lounge of Atatürk Airport, ATÜ received the "Best New Shop Opening" award in a competition organized by the Duty Free News International (DFNI) magazine.

In April 2008, at the Dream Store Competition organized by the ACI Airport Business & Trinity Forum, ATÜ Istanbul Atatürk Airport was awarded first prize for its implementation in the tobacco shop category. The Frontier Awards, considered the Oscars of the duty free industry, ATÜ earned an award for the Most Successful Special Retail Concept on October 2008 with its "Old Bazaar" Shop at Istanbul Atatürk Airport that is based on the famous historical Grand Bazaar's shopping concept.

The renovation of the arrival lounge shops in 2009 provided a pleasurable duty free experience for its customers. ATÜ has made a name for itself in the global media for its innovative and modern style.


CASHIER
KASA
SPECIALS
COGNAC
RÉMY MARTIN

BTA

BTA CATERING OFFERS PREMIUM QUALITY SERVICE TO AN AVERAGE OF 25,000 PEOPLE DAILY.

BTA Catering was founded in 1999 as a joint venture of Bilintur, Tepe and Akfen for the purpose of running the catering operation at the Istanbul Atatürk Airport International Terminal. Following the commencement of service at the International Terminal on January 10, 2000, BTA Catering began serving both passengers and employees throughout the terminal.

A 66.66% owned subsidiary of TAV Airports Holding, BTA Catering offers catering services via cafes, bars, restaurants, passenger lounges and kiosks 24 hours a day for passengers from many different countries, cultures and tastes.

Combining a menu selected from various world cuisines served with traditional Turkish hospitality, BTA Catering has operations in Istanbul Atatürk, Izmir Adnan Menderes, Ankara Esenboğa, Tbilisi, Batumi and Tunisia Monastir Habib Bourguiba international airports totaling an area of 22,500 square meters. BTA caters to an average of 25,000 people daily, from 109 points with a seating capacity for 10,500 and offers meticulous, high quality service.

In 2009, BTA opened the Greenport with seating for 100 at the Ankara Esenboğa Airport Domestic Terminal, which provides self-service catering to passengers with a special emphasis on comfort and attention to the needs of passengers.

BTA has expanded its operations beyond airports and has become an international brand within the food and beverage sector. Its quality of service has earned it the ISO 9001:2000 Quality Management System certificate while its safe and error-free food production systems have been proven with the ISO 22000:Food Security Management System certificate.

In 2007, BTA registered a major accomplishment by receiving the International Tourist, Hotel and Food Industry Award in a competition organized each year by the Trade Leaders' Club, whose members include participants from 40 countries and leaders of the global tourism industry.

In 2009, the food and beverage operations of the premiere night of the 62nd Cannes Film Festival, of which Turkey was the guest of honor, were provided by BTA.

TAV İŞLETME HİZMETLERİ (TAV OPERATIONAL SERVICES)

TAV OPERATIONAL SERVICES IS CONSTANTLY DEVELOPING NEW PROJECTS IN ORDER TO PROVIDE NEW SERVICES TO ITS CLIENTS THANKS TO ITS INNOVATIVE OUTLOOK.

TAV Airports Holding sees airports as locations where passengers are provided with all modern amenities without exceptions.

Established with this attitude toward service, TAV Operational Services is responsible for providing round-the-clock services at Istanbul Atatürk Airport International and Domestic Airlines, Ankara Esenboğa Airport Domestic Terminal, Izmir Adnan Menderes International Terminal, as well as Tbilisi, Batumi and Tunisia Enfidha international airports in such diverse areas as;

- area allocation,
- business development with new commercial activities,
- marketing of advertising and promotion areas,
- Havaş Tourism Travel Agency,
- Gate airport magazine,
- “primeclass” CIP Passenger Service,
- CIP Lounge Operations,
- Prime Park Valet and
- baggage wrapping

to create and manage cash flow from non-aviational income sources. The Company’s short term plans include expanding its premium quality services to Skopje and Ohrid Airports in Macedonia.

Although all services cater to the the needs of the passengers using the terminals, some services may begin or end outside the terminal depending on passenger requirements. Transforming more than ten years of dynamic experience, TAV Operational Services is constantly developing projects to provide new services utilizing its innovative outlook.

In 2009 and 2010, TAV Operational Services cooperated with and served airports in Vienna, Paris, Prague, Amsterdam, Frankfurt, Munich, Malta, Hong Kong, Singapore, Bangkok, Riga, Dubai and Bahrain.

TAV BİLİŞİM (TAV IT)

TAV IT DESIGNS THE INFRASTRUCTURE AND APPLICATION NEEDS OF MODERN AND SEEMINGLY COMPLEX SYSTEMS.

TAV IT develops integrated software and systems for the aviation sector and generates aviation solutions at global and local levels. The primary systems developed by TAV IT are terminal flight management systems and software. TAV IT has launched two important solutions called "Airport Business Suite" and "Flight Information Display System". These solutions can be scaled according to the operational magnitudes of the airports.

Airport Business Suite allows the information flowing from the systems installed at the airports to be organized based on flights while facilitating central management of related points through real time data transfer. The system has been successfully implemented at the Izmir Adnan Menderes (2006), Ankara Esenboğa (2006), Tbilisi (2007), Istanbul Sabiha Gökçen (2007), Istanbul Atatürk (2007), Monastir Habib Bourguiba (2008) and Enfidha Zine el Abidine Ben Ali (2009) airports.

The Company will manage fixed and mobile resources as well as human resources at the airports in the most effective manner utilizing the Resource Management System (RMS) that is currently under development. To cater to the need to manage resources in real time and create value added with regard to operational costs, RMS was developed as a decision support platform. This system is designed to work together with the ABS and FIDS products, also provided by TAV IT.

Oracle e-Business Suite, another important product offered by TAV IT, is used by four airports in Turkey, TAV Operational Services, TAV Gözen, TAV Gazipaşa, TAV Construction, TAV Özel Havacılık, TAV Investment Holding and internationally by TAV Cairo and TAV Tunisia airports in Turkish, English and French.

In 2009, an effort has been made to provide for the standardization of financial affairs through Oracle, to provide uniformity and ease of control within the Holding and subsidiaries. Similar efforts will continue into 2010 for logistic and human resources processes and to standardize human resource applications using Oracle self-service applications throughout TAV.

At the end of 2009, fixed assets of seven companies within TAV Airports Holding have been recorded in the uniform finance system, providing reporting and operational capacities within the system. With the completion of module installations in 2010 at TAV Istanbul and TAV Ankara, TAV companies will reach the standard matrix structure in Oracle applications.

The experienced staff at TAV IT designs the infrastructure and applications of modern systems along with installation, optimization, operation and support services, as well as providing sector standards and compliant solutions for all voice and data communication needs. These programs utilize an approach that exceeds the uncompromising expectations of the aviation sector, offering a strong computer backbone for many different purposes with reliable, decisive, fast and well-managed backup solutions. The infrastructure needed for voice and data transmission is managed with optimum engineering solutions that comply with structural cabling standards accepted worldwide. The projects produced in this area represent Turkey successfully in the international arena in countries such as Egypt, Qatar, Tunisia, Georgia and Libya.

TAV IT supports system operations from a 24/7 call center and provides automatic monitoring of reports and performance indicators needed by management. Users can reach TAV IT any time in Turkey, Georgia, Egypt, Qatar, Tunisia and Libya via phone, e-mail or the web.

In addition to the solutions it provides to the aviation sector, TAV IT is also undertaking management of its own internal processes. In this respect, TAV IT obtained the ISO 9001:2000 Quality Certificate from the German Quality Certification Company (TÜV) in February 2007, following audits performed by this institution.

Operating in every venture managed by TAV, TAV IT is on its way to becoming one of the few companies worldwide that can design, produce and operate integrated airport systems on a turnkey basis under one single entity.

With its solution-focused approach to the provision of services to airports operated by TAV Airports Holding, TAV IT stands ready to expand its prudent and technologically advanced solutions throughout the sector.


SAAT UÇUŞ GELDİĞİ YER İNECEĞİ SAAT BİLGİ
TIME FLIGHT FROM ETA REMARK
15:40 TK 1391 BATUM 15:40 ZAMANINDA
15:45 TK 1524 DÜSELDORF 16:00 15 DAK GECIKME
15:45 LH 2096 DÜSELDORF 16:00 15 DAK GECIKME
15:45 TK 1588 FRANKFURT 16:40 55 DAK GECIKME
15:45 LH 2084 FRANKFURT 16:40 55 DAK GECIKME
15:45 UA 4510 FRANKFURT 16:40 55 DAK GECIKME
15:50 TK 1938 BRÜKSEL 15:50 ZAMANINDA
15:55 IB 3760 MADRID 16:30 35 DAK GECIKME
15:55 TK 1414 MOSKOVA 15:55 ZAMANINDA
16:00 TK 1826 PARİS-CDG 16:25 25 DAK GECIKME
16:10 TK 1952 AMSTERDAM 16:20 10 DAK GECIKME
16:15 TK 1554 HANNOVER 16:15 ZAMANINDA
16:20 TK 1442 BELGRAD 16:20
16:20 TK 1868 VENEDIK ZAMANINDA

TAV ÖZEL GÜVENLİK (TAV SECURITY)

TAV SECURITY'S EXPERT MANAGEMENT COMBINES THE KNOW-HOW OF THE PUBLIC SECTOR WITH THE ADVANTAGES OF THE PRIVATE SECTOR.

Security is one of the most important issues for airports worldwide. Formed by combining the know-how of the public sector with the advantages of the private sector, TAV Security serves in cooperation with local police at all control points and parking areas of all terminals operated by TAV Airports Holding.

TAV security sets high standards with more than 2,000 employees in a total of nine projects. In addition to its primary area of operation in civil aviation security, it also provides cargo security, physical security (shop, facility, company) and authorized transportation of arms services. TAV Security operates in the civil aviation security field in compliance with principles stipulated by the National Civil Aviation Security Program, international standards/directives and Law No. 5188 Regarding Private Security Services and its related directives.

TAV Security management consists of high caliber professionals, trained in civil aviation security and fluent in foreign languages, many of whom are ex-police and ex-military officers.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Önünüzdeki şahıs pasaport kabinini terk etmeden kırmızı çizgiyi geçmeyiniz.
Do not cross the red line until the person in front of you leaves the passport booth
Pasaport
Passport
Pasaport
Passport
TAV
Avrupa'da da yanınızdayız!
Ayda 25 YTL'ye 25 dakika ara,
25 dakika aran!
Avrupa'da da yanınızdayız!
Ayda 25 YTL'ye 25 dakika ara,
25 dakika aran!

INTERNATIONAL

3RD

TAV CONSTRUCTION'S RANK IN AIRPORT CONSTRUCTION IN 2009 ACCORDING TO ENGINEERING NEWS RECORD (ENR)

TAV YATIRIM HOLDİNG A.Ş. (TAV INVESTMENT HOLDING)

TAV INVESTMENT HOLDING'S MAIN AREAS OF ACTIVITY ARE CONSTRUCTION, AVIATION AND VEHICLE PARKING LOT OPERATION.

TAV Investment Holding was established by Tepe İnşaat Sanayii A.Ş. (Tepe Construction), Akfen Holding A.Ş. and Sera Yapı Endüstrisi ve Ticaret A.Ş. (Sera Building Industry and Trade); 42.5% of the company is owned by Akfen Holding. TAV Investment Holding's main areas of activity are construction, aviation and vehicle park operation.

TAV Investment Holding's subsidiaries and affiliates are shown below.

TAV INVESTMENT HOLDING	SHARE (%)
TAV Tepe Akfen Yatırım İnşaat ve İşletme A.Ş. (TAV Tepe Akfen Investment Construction and Operation)	99.99
TAV Havacılık A.Ş. (TAV Aviation)	89.84*
Riva İnşaat Turizm Ticaret İşletme Pazarlama A.Ş. (Riva Construction Tourism Trade Operation Marketing)	99.94*
TAV Construction Muscat LLC	70*
TAV Construction Qatar W.L.L.	49*
TAV-G Otopark Yapım Yatırım ve İşletme A.Ş. (TAV-G Vehicle Park Investment and Operation)	50*

** Share owned by TAV Tepe Akfen Investment Construction and Operation in the mentioned subsidiaries.*

TAV TEPE AKFEN YATIRIM İNŞAAT VE İŞLETME A.Ş. (TAV CONSTRUCTION)

TAV CONSTRUCTION RANKED THIRD GLOBALLY IN AIRPORT CONSTRUCTION IN 2009.

Successfully completing its first project management with the construction of the Istanbul Atatürk Airport in 1997, TAV Tepe Akfen Yatırım İnşaat ve İşletme A.Ş. (TAV Construction), was spun off on October 10, 2003 from TAV Airports Holding to become a separate company. It primarily focused on airport construction while undertaking other construction projects both in Turkey and overseas. Akfen Holding's airport construction activities, skyscraper construction abroad and similar real estate projects are undertaken by TAV Construction.

TAV Construction, a globally acclaimed brand in construction, engages domestically and abroad in the contracting, building, marketing, sales, renting, consulting and controlling of airport terminals, hangar facilities, shopping centers, tourism facilities, sports facilities, entertainment centers, offices, plants, residences, mass residential projects, roads, tunnels, subways, bridges, phone lines, cultural and social structures under a variety of financing models such as build-operate-transfer model, mixed model or barter-for-flat model.

Having attained a respectable business volume thanks to its partnerships with global brand names in the construction sector, TAV Construction has become well-known for its airport construction in many countries such as Egypt, Georgia, Qatar, Libya, Tunisia as well as in Turkey. Headquartered in Istanbul, it has branches in Dubai, Abu Dhabi, Sharjah, Qatar, Egypt, Libya, Bahrain, Macedonia and Tunisia with a total of 3,752 employees. Furthermore, TAV Construction has two subsidiaries, TAV Construction Muscat LLC in Oman and TAV Construction Qatar LLC in Qatar.

As of year end 2009, projects undertaken by the Company and its partners reached a total of US$ 8.1 billion: TAV Construction's share in these projects was US$ 3.2 billion.

Listed in the Engineering News Record, TAV Construction ranked as the 102nd largest contracter in the world. According to the same source, TAV Construction was ranked third in the world behind Bechtel (USA) and Hochtief AG (Germany) among airport constructors.

It is projected that the aviation sector will continue to grow even faster and the world's need for new airports will increase significantly. Keeping in mind the sector's growth potential and opportunities for new markets in Turkey as well as in the Middle East, Asia and Africa, the goal for TAV Construction is to get its share of major projects to take place in the future.

TAV Construction's completed and ongoing projects as of year-end 2008 are as follows:

COMPLETED PROJECTS			
PROJECT NAME AND SUBJECT	**PROJECT LOCATION**	**PROJECT COST (TL MILLIONS)**	**SHARE OF TAV (TL MILLIONS)**
Emirates Airlines A380 Maintenance Hangars Steel Roof Construction	Dubai - UAE	26	26
Al Sharaf Shopping Mall	Dubai - UAE	34	34
Tohid Iranian School Project	Dubai - UAE	9	9
Ankara Esenboğa International Airport Domestic and International Terminals	Turkey	375	375
Istanbul Atatürk International Airport Terminal Building and Vehicle Park	Turkey	397	397
Istanbul Atatürk International Airport Renovation	Turkey	60	60
Izmir Adnan Menderes Airport International Terminal Building	Turkey	242	242
Izmir Adnan Menderes Domestic Terminal (Additional Work) Project	Turkey	16	16
Batumi International Airport	Georgia	29	29
Tbilisi International Airport	Georgia	62	62
Cairo International Airport TB3 Passenger Terminal	Egypt	493	395
New Enfidha International Airport	Tunisia	555	555
Istanbul Atatürk Airport expansion and Development	Turkey	89	89
Majestic Tower in Al Mamzar - 52 story Luxury Residential Project	Sharjah - UAE	43	43
Alanya Gazipaşa International Airport	Turkey	21	21
TOTAL		**2,451**	**2,353**

ONGOING PROJECTS					
PROJECT NAME AND SUBJECT	**EMPLOYER**	**PROJECT LOCATION**	**DATE OF CONTRACT**	**TAV SHARE (US$ MILLIONS)**	**AKFEN SHARE (US$ MILLIONS)**
New Doha International Airport Passenger Terminal and Lounges	Qatar Government	Qatar	06.22.2006	1,292	581
New Tripoli International Airport Terminal Buildings	Libya Civil Aviation Authority	Libya	02.03.2008	654	294
New Sebha International Airport	Libya Civil Aviation Authority	Libya	12.02.2008	140	63
Muscat MC1	Sultanate of Oman Transportation and Communication Ministry	Oman	06.17.2009	585	263
Skopje and Ohrid International Airport Construction	TAV Macedonia Dooel Petrovec	Macedonia	02.01.2010	140	63
Sulafa Tower in Dubai	Mohammed Abdulla Mohammed Al Sayyah	Al Goze-UAE	02.04.2006	103	46
Emirates Financial Towers Construction	Emirate Financial Towers LLC	Dubai-UAE	04.15.2007	110	50
Marina 101- Hotel and Residance Construction	M/S Sheffield Holdings Limited	Dubai-UAE	03.24.2008	206	93
Atatürk Airport 2010 Investments Project	TAV Istanbul Terminal Operations	Turkey	06.14.2010	43	19
TOTAL				**3,273**	**1,473**

TAV HAVACILIK A.Ş. (TAV AVIATION)

TAV G OTOPARK YAPIM YATIRIM VE İŞLETME A.Ş. (TAV G VEHICLE PARKING LOT CONSTRUCTION AND OPERATION)

TO PROVIDE THE FASTEST AND HIGHEST QUALITY FLIGHT SERVICE TO TAV AVIATION CUSTOMERS.

TAV Havacılık A.Ş. (TAV Aviation)

Established on August 29, 2005, TAV Aviation completed licensing procedures and obtained the necessary authorization from the Directorate General of Civil Aviation on January 6, 2006 to begin air taxi transportation. While its core business is to cater to commercial flight demands from the market, TAV Aviation also serves the needs of the Group's senior management.

TAV Aviation has two aircrafts in its fleet: a Hawker 800 XPi which is a midsize business jet with 8+1 seating, 830 km/hr speed and 4,650 km range plus a Cessna Sovereign C680 midsize business jet with 8+1 seating, 848 km/hr speed and 5,272 km range.

TAV Aviation's primary principle is to provide the TAV Holding quality in fast, supreme flight services to its customers in the rapidly growing general aviation industry. In an attempt to reach new markets, the Company delivers services at high standards with a quality that exceeds customer expectations.

TAV G Otopark Yapım Yatırım ve İşletme A.Ş. (TAV G Vehicle Parking Construction and Operation)

TAV G Vehicle Park Construction and Operation (TAV G) was founded on April 14, 2008 as a subsidiary of TAV Tepe Akfen Yatırım İnşaat ve İşletme A.Ş. (TAV Construction). Operating in the area of vehicle parking lot construction and operation, TAV G manages a 16-story underground parking lot project awarded through the Istanbul Metropolitan Municipality (IBB) tenders under the build-operate-transfer model.

The goal of TAV G is to undertake its projects in accordance with contracts, laws and regulations and according to the employers' requirements; to deliver them within the promised time frame and to constantly improve its market position to become the leading company in Turkey with regard to vehicle parking lot construction and operations. TAV G also aspires to become a global company that is a high quality and modern operator with technical know-how, dynamic and competent staff and entrepreneurial, responsible and customer-oriented approach.

EXPERIENCED

US$ 1.6 BILLION

THE TOTAL VALUE OF PROJECTS
COMPLETED BY AKFEN CONSTRUCTION

CONSTRUCTION

AKFEN İNŞAAT (AKFEN CONSTRUCTION)

AKFEN CONSTRUCTION IS ONE OF THE MOST IMPORTANT COMPANIES UNDER THE AKFEN HOLDING UMBRELLA.

Akfen Construction, a 99.85% owned subsidiary of Akfen Holding is the oldest and one of the most important companies under the Akfen Holding umbrella.

The construction industry is Turkey's third largest industry and constitutes 8% of Turkey's GNP. Benefiting from increasing urbanization and population rates, the construction sector employs more than 1,500,000 people employing 6.9% of the total work force in Turkey. Total value of the sector, consisting primarily of infrastructure projects, is US$ 50 billion.

Founded to provide feasibility and engineering services to industrial facilities initially, Akfen Construction expanded its service portfolio to include manufacturing, installation and assembly services. Currently, Akfen Construction has completed projects worth approximately US$ 1.6 billion including superstructure, infrastructure, environmental protection as well as airports.

The important projects undertaken by Akfen Construction since its inception are:

1990: As the first project undertaken for DHMİ (State Airports Authority) the Antalya Airport Terminal Building renovation project helped forge and strengthen the relations between DHMİ and Akfen Construction.

1993: Ankara Oran Çarşı Residences construction provided the first step into residential sector.

1997: Bursa Urban Natural Gas Distribution Network construction was completed.

Ankara Oran Shopping Mall and Commerce Center and the 445 flat Izmir Mavişehir residential project were added to Akfen Construction's experience in the residential sector and capacity to deliver finished projects.

1999: Samsun Çarşamba Airport was completed as a turnkey operation.

Bafra County Complete Waste Water Network and Waste Water Treatment System construction was completed.

2000: The Company ventured into build-operate-transfer projects for the first time with the Atatürk International Airport Terminal construction, the multi-story vehicle parking lot construction and other additions taken on in 2004. These projects also paved the way for the establishment of TAV, one of Akfen Holding's most important partnerships.

2003: Akfen Construction gained expertise in the construction of high quality buildings with the 200-bed Fethiye State Hospital project undertaken for the Ministry of Health.

TED Ankara College construction was completed.

2006: 5-star Girne Mercure Hotel construction was completed.

2007: Tüpraş İzmit Petroleum Refinery's sulfur management units were completed.

First undertakings under the partnership agreement with Accor, Ibis and Novotel projects in Zeytinburnu, Istanbul and Ibis Hotel in Eskişehir were completed. The first premium quality residential project, the Levent Loft Residence in Istanbul, owned by Akfen REIT - Yıldız Holding was also completed.

2008: Parceling and all infrastructure facilities of the 10,000 hectares in Aliağa Organized Industrial Zone were completed.

2009: First HEPP construction of Akfen, Sırma HEPP was completed. The Ibis and Novotel projects in Kayseri and Gaziantep were completed as per the agreements with Accor.

Akfen Construction is rapidly increasing its service portfolio.

2009 - ONGOING PROJECTS

AKFEN CONSTRUCTION'S ONGOING AND PENDING PROJECTS

PROJECT NAME AND SUBJECT	EMPLOYER	PROJECT LOCATION	DATE OF CONTRACT	SHARE OF AKFEN HOLDING (US$ MILLIONS – EXCL.VAT)
Bursa IBIS OTEL	Akfen REIT	Bursa	16.03.2007	10.78
Esenyurt (Beylikdüzü) IBIS OTEL	Akfen REIT	Istanbul	16.03.2007	8.9
Istanbul Anatolian Side IBIS OTEL	Akfen REIT	Istanbul	16.03.2007	8.89
Ankara IBIS OTEL	Akfen REIT	Ankara	16.03.2007	7.39
Istanbul European Side IBIS OTEL	Akfen REIT	Istanbul	16.03.2007	9.89
Istanbul Kartal IBIS OTEL	Akfen REIT	Istanbul	16.03.2007	5.89
Izmir IBIS OTEL	Akfen REIT	Izmir	16.03.2007	7.19
Adana IBIS OTEL	Akfen REIT	Adana	16.03.2007	9.19
Ankara NOVOTEL	Akfen REIT	Ankara	16.03.2007	15.78
Moscow Leningradsky IBIS OTEL	Akfen REIT	Moscow	16.03.2007	51.52
Otluca HEPP	Beyobası Enerji Ürt. A.Ş. (Beyobaşı Energy Generation)	Anamur-Mersin	04.01.2008	46.23
Karasu HEPP	İdeal Enerji Ürt. San. ve Tic. A.Ş. (İdeal Energy Generation)	Tercan-Erzurum	04.01.2008	37.94
Çamlıca HEPP	Çamlıca Elektrik Ürt. A.Ş. (Çamlıca Electric Generation)	Yahyalı-Kayseri	04.01.2008	33.15
Saraçbendi HEPP	Çamlıca Elektrik Ürt. A.Ş. (Çamlıca Electric Generation)	Sarkışla-Sivas	04.01.2008	42.14
Yuvarlakçay HEPP	Beyobası Enerji Ürt. A.Ş. (Beyobaşı Energy Generation)	Köyceğiz-Muğla	04.01.2008	4.29
Pirinçlik HEPP	Enbatı Elektrik Üretim San. ve Tic. A.Ş. (Enbatı Electric Generation)	Karabük	04.01.2008	30.85
Yağmur HEPP	BT Bordo Elektrik Üretim Dağıtım Pazarlama San. ve Tic. A.Ş. (BT Bordo Electric Generation)	Köprübaşı-Trabzon	04.01.2008	8.09
Doruk HEPP	Yeni Doruk Enerji Elk. Ürt. A.Ş (Yeni Doruk Energy Gen.)	Dereli-Giresun	04.01.2008	13.18
Kavakçalı HEPP	Pak Enerji Üretim San. ve Tic.A.Ş. (Pak Energy Gen.)	Köyceğiz-Muğla	04.01.2008	9.99
Demirciler HEPP	Pak Enerji Üretim San. ve Tic.A.Ş. (Pak Energy Gen.)	Kale-Denizli	04.01.2008	11.28
Tepe HEPP	Rize İpekyolu Enerji Üretim ve Dağ. A.Ş. (Rize İpekyolu Energy Gen.)	Güneysu-Rize	04.01.2008	9.99
Doğançay HEPP	Elen Enerji Üretimi San.Tic.A.Ş. (Elen Energy Gen)	Geyve-Adapazarı	04.01.2008	29.16
Çatak HEPP	Zeki Enerji Elektrik Üretim Dağıtım Pazarlama Sanayi ve Ticaret A.Ş. (Zeki Energy Gen.)	Karadeniz-Rize	04.01.2008	5.09
Sekiyaka HEPP	Beyobası Enerji Ürt. A.Ş. (Beyobassı Energy Gen.)	Fethiye-Muğla	04.01.2008	7.99
Gelinkaya HEPP	Pak Enerji Üretim San. ve Tic.A.Ş. (Pak Energy Gen.)	Ilıca-Erzurum	04.01.2008	2.80

RESPECTABLE

851,825

THE HANDLING CAPACITY (TEU) OF MERSİN PORT BY THE END OF 2009

PORT OPERATIONS

MIP - MERSİN ULUSLARARASI LİMAN İŞLETMECİLİĞİ (MIP - MERSİN INTERNATIONAL PORT OPERATIONS)

DURING 2009, MERSİN PORT'S 21 PIERS PROVIDED LOADING AND UNLOADING SERVICES TO AN AVERAGE OF 12 SHIPS PER DAY.

Mersin Port can provide a variety of maritime and terminal services. It has the distinction of being a complete port due to its location neighboring the Free Zone. Thanks to its railway and highway connections, it is an ideal transit port for trade with the Middle East.

In European Union accession process, privatization is seen as the vehicle that will foster the development of ports and maritime industry in a way that meets the needs of trade and will lead to effective and efficient provision of services.

The Port of Singapore Authority (PSA) was established in 1972 and provides container terminal services to 28 port projects in 16 countries. PSA International's Singapore terminals operate as the world's largest transshipment center. MIP, with the combined strength of Akfen Holding and PSA, created a business plan that will increase its service quality, benefit customers and contribute to local and national economy.

In this regard, Mersin Port's operational rights were tendered by the Privatization Administration of Turkey and its rights were awarded to the PSA-Akfen Joint Venture Group for a term of 36 years. Mersin International Port (MIP) was established by PSA-Akfen Joint Venture Group on May 11, 2007.

The concession price of the Mersin Port was US$ 755,000,000. With initial investments, the total project cost reached US$ 800,000,000. The long term project financing that funded a portion of this project put together by domestic and international banks was deemed worthy of the Financing of the Year (Port Deals of the Year 2007 - European Transport) award by Project Finance magazine in 2007.

The Port of Mersin has overland connections to major highways as well as rail transport. The airport in Adana is 69 kilometers from the Port. As one of the major ports in the Eastern Mediterranean, Mersin is the gateway to imports and exports to Central Anatolian, the Mediterranean and Southeastern Anatolian regions as well as a transit center for countries in the Middle East. The Port will gain even more prominence when the Southeastern Anatolian Project takes effect in full.

Occupying an area of approximately 1,100,000 square meters, 21 piers of the Port serviced an average of 12 ships per day in 2009. The Port provides services to ships that transport passengers, bulk freight, containers, live animals and grains. Its piers are able to accommodate ships with up to 14-meter drafts.

The freight capacity (general cargo, bulk solids and bulk liquids) in addition to the 4,000,000 tons handled in 2007 and 5,500,000 tons handled in 2008 reached 5,700,000 tons in 2009. According to Maritime Undersecretariat and Port Authority data, the Port is one of Turkey's largest container ports based on the amount of containers handled with a capacity of 1,200,000 TEU containers and 1,500,000 tons of dry freight. The number of containers handled in 2009 passed the total of Izmir Port to become Turkey's second largest port. Mersin Port is also Turkey's largest container port along the Mediterranean.

The vision of Mersin International Port is to transform the Port of Mersin into a major container port in the Eastern Mediterranean, operating at world standards. Between 2001 and 2008, the Port recorded a CAGR of 16% in loads handled. The most significant factor in attaining this growth was the rapid rate of development of Turkey's Southern and Southeastern regions. The MIP handled 851,825 TEU of containers in 2009. With the Port's growth potential in mind, MIP has prepared the project plans to increase this capacity to 4,800,000 TEU.

Since receiving the tender for the Mersin Port, two new container services, operating directly between Europe and the Far East and another between the Black Sea and the Mediterranean have started to operate out of the Mersin Port and include:

- CMA CGM's Levant Express,
- MSC's Tiger Operation and
- Arkas Group's EMES weekly Black Sea service.

Due to the increase in demand for maritime trade around the world and the ensuing rise in the capacities of newly built ships, plans are now on the drawing board to increase pier depths. When these efforts are completed, larger ships will be able to moor at the Mersin Port. One of Turkey's most important ports for imports, exports and transit trade, Mersin Port will soon become the most developed port both in Turkey and in the region thanks to its increased handling capacity as a result of investments and operational improvements.

After evaluating all the improvements and investments described above, Lloyd's List named Mersin International Port Operations "Port of the Year" at the Turkish Shipping Awards in May 2009. In October 2009, Mersin Port won awards for "Port Handling the Highest Container Throughput for Exports in 2007" and "Port Handling the Highest Volume of Liquid Bulk Cargo in 2007" given by the Turkish Undersecretariat of Foreign Trade. The Port also received the Kadri Şaman Award, given by the Mersin Chamber of Trade and Industry (MTSO), for "Making the Highest Contribution the to the Logistics Sector in 2007", the fourth award received during the same year.

STABLE

€22.5

MILLION

THE TOTAL AMOUNT INVESTED
IN TASK GÜLLÜK AND DİLOVASI

WATER CONCESSIONS

TASK A.Ş. (TASK WATER)

TASK WATER WAS FOUNDED IN JULY 2005 TO DEVELOP CONCESSION PROJECTS FOR THE TURKISH WATER INDUSTRY.

TASK Su ve Kanalizasyon Yatırım Yapım ve İşletme A.Ş. (TASK Water and Sewage Investment Construction and Operation) was founded in July 2005 to develop concession projects in the Turkish water industry.

TASK's primary mission is to recover the large economic losses in Turkey's current water sector and to provide uninterrupted, reliable and healthy water and infrastructure services for the people. TASK Water also aims to ensure the sustainability of this situation by developing new technology while gaining strength in the global market.

Focusing on drinking, potable and waste water projects, TASK Water was established with the following objectives:

• Efficient distribution of all kinds of drinking and potable water obtained from underground and aboveground sources and the research, design, construction, repair, maintenance and operation needed to produce all related systems and facilities.

• The collection of all kinds of household and industrial waste water, solid waste and rain water, diversion of these wastes away from residential areas, the research, design, construction, repair, maintenance and operation of all related systems and facilities.

On March 19, 2009, TASK signed a mandate with the European Bank of Reconstruction and Development (EBRD) for the financing of Dilovası and Güllük project investments. The following year, TASK signed a protocol with EBRD including a € 16,000,000 credit package for project finance. Efforts leading to the completion and undersigning of the credit agreement are ongoing.

Güllük Municipality Drinking Water and Waste Water Concession Project

TASK A.Ş., has won the tender for the Drinking Water and Waste Water Concession Project of the Güllük Municipality in the Aegean Region. The project currently serves more than 4,000 households. It was assigned to TASK A.Ş. for a period of 35 years at a total investment cost of € 6,500,000; the investment has been completed.

Çorlu Municipality Drinking Water and Waste Water Concession Project

TASK A.Ş. won the tender for the Çorlu Municipality Water and Waste Water Concession Project located in the Marmara Region. The Concession Contract will take effect after receiving the stamp of approval from the Council of State and the Ministry of the Interior. The concession contract entitles TASK A.Ş. to a 35-year concession to serve 65,000 households in a population of 202,000.

Dilovası Waste Water Build-Operate-Transfer Project

TASK A.Ş. won the tender for Dilovası Organized Industrial Zone Waste Water Treatment Concession Project in the Marmara Region. After the completion of the investment in March 31, 2010 and the test procedures in July 1, 2010, the 27 year operation term has commenced. Within the Zone, 198 factories are active, making it 35% full. This project is a prototype in Turkey where there are 93 organized industrial zones. The project's total investment cost is € 16,000,000.

Kars Municipality Drinking Water and Waste Water Concession Project

TASK A.Ş. received the tender for the Kars Municipality Water and Waste Water Concession Project located in the Eastern Anatolian Region. The concession contract will take effect after approval by the Council of State and the Ministry of the Interior. The concession contract has a term of 49 years and will serve approximately 20,000 subscribers out of a population of 76,473.

FARSIGHTED

375 MW

THE TOTAL AMOUNT
OF POWER GENERATED BY
INVESTMENTS OPERATED AND
OVERSEEN BY AKFEN HOLDING
BY YEAR ENDED 2009

ENERGY

The energy industry is the driving force for development and is on a path of rapid growth in keeping with Turkey's economic expansion. US$ 130 billion in energy investments is needed until the end of 2020 to sustain this stable economic growth.

The goal is for the private sector to undertake most of these investments to refrain from placing an additional burden on public finances. To ensure supply and sustainability, it is also important to accelerate the steps taken toward privatization of the infrastructure and facilities owned by the public sector.

Akfen Holding plans to be an active participant in energy investments which currently have become focal points in the market. The Holding has restructured its hydroelectric plant investments under the umbrella of three main companies:

• Akfenhes Yatırımları ve Enerji Üretim A.Ş. (HES 1) (Akfenhepp Investments and Energy Generation)
• Akfen Hidroelektrik Santrali Yatırımları A.Ş. (HES 2) (Akfen Hydroelectric Power Station Investments)
• Akfen Enerji Kaynakları Yatırım ve Ticaret A.Ş. (HES 3) (Akfen Energy Resources Investment and Trade)

AKFENHES (AKFEN HYDROELECTRIC POWER PLANTS)

THE TOTAL INSTALLED POWER OF AKFEN PLANTS IS 375 MW WHILE THE ANNUAL PRODUCTION CAPACITY IS 1,396 GWH.

All HEPP projects in the portfolio, with the exception of the Laleli Dam, are run of river type renewable energy projects and are under the jurisdiction of Law No. 5346. On the condition that the Renewable Energy Resource (YEK) license is acquired and investments are completed as of December 31, 2013 the projects will have the right to benefit from states purchase guarantee from a price of € 5-5.5 cent/kWh that will be revised according to the previous year's wholesale price averages by the EPDK (Electricity Market Regulation Institution) for a period of ten years. In accordance with the Law No. 4628 dealing with the Electricity Market and the regulations of the Electricity Market Regulation Institution (EPDK), the investments have been granted licenses valid for 49 years (generally) and construction has begun before dates provisioned in the licenses.

Eight HEPP projects out of 11 in Akfenhes Investments and Energy Generation's portfolio are currently under construction. HEPP-1 Group of Projects, except for Yuvarlakçay and Sekiyaka, are planned to be completed by November 2010; Sırma HEPP commenced operation as of May 2009.

As of the first half of 2010, at seven of the nine plants owned by Akfen Hidroelektrik Santrali Yatırımları A.Ş. (Akfen Hydroelectric Plant Investments) construction has commenced. These plants have a total of 139.9 MW installed power and 543.53 GWH annual generation capacity. The investments at these seven plants are expected to be finished by end of 2011.

Total investment for the plants in the portfolio, including those still in the project stage, is € 578,000,000, with € 224,000,000 for HEPP 1, € 184,000,000 for HEPP 2 and € 170,000,000 for HEPP 3.

Akfen Holding Energy Projects' Installed Power (MW) and Production (GWH)

COMPANY	PROJECT	INSTALLED POWER (MW)	PRODUCTION (GWH)
AKFENHES YATIRIMLARI VE ENERJİ ÜRETİM A.Ş. (HES 1) (AKFENHEPP INVESTMENTS AND ENERGY GENERATION) (HEPP 1)			
Beyobası	Otluca	44.72	207.64
	Sırma	5.93	26.72
	Yuvarlakçay	3.24	22.84
	Sekiyaka	3.46	16.81
İdeal	Karasu - 1	3.73	23.09
	Karasu - 2	3.09	19.61
	Karasu - 4.2	9.94	56.35
	Karasu - 4.3	3.71	16.89
	Karasu - 5	4.03	23.16
Çamlıca	Çamlıca III	25.81	94.47
	Saraçbendi	24.01	86.13
	TOTAL	**131.67**	**593.71**
AKFEN HİDROELEKTRİK SANTRALİ YATIRIMLARI A.Ş. (HES 2) (AKFEN HYDROELECTRIC PLANT INVESTMENTS) (HEPP 2)			
Elen	Doğançay	30.55	171.63
Pak	Kavakçalı	10.88	48.19
	Demirciler	9.40	32.29
	Gelinkaya	7.06	30.90
Enbatı	Pirinçlik	21.09	66.75
BT Bordo	Yağmur	8.48	36.21
Yenidoruk	Doruk	28.83	82.06
Zeki	Çatak	10.00	42.93
Rize İpek	Tepe	13.61	32.57
	TOTAL	**139.90**	**543.53**
AKFEN ENERJİ KAYNAKLARI YATIRIM VE TİC. A.Ş. (HES 3)* (AKFEN ENERGY RESOURCES INVESTMENT AND TRADE) (HEPP 3)			
Laleli	Laleli*	99.00	240.53
Değirmenyanı (a)	Adadağ*	4.70	18.20
Akörenbeli	-	-	-
	TOTAL	**103.70**	**258.73**
TOTAL		**375.27**	**1,395.97**

**Licensing process is ongoing for Laleli and Adadağ projects.*

AKFEN ENERJİ YATIRIMLARI HOLDİNG A.Ş. (AKFEN ENERGY INVESTMENTS HOLDING)

AKFEN HOLDING PLANS TO BRING TOGETHER DIVERSE ENERGY INVESTMENTS UNDER A SINGLE UMBRELLA.

Akfen Holding has established Akfen Enerji Yatırımları Holding A.Ş. (Akfen Energy Investments Holding) to enter new investment areas; generation and distribution of energy from natural gas and coal and especially trade of energy, the significance of which as an investment opportunity will increase in the future. Akfen Holding plans to bring together these diverse energy investments under a single umbrella.

Mersin Combined Natural Gas Plant
Under the energy development projects, a licensing application has been submitted for a power plant of 450 MW installed power and a 3,262.5 million KWh annual production capacity, located 12 kilometers from the Tarsus Organized Industrial Zone Enerji. The legal procedures have been started while the investment period is expected to last no longer than two years.

Other Renewable Energy Projects
Akfen Holding has various renewable energy projects. License applications have been made for 39 MW Mozaik RES (Wind Turbines) at Hatay Samandağı and 30 MW Taşlıktepe RES (Wind Turbines) at Hatay Belen. Additionally, a 100 KW demo solar energy generation plant has been installed Akfen has also applied to the European Union's FP7 projects for a 5 MW solar energy plant.

SPECIALIST

1,568

THE TOTAL NUMBER OF ROOMS
IN THE HOTELS OPERATED BY AKFEN REIT

REAL ESTATE

AKFEN GAYRİMENKUL YATIRIM ORTAKLIĞI (AKFEN REAL ESTATE INVESTMENT TRUST)

AKFEN REIT HAS ESTABLISHED MAJOR STRATEGIC PARTNERSHIPS SINCE THE DAY OF ITS INCEPTION.

In 1997, the Akfen Group transformed Aksel Turizm Yatırımları ve İşletmecilik A.Ş. (Aksel Tourism Investments and Management), initially established as an investor in local tourism projects, into a true real estate investment company and restructured as Akfen Gayrimenkul Yatırım Ortaklığı (Akfen Real Estate Investment Trust). The Company's core business is to invest and develop a city hotel portfolio.

Conversion was completed by a Board of Directors Resolution on April 25, 2006 and the Company commenced operations, under REIT status pursuant to the Capital Markets Board's authorization granted on July 14, 2006. The title and area of activity changes were published in the August 31, 2006 issue of the Turkish Trade Registry Gazette. Following compliance recognition by the Capital Markets Board and Ministry of Industry, the Company's capital was raised to TL 100,000,000 on March 22, 2010 by the General Assembly.

Akfen REIT has established major strategic partnerships since the day of its inception. The first of these partnerships was based on the Memorandum of Understanding (MOU) signed on April 18, 2005 between Akfen Holding and the Accor Group. Pursuant to this agreement, the parties resolved to develop hotel projects in Turkey and expand operations throughout the country. In addition to the MOU, pursuant to the Framework Agreement signed on June 15, 2006, Akfen REIT will undertake the hotel investments and lease them to Accor on a turnkey basis; Accor will operate these hotels under the Ibis and Novotel brands for a term of 20 years. Furthermore, in November 2007 Goldman Sachs became a financial partner by buying shares from Akfen REIT.

Accor is among Europe's largest travel, tourism and corporate services groups as well as the market leader in the hotel and accommodation sector with 158,000 employees in 140 countries. The Group is a giant chain with 4,000 hotels (455,000 rooms) in 90 countries around the world in addition to casinos, travel agencies and restaurants. Accor Hotels, an Accor Group entity, is the world's third largest hotel management group.

Akfen REIT intends to develop hotels projects in Russia and the CIS, as well. In a Memorandum of Understanding signed on April 26, 2007, Accor granted exclusivity to Akfen Gayrimenkul Ticareti ve İnşaat A.Ş. (Akfen Real Estate Trade and Construction), a subsidiary of the Company and Kayı Insa İnşaat A.Ş. (Kayı Insa Construction) for developing Ibis projects in ten provinces. The hotels will be located in the Samara, Yaroslavl, Kaliningrad, Krasnoyarsk, Volgograd, Tyumen, Saratov, Novosibirsk, Voronezh, Perm Samara and Yaroslavl provinces. At the end of 2009, the construction of the Samara Hotel and Office projects was started. In March 2010, construction began in Yaroslavl. In Kaliningrad and Krasnoyarsk work is continuing on the development of the construction plan and acquiring the building permit; in the other six sites land development efforts are underway.

The Company's past projects include:

• The 228 room Ibis Hotel and 208 room Novotel in Istanbul Zeytinburnu

• The 108 room Ibis Hotel in Eskişehir

• The 299 room Mercure Hotel and Casino, property of the subsidiary Akfen Gayrimenkul Ticareti ve İnşaat A.Ş. (Akfen Real Estate Trade and Construction) in Girne, Northern Cyprus

• The 200 room Novotel in Trabzon

• The 177 room Ibis Hotel and 92 room Novotel in Gaziantep

• The 160 room Ibis Hotel and 96 room Novotel in Kayseri commenced operations

• The 200 room Bursa Ibis Hotel's construction was completed; land purchases were finalized and investments began for the Istanbul Esenyurt Ibis Hotel and Adana Ibis Hotel.

Akfen Real Estate Trade and Construction, which is 100% owned by Akfen REIT, owns the operational rights of the Girne Mercure Hotel and Casino in Turkish Republic of Northern Cyprus. Akfen Real Estate Trade and Construction also owns 50% of the Russian Hotel Investment and Russian Property Investment companies in the Netherlands.

HUMAN RESOURCES

IN THE GROUP AS A WHOLE, AVERAGE EMPLOYEE AGE IS 35 AND 28% ARE WOMEN.

Cognizant that its most treasured value is its human resources, Akfen Holding chooses employees from the best in their field and keeps the corporate culture and a sense of belonging at a maximum throughout the Holding.

At the end of 2009, the total number of employees at the Holding and the subsidiaries was 196. The number of employees in the Holding's jointly administered subsidiaries is 15,088. In the Group as a whole, the average employee age is 35 and 28% are women.

Distribution of Employees by Their Level of Education

COMPANY	NUMBER OF PEOPLE	UNIVERSITY	HIGH SCHOOL	UPPER-ELEMENTARY SCHOOL	ELEMENTARY SCHOOL
Holding	35	27	6	1	1
Construction	92	47	31	6	8
Real Estate	16	14	2	-	-
Energy	12	10	-	1	1
General Average	24	9	2	2	-

Number of Employees Fields of Operation

ACTIVITY	12/31/2009	12/31/2008
Holding	35	51
Real Estate	16	18
Construction	92	78
Energy	12	-
Other	41	32
Infrastructure	-	199
SUBTOTAL	**196**	**378**
JOINTLY ADMINISTERED COMPANIES	**12/31/2009**	**12/31/2008**
TAV Airports Holding	10,719	11,235
TAV Investment Holding	3,752	6,765
MIP	546	607
TASK	25	28
Others	46	190
SUBTOTAL	**15,088**	**18,825**
TOTAL	**15,284**	**19,203**

For Akfen Holding, the personal and occupational development of the employees is an integral part of its Human Resources policy. In this regard, throughout 2009, a total of 441 hours of training was provided to the employees; an average of 3.47 hours per employee in 2009.

CORPORATE SOCIAL RESPONSIBILITY

THE FACTORS MAKING AKFEN HOLDING'S SUCCESS SUSTAINABLE ARE ITS ABILITY TO FORM STRATEGIC PARTNERSHIPS WITH GLOBAL PARTNERS AND ITS CREATION OF VALUE FOR SOCIETY AND THE ECONOMY THROUGH ITS INVESTMENTS.

Educational Support Projects

The Human Resources Foundation of Turkey (TİKAV)
The Human Resources Foundation of Turkey (TİKAV) was established by Hamdi Akın and his wife Şafak Akın on January 15, 1999. TİKAV believes in doing its part to support education rather than remaining dependent on government action. TİKAV strives to increase the quality of Turkey's young human resources through the programs it implements. TİKAV is a civil organization that is dedicated to the tenets of Atatürk, the founder of the Republic of Turkey.

Since its establishment, the Foundation has provided scholarships and educational opportunities to university students through a program called the Individual Development Program. Between 2001 and 2003, the Foundation implemented the International Youth Awards Program on a national scale.

New Ways for Old Villages Project
A total of 7,650 people, mostly students in mountain villages and young people ready to join the workforce, will receive training under the "New Ways for Old Villages Project" organized jointly by Mersin International Port Operations (MIP) and the Human Resources Foundation of Turkey (TİKAV). Under this social responsibility project, which the Mersin Governorship and the Municipality also support, it is planned that 126 students from 63 mountain villages will receive training and 63 volunteer MIP workers will be specially trained by TİKAV to offer occupational training to adults.

BTA Catering's "Does anybody have a spare pencil?" Project
A subsidiary of TAV Airports Holding, BTA Catering has initiated a social responsibility project for the students at the Elbistan Kalealtı Village, Haluk Gökalp Kılınç Elementary School. With the "Does anybody have a spare pencil?" Project started in September 2009, BTA Catering aims to provide stationery supplies, books, notebooks, toys and clothing needs for students. The project will go on for a year with the support of BTA Catering employees and families, airport personnel and supply companies.

TAV Airports Holding supports the "DON'T WITHHOLD" project
TAV Airports Holding has given support to the "DON'T WITHHOLD" project, initiated by the Galatasaray Sports Club Association to improve the conditions of the disabled children living at the Social Services Child Welfare Institutions (SHÇEK). For this project, several famous personalities came together and recorded an album titled "DON'T WITHHOLD" for the disabled children.

TAV Airports Holding also supports the "Steps to Success" and "Words Are Not Enough" projects undertaken by the Galatasaray Sports Club Association in the past.

UGO International Youth Award Association
The International Youth Association, which Akfen Holding A.Ş. supports as a main sponsor, was authorized by the British International Award Association as the sole entity that can implement, promote and audit the International Youth Award Program in Turkey since October 19, 2003. The Association aspires to achieve societal development by contributing to the individual and social development of young people through this program it administers.

London School of Economics
The establishment of Turkish Studies chairs at leading universities around the world is an essential element of Turkey's promotional activities abroad. Such professorial chairs are important not only for the promotion of Turkish history and culture, but also for providing a platform to express Turkey's point of view and opinions on current events outside of the country. In this context, a chair for Contemporary Turkish Studies was established at the London School of Economics thanks to the efforts of the Turkish Ministry of Foreign Affairs. Akfen is pleased to support such an important project geared toward promoting Turkey.

Ülkü Akın Elementary School
In its efforts to contribute to Turkey's development, Akfen built the Ülkü Akın Elementary School in Ankara; it opened for the 1993-1994 academic year.

Hikmet Akın Elementary School
The Hikmet Akın Elementary School was opened in Düzce for the 2004-2005 academic year.

Kayseri Province Solidarity Association

Akfen is a supporter of the Kayseri Province Solidarity Association, an organization that provides scholarships with no payback obligations for academically worthy, but economically underprivileged, university students from Kayseri studying in Istanbul. Another objective of the Association is to establish computer labs in the province of Kayseri and surrounding districts and villages. As a token of its support, Akfen equipped Tomarza District's Sarımehmetli Elementary School with a computer lab.

Other Educational Projects

Future Hopes at the Tbilisi International Airport

Tbilisi International Airport which is operated by TAV Georgia, a TAV Airports Holding subsidiary, looks after the children at the Momavlis Sakhli (House of Future) Orphanage. Through cooperation with the Tbilisi orphanage and TAV Georgia, an exhibition of the children's handcrafts and a donation box were placed at the Tbilisi International Airport. The work created by the children at the orphanage during their dance, painting, weaving, knitting and sculpture classes was displayed at the exhibition stand in the Tbilisi International Airport. The aim of this donation campaign is to show the public the children's skills, to present the decorative objects they produce to the passengers and to create additional income through sales of these pieces.

Contribution to the Educational Reform Initiative

Education tops the issues that need improvement around the world and in Turkey. To this end, Akfen Holding supports the Educational Reform Initiative which brings together bureaucracy, universities, schools and non-governmental organizations for the purpose of formulating a participatory and creative idea generating process. The long-term aim of the Educational Reform Initiative is to translate ideas into a reform-monitoring center that will pass on these ideas to all stakeholders in the field of education.

Support for Education from MIP

Mersin Uluslararası Liman İşletmeciliği A.Ş. (Mersin International Port Operations-MIP), an Akfen Holding subsidiary, supplied 500 needy children with school uniforms and another 500 students in financial need with the necessary school supplies at the beginning of the 2007-2008 academic year. In addition, children of every age group at state nurseries were provided with educational sets to support the development of their intellectual and manual skills.

Scholarships were awarded to high school graduates who passed their university entrance exams but were unable to enroll due to financial reasons. Financial support was provided for construction of a school undertaken by the Mersin Chamber of Commerce and Industry (MTSO).

MIP provided funds for the publication of two books on Narcotics Addiction and Internet Addiction as part of the Yenigün Project of the Provincial Security Directorate, targeting secondary school students in particular.

Support for Art and Culture Projects

"The Republic Exhibition" on the 85th year of the Republic of Turkey

TAV Istanbul celebrated the 85th year of the Turkish Republic with the Republic Exhibition. Organized for the Republic of Turkey's 85th year and supplied by the Cumhuriyet Newspaper's archive, all the proud moments of success and achievement reflected throughout the country, such as the Erzurum and Sivas Congresses, the gathering of the Turkish Grand National Assembly in Ankara, the War of Independence and the proclamation of the Republic. Turkey's steps to modernity such as the abolishment of the Caliphate, legal reforms, clothing and alphabet reforms, accompanied photographs of Mustafa Kemal Atatürk, founder of the Republic. Comprised of 68 photographs of Atatürk, the Republic exhibit was visited by the passengers and others in the terminal. Concurrently, the "Genius of the Liberator" exhibit was opened to visitors at Ankara Esenboğa Airport. On November 10, for the 70th anniversary of the death of Atatürk, the founder of the independent and secular Turkish Republic, an exhibit of Atatürk photographs were put on display.

TAV Airports Holding supports garajistanbul, an active art gallery in Istanbul

In 2009, TAV Airports Holding began supporting garajistanbul established by Övül and Mustafa Avkıran, the founders of one of the first examples of contemporary performing arts, the 5th Street Theater. Sponsored by TAV Airports Holding, garajistanbul's first performance was a play entitled "A Trial in Istanbul". It was an adaptation of Kafka's novel, "The Trial". Sharing its unique perspective with theater lovers in Istanbul, garajistanbul also put on the plays titled "Ashura", "Histanbul" and "And God Said". Thanks to the sponsorship, TAV Airports Holding employees can see the plays staged at garanjistanbul at a discount.

"My Face is Hope" and "Ebristan" at the TAV Gallery

TAV Istanbul, a subsidiary of TAV Airports Holding, hosted an exhibition titled "My Face is Hope" showing photographs by six prominent photographers and expressing the dreams of village children. The exhibition was held under the auspices of "Long Live Our School" campaign initiated in 2005 and aiming at the renovation of under-equipped village schools. The books, postcards and posters of the "My Face is Hope" exhibition were put on sale at the Old Bazaar store in ATÜ Duty Free Area.

The work of Hikmet Barutçugil, a master of the art of paper marbling, along with his students were put on display in the TAV Gallery in an exhibition entitled "Ebristan". The exhibit, organized by TAV Istanbul, includes innovative work that combines marbling with engraving and painting. At the opening of the exhibition, Hikmet Barutçugil and his students put on a live marbling demonstration for the passengers at the airport.

The Projection of the Turkish Aviation History

The TAV Gallery in the Atatürk Airport International Terminal hosted a photo exhibition consisting of historical documents that also display parts of its own history. The Turkish Commercial Aviation History exhibit that was presented to the public at the Istanbul Atatürk Airport drew large crowds when it was set up at Ankara Esenboğa and Izmir Adnan Menderes airports. The exhibition at the TAV Gallery was organized by Fly Service CEO Gökhan Sarıgöl and based on his book with the same title. Four years ago, after deciding to write a book describing the history of Turkish Civil Aviation, Sarıgöl realized that such an anthology would take more than one book and decided to publish it in three volumes. The first volume to be published covered the 1909-1967 period and propeller planes. This 400 page volume includes photos that were never before published. Sarıgöl said he referenced sources such as old airport employees and chose 70 out of approximately 250 photos in the book for the exhibition.

Larry Bossidy and Dr. Ram Charan -"Execution"

TAV Airports Holding published the Turkish translation of the book Execution by Larry Bossidy, the CEO of Honeywell and Dr. Ram Charan, a faculty member at the Harvard Business School. This book is based on the assertion that "You may be able to beat your competitors if your strategy is correct, but you must be able deliver results and get things done in order to win".

TAV Airports Holding had previously published the book Winning by Jack Welch, ex-CEO of GE. As with Winning, the translation of the book titled Execution: the discipline to get things done also included a foreword written by TAV Airports Holding CEO Dr. M. Sani Şener.

Mersin Music Festival

Mersin Music Festival, the most important cultural event in Mersin was organized for the eighth year supported by MIP.

Bridge of Art from Vienna to Mersin

The goal of this project is to create environments that allow children in Mersin and villages around Mersin to bring forth their own artistic talents and open new horizons for them. The project, initiated in 2009 by MIP Serkan Gürkan, tango composer, arranger, art director and a violinist continuing graduate studies at the University of Vienna, continues with the backing of the Mersin Governorship.

Under this project, 20 children from Social Services and the Child Welfare Nursery were chosen by members of the String Inspirations Quintet founded by Serkan Gürkan. The members of the quintet, violinists Sergej Bolontny and Alexej Barer, cello player Peter Gospodinov and double bass player Felipe Medina selected a group of 12 aspiring musicians. At the end of training, the youngsters will give concerts in Vienna, the capital of Austria and in different cities around Turkey.

This project is also significant in that this is "Turkey's First Nursery Orchestra"

Mersin State Opera and Ballet

Mersin State Opera and Ballet performed Çağrı, the first Turkish ballet about Jalal ad-Dīn Muhammad Rumi, a symbol of tolerance and love. It was performed in Mersin with the contribution of MIP.

Tourism Support Projects

Destination Izmir

The Destination Izmir promotion and business development platform was formed as a cooperative project between TAV Izmir, SunExpress, hotel owners and tourism operators in Çeşme and the Izmir, Çeşme and Alaçatı Municipalities. Destination Izmir aims to highlight Izmir as the 'pearl of the Aegean' and its surrounding region as a global tourism landmark. TAV Izmir takes part in many trade fairs worldwide and contributes to the promotion of Izmir as well as Turkey.

From TAV Gallery, "A Salute from Istanbul"

TAV Gallery hosts culture and art activities at the Istanbul Atatürk Airport operated by TAV Istanbul. In 2009, an exhibition of 36 oil paintings by Oya Kılıçoğlu, including still lifes, portraits and landscapes were put on display at the TAV Gallery.

Izmir through Photography

The third anniversary of the opening of the Izmir Adnan Menderes Airport International Terminal, operated by TAV Izmir, a subsidiary of TAV Airports Holding, hosted the "Izmir through Photography" exhibit on September 9, 2009. The exhibition reflected Izmir, the airport during the day and at night and human portraits of the TAV Izmir employees.

TAV Gallery Crosses Borders

TAV Gallery at the Istanbul Atatürk Airport was opened by TAV Istanbul to support culture and art. It has hosted Turkey's neighbor Georgia at an exhibit made possible by the contributions of Georgia Tourism Department. Georgia Adjara Autonomous was opened by the Georgian Economical Development Minister, Lasha Zchvania. The "Georgia" exhibit, composed of 70 works reflecting Georgia's natural and cultural values, received the attention of both domestic and foreign visitors at the International Terminal. The exhibition was presented to the public at the Izmir Adnan Menderes and Ankara Esenboğa Airports following its showing in Istanbul.

Projects Supporting Sports

Football Team Sponsorship

MIP has been the largest sponsor of the Mersin İdman Yurdu Club, Mersin's only professional football team.

MIP has provided financial support to the Hatice Uludağ Elementary School Football Team to ensure its participation in the regional tournaments. In addition, the football tournament organized on the occasion of the 163rd anniversary of the establishment of the Police Department was made possible by MIP's contribution to the event.

Turkey Offshore Championship

MIP sponsored the Mersin Offshore Races that were organized by the Mersin Chamber of Trade and Industry and the Istanbul Offshore Club.

Colorful Moments in Sports at the TAV Gallery

The "Moments in Time; Sports 2008" exhibition, comprised of memorable sporting events in Turkey in 2008, was organized by TAV Gallery and presented to sports and art lovers at Istanbul Atatürk, Ankara Esenboğa and Izmir Adnan Menderes Airports. Brought together by contributions from TAV Istanbul, a TAV Airports Holding subsidiary and Zaman Newspaper Photo Service, the exhibition featuring the Olympic Games and Euro 2008 Football Tournament, demonstrated that 2008 was one of the most colorful years for Turkey who made a lasting impression on global sports in 2008.

Other Projects

Turkish Foundation for Waste Reduction

The Turkish Foundation to Reduce Waste was established in 1998 in Ankara to prevent waste and reduce poverty in Turkey. In addition to operating food banks for the needy, the Foundation works in cooperation with Muhammed Yunus, the 2006 Nobel Prize winner and the Grameen Micro Loans Program. Akfen sponsored the micro-loan project as a contribution to its promotion.

The Micro-loans program was initiated for the first time in Diyarbakır on July 18, 2003 and has been successfully implemented in the provinces of Diyarbakır, Mardin, Batman, Gaziantep, Kahramanmaraş, Adana, Ankara, Çankırı, Yozgat, Zonguldak, Amasya, Eskişehir, Kayseri, Niğde, Bursa, Aydın, Erzincan, Sivas and Rize. In addition, micro-greenhouse projects that use hydroponics techniques were initiated in these provinces. Akfen has provided financing for the micro-loan project in Kayseri.

TAV Airports Holding and LÖSEV (Foundation for Children with Leukemia) Families Hand in Hand.

One of TAV Airports Holding's social responsibility projects, this cooperation aims to be a bridge of support for LÖSEV, by carrying out awareness and donation activities at the terminals operated by TAV Airports Holding. LÖSEV, providing complete free-of-charge medical care while looking after the needs of the patients' families, provides its resources from donations. In support of this organization, there are LÖSEV donation boxes at the Ankara Esenboğa Domestic and International Terminals. Within the scope of these social responsibility programs, TAV Airports Holding gives its support to LÖSEV in both the continuation of the treatment processes for leukemia and awareness and sensitivity raising activities directed at the public.

TAV Airports Holding supports Earthquake Awareness Project

TAV Airports Holding supports the Earthquake Awareness Days Project that was initiated by Boğaziçi University's Kandilli Observatory and Earthquake Research Institute. The project aims to spread earthquake survival information along with the formation of a sustainable infrastructure. Organizing an Elementary School Painting Competition Award Program and a Plaque of Appreciation Ceremony, the Institute has given a plaque of appreciation to TAV Airports Holding for its support.

Akyurt Foundation

Hamdi Akın is a member of the Board of Trustees of the Akyurt Foundation. Established in 1999, the Foundation's objective is to meet the physical, psychological, social and cultural needs of senior citizens who are unable to take care of themselves.

Supporting İKSV

TAV Airports Holding is among the entities that provided support for the restoration of the new headquarters of the Istanbul Foundation for Culture and Art (İKSV), Deniz Palas, located on Tepebaşı Refik Saydam Street; it commenced service in December 2008.

The seven-story building, occupying a total area of 4,300 square meters, has a concert hall, a restaurant, an outdoor terrace, a foyer café and a café.

SOS Children's Village

Mercure Hotel, managed by Akfen Holding, has assumed a one-year commitment to sponsor four family homes in the SOS Children's Village that was established in Cyprus to benefit orphans.

Donation to the Campaign to Support Heroes Fighting Terrorism

Akfen has made one of the largest donations to the Campaign to Support Heroes Fighting Terrorism, an initiative that was launched by the TV channel Habertürk on October 19, 2007. In addition, MIP, an Akfen subsidiary, has provided the Mothers of Veterans and Fallen Heroes Solidarity Association with the office supplies needed for their activities.

TAV Airports Holding at the World Water Forum

TAV Airports Holding sponsored the Fifth World Water Forum, held at the Istanbul Sütlüce Congress and Culture Center with the participation of heads of state and international non-governmental organizations. Sponsoring three seminars on March 17, 2009, TAV Airports Holding distinguishes itself by the conservation projects toward efficient usage of water resources at the airports it operates.

Global Compact

To contribute to the formation of a common culture on the basis of universal principles in the business world, Akfen Holding signed the United Nations Global Compact on July 2, 2002.

The Global Compact requires participating companies to work in close cooperation with the United Nations by establishing ten principles regarding the issues of human rights, labor standards, the environment and anti-corruption. These 10 principles are as follows:

Human Rights

Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights.
Principle 2. Businesses should not abuse human rights in any way.

Labor Standards

Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
Principle 4. Businesses should eliminate of all forms of forced and compulsory labor.
Principle 5. Businesses should refrain from using child labor.
Principle 6. Businesses should eliminate discrimination with respect to employment and occupation.

Environment

Principle 7. Businesses should develop a pro-active, activist approach to environmental issues.
Principle 8. Businesses should undertake initiatives to promote greater environmental responsibility.
Principle 9. Businesses should encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

Principle 10: Businesses should work against corruption in all of its forms, including extortion and bribery.

Overseas Communication Fund

TÜSİAD (Turkish Industrialists' and Businessmen's Association) established an Overseas Communication Commission to carry out communication and promotional activities geared toward public opinion in European countries and an Overseas Communication Fund to finance these activities. Akfen Holding signed a sponsorship agreement for this fund for the period between January 1, 2008 and December 31, 2012.

Donation to the Turkish Democracy Foundation

Akfen Holding made a donation to the Turkish Democracy Foundation on April 13, 2009

Other Social Responsibility Projects Akfen Holding Participated in via TAV Airports Holding

• The proceeds from the New Year's activity organized by TAV Esenboğa were donated to the Foundation for Children with Leukemia (LÖSEV).
• Unforgettable moments of the Second World War prepared by the Ankara Model Society were exhibited at the Ankara Esenboğa Airport.
• Esenboğa Airport hosted a concert of the Greater Municipality of Ankara's City Orchestra and ballet performances by Hacettepe University students.
• Photographs reflecting the most intense moments of the Gallipoli War were displayed for 20 days at TAV Gallery located at the Atatürk Airport International Terminal.
• TAV Georgia, the first overseas airport operating company owned by TAV Airports Holding, was a sponsor for Georgia Week organized from May 26-30, 2008 at the Ankara Sheraton Hotel.
• Sema Performances were organized throughout the month of Ramadan at Istanbul Atatürk, Ankara Esenboğa and Izmir Adnan Menderes Airports.
• "Dreams that Change" Exhibit at the Atatürk Airport held with contributions by TAV Istanbul. TAV Istanbul supported this exhibit consisting of 77 pieces produced by economically disadvantaged children at Educations Parks and Learning Centers of the Educational Volunteers Foundation in Turkey.
• The Turkish Physics Society's 25th International Physics Congress scientific meeting in 2008 was held under the sponsorship of TAV Airports Holding.
• Organized by the famous Turkish musician, Cem Mansur, with the premise that music is a necessity in a civil and modern society, the National Youth Symphony Orchestra (UGSO) performed three concerts in Germany with the support of TAV Airports Holding.
• TAV Airports Holding is among the sponsors of the Earthquake Awareness Days Project initiated by Boğaziçi University Kandilli Observatory and Earthquake Research Institute. The first Mobile Earthquake Simulation Training Truck, as part of this project, hit the road on August 14, 2008.
• TAV Georgia lent a helping hand to the children at the Momavlis Sakhli (Home of the Future) Orphanage and launched a donation campaign.
• Investing in the socio-cultural values of the Monastir-Sousse-Enfidha regions as well, TAV Tunisie SA undertakes many social responsibility projects in the region.

AUDITORS' REPORT

TO THE COUNCIL PRESIDENCY
OF THE GENERAL ASSEMBLY OF AKFEN HOLDİNG A.Ş.
ANKARA

COMPANY'S COMMERCIAL TITLE	: AKFEN HOLDİNG A.Ş.
ADDRESS	: KOZA SOKAK NO:22 G.O.P. / ANKARA
CAPITAL	: 112,383,890,00
TRADE REGISTRY NO.	: 145672
AUDITORS' NAMES	: E.BURCU KARABACAK - AYBENİZ SEZGİN
COMMENCEMENT OF DATE OF DUTY	: 13.01.2009

- We have audited the report of the Board of Directors, balance sheet, income statement and legal books of Akfen Holding A.Ş. regarding the Company's 2008 operations and concluded that they were in keeping with legislation and procedures.

- We have inspected the Company's vault at 03/10/2009 – 06/22/2009 – 09/28/2009 – 12/25/2009 and have not encountered any irregularities.

- We have not received any complaints or reports of abuse regarding the Company's business.

- During its duration of duty, auditors have participated in the Board of Directors meetings on three different occasions.

- We have audited the Company's books and did not find any commercial papers kept as a collateral, security or left for keeping in the Company vault for safe custody.

- We have observed that the activities of the Board of Directors were in keeping with the effective legislation and Company interests.

CONCLUSION: We have found the actions of the Board of Directors to be in compliance with the current law and the general interests of the company.

E.BURCU KARABACAK **AYBENİZ SEZGİN**

AKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONVENIENCE TRANSLATION TO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEARS ENDED 31 DECEMBER 2009, 2008 AND 2007 WITH INDEPENDENT AUDITORS' REPORT (ORIGINALLY ISSUED IN TURKISH)

KPMG Akis Bağımsız Denetim ve Serbest Muhasebeci
Mali Müşavirlik Anonim Şirketi 30 April 2010
This report includes 2 pages of independent
auditors' report and 163 pages of consolidated
financial statements together with their explanatory notes.

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Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
Yapı Kredi Plaza C Blok Kat 17
Büyükdere Caddesi
Levent 34330 İstanbul

Telephone +90 (212) 317 74 00
Fax +90 (212) 317 73 00
Internet www.kpmg.com

Convenience Translation to English of Independent Auditors' Report Originally Issued in Turkish

Independent Auditors' Report

To the Board of Directors of
Akfen Holding Anonim Şirketi

We have audited the accompanying consolidated financial statements of Akfen Holding Anonim Şirketi and its subsidiaries (together "Akfen Group"), which comprise the consolidated statements of financial position as at 31 December 2009, 31 December 2008 and 31 December 2007, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory notes.

The consolidated financial statements of a jointly controlled entity, namely, TAV Yatırım Holding AŞ ("TAV Yatırım") which is owned with a 42.50 percent by Akfen Group has been audited by another auditor. The consolidated financial statements of TAV Yatırım as of 31 December 2009, 31 December 2008 and 31 December 2007 reflect total assets constituting 11, 10 and 9 percent and total consolidated comprehensive income constituting 5, (30), and (7) percent of the related consolidated totals, respectively. The consolidated financial statements of TAV Yatırım as of and for the years ended 31 December 2009, 31 December 2008 and 31 December 2007 were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for TAV Yatırım is based solely on the report of the other auditor.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with financial reporting standards promulgated by Capital Market Board ("CMB"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards promulgated by CMB. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of 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 our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider 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 principles 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 opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Akfen Group as at 31 December 2009, 31 December 2008 and 31 December 2007, and of its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the financial reporting standards (Note 2) promulgated by CMB.

Additional paragraph for convenience translation to English

The financial reporting standards described in note 2(defined as "CMB Financial Reporting Standards") to the consolidated financial statements differ from International Financial Reporting Standards("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting and also for certain disclosure requirements of CMB. Accordingly, the accompanying consolidated financial statements are not intended to present the consolidated financial position, consolidated financial performance and consolidated cash flows of Akfen Group in accordance with IFRS.

İstanbul, 30 April 2010
Akis Bağımsız Denetim ve Serbest Muhasebeci Müşavirlik Anonim Şirketi

H. Nesrin Tuncer
Partner

CONVENIENCE TRANSLATION TO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

AKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009,2008 AND 2007

(CURRENCY: THOUSANDS OF TL)

		Audited		
			Restated*	
	Notes	31 December 2009	31 December 2008	31 December 2007
ASSETS				
Total current assets		998,027	817,309	518,622
Cash and cash equivalents	6	285,866	107,958	80,114
Trade receivables				
-Due from related parties	10-37	23,804	17,271	22,074
-Other trade receivables	10	258,927	230,514	156,657
Other receivables				
-Due from related parties	11-37	5,295	22,769	1,192
-Other receivables	11	183,805	139,978	103,667
Financial investments	7	3,706	14,977	91
Inventories	13	45,758	32,127	9,541
Other current assets	26	190,866	251,715	142,026
		998,027	817,309	515,362
Assets held for sale	34	-	-	3,260
Total non-current assets		2,324,259	2,338,632	1,532,764
Trade receivables				
-Due from related parties	10-37	3,751	4,750	7,668
-Other trade receivables	10	99,407	102,511	77,718
Other receivables				
-Due from related parties	11-37	1,878	14,010	5,755
-Other receivables	11	2,214	2,008	5,760
Financial investments	7	2,779	6,023	11,518
Investment property	17	531,647	469,343	303,835
Property, plant and equipment	18	306,166	239,389	82,450
Intangible assets	19	1,042,619	1,260,604	855,046
Goodwill	20	116,777	70,321	51,394
Deferred tax assets	35	54,976	53,627	29,783
Other non-current assets	26	162,045	116,046	101,837
TOTAL ASSETS		3,322,286	3,155,941	2,051,386

* See note 2.

The accompanying notes are an integral part of these consolidated financial statements.

CONVENIENCE TRANSLATION TO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

AKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2009,2008 AND 2007

(CURRENCY: THOUSANDS OF TL)

		Audited		
			Restated*	
	Notes	31December 2009	31 December 2008	31 December 2007
LIABILITIES				
Total current liabilities		725,356	1,001,203	575,884
Loans and borrowings	8	292,799	662,484	372,469
Derivatives	9	48,188	33,837	6,610
Trade payables				
-Due to related parties	10-37	24,650	13,931	21,432
-Other trade payables	10	154,571	124,050	70,906
Other payabels				
-Due to related parties	11-37	13,143	33,335	21,095
-Other payables	11	152,801	95,999	66,686
Provisions	22	5,384	4,342	6,374
Other current liabilities	26	33,820	33,225	10,312
		725,356	1,001,203	575,884
Total non-current liabilities		2,067,922	1,814,430	1,060,908
Loans and borrowings	8	1,941,972	1,293,320	961,304
Derivatives	9	37,596	83,573	13,353
Trade payables				
-Due to related parties	10-37	5,889	2,352	1,331
-Other trade payables	10	10,422	5,342	1,143
Other payables				
-Due to related parties	11-37	10,833	13,345	11,964
-Other non-trade payables	11	27,181	37,957	13,497
Employee benefits	24	6,449	3,387	2,575
Deferred tax liabilities	35	19,034	24,726	19,869
Other non-current liabilities	26	8,546	350,428	35,872
Total Equity		529,008	340,308	414,594
Total equity attributable to equity holders of the Company		349,097	145,742	281,740
Paid in capital	27	99,669	62,723	62,723
Adjustments to share capital		(7,257)	(7,257)	(7,257)
Treasury shares		(4,767)	(3,180)	(3,180)
Business combination of entities under common control		20,062	16,658	16,415
Revaluation reserve		(62,687)	(81,615)	(9,860)
Translation reserves		25,004	25,931	(29,950)
Legal reserves		14,985	11,584	6,083
Retained earnings		114,208	241,156	47,603
Profit/(loss) for the period		149,880	(120,258)	199,163
Non-controlling interest		179,911	194,566	132,854
TOTAL LIABILITIES		3,322,286	3,155,941	2,051,386

* See note 2.

The accompanying notes are an integral part of these consolidated financial statements.

CONVENIENCE TRANSLATION TO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

AKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2009,2008 AND 2007

(CURRENCY: THOUSANDS OF TL)

		Audited		
			Restated*	
	Notes	31 December 2009	31 December 2008	31 December 2007
CONTINUING OPERATIONS				
Revenue	28	1,029,267	849,466	698,178
Cost of sales(-)	28	(843,347)	(674,777)	(569,829)
Gross profit		185,920	174,689	128,349
Distribution expenses(-)	29	-	(193)	(1,223)
Administrative expenses (-)	29	(132,421)	(92,592)	(106,790)
Other income	31	78,418	135,320	304,317
Other expenses(-)	31	(24,991)	(10,594)	(51,093)
Results from operating activities		106,926	206,630	273,560
Share of profit/(loss) from equity accounted investees	16	-	-	(93)
Finance income	32	76,074	12,574	40,800
Finance expenses	33	(223,136)	(245,606)	(86,426)
Profit/(loss) before tax		(40,136)	(26,402)	227,841
Tax benefit/(expense)		(1,241)	(18,824)	2,581
Tax expense	35	(17,358)	(10,583)	(10,520)
Deferred tax income/(expense)	35	16,117	(8,241)	13,101
Profit/(loss) from continuing operations		(41,377)	(45,226)	230,422
DISCONTINUED OPERATION				
Profit from discontinued operation, net off tax	34	194,835	(31,243)	12,190
Profit/(loss) for the period		153,458	(76,469)	242,612
Other comprehensive income/(expense)				
Change in revaluation of property, plant and equipment		38	31	1,099
Change in net fair value change in cash flow hedges	32	21,894	(71,562)	(9,548)
Change in foreign currency translation differences	32	(3,018)	57,649	(19,914)
Other comprehensive income/(expense) for the period, net of tax		18,914	(13,882)	(28,363)
Total comprehensive income/(expense) for the period		172,372	(90,351)	214,249
Profit attributable to:				
Non-controlling interest		3,578	43,789	43,449
Owners of the Company		149,880	(120,258)	199,163
Profit/(loss) for the period		153,458	(76,469)	242,612
Total comprehensive income/(expense) attributable to:				
Non-controlling interest		3,300	45,252	43,454
Owners of the Company		169,072	(135,603)	170,795
Total comprehensive income/(expense) for the period		172,372	(90,351)	214,249
Earnings per share	36	1,792	(1,917)	3,175

* See note 2.

The accompanying notes are an integral part of these consolidated financial statements.

CONVENIENCE TRANSLATION TO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

AKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2009, 2008 AND 2007

(CURRENCY: THOUSANDS OF TL)

	Paid-in capital	Adjustments to share capital	Treasury Shares	Business combination of entities under common contro	Translation reserve	Revaluation reserve	Hedging reserve	Legal reserve	Retained earnings	Total	Non-controlling interests	Total Equity
Balances as at 1 January 2007 as previously reported	62,723	(7,257)	(1,792)	19,872	(14,016)	-	-	2,039	154,473	216,042	5,669	221,711
Effect of change in accounting policy (Note 2)	-	-	-	987	(241)	-	-	4,894	(29,443)	(23,803)	12,308	(11,495)
Balances as at 1 January 2007 as restated *	62,723	(7,257)	(1,792)	20,859	(14,257)	-	-	6,933	125,030	192,239	17,977	210,216
Total comprehensive income for the period												
Profit for the period	-	-	-	-	-	-	-	-	199,163	199,163	43,449	242,612
Other comprehensive income/(expense)												
Revaluation of property, plant and equipment	-	-	-	-	-	1,099	-	-	-	1,099	-	1,099
Foreign currency translation differences	-	-	-	-	(19,919)	-	-	-	-	(19,919)	5	(19,914)
Net fair value change in cash flow hedges	-	-	-	-	-	-	(9,548)	-	-	(9,548)	-	(9,548)
Total comprehensive income/(expense), net of tax	-	-	-	-	(19,919)	1,099	(9,548)	-	-	(28,368)	5	(28,363)
Total comprehensive income and expense for the period	-	-	-	-	(19,919)	1,099	(9,548)	-	199,163	170,795	43,454	214,249
Transactions with owners, recorded directly in equity												
Capital increase in subsidiaries	-	-	-	-	-	-	-	-	-	-	55,800	55,800
Dividend distribution to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(2,402)	(2,402)
Acquisition through business combinations	-	-	-	-	-	-	-	-	-	-	350	350
Change in ownership	-	-	-	(6,079)	4,376	-	(1,411)	(1,426)	1,785	(2,755)	-	(2,755)
Acquisition of non-controlling interest	-	-	-	-	(150)	-	-	(477)	627	-	-	-
Sales to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(212)	(212)
Transfer from legal reserves	-	-	-	-	-	-	-	-	-	-	22,284	22,284
Transfer to legal reserves	-	-	-	-	-	-	-	1,053	(1,053)	-	15	15
Repurchase of own shares	-	-	(1,388)	-	-	-	-	-	(77,877)	(79,265)	-	(79,265)
Total changes in Group's structure of IBS Sigorta Brokerlik Hizmetleri AŞ ("IBS")	-	-	-	-	-	-	-	-	-	-	2,267	2,267
Changes in structure of entities under common control	-	-	-	1,635	-	-	-	-	(909)	726	(6,679)	(5,953)
Total transactions with owners	-	-	(1,388)	(4,444)	4,226	-	(1,411)	(850)	(77,427)	(81,294)	71,423	(9,871)
Balances as at 31 December 2007 as restated *	62,723	(7,257)	(3,180)	16,415	(29,950)	1,099	(10,959)	6,083	246,766	281,740	132,854	414,594
Balances as at 31 December 2007 as previously reported	62,723	(7,257)	(3,180)	16,415	(30,190)	1,099	(9,548)	2,437	261,175	293,674	127,377	421,051

* See note 2.

The accompanying notes are an integral part of these consolidated financial statements.

CONVENIENCE TRANSLATION TO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

AKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2009, 2008 AND 2007

(CURRENCY: THOUSANDS OF TL)

	Paid-in capital	Adjustments to share capital	Treasury shares	Business combination of entities under common control	Translation reserve	Revaluation reserve	Hedging reserve	Legal Reserve	Retained earnings	Total	Non-controlling interest	Total Equity
Balances as at 1 January 2008 as restated *	62,723	(7,257)	(3,180)	16,415	(29,950)	1,099	(10,959)	6,083	246,766	281,740	132,854	414,594
Total comprehensive income/(expense) for the period												
Profit/(loss) for the period	-	-	-	-	-	-	-	-	(120,258)	(120,258)	43,789	(76,469)
Other comprehensive income/(expense)												
Foreign currency translation differences	-	-	-	-	56,186	-	-	-	-	56,186	1,463	57,649
Revaluation of property, plant and equipment	-	-	-	-	-	(159)	-	-	190	31	-	31
Net fair value change in cash flow hedges	-	-	-	-	-	-	(71,562)	-	-	(71,562)	-	(71,562)
Total comprehensive income/(expense), net of tax	-	-	-	-	56,186	(159)	(71,562)	-	190	(15,345)	1,463	(13,882)
Total comprehensive income and expense for the period	-	-	-	-	56,186	(159)	(71,562)	-	(120,068)	(135,603)	45,252	(90,351)
Transactions with owners, recorded directly in equity												
Dividend distribution to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(2,660)	(2,660)
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	-	-	(1,417)	(1,417)
Transfer from legal reserves	-	-	-	-	-	-	-	6,297	(6,296)	1	30	31
Change in ownership	-	-	-	-	-	-	-	(849)	849	-	-	-
Capital increase in subsidiaries	-	-	-	243	(305)	16	(50)	53	(353)	(396)	116	(280)
Total transactions with owners	-	-	-	-	-	-	-	-	-	-	20,391	20,391
Transactions with owners, recorded directly in equity	-	-	-	243	(305)	16	(50)	5,501	(5,800)	(395)	16,460	16,065
Balances as at 31 December 2008 as restated *	62,723	(7,257)	(3,180)	16,658	25,931	956	(82,571)	11,584	120,898	145,742	194,566	340,308
Balances as at 31 December 2008 as previously reported	62,723	(7,257)	(3,180)	16,658	19,827	957	(72,966)	6,643	131,611	155,016	186,586	341,602

* See note 2.

The accompanying notes are an integral part of these consolidated financial statements.

CONVENIENCE TRANSLATION TO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

AKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2009, 2008 AND 2007

(CURRENCY: THOUSANDS OF TL)

	Paid-in capital	Adjustments to share capital	Treasury shares	Busines s combination of entities under common control	Translation reserve	Revaluation reserve	Hedging reserve	Legal reserve	Retained earnings	Total	Non-controlling interest	Total Equity
Balances as at 1 January 2009 as restated *	62,723	(7,257)	(3,180)	16,658	25,931	956	(82,571)	11,584	120,898	145,742	194,566	340,308
Total comprehensive income/(expense) for the period												
Profit/(loss) for the period	-	-	-	-	-	-	-	-	149,880	149,880	3,578	153,458
Other comprehensive income/(expense)												
Foreign currency translation differences	-	-	-	-	(2,740)	-	-	-	-	(2,740)	(278)	(3,018)
Revaluation of property, plant and equipment	-	-	-	-	-	(193)	-	-	231	38	-	38
Net fair value change in cash flow hedges	-	-	-	-	-	-	21,894	-	-	21,894	-	21,894
Total comprehensive income/(expense), net of tax	-	-	-	-	(2,740)	(193)	21,894	-	231	19,192	(278)	18,914
Total comprehensive income and expense for the period	-	-	-	-	(2,740)	(193)	21,894	-	150,111	169,072	3,300	172,372
	-		-	-								
Transactions with owners, recorded directly in equity												
Dividend distribution to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(2,681)	(2,681)
Transfer to legal reserves	-	-	-	-	-	-	-	2,391	(2,442)	(51)	(321)	(372)
Total changes in structure of entities under common control	-	-	-	3,404	1,813	(2,773)	-	1,010	(4,479)	(1,025)	1,985	960
Capital increase in subsidiaries	-	-	-	-	-	-	-	-	-	-	1,158	1,158
Changes in non-controlling interest through merger	-	-	-	-	-	-	-	-	-	-	15,721	15,721
Acquisition through business combinations	36,946	-	(1,587)	-	-	-	-	-	-	35,359	(33,817)	1,542
Total transactions with owners	36,946	-	(1,587)	3,404	1,813	(2,773)	-	3,401	(6,921)	34,283	(17,955)	16,328
Balances as at 31 December 2009	99,669	(7,257)	(4,767)	20,062	25,004	(2,010)	(60,677)	14,985	264,088	349,097	179,911	529,008

* See note 2.

The accompanying notes are an integral part of these consolidated financial statements.

CONVENIENCE TRANSLATION TO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

AKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER 2009, 2008 AND 2007

(CURRENCY: THOUSANDS OF TL)

			Restated*	
	Notes	31 December 2009	31 December 2008	31 December 2007
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(loss) for the period		153,458	(76,469)	242,612
Depreciation of property, plant and equipment	18	15,587	15,002	7,837
Amortization of intangible assets	19	29,084	35,527	17,424
Loss from liquidation of investment	31	(1,656)	-	-
Loss on sale on subsidiary	31	-	1,889	2,797
Loss on sale of investment		-	-	386
Loss on sale of investment property	31	-	1,554	-
Impairment loss on available for sale investment	31	-	-	1,510
Impairment loss on goodwill	31	-	-	4,526
Impairment loss/reversal on trading property	31	(250)	1,500	-
Gain on sales of trading property	31	(8,108)	-	-
Provision for employment severance indemnity	24	5,476	1,455	816
(Release of provision)/Provision for doubtful receivables	38	(67)	(186)	671
Unearned interest income/(expense), net	32-33	2,959	(3,195)	-
Gain or loss on sale of property, plant and equipment	31	461	(1,315)	(85)
Gain on sale of subsidiaries and non controlling interest in subsidiary	31	(5,336)	-	(158,625)
Share of profit/loss of equity accounted investees		-	-	1,887
Impairment loss on investment property	31	18,103	4,193	32,094
Impairment loss on property, plant and equipment		1,580	148	(402)
Gain on investment property	31	(41,967)	(117,345)	(132,987)
Provision/(Release of provision) for litigation and vacation	22	1,041	(2,747)	5,559
Unrealised foreign exchange differences on statement of financial position items		30,464	(209,209)	(67,739)
Tax benefit/(expense)	35	(3,119)	(10,010)	(516)
Marked to market valuation of derivative instruments		(4,647)	17,617	6,452
		193,063	(341,591)	(35,783)
Change in other current trade receivables		(28,392)	(74,495)	(54,003)
Change in other current non-trade receivables		(43,827)	(36,311)	94,468
Change in other current assets		60,849	(109,689)	134,633
Change in other non-current trade receivables		3,104	(24,793)	54,940
Change in other non-current non-trade receivables		(206)	3,752	(5,190)
Change in inventory		(13,379)	(16,409)	10,069
Change in due from related parties		33,829	(22,111)	49,145
Change in other non-current asset		(21,509)	(38,053)	27,745
Change in other short-term trade payables		30,523	53,144	(21,341)
Change in other short-term nor-trade payables		56,800	29,313	(33,037)
Change in other short term liabilities		595	22,913	(45,322)
Change in other long-term trade payables		5,080	4,199	820

* See note 2.

CONVENIENCE TRANSLATION TO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

AKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2009, 2008 AND 2007

(CURRENCY: THOUSANDS OF TL)

			Restated*	
	Notes	31 December 2009	31 December 2008	31December 2007
Change in other long-term non-trade payables		(10,776)	24,460	7,528
Change in due to related parties		(16,472)	7,141	(15,537)
Change in other non current liabilities		(349,781)	344,089	40,855
Cash flows from/(used in) operating activities		(100.499)	(174,441)	209,990
Tax paid		(22,595)	(14,666)	(11,648)
Retirement benefit paid	24	(2,769)	(680)	(530)
Doubtful receivables collection	38	50	1,220	85
Interest paid		(163,781)	(110,055)	(68,642)
Net cash provided from/(used in) operating activities		(289.594)	(298,622)	129,255
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of own shares		-	-	(79,265)
Acquisition of property, plant and equipment	18	(179,543)	(173,931)	(80,097)
Effect of group structure change		(95,476)	1,672	52,757
Proceeds from sale of property, plant and equipment		94,708	4,810	11,636
Acquisition of intangible assets	19	(160,668)	(283,447)	(779,849)
Proceeds from sale of intangible assets		415,768	3,098	432
Purchases of investment property	17	(29,036)	(57,409)	(33,864)
Proceeds from sale of investment property		348	2,646	3,950
Acquisition of asset held for sale	13	(80)	(6,616)	(17,176)
Proceeds from asset held for sale		8,186	439	32,539
Share capital increase in other investment		19,852	(12,780)	155,499
Proceeds from sale of asset held for sale	34	-	3,260	-
Dividend distributions to non controlling interest		(2,681)	(2,660)	(2,402)
Change in non-controlling interest		21,269	20,583	73,830
Acquisition of subsidiary and joint ventures net of cash acquired		(33,307)	(5,926)	-
Net cash provided from/(used in) investing activities		59,340	(506,261)	(662,010)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from the borrowings		1,160,131	1,256,307	1,096,405
Change in derivative instruments		(45,977)	70,220	8,352
Repayment of borrowings		(707,199)	(494,105)	(512,334)
Net cash from financing activities		406,955	832,422	592,423
Net increase in cash and cash equivalents		176,701	27,539	59,668
Cash and cash equivalents at 1 January	6	106,933	79,394	19,726
Cash and cash equivalents at period end	6	283,634	106,933	79,394

* See note 2.

CONVENIENCE TRANSLATION TO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

AKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2009, 2008 AND 2007

(CURRENCY: THOUSANDS OF TL)

1 REPORTING ENTITY

Akfen Holding Anonim Şirketi ("Akfen Holding" or "the Company") has started its operations in 1999 as a holding company initially restructuring the operations and activities of Akınısı Makine Sanayi ve Ticaret AŞ which was set up by Hamdi Akın in 1976 as an infrastructure and concession investment company in Turkey. The Company's core businesses are airport concessions and construction, real estate/ hotel projects and other concessions. Among the Company's operations are airport and harbor management, vehicle inspection stations, construction, contracting, steel construction manufacturing, hydroelectric power stations, energy production with water regulators, management of water and water sewage investments and facilities and implementing real estate projects.

In 1998, the Company has started restructuring aiming to form a more efficient management structure that is in line with its growth strategies. In 1999, the Company has become a holding company and has restructured its companies under a holding framework. Today, Akfen Holding and its subsidiaries' operations include airport management, residence construction, energy production, industrial facilities, natural gas networks and city distribution systems, environmental protection and infrastructure facilities, cauldrons, steel construction and conveyors, tourism investments and management, harbor management, insurance brokerage, duty free shop management, catering services, real estate projects, vehicle inspection stations management, water sewage and water investments and management, energy production via hydroelectric power stations.

Hereinafter, Akfen Holding, its subsidiaries, joint venture and associates are referred to as "The Group" or "Akfen Group".

94.92% of Akfen Holding is owned by Hamdi Akın.

The address of the registered office of Akfen Holding is as follows:
Koza Sokak No:22
Gaziosmanpaşa
06700/Ankara-Turkey

The number of employees of Akfen Holding and subsidiaries and joint ventures of the Group at 31 December 2009 is approximately 196 (31 December 2008: 378; 31 December 2007: 226) and 15.088 (31 December 2008: 18.825, 31 December 2007: 14.006).

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of preparation

(a) Statement of compliance

Akfen Group entities operating in Turkey maintain their books of account and prepare their statutory financial statements in Turkish Lira ("TL") in accordance with the accounting principles per Turkish Uniform Chart of Accounts and per Capital Market Board of Turkey applicable to entities operating in other businesses.

Akfen Group's foreign entities maintain their records and prepare their statutory financial statements in accordance with the generally accepted accounting principles and the related legislation applicable in the countries they operate.

The accompanying consolidated financial statements are prepared in accordance with the Communiqué XI No 29. announcement of Capital Markets Board ("CMB") dated 9 April 2008 related to Capital Market Communique on Principles Regarding Financial Reporting ("Communique") which is published in official gazette, no 26842.

The companies apply International Accounting Standart/Financial Reporting Standart ("IAS/UFRS") which is accepted by European Union depending on 5. communique. According to temporary article 2 which is related to practice of 5.article of communique, when difference between IAS/IFRS adopted by European Union and IAS/IFRS adopted by International Accounting Standard Board ("IASB"), IAS/IFRS adopted by IASB is applied until the declaration of Turkish Accounting Standard Board. In this context the company has been prepared consolidated financial statements for the period ended 31 December 2009 in accordance with IAS/IFRS adopted by IASB.

CMB has taken the decision at 17 March 2005 that companies which operate in Turkey and apply the accounting and reporting principles ("CMB Financial Reporting Standards") adopted by CMB to prepare financial statements don't apply inflation accounting as at January 1, 2005. Therefore, in the accompanying consolidated financial statements, as from 1 January 2005, published by IAS No. 29 "Financial reporting in hyperinflationary economies" has not been implemented.

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(b) Form of preparation of financial statement

The consolidated financial statements of Group which are prepared in accordance IAS and IFRS was approved by the Board of Directors at 30 April 2010. The consolidated financial statements and notes as at 31 December 2009 are prepared according to the Communiqué XI No 29 of CMB which was announced by the decision numbered 11/467 at 17 April 2008 related to the Principles Regarding Financial Reporting on capital market.

(c) Correction of financial statetements during the hyperinflationary periods

Group has terminated the inflation accounting application as at 1 January 2005 in line with CMB's decision on March 17.

(d) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the derivative financial instruments and investment properties that are measured at fair value,

The methods used to measure the fair values are discussed further in note 38.

(e) Functional and presentation currency

Akfen Holding and its subsidiaries operating in Turkey prepare their accounting records and legal financial statements in accordance with the accounting principles per Turkish Uniform Chart of Accounts and presented these financial statements in TL. Subsidiaries and jointly controlled entities established abroad accounting records are subject to regulations and accounting principles that are applied in the countries in which they operate. The accompanying consolidated financial statements are presented in TL which is the reporting currency and converted from legal basis to IFRS basis by series of adjustments and reclassifications. The functional currency of the subsidiaries and jointly controlled entities are as follows:

The Company	Functional Currency
Akfen İnşaat Turizm ve Ticaret AŞ ("Afken İnşaat")	TL
Akınısı Makina Sanayi ve Ticaret AŞ ("Akınısı")	TL
Akfen Gayrimenkul Yatırım Ortaklığı AŞ ("Akfen GYO")	TL
IBS Sigorta Brokerlik Hizmetleri AŞ ("IBS")	TL
Akfen Gayrimenkul Geliştirme ve Ticaret AŞ ("Akfen Gayrimenkul Geliştirme")	TL
Akfen Gayrimenkul Yatırımları ve Ticaret AŞ ("Akfen Gayrimenkul Yatırımları")	TL
Akfen Altyapı Yatırımları Holding AŞ ("Akfen Altyapı Holding")	TL
Akfen Enerji Yatırımları Holding AŞ ("Akfen Enerji")	TL
Akfen Altyapı Danışmanlık A.Ş. ("Akfen Altyapı Danışmanlık")	TL
Akfen Hes Yatırımları ve Enerji Üretim AŞ ("Akfen Hes I")	TL
Akfen Hidroelektrik Santral Yatırımları AŞ ("Akfen HES II")	TL
Akfen Enerji Kaynakları ve Yatırımları AŞ ("Akfen HES III")	TL
Adana-İçel-Hatay Araç Muayene Hizmetleri Yapım ve İşletim AŞ ("AİH Muayene")	TL
Akfen Turizm Yatırımları ve İşl. AŞ ("Akfen Turizm")	TL
Akfen Gayrimenkul Ticareti ve İnşaat AŞ ("Akfen Ticaret")	TL
TAV Havalimanları Holding AŞ ("TAV Havalimanları")	Euro
TAV Yatırım Holding AŞ ("TAV Yatırım")	USD
Mersin Uluslararası Liman İşletmeciliği AŞ ("MIP")	USD
SA Akfen Liman İşletmeciliği ve Yönetim Danışmanlığı AŞ ("PSA Liman")	TL
Tüvtürk Kuzey and Tüvtürk Güney Taşıt Muayene İstasyonları Yapım. Ve İşletim AŞ ("Tüvtürk Kuzey –Tüvtürk Güney")	TL
Tüvtürk İstanbul Taşıt Muayene İstasyonları Yapım. ve İşletim AŞ ("Tüvtürk İstanbul")	TL
Task Tepe Akfen Su Kanalizasyon Yatırım Yapım ve İşletme AŞ ("Task Su")	TL
Artı Döviz AŞ ("Artı Döviz")	TL
ATI Services SA ("ATI")	CHF
Hyper Foreign Trade Holland N.V. ("Hyper Foreign")	Euro
Tepe Akfen Reformer S.P. Zoo ("TAR")	Zloti
Russian Property Invesments B.V. ("RPI")	Euro
Russian Hotel Invesments B.V. ("RHI")	Euro

(f) Basis of Consolidation

The accounting policies applied in preparing the accompanying consolidated financial statements have been set out below.

The accompanying consolidated financial statements include the accounts of the parent company, Akfen Holding, its subsidiaries, joint ventures and associates on the basis set out in sections below. The financial statements of the entities included in the consolidation have been prepared as at the date of the consolidated financial statements in the prior periods.

Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

(i) Subsidiaries

Subsidiaries are entities controlled by the Group.

The companies have been consolidated if the Group directly or indirectly owns the shares of the companies providing the Group to have voting right more than 50% in the Company or the Group has power to control the operational and financial policies in line with the interests of the Company even if The Group doesn't have more than 50% voting right.

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

The accompanying consolidated financial statements at 31 December 2009, 2008 and 2007 have been prepared by consolidating the following group companies:

	2009		2008		2007		
	Ownership (%)	Voting Power Held	Ownership (%)	Voting Power Held	Ownership (%)	Voting Power Held	Principal Activity
Akfen İnşaat	99.85	100	99.85	100	99.84	100	Construction
Akınısı	100	100	100	100	100	100	Heavy Machines
Akfen GYO	29.87	54.75	29.87	54.75	29.37	72.76	Real Estate Investment
IBS	37	58	37	58	37	58	Insurance Brokerage
Akfen Gayrimenkul Geliştirme	86.74	100	86.74	100	99.87	100	Real Estate Investment
Akfen Gayrimenkul Yatırımları	86.44	100	86.44	100	50.25	100	Real Estate Investment
Akfen Altyapı	-	-	84.8	100	84.8	100	Infrastructure Investment
Akfen Enerji	50.25	100	50.25	100	50.25	100	Energy
Akfen Altyapı Danışmanlık	99.87	100	99.87	100	-	-	Consultancy for Infrastructure and Concessions
Akfen HES I	100	100	84.8	100	84.8	100	Hydroelectric power stations
Akfen Hes II	100	100	-	-	-	-	Hydroelectric power stations
Akfen Hes III	100	100	-	-	-	-	Hydroelectric power stations
AİH Muayene	-	-	84.95	100	84.95	100	Vehicle Inspection Services
Akfen Turizm	99.86	100	99.86	100	99.85	100	Tourism
Akfen Ticaret	29.87	54.75	29.87	54.75	29.37	72.76	Real Estate Investment

Akfen Altyapı has been merged with Akfen Holding on 29 July 2009. The merge operation with Akfen Holding has been realized with the financial statements as of 20 May 2009 without liquidation of Akfen Altyapı. The share capital of Akfen Holding has increased by TL 41,791 to TL 104,514 after the merge. As at 31 December 2009, unpaid portion of capital is amounting to TL 4,845. All asset and liabilities of Akfen Altyapı as a whole have been transferred without liquidation, and Akfen Holding acquired all the liabilities of Akfen Altyapı as of 20 May 2009 in accordance with transfer agreement.

Since the Group has sold the shares of AIH Muayene to TEST AŞ on 27 October 2009, the period income for the year ended 31 December 2009, 2008 and 2007 has been presented under "profit from discontinued operation, net of tax" balances in the accompanying consolidated financial statements.

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(ii) Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Associates are accounted for using the equity method and are initially recognised at cost. The consolidated financial statements include the Group's share of the income and expenses and equity movements of associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

The accompanying consolidated financial statements at 31 December 2009, 2008 and 2007 have been prepared by consolidating the following associates using equity method:

	2009	2008	2007	
	Ownership (%)	Ownership (%)	Ownership (%)	Principal Activity
Maksel İnşaat	-	-	24.96	Construction

Maksel İnşaat

Maksel İnşaat is incorporated in 1963 in Nigeria to construct the projects of Yüksel İnşaat. Yüksel İnşaat's core businesses are energy power stations and bridge construction. As of 31 December 2007 Maksel İnşaat is consolidated by using equity method by the ownership rate of 24.96%. Since the Company was liquidated in 2008, there is not an affect on consolidated financial statements as at 31 December 2009 and 2008.

(iii) Jointly controlled entities and joint ventures

Jointly controlled entities and joint ventures are those entities over whose activities the Group has common or joint control, established by contractual agreement requiring unanimous consent for strategic financial and operating decision. The consolidated financial statements include the Group's share of the assets, liabilities, income and expenses of commonly or jointly controlled entities are combined with the equivalent items in the consolidated financial statements on a line-by-line basis.

	2009		2008		2007		
	Direct Ownership (%)	Effective Ownership (%)	Direct Ownership (%)	Effective Ownership (%)	Direct Ownership (%)	Effective Ownership (%)	Principal Activity
TAV Havalimanları	26.12	26.12	21.69	21.69	21.37	21.37	Airport Management
TAV Yatırım	42.50	42.50	42.50	42.50	42.50	42.50	Construction and Airline
MIP	50.00	50.00	50.00	42.40	50.00	43.80	Harbour Management
PSA Liman	50.00	50.00	50.00	42.40	50.00	42.40	Consulting
Tüvtürk Kuzey-							
Tüvtürk Güney	-	-	33.33	28.26	33.33	31.05	Vehicle Inspection Service
Tüvtürk İstanbul	-	-	32.56	27.61	31.67	26.85	Vehicle Inspection Service
Task Su	50.00	50.00	49.97	42.40	-	-	Water Treatment Construction and Management
Artı Döviz	42.50	42.50	42.50	42.50	42.50	42.50	Exchange Office
RPI	50.00	14.94	50.00	14.94	-	-	Construction of hotels and business centers
RHI	50.00	14.94	50.00	14.94	-	-	Hotel Investment
Hyper Foreign	41.35	41.29	41.35	41.29	41.35	41.29	Trade
Alsim Alarko	50.00	49.93	50.00	49.93	50.00	49.92	Construction
Tepe Akfen Reformer S.P. Zoo ("TAR")	26.00	25.96	26.00	25.96	26.00	25.96	Real Estate
ATI Services SA ("ATI")	50.00	49.93	50.00	49.93	50.00	49.92	Construction

TAV Havalimanları

TAV Havalimanları was established in 1997 under the name of Tepe Akfen Vie Yatırım Yapım ve İşletme A.Ş. in Turkey for the purpose of reconstructing the İstanbul Atatürk Airport (International Lines Building) and operating it for a period of 66 months. TAV Group's core businesses are related to the construction of terminal buildings, management and operation of terminals or airports. On 3 September 2005, TAV İstanbul signed a concession agreement to operate AIAT and Atatürk Domestic Airport Terminal (referred to as "ADAT") for 15.5 years until year 2021. TAV Esenboğa, TAV İzmir and TAV Gazipaşa enter into Build – Operate – Transfer ("BOT") Agreements with Devlet Hava Meydanları İşletmesi Genel Müdürlüğü (General Directorate of State Airports Authority) ("DHMİ"), TAV Tbilisi with JSC Tbilisi International Airport ("JSC"), TAV Batumi with Georgian Ministry of Economic Development ("GMED"), TAV Tunisia with Tunisian Airport Authority (Office De L'Aviation Civil Et Des Aeroports) ("OACA") and TAV Macedonia with Macedonian Ministry of Transportation and Communication ("MOTC"). Under these agreements, the Group agrees to build or renovate or manage an airport or terminal within a specified period of time and in exchange receives the right to operate the airport and terminal for a preestablished period of time. At the end of the contracts, the Group will transfer the ownership of the terminal buildings or airports back to the related public authority, DHMİ, JSC, GMED, OACA or MOTC accordingly. In addition, the Group enters into subsequent stand alone contracts for the operation of airports and terminals.

Pursuant to a share sale and purchase agreement dated 21 December 2006 executed between Goldman Sachs International ("GS") and Tepe İnşaat, Akfen Holding and Akfen İnşaat (collectively the "Sellers") regarding the sale and transfer of such number of shares that the Sellers own in TAV Havalimanları that corresponds to the 10% of then existing share capital of TAV Havalimanları to GS and a share sale and purchase agreement dated 21 December 2006 executed between GS and the Sellers regarding the sale and transfer of such number of shares that the Sellers own in TAV Havalimanları that corresponds to the 5% of then existing share capital of TAV Havalimanları to GS (collectively the "GS SSPAs"), GS has an option to offer selling the shares that GS owns in TAV Havalimanları to the Sellers in consideration for the pre-agreed exit price (the "Exit Price") specified in GS SSPAs (the "Put Option").

As at 31 December 2008, GS has pledge in favor of Tepe İnşaat, Akfen Holding and Sera Yapı End. Ve Tic. Ltd. Şti. ("Sera Yapı") on the Collateral Shares. All voting rights, dividends, rights for participating in share capital increase in connection with the Collateral Shares shall belong to Tepe İnşaat, Akfen Holding and Sera Yapı.

On 18 May 2009, GS announced that they transferred 17,437,499 TAV Havalimanları shares, which were received with TAV Havalimanları's capital increase to Tepe İnşaat, Akfen Holding and Sera Yapı. Following the exercise of the put option Holding shares by cash settlement by GS, on 17 August 2009, GS reimbursed TAV Havalimanları shares, which are held as collateral to Tepe İnşaat and Sera Yapı. On 3 November 2009, Akfen Holding announced that they have received the TAV Havalimanları's shares from GS.

TAV Yatırım

TAV Yatırım Holding was established on 1 July 2005 for the purpose of investing in the aviation and construction sector. The TAV Yatırım Group' operations comprise contracting and aviation activities. The subsidiaries of TAV Yatırım are TAV Tepe Akfen Yatırım İnşaat ve İşl. AŞ ("TAV Construction") and TAV Havacılık AŞ ("TAV Havacılık"). TAV Construction has branches in Eghypt Cairo ("TAV Eygpt"), United Emirates Dubai and Sharjah("TAV Gulf"), Qatar Doha ("TAV Doha"), Tunisia ("TAV Tunisia") and Bahrain("TAV Bahrain"). TAV G Otopark Yatırım Yapım ve İşletme AŞ ("TAV G") ve TAV Construction Muscat LLC ("TAV Muscat") is the subsidiary of TAV Construction with 49.99% and 70% partnership.

MIP

Mersin Port was operated by the Turkish Republic State Railways ("TCDD") and included in the list for privatization for years. Turkish Privatization Administration had announced a bid for the privatization of Mersin port on August 14, 2005. However, the turnover could not be finalized until 11 May 2007. Full operational control over Mersin Port on the southeast coast has been transferred to MIP, a joint venture between PSA International Group and Akfen Altyapı for the next 36 years as at 11 May 2007.

Tüvtürk Kuzey-Tüvtürk Güney

Tüvtürk Kuzey-Tüvtürk Güney are primarily involved in the operating of motor vehicles inspection stations all around Turkey. Tüvtürk Kuzey-Tüvtürk Güney has been awarded two concessions, one for Northern Turkey and one for Southern Turkey with a 20 year period from signing of the concession. These concession agreements were signed on 15 August 2007. As permitted under the concession agreements, Tüvtürk Kuzey-Tüvtürk Güney sub-contracts the operating of the Vehicle Inspection Stations ("VIS") to the sub-operators. In relation to this, Tüvtürk Kuzey-Tüvtürk Güney is in the process of entering into sub-operation agreements with a number of sub-operators to whom the operation of the VIS will be sub-contracted.

The shares of Tüvtürk Kuzey-Tüvtürk Güney is sold to TEST A.Ş. at 27 October 2009. The profit/(loss) until the sale is presented in profit/(loss) from discontinued operation after tax in consolidated statement of comprehensive income for the year ended 2009,2008 and 2007.

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Tüvtürk İstanbul

TÜVTURK İstanbul is a company domiciled in Turkey. The Company was established on 6 April 2007 to operate motor vehicle inspection stations in İstanbul and provide vehicle inspection services until 14 August 2027 under a sub-operation agreement signed with TÜVTURK Kuzey on 1 February 2008.

As at 31 December 2009, 2008 and 2007 gain/(loss) for the periods ended are presented in discontinued operations in comprehensive income until the shares of Tüvtürk Kuzey-Tüvtürk Güney and Tüvtürk İstanbul are sold on 27 October 2009.

TASK Su

Task Su is established on 26 April 2005 by Akfen and Tepe İnşaat AŞ to manage and construct establishments for producing drinking water from surface and subsurface springs, to supply of every kind of drinking and potable water from every underground and aboveground water resources, to allocate of these resources and to make every kind of system, study and project due to these issues.

Artı Döviz

The Company is established on 29 June 2000 by the companies of Tepe Group and Akfen Holding with equal shares of 50% in order to execute 24 hours foreign exchange services at Ataturk International Airport Terminal.The Company has 3 exchange offices in İstanbul, Ankara and İzmir airports.

RPI

Akfen GYT and Eastern European Property Investment Ltd. formed a joint venture in the Netherlands under the name of Russian Property Investments B.V. (RPI) on 4 January 2008. The main objective of RPI is to construct and lease hotels to ACCOR S.A. in Russia and Ukraine. The capital structure of the joint venture is designated as 50% of participation for Eastern European Property Investment Ltd. and 50% of participation for the Akfen GYT. The 50% shares of Akfen GYT on RPI have been transferred to Akfen GYO on 5 June 2009.

RHI

Akfen GYO and Eastern European Property Investment Ltd. formed a joint venture in the Netherlands under the name of Russian Hotel Investments B.V. (RHI) on 21 September 2007. The main objective of RHI is to construct and lease hotels to ACCOR S.A. in Russia and Ukraine. The capital structure of the joint venture is designated as 50% of participation for Eastern European Property Investment Ltd. and 50% of participation for the Akfen GYO.

(iv) Aquisition from entities under common control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses ultimately are controlled by the same party or parties both before and after the combination. The acquisition of the entity being under common control is accounted for using book values, where in its consolidated financial statements the acquirer is permitted, but not required, to restate its comparatives is if the combination had been in existence throughout the reporting periods presented. The Group has preferred the acquisition of the entity being under common control to be accounted from the acquisition date.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee.

(v) Business combinations for acquisition from third parties

Acquisitions from third parties are accounted for using the purchase 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 in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair values at the acquisition date.

(g) Foreign currency

(i) Foreign currency transaction

Transactions in foreign currencies are translated to the functional currencies of the Group entities at the exchange rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at reporting date are translated to the functional currency at the exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognized in the consolidated statement of comprehensive income.

The Group entities use USD, Euro or TL, as functional currency 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 substances of the underlying events and circumstances relevant to these entities. All currencies other than the currency selected for measuring items in the financial statements 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 TL as the reporting currency.

Assets and liabilities of the Group entities with a different functional currency than the reporting currency of the Group are translated into the reporting 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 reporting currency at the average exchange rates for the period. Equity items are presented at their historical costs. The foreign currency differences are recognized directly in equity, under “Foreign Currency Translation Reserve” (FCTR). When the related Group entity is disposed of, in part of in full, the relevant amount in the FCTR is transferred to profit or loss.

The Euro/TL and USD/TL exchange rate as at the end of each year are as follows:

	31 December 2009	31 December 2008	31 December 2007
Euro/TL	2.1603	2.1408	1.7102
USD/TL	1.5057	1.5123	1.1647

The Euro/TL and USD/TL average exchange rates as for the years are as follows:

	2009	2008	2007
Euro/TL	2.1505	1.8958	1.7782
USD/TL	1.5471	1.2929	1.3015

(ii) Foreign operation

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to TL at exchange rates at the reporting date. The income and expenses of foreign operations are translated to TL at average exchange rates for the period.

Foreign currency differences are recognised directly in equity. Such differences are recognised in the translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount in the translation reserve is transferred to profit or loss.

(h) Additional paragraph for convenience translation to English

The financial reporting standards described in note 2(defined as “CMB Financial Reporting Standards”) to the consolidated financial statements differ from International Financial Reporting Standards(“IFRS”) issued by the International Accounting Standards Board with respect to the application of inflation accounting and also for certain disclosure requirements of CMB. Accordingly, the accompanying consolidated financial statements are not intended to present the consolidated financial position, consolidated financial performance and consolidated cash flows of Akfen Group in accordance with IFRS.

2.2 Changes in accounting policies

(a) Changes in accounting policies

Starting as of 1 January 2009, the Group has changed its accounting policies in the following areas:

- Determination and presentation of operating segments
- Presentation of financial statements
- Accounting for borrowing costs
- Accounting for joint ventures and jointly controlled entities

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i) Determination and presentation of operating segments

As of 1 January 2009 the Group determines and presents operating segments based on the information that internally is provided to the Board of Directors. This change in accounting policy is due to the adoption of IFRS 8 Operating Segments. Previously operating segments were determined and presented in accordance with IAS 14 Segment Reporting. The new accounting policy in respect of segment operating disclosures is presented as follows.

Comparative segment information has been re-presented in conformity with the transitional requirements of this standard. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

ii) Presentation of financial statements

The Group applies revised IAS 1 Presentation of Financial Statements (2007), which became effective as of 1 January 2009. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. In addition, the Group selected to present one single statement of comprehensive income in its consolidated financial statements.

This presentation has been applied in these financial statements as of and for the year ended on 31 December 2009. Comparative information has been re-presented so that it also is in conformity with the revised standard.

iii) Accounting for borrowing costs

In respect of borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009, the Group capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. This change in accounting policy was due to the prospective adoption of IAS 23 Borrowing Costs (2007) in accordance with the transitional provisions of such standard; comparative figures have not been restated. The change in accounting policy had no material impact on assets, profit or earnings per share in the year ended 31 December 2009.

iv) Accounting for joint ventures and jointly controlled entities

The Group changed the equity pick up method for accounting of the joint ventures and jointly controlled entities into the proportional consolidation method in the current period since the Company management believed that such presentation would give a more appropriate and fair view.

Effect of transition from equity pick-up method to proportional consolidation in previous years is as follows:

	2006		Effect of change		2006
	Previously reported	TAV Yatırım	TAV Havalimanları	Other	Restated
Equity	221,711	(22,922)	14,035	(2,608)	210,216

	2007		Effect of change			2007
	Previously reported	TAV Yatırım	TAV Havalimanları	MIP	Other	Restated
Current Asset	125,498	134,765	206,684	16,868	34,807	518,622
Non-Current Asset	720,883	26,781	194,377	388,841	201,882	1,532,764
Total Asset	846,381	161,546	401,061	405,709	236,689	2,051,386
Current Liabilities	169,611	126,618	116,066	6,088	157,501	575,884
Non-Current Liabilities	255,719	25,738	289,595	401,976	87,880	1,060,908
Equity	421,051	243	4,347	(2,354)	(8,693)	414,594
Total Liabilities	846,381	152,599	410,008	405,710	236,688	2,051,386
Gross profit	45,442	8,515	46,531	25,113	2,748	128,349
Operating profit/(loss)	254,103	(5,636)	6,166	20,004	(1,077)	273,560
Period profit/(loss)	228,472	23,264	(1,943)	(137)	(7,044)	242,612
Comprehensive income/(expense)	203,849	23,165	(5,739)	(1,218)	(5,808)	214,249

	2008		Effect of change			2008
	Previously reported	TAV Yatırım	TAV Havalimanları	MIP	Other	Restated
Current Asset	188,041	252,110	273,251	40,536	63,371	817,309
Non-Current Asset	1,017,278	28,457	338,139	561,684	393,074	2,338,632
Total Asset	1,205,319	280,567	611,390	602,220	456,445	3,155,941
Current Liabilities	556,750	220,782	183,210	7,620	32,841	1,001,203
Non-Current Liabilities	306,967	51,788	423,283	594,759	437,633	1,814,430
Equity	341,602	-	12,893	(159)	(14,028)	340,308
Total Liabilities	1,205,319	272,570	619,386	602,220	456,446	3,155,941
Gross profit	29,719	37,730	60,867	43,448	2,925	174,689
Operation profit/(loss)	104,180	33,929	35,306	37,344	(4,129)	206,630
Period profit/(loss)	(81,909)	(309)	6,963	(8)	(1,206)	(76,469)
Comprehensive income/(expense)	(90,367)	4,785	23,658	8,533	(36,960)	(90,351)

(b) New standart and interpretations not yet adopted

As at 31 December 2009, There are new standards, standards updates and comments which are not used in practice. These relevant standarts are not considered in the preparation of consolidated financial statements: Accoriding to the Company's management, the relevant standards and interpretations have not material impacts on financial statements.

2.3 Changes in accounting policies and errors

Reporting of Jointly Controlled Entities

TAV Havalimanları, TAV Yatırım, Hyper, ATI, TAR, Artı Döviz has been presented as associates in consolidated financial statements prepared in previous periods. The Group has decided that reporting these entities as jointly controlled entities will be resulted with more fair presentation. In consideration of using equity method for jointly controlled entities in previous periods has not any effect on consolidated financial statements.

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2.4 Summary of significant accounting policies

(a) Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits 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.

The Group's non-derivative financial assets comprise cash and cash equivalents, financial assets at fair value through profit or loss, loans and receivables and available-for sale financial assets.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, cash at banks and liquid funds. 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 cash flows.

Accounting for finance income or expense is discussed in note 2(o).

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. 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 trade and other receivables, due from related parties.

The use of Group project account, reserve account or funding account depends on the consent of the issuer of the loan in accordance with financial contracts. Therefore, bank balances in these accounts in the balance sheet is presented in the limited use of bank balances accounts in other assets.

The Group recognises a financial asset arising from a service concession arrangement when it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction or upgrade services provided. Such financial assets are measured at fair value upon initial recognition. Subsequent to initial recognition the financial assets are measured at amortised cost. If the Group is paid for the construction services partly by financial asset and partly by an intangible asset, then each component of the consideration received or receivable is accounted for separately and is recognised initially at the fair value of the consideration received or receivable.

If the group receives payments as financial assets and intangible assets for construction process, each asset is recognised initially at fair value individually.

Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

ii) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities 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 liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position 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. The Group has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts, 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.

(iii) Share capital

Ordinary shares are classified as equity.

(iv) Derivative financial instrument

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

On initial designation of the hedge, the Group formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. 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.

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

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in equity is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in equity is transferred to profit or loss in the same period that the hedged item affects 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.

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(b) Property, plant and equipment

(i) Recognition and measurement

The costs of items of property, plant and equipment purchased till 31 December 2004 are restated for the effects of inflation in TL units current at 31 December 2005 pursuant to IAS 29. Accordingly, property, plant and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses. Property, plant and equipment purchased after 1 January 2005 are recorded at their historical costs less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognised net within operating income or other expense in the consolidated statement of comprehensive income.

(ii) Reclassification to investment property

Property that is being constructed for future use as investment property is accounted for as property, plant and equipment until construction or development is complete, at which time it is remeasured to fair value and reclassified as investment property. Any gain or loss arising on remeasurement is recognised in consolidated statement of comprehensive income

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Any gain arising on remeasurement is recognised directly in the equity. Any loss is recognised immediately in profit or loss.

(iii) 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 consolidated statement of comprehensive income as incurred.

(iv) Depreciation

Depreciation is recognised in the consolidated statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Description	Year
Buildings	2-50
Furniture and fixtures	2-15
Machines and equipments	3-40
Vehicles	5-18

Leasehold improvements are amortised over the periods of the respective leases, also on a straight-line basis.

Depreciation methods, useful lives and residual values are reassessed at the end of each year end.

(c) Intangible assets

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries and joint ventures incorporated into intangible assets.

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative, it is recognised immediately in profit or loss.

Acquisitions of non-controlling interests

Goodwill arising on the acquisition of a non-controlling interest in a subsidiary represents the excess of the cost of the additional investment over the carrying amount of the net assets acquired at the date of exchange.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

(ii) Development Cost

Development activities involve a plan or design for the production of new or substantively improved products and process. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized includes the costs incurred to obtain the hydroelectric energy production license for the hydroelectric projects in the pipeline of Akfen. Development costs will be transferred to licenses when the projects are completed.

(iii) Sub-operation right

Sub-operation right acquired by the Group has finite useful life and is measured at cost less accumulated amortization. Amortization of the sub-operation right has started as of 26 April 2008 (Adana), 4 August 2008 (Mersin), 16 August 2008 (Hatay) after the vehicle inspection stations are opened. The amortization period will last until 14 August 2027. Cost includes borrowing costs directly attributable to the acquisition of the sub-operation right. Since the shares of AİH have been sold on 29 October 2009, suboperation right presented under intangible assets has been derecognized as at 31 December 2009.

(iv) Intangible assets recognised in a business combination

Customer relationships and DHMİ license are the intangible assets recognised during the purchase of HAVAŞ shares in years 2006 and 2007 and purchase of TGS Yer Hizmetleri A.Ş. ("TGS") shares in 2009. In a business combination or acquisition, the acquirer recognises separately an intangible asset of the acquiree at the acquisition date only if it meets the definition of an intangible asset in IAS 38 *Intangible Assets* and its fair value can be measured reliably.

The fair values of DHMİ licence and customer relationship are determined by an independent external third party expert.

The Group applied proportionate consolidation method to account for its 60% ownership interest in HAVAŞ until 30 September 2007. Therefore, intangible assets arising from the initial acquisition of HAVAŞ were reflected by 60%, being the shareholding of the Group, in the consolidated financial statements. In accordance with IFRS 3, the Group applied step acquisition during the purchase of the remaining 40% shareholding in HAVAŞ. Customer relationship and DHMİ licence were remeasured to their fair values. The fair value change attributable to 60% portion is recorded to the revaluation reserve under equity. This figure reflected the change in fair value of intangibles assets those were already carried in the consolidated financial statements prior to the acquisition of the additional 40% shareholding.

50% share purchase of TGS is accounted by adopting IFRS 3 in 2009. DHMİ license and customer relations arising from the share purchase are revalued with their fair values which are determined by the independent valuation experts

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(v) Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses (see accounting policy 3l). Other intangible assets are mainly composed of licenses and software.

(vi) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure of internally generated goodwill and brands, is recognised in profit or loss as incurred.

(vii) Amortisation

Amortisation is recognised in the consolidated statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

	Year
Licences and development cost	3-49
Sub-operation right	19-20
Other intangibles	3-5
Customer relations	10
Water service operation right	35
Port operation right	36

DHMI licence has indefinite useful life and is tested for impairment annually.

d) Service concession arrangements

TAV Esenboğa and TAV İzmir are bound by the terms of the BOT Agreements made with DHMİ. According to the BOT agreements, TAV Esenboğa and TAV İzmir have guaranteed passenger fee to be received from DHMİ. The agreements cover a period up to January 2015 for TAV İzmir and May 2023 for TAV Esenboğa.

A BOT agreement was executed between TAV Tbilisi and JSC on 6 September 2005 for the operations of airport (both international, domestic terminals and parking-apron-taxi ways). The agreement covers a period up to August 2027.

A BOT agreement was executed between TAV Tunisia and OACA on 18 May 2007, for the operation of existing Monastir Habib Bourguiba Airport and new Enfidha Airport (International, domestic terminals and parking-apron-taxi-ways). The concession periods of both airports will end in May 2047.

Mersin International Port is bound by the terms of the BOT Agreements made with TCDD. According to the BOT agreements, The Company has received a right to charge users of Mersin International Port. The agreement covers a period of 36 years till May 2043.The Company recognised an intangible asset amounting to USD 755 million (Group's share: USD 377.5 million) to the extent that it received the right from TCDD to charge users of Mersin International Port. Additionally cost of improvement of existing infrastructure of TCDD beared by the Company is recognized at its fair value as an intangible asset amounting to USD 16.2 million (Group's share: USD 8.1 million).

A BOT agreement was executed between TASK Güllük and Güllük Municipality on 29 August 2006 for the public service about the drinking water procurement-facility and construction-management of cleaning of waste water for the subscribers in Güllük-Bodrum. The agreement covers a period up to August 2041.

TASK Dilovası is bound by the terms of the BOT Agreements made with Dilovası Organize Sanayi Bölgesi Müdürlüğü ("OSB"). According to the BOT agreement, TASK Dilovası has guaranteed minimum waste water for the specified years to be received from OSB. The agreement covers a period up to August 2034. The Company recognises the guaranteed amount due from OSB as financial asset which is determined by the agreements. Financial assets are initially recognised at fair value. Fair value of financial assets is estimated as the present value of all future cash receipts discounted using the prevailing market rate of instrument.

i) Intangible Assets

The Group recognizes an intangible asset arising from a service concession agreement when it has a right to charge for usage of concession infrastructure. Intangible assets received as consideration for providing construction or upgrade services in a service concession agreement are measured at fair value upon initial recognition. Subsequent to initial recognition the intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses.

The airport operation right as an intangible asset is initially recognised at cost, being the fair value of consideration transferred to acquire the asset, which is the fair value of the consideration received or receivable for the construction services delivered. The fair value of the consideration received or receivable for the construction services delivered includes a mark-up on the actual costs incurred to reflect a margin consistent with other similar construction work. Mark-up rates for TAV İzmir, TAV Esenboğa, TAV Tbilisi, TAV Tunisia and TAV Gazipaşa are 0%, 0%, 15%, 5% and 0%, respectively.

As of 31 December 2009, total cost of airport operation right is TL 1,710,632 (Group's share: TL 446,803). (For TAV Esenboğa TL 240,874, for TAV İzmir TL 173,838, for TAV Tbilisi TL 175,764, for TAV Tunisia TL 1,094,599 and for TAV Gazipaşa TL 25,557) (31 December 2008: total cost of airport operation right is TL 1,073,421 (Group's share: TL 232,808). (For TAV Esenboğa TL 238,670, for TAV İzmir TL 172,269, for TAV Tbilisi TL 106,930 for TAV Tunisia TL 548,876 and for TAV Gazipaşa TL 6,646). (31 December 2007: total cost of airport operation right is TL 549,136 (Group's share: TL 117,356). (For TAV Esenboğa TL 190,688, for TAV İzmir TL 173,538, for TAV Tbilisi TL 86,642 and for TAV Tunisia TL 134,268).

The consideration receivable for the construction services delivered includes direct costs of construction and borrowing and other similar costs that are directly related to the construction of the airport and related infrastructure.

The airport operation right is amortised on a straight line basis. The calculated amortisation for the year ended 31 December 2009 amounts to TL 14,443 (Group's share: TL 3,772) for TAV Esenboğa, TL 20,990 (Group's share: TL 5,482) for TAV İzmir and TL 6,005 (Group's share: TL 1,568) for TAV Tbilisi. For TAV Tunisia and TAV Gazipaşa, no amortisation has been calculated as the construction of the airport is still in progress. The estimated useful life of an intangible asset in a service concession arrangement is the period from when it is available for use to the end of the concession period.

ii) Financial assets

The Group recognizes the guaranteed passenger fee amount due from DHMİ as financial asset which is determined by the agreements with TAV Esenboğa and TAV İzmir. Financial assets are initially recognised at fair value. Fair value of financial assets is estimated as the present value of all future cash receipts discounted using the prevailing market rate of instrument.

As at 31 December 2009, the short and long term guaranteed passenger fee receivable from DHMİ equals to TL 337,670 (Group's share: TL 88,197) (31 December 2008: TL 384,126 (Group's share: TL 83,311)). (31 December 2007: TL 348,722 (Group's share: TL 74,526)). TASK Dilovası recognize water supply receivable as financial asset.

iii) Accounting for operations contract (TAV İstanbul)

The costs associated with the operations contract primarily include rental payments and payments made to enhance and improve ADAT. TAV İstanbul prepaid certain rental amounts and the prepayment is deferred as prepaid rent and is recognised over the life of the prepayment period. The expenditures TAV İstanbul incurs to enhance and improve the domestic terminal are recorded as prepaid development expenditures and are being amortised over the life of the associated contract. Any other costs associated with regular maintenance are expensed in the period in which they are incurred.

Under IFRIC 12 "Service Concession Arrangements" an operator recognises an intangible asset or financial asset received as consideration for providing construction or upgrade services or other items. In TAV İstanbul there is neither construction nor significant upgrade service provided and the contract is in operating phase. Therefore, no intangible asset or financial asset is recognised in TAV İstanbul's financial statements and the revenue and costs relating to the operation services are recognised in accordance with IAS 18 as required by IFRIC 12.

Amortisation of the airport operation right is calculated on a straight line basis over the BOT periods of each project from the date of commencement of physical construction of the terminal.

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i) Operating investment properties

Investment properties are those which are held either to earn income or for capital appreciation or for both. Investment properties are stated at fair value. An external independent valuation company that is given the licence by CMB, values the portfolio each year. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The fair value of the investment properties except for the land in Esenyurt are determined by discounted cash flow projections based on reliable estimates of future cash flows. The fair value of the land in Esenyurt is determined based on equivalent value.

The fair value of investment properties are calculated by considering credit worthiness of lessees or the people who responsible for operating payment, distribution of maintance and insurance of investment properties between the lessee and lessor and the useful life of investment properties when It is proper.

All necessary information is assumed to be informed timely in lease renewal term,

Any gain or loss arising from a change in fair value is recognised in the consolidated statement of comprehensive income. Rental income from investment property is accounted for as described in accounting policy in Note 2.4.e.

ii) Investment Property Under Development

Investment properties under development are those which are held either to earn income or for capital appreciation or for both. Investment properties under development are stated at fair value as operating investment properties. An external, independent valuation company that is given the licence by CMB values the portfolio each year.

Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred.

The fair value of the investment properties under development are determined by discounted cash flow projections based on reliable estimates of future cash flows, using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows and also includes the expenditures required to complete the project.

(e) Leased Assets

The Group as lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease in the consolidasted statement of comprehensive income. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee

Rentals payable under operating leases are charged to the consolidated statement of comprehensive income on a straight-line basis over the term of the relevant lease in the consolidasted statement of comprehensive income. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost comprises direct materials where applicable, and other related costs that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Cost of trading goods and trading properties are determined on "specific identification" basis by the entities operating in construction businesses.

Trading properties comprises land and buildings that are held for trading purposes.

(g) Construction work in progress

As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognized in profit or loss in proportion to the stage of completion of the contact.

The loss is recorded as expense directly when the probability which total contract costs is more than total conracts revenue exists. The changes in budgeted icome because of the adjustment in wrok performance, work condition, provision for contract punishment and final contract result in revision of cost and revenue. The effects of revisions are reflected to the consolidated financial statement. The profit incentive is recorded as income when realization of it is guaranteed.

Contract revenue of cost plus contracts is recognized in profit or loss with plus a percentage of reimbursed for allowable or defined costs or a fixed fee.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognized immediately in profit or loss The asset, "Due from customers for contract work" represents revenues recognised in excess of amounts billed. The liability, "Due to customers for contract work" represents billings in excess of revenues recognised.

(h) Impairment

(i) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include 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, the disappearance of an active market for a security.

The Group considers evidence of impairment for receivables and held-to-maturity investment securities at both a specific asset and collective level. All individually significant receivables and held-to-maturity investment securities are assessed for specific impairment. All individually significant receivables and held-to-maturity investment securities found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together receivables and held to maturity investment securities with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its 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 the consolidated statement of comprehensive income and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the consolidated statement of comprehensive income.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property, inventories and 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 at each reporting date.

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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 generates 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 the consolidated statement of comprehensive income. 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.

(i) Assets classified as held for sale

Assets (or disposal groups comprising assets and liabilities) those are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period. The Group, classified profit for the year of these operations as "profit from discontinued operations, net of tax" for the consolidated financial statements for the year ended 31 December 2009, 2008 and 2007 since it has sold its shares in 33.33% owned Tüvtürk Kuzey-Tüvtürk Güney and Tüvtürk İstanbul and 100% owned AIH Muayene to TEST AŞ on 27 October 2009.

(j) Employee benefits

Reserve for employee severance indemnity

Reserve for employee severance indemnity represents the present value of the estimated future probable obligation of the Group arising from the retirement of the employees and calculated in accordance with the Turkish Labour Law. It is computed and reflected in the consolidated financial statements on an accrual basis as it is earned by serving employees. The computation of the liabilities is based upon the retirement pay ceiling announced by the Government. The ceiling amounts applicable for each year of employment were TL 2.365, TL 2.173 and TL 2.030 as of 31 December 2009, 2008 and 2007, respectively

International Financial Reporting Standards require actuarial valuation methods to be developed to estimate the entity's obligation under defined benefit plans. The principal statistical assumptions used in the calculation of the total liability in the accompanying consolidated financial statements at 31 December were as follows:

	2009	2008	2007
Discount rate	5,92	6,26	5,71

The above rate for salary/limit increase was determined based on the government's future targets for annual inflation.

In Dubai, provision for employee's end of service indemnity is made in accordance with the UAE Labor Law and based on current remuneration and cumulative years of service at balance sheet date. For each year of service 21 days worth of salary per each employee is accrued for as end of service indemnity. In Libya, provision for employee's end of service indemnity has been calculated from monthly salary of each employee. In Tunisia, under Tunisia Labor Law the branch is required to pay termination benefits to each employee whose employee agreement has indefinite duration. In Tunisia project, provision for employee's end of service indemnity has not been calculated due to the fact that the employee agreements have definite duration, based on contract period. In Qatar, provision for employee's end of service indemnity has been calculated in accordance with Qatar Labor Laws and based on current remuneration and cumulative years of service as at the balance sheet date. For each year of service one month salary per each employee is accrued as end of service indemnity. In Oman, provision for employee's end of service indemnity has been calculated in accordance with Oman Labor Laws and current remuneration and cumulative years of service as at the balance sheet date. For each year of service 15 days –till three years-, 1 month –after three years-worth of salary per each employee is accrued for as end of service indemnity. There is no pension liability in Egypt and Russia.

(k) Provision

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(l) Revenue

(i) Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in profit or loss in proportion to the stage of completion of the contact. Contract revenue and expenses are recognised in the consolidated statement of comprehensive income in proportion to the stage of completion of the contract.

The stage of completion is assessed by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

Contract revenue of cost plus contracts is recognized in the consolidated statement of comprehensive income with plus a percentage of reimbursed for allowable or defined costs or a fixed fee.

(ii) Inspection revenues and cost of revenues

Inspection revenues constitute service fees rendered. Such inspection fees are recognized as revenue in the profit or loss at the date the service is provided. The services given to customers are collected on cash basis in rendering the service. The cost of inspection revenues constitutes depreciation, personnel and outsourcing expenses. The Group pays a contribution to Tüvtürk Güney under the name of the operator income share for their operating activities which constitute the 37% of the inspection revenues for the first three years, 47% for the 4-10 years, and 70% for the remaining years.

Then Tüvtürk Güney in turn pays 30%, 40% and 50% of such contributions collected from the AIH Muayene to the Government as government's share for the first three years, 4-10 years, and the remaining years, respectively. As mentioned note 3 (a) (i) above, since the Group has sold the shares of AIH Muayene on 27 October 2009, the period income has been presented under profit from discontinued operation, net of tax balance in the accompanying consolidated comprehensive income statements for the year ended 31 December 2009 and 2008 and 2007.

(iii) Commission

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group. In addition, the Group subcontracts the right to operate certain duty free operations and the catering services to third parties. The third parties pay the Group a specified percentage of their sales for the right to operate these concessions. The commission revenue is recognised based on the sales reports provided from the subcontractor entities in every 2 to 3 days.

(iv) Rental Income

Rental income from investment property leased out under operating lease is recognised in the consolidated statement of comprehensive income on a straight line basis over the lease periods.

(v) Sale of properties

Revenue from the sale of properties is recognised in the consolidated statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. Revenue is measured at the fair value of the consideration received or recoverable.

(vi) Service concession agreement

Revenue relating to construction services under a service concession arrangement is recognised based on the stage of completion of the work performed, consistent with the Group's accounting policy on recognising revenue on construction contracts. Operation or service revenue is recognised in the period in which the services are provided by the Group. When the Group provides more than one service in a service concession arrangement the consideration received is allocated by reference to the relative fair values of the services delivered.

(vii) Aviation income

Aviation income is recognised based on the daily reports obtained from related airline companies for terminal service income charged to passengers, as well as for ramps utilised by aircraft and check-in counters utilised by the airlines.

(viii) Sale of duty free goods

Sales of goods are recognised when goods are delivered and title passes.

(ix) Catering services income

Catering services income is recognised when services are provided. The Group defers revenue for collections from long-term contracts until the services are provided. There are no deferred costs related to these revenues since these are related with the selling rights given to food and beverage companies to sell their products at domestic and international lines terminals as well as third parties out of the terminals where the subsidiaries operate.

(x) Ground handling income

Ground handling income is recognised when the services are provided.

(xi) Other business

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

Transfers of risks and rewards vary depending on the individual terms of the contract of sale.

Revenue from services rendered is recognised in the consolidated statement of comprehensive income in proportion to the stage of completion of the transaction at the reporting date.

(xii) Revenue from sales of foreign currency

The sales transactions of exchange offices with people, commercial establishments and banks are recorded when occurs.

(xiii) Revenue from ship side operation

Revenue is recognised related to the shipside operations when the port, container, cargo seaway and railway, shipping, storage, logistic services are given.

(m) Goverment grants

Government grants are recognised initially as deferred income when there is reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses are recognised. Grants that compensate the Group for the cost of an asset are recognised in in the consolidated statement of comprehensive income on a systematic basis over the useful life of the asset.

(n) Lease payments

Payments made under operating leases are recognised in the consolidated statement of comprehensive income on a straight-line basis over the term of the lese. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(o) Finance income and expenses

Finance income comprises interest income, foreign exchange gain, dividend income, unwinding of discount on guaranteed passenger fee receivable from DHMİ, and gains on hedging instruments that are recognised in in the consolidated statement of comprehensive income. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

Finance costs comprise interest expense on borrowings, currency exchange losses, impairment losses recognised on financial assets and losses on hedging instruments that are recognised in the consolidated statement of comprehensive income. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(p) Earnings per share

The Group presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the consolidated statement of comprehensive income on attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. There are no potentially dilutive shares.

In Turkey companies can increase their share capital by making a pro-rata distribution of shares (''bonus shares'') to existing shareholders from retained earnings and revaluation surplus. For the purpose of earnings per share computations, such bonus share issuances are regareded as issued shares. Accordingly the weighted average number of shares used in earnings per share computations is derived by giving retroactive effect to the issuances of the shares without consideration.

(r) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the consolidated statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are off set if there is a legally enforceable right to off set current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities but they intend to settle current tax liabilities and assets on a net basis or their tax assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred taxes related to measurement of fair value of asset avalable for sale and cash flow hedges are charged or credited to equity and subsequently recognized in profit or loss together with the deferred gains that are realised.

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The amount of tax payable is net off with the amount of prepaid tax and corporate tax due to relation with each other. Deferred tax asset and liability is net off for each company

The Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

(s) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's board of directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(t) Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The fair values of other tangible assets are carried at cost and are considered to approximate its respective carrying amount.

(ii) Intangible assets

The fair value of intangible assets recognised as a result of a business combination is based on market values. The market value of intangible assets is the estimated amount for which an intangible could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The airport operation right as an intangible asset is initially recognised at cost, being the fair value of consideration transferred to acquire the asset, which is the fair value of the consideration received or receivable for the construction services delivered. The fair value of the consideration received or receivable for the construction services delivered includes a mark-up on the actual costs incurred to reflect a margin consistent with other similar construction work. Mark-up rates for TAV İzmir, TAV Esenboğa, TAV Tbilisi, TAV Tunisia and TAV Gazipaşa are 0%, 0%, 15%, 5% and 0%, respectively.

The fair values of other intangible assets are carried at cost and are considered to approximate its respective carrying amount.

(iii) Investment property

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion (see note 2.4).

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows then is applied to the net annual cash flows to arrive at the property valuation.

(iv) Inventories

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

(v) Trade and other receivables

The fair value of trade and other receivables, excluding construction work in progress but including service concession receivable, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purpose.

(vi) Derivatives

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds) or option pricing models.

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

(vii) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. Fair value of trade and other payables is carried out at cost and is considered to approximate its respective carrying amount.

(u) Financial risk management

(i) Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- operational 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 risks, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Group's risk management vision is defined as, identifying variables and uncertainties that will impact the Group's objectives, conducting proactively and managing through the most appropriate steps, supervising the implementation of steps in line with the shareholders' risk preference.

Corporate Risk Management activities are executed within the Group as a whole in the following fields:

- Determining risk management standards and policies,
- Developing a uniform risk management oriented work culture and capabilities,
- Conducting risk analysis of existing and potential investments,
- Creating a senior administration vehicle reporting on the risks of new investments of a company, sector or group,
- Determining risk limitations and action plans,
- Supporting the implementation of these action plans,
- Supporting strategic processes with a risk management approach.

Akfen Holding's Corporate Risk Management activities are under the supervision of Akfen Holding's Chief Executive Officer ("CEO") and the Board of Directors.

The latter determines shareholder risk preference, ensuring that appropriate risk management applications are in place. Akfen Holding's CEO has the ultimate responsibility for Corporate Risk Management.

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(ii) 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.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate has an influence on credit risk. Since the Group operates in construction, real estate, insurance and tourism businesses geographically the concentration of credit risk for the Group's entities operating in the mentioned businesses are mainly in Turkey.

The companies operating under these segments have set a credit policy under which each new customer is analysed individually for the creditworthiness before each company's standard payment and delivery terms and conditions are offered.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are insurance company, tourism agency, retail or end-user customer, geographic location, industry, aging profile, maturity and existence of previous financial difficulties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of accounts receivable. The component of this allowance is a specific loss component that relates to individually significant exposures.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, and interest rates, will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group's jointly controlled entities, TAV Havalimanları and MIP use derivatives, in order to hedge market risks. The Group will benefit from the derivative instruments in accordance with loan agreements and make hedging contracts.

Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities.

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.

To minimize risk arising from foreign currency denominated balance sheet items, the Group keeps part of its cash in foreign currencies.

As at 31 December 2009, the Group had balances that are denominated in a currency other than the respective functional currencies of Group entities, primarily the USD and Euro which are disclosed within the relevant notes to these consolidated financial statements. The Group manages this currency risk by maintaining foreign currency cash balances and using some financial intruments.

TAV İstanbul uses cross currency derivatives to manage its exposure to foreign currency exchange rates on its concession installments that will be paid to DHMİ.

The Group uses derivative financial instruments to manage its exposure to currency risk on its bank borrowings. This is achieved by entering into swap contracts.

Interest Rate Risk

Akfen Holding and its subsidiaries' operations are subject to the risk of interest rate fluctuations to the extent that 47% of Akfen Holding and its subsidiaries bank borrowings and 74% of the Group's jointly controlled entities borrowings are obtained by floating interest rates.

The Group is also exposed to basis risk for its floating rate borrowings, which is the difference in repricing characteristics of the various floating rate indices. Risk management activities are aimed at optimizing net interest income, given market interest rate levels consistent with the Group's business strategies. The Group also buys certain derivatives in order to manage its exposure to interest rate risk, such as interest rate swap contracts.

MIP hedged its 75% of the senior debt loan amounting to USD 450,000 thousand with floating interest rate against the exposure to market fluctuations in interest rate payments by interest rate swap. The Group, will make interest rate hedging contract in accordance with HES loan agreements.

(iv) 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 uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments. Typically the Group ensures that it has sufficient cash on demand to meet expected operational and financial expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

For the Group entities, risk of funding current and potential requirements is mitigated by ensuring the availability of adequate number of creditworthy lending parties. The Group entities, in order to minimize liquidity risk, hold adequate available line of credit.

(v) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective.

Compliance with Group standards is supported by a programme of periodic reviews undertaken by Internal Audit and Risk Management. The results of Internal Audit and Risk Management. reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and senior management of the Group.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence; to sustain future development of the business and to maintain an optimal capital structure to reduce the cost of capital.

2.5 Significant accounting assessment, estimates and assumption

Use of estimates and judgements

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 2.4(e)-Cost plus application to contract costs in accordance with IFRIC 12
- Note 20-Goodwill

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 and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are included in the following notes:

- Note 17-valuation of investment property
- Notes 18 and 19-economic useful lives of tangible and intangible assets, impairment on tangible assets
- Note 24-reserve for employee severance indemnity
- Note 32-provisions
- Note 35-utilisation of tax losses
- Notes 22 and 38-provision for doubtful receivables and financial instruments

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3 ACQUISITION OF SUBSIDIARIES AND NON-CONTROLLING INTEREST

On 12 January 2007, the Group established AkfenHes in order to make investments in energy production through hydroelectric plants. During 2007, AkfenHes acquired majority shares of the 14 hydroelectric energy production companies in different regions of Turkey, which have 20 hydroelectric energy production projects.

The percentage of shares acquired by the Group as at 31 December 2007 is detailed below:

Acquired company	Shares acquired (%)
Beyobası Enerji Üretimi AŞ	96.00
BGT Mavi Enerji Elektrik Üretim Dağ. Paz. San. Ve Tic. AŞ	50.00
BT Bordo Elektrik Enerji Üretim Dağıtım Pazarlama AŞ	100.00
Güngör Elektrik Üretim AŞ	100.00
Elen Enerji Üretimi San. Ve Tic. AŞ	100.00
Enbatı Elektrik Üretim San. Ve Tic. AŞ	100.00
İdeal Enerji Üretimi San. Ve Tic. AŞ	100.00
Pak Enerji Üretimi San. Ve Tic. AŞ	100.00
Rize İpekyolu Enerji Üretim Dağ. Paz. San. Ve Tic. AŞ	100.00
Simer Enerji Üretimi San. Ve Tic. AŞ	98.00
TBK Enerji Elektrik Üretim Dağ. Paz. San. Ve Tic. AŞ	50.00
Yapıtek Enerji Elektrik Üretim AŞ	100.00
Yeni Doruk Elektrik Üretim ve Tic. AŞ	100.00
Zeki Enerji Elektrik Üretim Dağ. Paz. San. Ve Tic. AŞ	100.00

The acquisitions had the following effects on the Group's assets and liabilities on acquisition dates:

	Pre-acquisition carrying amount	Fair value Adjustments	Recognized values on acquisition
Property and equipment	4,567	-	4,567
Intangible assets	6,284	64,456	70,740
Trade and other receivables	4,399	-	4,399
Cash and cash equivalents	11	-	11
Deferred tax liabilities	-	(12,891)	(12,891)
Trade and other payables	(308)	-	(308)
Net identifiable assets and liabilities	14,953	51,565	66,518
Goodwill on acquisition			-
Consideration paid, satisfied in cash			66,518
Cash acquired			(11)
Net cash outflow			66,507

Pre-acquisition carrying amounts were determined based on applicable IFRSs immediately before the acquisition. The values of assets, liabilities, and contingent liabilities recognized on acquisition are their estimated fair values.

The purchase transaction is recorded temporarily as at 31 December 2009 due to continuing process of TAV Havalimanları Management to determine fair value of definable assets and acquired liabilities. The definable assets and acqired liabilities are recorded with their temporary values which are presented below. In accordance with IFRS 3 "Business Combination", the pruchase transactions recorded temporarily should be adjusted within 12 months. As result of final records of purchase transactions, the recorded fair value of the definable assets and acqired liabilities and recorded value of goodwill can be adjusted.

In 2009, THY and HAVAŞ signed a joint venture agreement which sets the terms and the conditions for the sale of 50% share capital of TGS to HAVAŞ as well as the basic principles of the engagement between THY and TGS. The joint venture was approved by the Competition Board on 27 August 2009. As stated in the joint venture agreement, 50% of TGS' capital which has a nominal value of TL 6,000 was acquired by HAVAŞ for TL 119,000 including a share premium of TL 113,000. As of the reporting date, TL 58,000 of the total consideration is paid and the remaining payments amounting to TL 61,000 will be made in three installments on 31 October 2010, 31 October 2011 and 31 October 2012, respectively.

Identifiable assets acquired and liabilities assumed	Recognized values on acquisition	Group share
Intangible assets	25,708	6,715
Due from related parties	32,119	8,389
Cash and cash equivalents	29,998	7,835
Deferred tax liability	(4,096)	(1,070)
	83,729	21,869
Goodwill	34,522	9,017
Total consideration	118,251	30,886
Total consideration	119,000	31,082
Unpaid portion	(60,615)	(15,832)
Translation difference	(750)	(196)
Cash consideration paid	57,635	15,054
Cash and cash equivalents acquired	(29,998)	(7,835)
Net cash outflow arising on acquisition	27,637	7,219

TGS had no operation before the acquisition date.

Pre-acquisition carrying amounts were determined based on the applicable IFRSs immediately before the acquisition. The values of assets, liabilities and contingent liabilities recognised on acquisition are their estimated fair values.

The fair value of the customer relationship acquired is based on the excess earnings method whereas the fair value of licenses is based on the replacement cost approach.

TGS signed a Service Agreement with THY to provide ground handling services to THY in five main airports of Turkey, i.e. Istanbul Ataturk, Ankara, İzmir, Antalya and Adana Airports. Intangible fixed assets comprise DHMI licenses amounting to TL 5,228 and customer contract amounting to TL 20,480 in accordance with "IFRS 3 Business combination".

In 2009, TAV Havalimanları acquired 6% shareholding of TAV Tbilisi, increasing its total share from 60% to 66% and its voting power from 50% to 66%. The sales price of the relevant shares has been calculated through the investment amount. After the transfer of 6% shares, TAV Tbilisi is fully consolidated with the non-controlling interest's ownership reflected as a non-controlling interest.

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Identifiable assets acquired and liabilities assumed	Recognized values on acquisition	Group share
Property and equipment	602	157
Intangible assets	3	1
Airport operation right	8,599	2,246
Other non-current assets	1,067	279
Deferred tax asset	160	42
Inventories	59	15
Trade receivables	374	98
Due from related parties	28	7
Cash and cash equivalents	5	1
Restricted bank balances	486	127
Other assets	63	16
Loans and borrowings	(4,326)	(1,130)
Trade payables	(67)	(18)
Due to related parties	(2,852)	(745)
Other liabilities and tax payables	(898)	(234)
Provisions	(27)	(7)
Total net identifiable assets	3,276	855
Goodwill	8,335	2,177
Total consideration, satisfied by cash	11,611	3,032
Cash consideration paid	11,174	2,918
Cash and cash equivalents acquired	(5)	(1)
Translation difference	435	114
Net cash outflow arising on acquisition	11,604	3,031

4 JOINT VENTURE

The Group has the following significant interests in joint ventures:

42.50% (2008:42.50%, 2007: 42.50%) of equity shareholding with equal voting power in TAV Yatırım, a jointly controlled entity established in Turkey. As at 31 December 2009, 2008 and 2007 total assets and liabilities and summary statement of income of TAV Yatırım, is as follows:

Statement of Financial Position	2009	2008	2007
Current assets	727,696	608,868	344,066
Non-current assets	141,945	142,726	73,732
Current liabilities	(573,317)	(553,161)	(333,783)
Non-current liabilities	(197,060)	(122,665)	(72,726)

Statement of Income	2009	2008	2007
Total revenues	1,228,130	895,001	432,038
Total expenses	(1,218,995)	(842,508)	(462,158)
Profit/(loss) for the period	9,135	52,493	(30,120)

26.12% (2008: 21.69%, 2007:21.37%) of equity shareholding with equal voting power, in TAV Havalimanları, a joint venture established in Turkey. As at 31 December 2009, 2008 and 2007 total assets and liabilities and summary statement of income of TAV Havalimanları, is as follows:

Statement of Financial Position	2009	2008	2007
Current assets	1,263,224	1,271,867	976,002
Non-current assets	2,891,285	2,219,542	1,547,234
Current liabilities	(810,522)	(877,656)	(591,028)
Non-current liabilities	(2,451,784)	(1,952,160)	(1,355,070)

Statement of Income	2009	2008	2007
Total revenues	1,993,696	1,574,976	994,911
Total expenses	(1,883,006)	(1,566,121)	(1,072,823)
Profit/(loss) for the period	110,690	8,855	(77,912)

50% (2008: 50%, 2007: 50%) of equity shareholding with equal voting power, in MIP, a joint venture established in Turkey. As at 31 December 2009, 2008 and 2007 total assets and liabilities and summary statement of income of MIP, is as follows:

Statement of Financial Position	2009	2008	2007
Current assets	141,585	81,085	33,914
Non-current assets	1,107,022	1,157,587	880,403
Current liabilities	(38,609)	(15,253)	(19,652)
Non-current liabilities	(1,104,070)	(1,189,525)	(796,652)

Statement of Income	2009	2008	2007
Total revenues	241,806	215,061	123,598
Total expenses	(225,384)	(215,303)	(123,760)
Profit/(loss) for the period	16,422	(242)	(162)

As at 31 December 2008 33.33% (2007: 33.33%,) equity shareholding with equal voting power, in Tüvtürk Kuzey-Tüvtürk Güney, a joint venture established in Turkey as at 31 December 2008 and 2007, total assets and liabilities and summary statement of income of Tüvtürk Kuzey-Tüvtürk Güney, is as follows:

Statement of Financial Position	2008	2007
Current assets	142,682	55,318
Non-current assets	1,033,010	772,971
Current liabilities	(48,240)	(619,414)
Non-current liabilities	(1,026,886)	(83,923)

Statement of Income	2008	2007
Total revenues	191,950	63,899
Total expenses	(215,630)	(24,160)
Profit/(loss) for the period	(23,680)	39,739

Tüvtürk Kuzey-Tüvtürk Güney has been sold on 27 October 2009, profit and loss of Tüvtürk Kuzey-Tüvtürk Güney for the year ended 31 December 2008 and 2007 have been classified as “profit from discontinued operations,net of tax” for the consolidated financial statements for the year ended 31 December 2008 and 2007 (Note 34).

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As at 31 December 2008 32.56% (2007:31.67%) equity shareholding with equal voting power, in TÜVTURK İstanbul, a joint venture established in Turkey. As at 31 December 2008 and 2007 total assets and liabilities and summary statement of income of Tüvtürk İstanbul, is as follows:

Statement of Financial Position	2008	2007
Current assets	23,497	229,076
Non-current assets	329,538	17,963
Current liabilities	(31,503)	(16,651)
Non-current liabilities	(345,140)	(223,590)

Statement of Income	2008	2007
Total revenues	12,193	1,075
Total expenses	(37,036)	(4,318)
Loss for the period	(24,843)	(3,243)

Tüvtürk İstanbul has been sold on 27 October 2009, profit and loss of Tüvtürk İstanbul for the year ended 31 December 2009, 2008 and 2007 have been classified as “profit from discontinued operations, net of tax” for the consolidated financial statements for the year ended 31 December 2008 and 2007(Note 34).

50% (2008: 50%, 2007:50%) equity shareholding with equal voting power, in PSA Liman, a joint venture established in Turkey. As at 31 December 2009, 2008 and 2007 total assets and liabilities and summary statement of income of PSA Liman, is as follows:

Statement of Financial Position	2009	2008	2007
Current assets	31	30	2
Non-current assets	-	-	-
Current liabilities	(30)	(21)	-
Non-current liabilities	(22)	(18)	(18)

Statement of Income	2009	2008	2007
Total revenues	-	-	-
Total expenses	(12)	(18)	(16)
Loss for the period	(12)	(18)	(16)

42.50% (2008: 42.50%, 2007: 42.50%) equity shareholding with equal voting power, in Artı Döviz, a joint venture established in Turkey. As at 31 December 2009, 2008 and 2007 total assets and liabilities and summary statement of income of Artı Döviz, is as follows:

Statement of Financial Position	2009	2008	2007
Current assets	8,093	5,943	3,242
Non-current assets	951	941	759
Current liabilities	(373)	(807)	(472)
Non-current liabilities	(130)	(130)	(101)

Statement of Income	2009	2008	2007
Total revenues	123,643	107,613	89,129
Total expenses	(117,616)	(103,358)	(87,342)
Profit for the period	6,027	4,255	1,787

41.35% (2008: 41.35%, 2007: 41.35%) equity shareholding with equal voting power, in Hyper Foreign, a joint venture established in the Netherlands. As at 31 December 2009, 2008 and 2007 total assets and liabilities and summary statement of income of Hyper Foreign, is as follows:

Statement of Financial Position	2009	2008	2007
Current assets	159	4,032	2,842
Non-current assets	-	-	-
Current liabilities	(7,653)	(11,200)	(7,829)
Non-current liabilities	-	-	-

Statement of Income	2009	2008	2007
Total revenues	1	-	1
Total expenses	(51)	(615)	(49)
Loss for the period	(50)	(615)	(48)

50% (2008: 49.97%) equity shareholding with equal voting power, in Task Su, a joint venture established in Turkey (Task Su has been presented as historical cost value mentioned in note 19 in the consolidated financial statements as at and for the year ended 31 December 2007). As at 31 December 2009 and 2008 total assets and liabilities and summary statement of income of Task Su, is as follows:

Statement of Financial Position	2009	2008
Current assets	3,140	2,309
Non-current assets	36,288	22,386
Current liabilities	(3,799)	(3,161)
Non-current liabilities	(8,726)	(982)

Statement of Income	2009	2008
Total revenues	18,404	12,240
Total expenses	(18,928)	(17,133)
Loss for the period	(524)	(4,893)

50% (2008: 50%) equity shareholding with equal voting power, RHI, a joint venture established in the Netherland. As at 31 December 2009 and 2008 total assets and liabilities and summary statement of income of RHI, is as follows:

Statement of Financial Position	2009	2008
Current assets	709	1,392
Non-current assets	20,672	7,766
Current liabilities	(13,104)	(1,072)
Non-current liabilities	-	(8,285)

Statement of Income	2009	2008
Total revenues	351	20
Total expenses	(1,723)	(1,876)
Loss for the period	(1,372)	(1,856)

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50% (2008: 50%) equity shareholding with same voting power, RPI, a joint venture established in the Netherlands. As at 31 December 2009 and 2008 total assets and liabilities and summary statement of income of RPI, is as follows:

Statement of Financial Position	2009	2008
Current assets	913	978
Non-current assets	16,541	9,697
Current liabilities	(8,972)	(2,974)
Non-current liabilities	-	(5,830)

Statement of Income	2009	2008
Total revenues	134	5
Total expenses	(908)	(1,478)
Loss for the period	(774)	(1,473)

50% (2008: 50%, 2007: 50%) equity shareholding with equal voting power, in Alsim Alarko, a joint venture established in Turkey. As at 31 December 2009, 2008 and 2007 total assets and liabilities and summary statement of income of Alsim Alarko, is as follows:

Statement of Financial Position	2009	2008	2007
Current assets	7,129	3,689	13,800
Non-current assets	9	155	6,504
Current liabilities	(7,239)	(5,915)	(31,580)
Non-current liabilities	(20)	(87)	(192)

Statement of Income	2009	2008	2007
Total revenues	-	-	-
Total expenses	(121)	(2,158)	(11,469)
Loss for the period	(121)	(2,158)	(11,469)

26% (2008: 26%, 2007: 26%) equity shareholding with equal voting power, in TAR, a joint venture established in Poland. As at 31 December 2009, 2008 and 2007 total assets and liabilities and summary statement of income of TAR, is as follows:

Statement of Financial Position	2009	2008	2007
Current assets	3,352	3,253	2,940
Non-current assets	44,229	39,962	37,803
Current liabilities	(1,241)	(1,224)	-
Non-current liabilities	(10,047)	(7,749)	(7,207)

Statement of Income	2009	2008	2007
Total revenues	4,365	81	33,823
Total expenses	(81)	(108)	(7,272)
Profit/(loss) for the period	4,284	(27)	26,551

50% (2008: 50%, 2007: 50%) equity shareholding with equal voting power, in ATI, a joint venture established in Switzerland. As at 31 December 2008 and 2007 total assets and liabilities and summary statement of income of ATI, is as follows:

Statement of Financial Position	2009	2008	2007
Current assets	4	-	11
Non-current assets	35,193	34,726	24,915
Current liabilities	91	(407)	(146)
Non-current liabilities	66	(34)	(24)

Statement of Income	2009	2008	2007
Total revenues	306	70	664
Total expenses	(18)	(216)	(5,694)
Profit/(loss) for the period	288	(146)	(5,030)

5 SEGMENT REPORTING

For management purposes, the Group is currently organised into eight operating segment of which results and the performance are reviewed regularly by the Group's board of directors. Performance is measured based on segment operating profit, as included in the internal management reports that are reviewed by the Group's Management.

Information regarding the results of each reportable segment is included TAV Yatırım, Akfen İnşaat, Akfen GYO, HES I-II-III, MIP, Task Su and TAV Havalimanları.

Others

Subsidiaries and jointly controlled entities in other operations segment are Akınısı, Altyapı Danışmanlık, GYT, IBS, Turizm, Akfen Enerji, Simer, Tüvtürk Kuzey-Tüvtürk Güney, Tüvtürk İstanbul, PSA Liman, Artı Döviz, Hyper Foreign, RHI, RPI, Alsim Alarko, TAR and ATI. Akfen Holding is included in the other industrial segment as well.

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31 December 2009	TAV Yatırım	Akfen İnşaat	Akfen GYO	HES I-II-III	MIP	Task Su	TAV Havalimanları	Other	Other Discontinued(*)	Consolidated
External revenues	404,429	10,610	17,699	976	118,612	7,524	405,841	63,576	171,726	1,200,993
Inter segment revenue	113,507	138,528	-	-	-	-	5,425	10,613	-	268,073
Interest income	2,708	10,435	2	1,318	1,853	1,429	8,711	834	2,185	29,475
Interest expense	(5,794)	(25,724)	(16,607)	(3,783)	(35,365)	(1,522)	(33,028)	(62,979)	(9,072)	(193,874)
Depreciation and amortization	6,213	735	76	1,452	17,729	6	17,884	576	21,498	66,169
Reportable segment profit/ (loss) before income tax	13,631	(9,036)	15,519	(5,827)	10,242	(130)	24,870	(70,350)	196,712	175,631
Reportable segment assets	362,812	109,818	479,931	316,922	624,302	19,691	1,078,964	329,846	-	3,322,286
Capital expenditure (**)	18,684	724	20	121,776	6,959	178	188,732	3,138	-	340,211
Reportable segment liabilities	318,992	123,441	192,031	131,082	571,338	6,217	851,191	598,986	-	2,793,278

(*) See note 34.
(**) The goodwill additions during the year 2009 amounting to TL 33,307 are not included to capital expenditure.

31 December 2008	TAV Yatırım	Akfen İnşaat	Akfen GYO	HES I-II-III	MIP	Task Su	TAV Havalimanları	Other	Other Discontinued(*)	Consolidated
External revenues	301,392	46,341	15,250	-	106,075	5,726	319,300	55,382	39,359	888,825
Inter segment revenue	73,595	84,218	-	-	-	-	-	843	-	158,656
Interest income	747	3,759	241	247	1,446	35	5,458	3,976	28	15,937
Interest expense	(2,724)	(13,193)	(13,694)	(21)	(32,999)	(26)	(28,417)	(33,410)	(18,889)	(143,373)
Depreciation and amortization	5,462	1,144	63	1,120	17,317	348	14,353	852	9,870	50,529
Reportable segment profit/(loss) before income tax	28,936	(14,836)	67,910	(303)	3,913	(3,869)	507	(106,830)	(39,641)	(64,213)
Reportable segment assets	312,947	171,503	437,364	149,071	619,333	12,341	741,995	711,387	-	3,155,941
Capital expenditure (***)	12,532	1,640	113	50,651	13,940	8,081	104,273	266,148	-	457,378
Reportable segment liabilities	272,926	166,599	174,379	14,645	602,380	2,070	606,602	976,032	-	2,815,633

(***) The goodwill additions during the year 2008 amounting to TL 5,926 are not included to capital expenditure.

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31 December 2007	TAV Yatırım	Akfen İnşaat	Akfen GYO	HES I-II-III	MIP	Task Su	TAV Havalimanları	Other	Other Discontinued(*)	Consolidated
External revenues	168,726	159,165	50,737	-	58,915	-	204,580	56,055	-	698,178
Inter segment revenue	13,051	37,728	13,193	-	-	-	380	-	-	64,352
Interest income	1,312	2,683	2	2	623	-	4,610	7,026	25,502	41,760
Interest expense	(6,054)	(14,362)	(3,840)	(471)	(22,749)	-	(21,159)	(14,057)	-	(82,692)
Depreciation and amortization	2,616	1,403	45	511	7,957	-	11,434	1,086	209	25,261
Reportable segment profit/(loss) before income tax	(11,832)	40,276	86,617	(2,405)	(2,328)	-	(18,836)	139,769	15,069	246,330
Reportable segment assets	166,952	156,673	290,023	81,710	457,158	-	520,504	378,366	-	2,051,386
Capital expenditure (****)	8,207	26,870	99	4,136	443,829	-	26,661	279,114	-	788,916
Reportable segment liabilities	153,426	56,426	102,082	16,574	408,064	-	405,685	494,535	-	1,636,792

(****) The goodwill additions during the year 2007 amounting to TL 4,526 are not included to capital expenditure.

	2009	2008	2007
Segment revenues	1,223,151	951,897	706,475
Other revenues	245,915	95,584	56,055
Elimination between segments	(268,073)	(158,656)	(64,352)
Discontinued operations	(171,726)	(39,359)	-
Consolidated revenues	1,029,267	849,466	698,178

	2009	2008	2007
Operating Profit			
Segment operating profit	49,269	82,258	91,492
Other operating profit/(loss)	126,362	(146,471)	154,838
	175,631	(64,213)	246,330
Elimination between segments	(19,056)	(1,830)	(3,327)
Discontinued operations	(196,712)	39,641	(15,069)
Consolidated segment operating profit/(loss) before tax	(40,137)	(26,402)	227,934
Profit/(loss) from investment in equity accounted investees	-	-	(93)
Consolidated profit/(loss) before tax	(40,137)	(26,402)	227,841

Assets	2009	2008	2007
Segment assets	2,992,440	2,444,554	1,673,020
Other assets	329,846	711,387	378,366
Total assets	3,322,286	3,155,941	2,051,386

Liabilities	2009	2008	2007
Segment liabilities	2,194,292	1,839,601	1,142,257
Other liabilities	598,986	976,032	494,535
Total liabilities	2,793,278	2,815,633	1,636,792

6 CASH AND CASH EQUIVALENTS

At 31 December, cash and cash equivalents comprised the following:

	2009	2008	2007
Cash at banks			
-Demand deposit	216,754	80,870	60,232
-Time deposit	64,227	24,799	17,412
Cash on hand	1,148	1,355	1,327
Other liquid assets	3,737	934	1,143
Cash and cash equivalents	285,866	107,958	80,114
Bank overdrafts used for cash management purposes	(2,232)	(1,025)	(720)
Cash and cash equivalents	283,634	106,933	79,394

As at 31 December 2009, the interest rate and the maturity of the foreign currency time deposits and Turkish Lira time deposits range between 0.20%-25% and 4 28 January 2010, and 6.25-8.93 percent and 1-4 January 2010, respectively, which are amounting TL 64,226 in total.

As at 31 December 2008, the interest rate and the maturity of the foreign currency time deposits and Turkish Lira time deposits range between 2%-6.75% and 1 January-16 November 2009, and 9%-17.15% and 1-22 January 2009, respectively, which are amounting TL 24,799 in total.

The Group's exposure interest rate risk and sensitivity analysis for financial assets and liabilities are disclosed in Note 38.

As at 31 December 2009, 2008 and 2007, there is no pledge on bank accounts except as disclosed.

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7 FINANCIAL INVESTMENTS

Current investment

As at 31 December, current investments comprised the following:

	2009	2008	2007
Derivatives	3,606	14,977	-
Time deposits longer than 3 months	100	-	-
Treasury Bill	-	-	91
	3,706	14,977	91

TAV Istanbul, buys certain derivatives such as currency swap contracts in order to manage its exposure to currency risk from DHMI concession payments. TAV Istanbul has entered into a forward exchange contract that fixes the parity between USD and Euro for the period of its project financing works. The contracts cover a period up to 2018 for payments in each December. As at 31 December 2009, the nominal value of the contract USD 122,977 thousand. (The Group's share: USD 32,121 thousand) (31 December 2008: USD 112,565 thousand; the Group's share: USD 24,414 thousand).

Non-current Investments

At 31 December, the Group holds equity investments in the following companies:

	Ownership (%)	2009	Ownership (%)	2008	Ownership (%)	2007
TAV Urban Georgia LLC	4.5	2,536	10.0	5,347	10.0	5,347
Batı Karadeniz Elekt. Dağıtım ve Sis. AŞ	12.5	1,504	12.5	1,504	12.5	1,504
Riva İnş.Tur.Tic.ve Paz. AŞ ("Riva İnşaat")	-	-	58.0	594	58.0	594
Tekaş Elektrik	-	-	27.5	6	27.5	6
Task Su	-	-	-	-	33.3	5,038
CAS	-	-	-	-	50.0	443
Other	-	243	-	82	-	96
Subtotal		4,283		7,533		13,028
Less: Impairment of investment		(1,504)		(1,510)		(1,510)
Total investments		2,779		6,023		11,518

As at 31 December 2008 and 2007, based on the Group's decision, investment in Batı Karadeniz Elektrik Dağıtım ve Sistemleri AŞ ("Batı Karadeniz") and Tekaş Elektrik has been impaired, since Group does not expect any future economic benefit from these investments.

On 9 August 2007, TAV Urban Georgia LLC signed an agreement with the Georgian Ministry of Economic Development to transfer the management rights of all shares of the Batumi Airport LLC to TAV Batumi for 20 years. According to such share management agreement, all airport operations (excluding only the air traffic control and aviation security services) of the Batumi International Airport will be carried out by TAV Batumi until August 2027.

Task Su has been accounted by proportionate consolidation method in consolidated financial statements as at 31 December 2009 and 2008. Since Task Su had been planned to be sold in the first half of the 2008, it was stated at cost in the accompanying consolidated financial statements as at 31 December 2007.

Riva İnşaat is established by Akfen and Tepe Group on 14 January 1998 in order to execute the project that is planning to be constructed on the land at Istanbul, Ümraniye District, Municipality of Ömerli, Sırapınar Region. This investment is stated at cost to the consolidated financial statements as at 31 December 2008 and 2007 and this investment has been sold as at 31 December 2009.

Since the effect of the investments or the ownership rates of the Group on these investments were low, they have been stated at cost in the accompanying consolidated financial statements as at 31 December 2009, 2008 and 2007.

8 LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's interest bearing loans and borrowings, which are measured at amortized cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see note 38.

The Group's financial liabilities as at 31 December are as follows:

	2009	2008	2007
Non-current liabilities			
Non-current secured bank loans	1,808,579	1,286,072	949,048
Non-current unsecured bank loans	121,717	2,799	8,292
Long term finance lease obligations	11,676	4,449	3,964
	1,941,972	1,293,320	961,304
Current liabilities			
Secured bank loan	128,211	210,761	267,972
Unsecured bank loan	35,238	62,164	35,361
Current portion of long –term secured bank loans	120,677	384,847	62,806
Current portion of long –term unsecured bank loans	5,023	3,011	5,136
Bank overdraft	2,232	1,025	720
Short-term finance lease obligations	1,418	676	474
	292,799	662,484	372,469

The Group's bank loans and lease borrowings as at 31 December are as follows:

	2009	2008	2007
Bank loans	2,221,677	1,950,679	1,329,335
Finance lease obligations	13,094	5,125	4,438
	2,234,771	1,955,804	1,333,773

The Group's bank loans as at 31 December 2009 are as follows:

	Current Liabilities	Non-current liabilities	Total
Akfen Holding	61,676	421,801	483,477
Akfen İnşaat	28,153	31,407	59,560
Akfen GYO	27,103	161,137	188,240
Akfen HES I-II-III	4,165	111, 422	115,587
Akfen GYT	8,444	39,304	47,748
TASK Su	273	3,720	3,993
MIP	7,452	514,187	521,639
TAV Yatırım	34,852	32,680	67,532
TAV Havalimanları	112,226	614,638	726,864
RHI	4,107	-	4,107
RPI	2,930	-	2,930
	291,381	1,930,296	2,221,677

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The Group's bank loans as at 31 December 2008 are as follows:

	Current Liabilities	Non-current liabilities	Total
Akfen Holding	225,187	57,400	282,587
Akfen İnşaat	126,175	7,623	133,798
Akfen GYO	61,235	105,720	166,955
Akfen GYT	17,992	-	17,992
Akfen Altyapı Yatırımları	46,081	93,783	139,864
Task Su	133	-	133
MIP	1,483	521,626	523,109
TAV Yatırım	72,575	391	72,966
TAV Havalimanları	103,027	406,833	509,860
Tüvtürk İstanbul	7,600	88,618	96,218
RHI	182	4,014	4,196
RPI	138	2,863	3,001
	661,808	1,288,871	1,950,679

The Group's bank loans as at 31 December 2007 are as follows:

	Current Liabilities	Non-current liabilities	Total
Akfen Holding	6,291	139,371	145,662
Akfen İnşaat	16,058	6,738	22,796
Akfen GYO	58,906	41,680	100,586
Akfen Altyapı Yatırımları	9,684	34,052	43,736
MIP	2,417	386,882	389,299
TAV Yatırım	52,915	2,252	55,167
TAV Havalimanları	86,481	278,939	365,420
Tüvtürk Kuzey	134,345	-	134,345
Tüvtürk İstanbul	4,898	67,426	72,324
	371,995	957,340	1,329,335

Terms and debt repayment schedule

Repayment schedules of the Group bank loans according to original maturities as at 31 December are as follows:

	2009	2008	2007
Within one year	291,381	661,808	371,995
In the second year	477,957	137,141	88,786
In the third year	151,466	117,604	170,316
In the fourth year	133,517	116,848	77,551
In fifth year and more than five years	1,167,356	917,278	620,687
	2,221,677	1,950,679	1,329,335

Details of the loans summarized for each subsidiary are as follows:

Akfen Holding:

The breakdown of bank loans as at 31 December 2009 is as follows:

	Current liabilities	Non-current liabilities	Total
Akfen Holding	61,676	421,801	483,477
	61,676	421,801	483,477

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loans(1)	USD	9	2010	9,938	10,087
Secured Bank Loans(1)	USD	Libor+1.75	2010	12,546	12,585
Secured Bank Loans(1)	USD	Libor+6.75	2011	3,764	3,764
Secured Bank Loans(1)	USD	6.75	2011	5,722	5,785
Secured Bank Loans(2)	USD	Libor+6.75	2011	18,822	18,822
Secured Bank Loans(3)	USD	9	2011	132,502	134,051
Secured Bank Loans(4)	USD	7	2011	3,764	3,812
Secured Bank Loans(4)	USD	Libor +6	2011	34,388	34,388
Secured Bank Loans(1)	USD	6.8	2011	5,270	5,327
Secured Bank Loans(5)	USD	8.25	2011	9,865	10,017
Secured Bank Loans(6)	USD	8	2011	14,688	14,874
Secured Bank Loans(1)	USD	10	2011	4,894	4,897
Secured Bank Loans(3)	USD	Monthly 0.65	2012	1,172	1,178
Secured Bank Loans(4)	USD	Libor+3.5	2014	60,228	60,542
Secured Bank Loans(7)	USD	9.2	2015	112,928	115,025
Secured Bank Loans(8)	Euro	8	2011	475	481
Secured Bank Loans(2)	TL	17	2010	1,550	1,550
Secured Bank Loans(1)	TL	16.25	2010	9,690	9,690
Secured Bank Loans(1)	TL	14	2010	2,610	2,610
Secured Bank Loans(2)	TL	16.5	2010	700	700
Secured Bank Loans(2)	TL	15.5	2010	4,000	4,000
Secured Bank Loans(9)	TL	8.78	2011	29,156	29,246
Banl Overdraft	TL	-	2010	46	46
				478,718	483,477

(1) Sureties given by Hamdi Akın and Akfen İnşaat
(2) Sureties given by Hamdi Akın, Akınısı and Akfen İnşaat
(3) Sureties given by Hamdi Akın
(4) Sureties given by Akfen İnşaat, Akfen Turizm, Akınısı and Hamdi Akın
(5) Sureties given by Akfen Turizm and Hamdi Akın
(6) Sureties given by Akfen Turizm, Akınısı, Hamdi Akın and Akfen İnşaat
(7) 1/1 cash collateral.
(8) Sureties given by Akfen Turizm, Akınısı, Hamdi Akın and Akfen İnşaat
(9) Shares pledge on TAV Havalimanları with 14,166,267 shares

The breakdown of bank loans as at 31 December 2008 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loans[1]	USD	6.75	2009	2,594	2,604
Secured Bank Loans[2]	USD	9.5	2009	2,170	2,170
Secured Bank Loans[2]	USD	11.5	2009	1,946	1,946
Secured Bank Loans[5]	USD	14	2009	4,650	4,671
Secured Bank Loans[4]	USD	5.92	2009	113	114
Secured Bank Loans[4]	USD	6.90	2009	4,915	5,058
Secured Bank Loans[1]	USD	12.25	2009	129	131
Secured Bank Loans[1]	USD	12.75	2009	575	587
Secured Bank Loans[1]	USD	10.4	2009	484	495
Secured Bank Loans[4]	USD	15	2009	2,541	2,541
Secured Bank Loans[3]	USD	7.01	2009	115,691	127,295
Secured Bank Loans[4]	USD	Libor+2.28	2009	6,049	6,162
Secured Bank Loans[1]	USD	8.21	2012	1,588	1,595
Secured Bank Loans[1]	USD	Libor+3.50	2014	60,492	61,004
Secured Bank Loans[2]	Euro	10	2009	1,606	1,606
Secured Bank Loans[4]	Euro	Euribor+2.80	2009	1,820	1,867
Secured Bank Loans[4]	TL	36	2009	1,200	1,200
Secured Bank Loans[5]	TL	28	2009	4,942	4,943
Secured Bank Loans[4]	TL	29	2009	10,319	10,319
Secured Bank Loans[4]	TL	22	2009	6,025	6,025
Secured Bank Loans[4]	TL	30	2009	2,340	2,340
Secured Bank Loans[1]	TL	27	2009	31,000	33,070
Secured Bank Loans[4]	TL	21.7	2009	4,690	4,797
Bank Overdraft	TL	-	-	47	47
				267,926	282,587

[1] Sureties given by Hamdi Akın, Akfen İnşaat, Akınısı Makine and Akfen Turizm
[2] Sureties given by Hamdi Akın, Akınısı and Akfen İnşaat
[3] Pledges on TAV shares
[4] Sureties given by Hamdi Akın and Akfen İnşaat
[5] Sureties given by Akfen İnşaat and Akfen Turizm

The breakdown of bank loans as at 31 December 2007 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loan[1]	USD	Rotative	2008	3,825	4,465
Secured Bank Loan[2]	USD	Rotative	2008	600	698
Secured Bank Loan[3]	USD	6.91	2009	89,100	91,648
Secured Bank Loan[4]	USD	8.21	2012	1,299	1,522
Secured Bank Loan[1]	USD	Libor+3.50	2014	46,588	47,185
Secured Bank Loan[2]	TL	Rotative	2008	144	144
				141,556	145,662

[1] Sureties given by Hamdi Akın and Akfen İnşaat
[2] Sureties given by Hamdi Akın, Akınısı Makine and Akfen İnşaat
[3] Pledges on TAV shares
[4] Sureties given by Hamdi Akın, Akınısı Makine, Akfen Turizm and Akfen İnşaat

Collateral Shares

As of 31 December 2008, Tepe İnşaat, Akfen Holding and Sera Yapı have lent and transferred the title of shares that correspond to the 14.4% of the present share capital of TAV Havalimanları (the "Collateral Shares") under an agreement named Collateralized Stock Borrowing Agreement as a security for the performance of the obligations of the Sellers in connection with the Put Option (Not 16).

Goldman Sachs International ("GS") has created pledge in favor of Tepe İnşaat, Akfen Holding and Sera Yapı on these Collateral Shares. All voting rights, dividends, rights for participating in share capital increase in connection with the Collateral Shares shall belong to Tepe İnşaat, Akfen Holding and Sera Yapı, provided that bonus shares issued as the result of such share capital increase made by way of transferring the reserves to share capital shall belong to GS in connection with the Collateral Shares. In the event of enforcement of Collateral Shares by GS as described above, the share pledge is released on the Collateral Shares. Collateral Shares are maintained by an escrow agent. Further, pursuant to GS SSPAs, GS has right to transfer the shares that it owns in TAV Havalimanları to its subsidiaries.

On 18 May 2009, GS announced that they transferred 17.437.499 TAV Havalimanları shares, which was received with TAV Havalimanları's capital increase to Tepe İnşaat, Akfen Holding and Sera Yapı. Following the exercise of the put option to Holding shares by cash settlement by GS, on 17 August 2009, GS reimbursed TAV Havalimanları shares, which are held as collateral to Tepe İnşaat and Sera Yapı. On 3 November 2009, Akfen Holding announced that they have received the TAV Havalimanları's shares from GS.

Akfen İnşaat:

The breakdown of bank loans as at 31 December 2009 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loan [4]	USD	8	2011	2,161	2,188
Secured Bank Loan [3]	USD	10	2011	7,408	7,408
Secured Bank Loan [4]	USD	9	2011	3,614	3,637
Secured Bank Loan [5]	USD	8.1	2011	17,308	17,492
Secured Bank Loan [8]	USD	Monthly 0.65	2014	683	684
Secured Bank Loan [5]	Euro	8	2010	3,132	3,187
Secured Bank Loan [6]	Euro	Monthly 0.6	2010	332	340
Secured Bank Loan [1]	TL	Monthly 1.3	2010	3,690	3,810
Secured Bank Loan [2]	TL	25	2010	5,699	5,699
Secured Bank Loan [2]	TL	17	2010	175	175
Secured Bank Loan [2]	TL	16	2010	975	975
Secured Bank Loan [6]	TL	17.61	2010	2,887	2,987
Secured Bank Loan [6]	TL	18.16	2010	202	224
Secured Bank Loan [7]	TL	14	2010	1,065	1,065
Secured Bank Loan [2]	TL	16.25	2010	8,947	8,947
Secured Bank Loan [6]	TL	22.4	2010	321	342
Secured Bank Loan [6]	TL	Monthly 2.5	2010	267	290
Bank Overdraft	TL	-	-	110	110
				58,976	59,560

[1] Sureties given by Akfen Holding,
[2] Sureties given by Akfen Holding and Hamdi Akın
[3] Sureties given by Akfen Holding and Hamdi Akın
[4] Sureties given by Akfen Holding, Hamdi Akın and Akınısı
[5] Sureties given by Akfen Holding, Akfen Turizm, Akınısı and Hamdi Akın
[6] Sureties given by Akfen Holding, Hamdi Akın, Akınısı, Akfen Turizm, Akfen GYO and Akfen Enerji
[7] Sureties given by Akfen Holding, Hamdi Akın, Aksel Turizm
[8] Sureties given by Hamdi Akın

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The breakdown of bank loans as at 31 December 2008 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loans[1]	USD	Libor+2.8	2009	13,845	14,148
Secured Bank Loans[1]	USD	3.94-14	2009	9,497	9,735
Secured Bank Loans[2]	USD	11.75-12.75	2009	2,170	2,209
Secured Bank Loans[3]	USD	7-12	2009	26,790	27,060
Secured Bank Loans[4]	USD	6.25	2009	2,216	2,247
Secured Bank Loans[5]	USD	6.9-10	2009	7,441	7,585
Secured Bank Loans[7]	USD	7	2009	307	310
Secured Bank Loans[2]	USD	Libor+3.76	2011	5,444	5,471
Secured Bank Loans[1]	USD	5,54	2014	877	877
Secured Bank Loans[2]	Euro	11	2009	2,663	2,663
Secured Bank Loans[3]	Euro	7.75-12.5	2009	3,575	3,650
Secured Bank Loans[4]	Euro	6	2009	988	990
Secured Bank Loans[1]	Euro	5.18-12.12	2009	6,117	6,242
Secured Bank Loans[1]	Euro	Euribor+2.8	2009	321	331
Secured Bank Loans[1]	TL	28-31.36	2009	32,917	32,951
Secured Bank Loans[7]	TL	2.5-2.65	2009	5,125	5,138
Secured Bank Loans[4]	TL	27	2009	7,500	7,500
Secured Bank Loans[6]	TL	19.75	2009	3,000	3,125
Secured Bank Loans[6]	TL	30.03	2010	1,000	950
Secured Bank Loans[1]	TL	31.36	2010	554	554
Bank Overdraft	TL	-	-	62	62
				132,409	133,798

[1] Sureties given by Akfen Holding and Hamdi Akın
[2] Sureties given by Akfen Holding, Hamdi Akın and Akınısı
[3] Sureties given by Akfen Holding and Akfen Turizm
[4] Sureties given by Akfen Holding, Hamdi Akın, Akınısı and Akfen Turizm
[5] Sureties given by Akfen Dış Ticaret and Hamdi Akın
[6] Sureties given by Akfen Holding, Hamdi Akın and Akfen GYO
[7] Sureties given by Akfen Holding, Akfen Turizm and Akınısı

The breakdown of bank loans as at 31 December 2007 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loan [4]	USD	6.85	2008	2,324	2,330
Secured Bank Loan [5]	USD	6.75	2008	1,147	1,153
Secured Bank Loan [1]	USD	Libor+0.80	2008	582	616
Secured Bank Loan [1]	USD	6.80	2008	569	572
Secured Bank Loan [2]	USD	Libor+3.76	2011	5,591	5,782
Secured Bank Loan [1]	USD	5.54	2014	834	955
Secured Bank Loan [1]	Euro	6.20	2008	807	812
Secured Bank Loan [1]	Euro	6.15	2008	7,012	7,049
Secured Bank Loan [3]	Euro	Euribor+1.40	2008	3,506	3,520
Secured Bank Loan [6]	TL	6.36	2008	7	7
				22,379	22,796

[1] Sureties given by Akfen Holding, Hamdi Akın
[2] Sureties given by Akfen Holding, Hamdi Akın, Delta Gıda
[3] Sureties given by Akfen Holding, Hamdi Akın and pledged by Aksel Turizm
[4] Sureties given by Akfen Holding, Akınısı and Akfen Turizm
[5] Sureties given by Akfen Holding, Akınısı and Hamdi Akın
[6] Sureties given by Hamdi Akın

Akfen GYO:

The breakdown of bank loans as at 31 December 2009 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loan (5)	USD	14	2010	1,054	1,060
Secured Bank Loan (5)	Euro	14	2010	648	652
Secured Bank Loan (2)	Euro	Euribor+3.70	2015	38,885	39,388
Secured Bank Loan (1)	Euro	Euribor+4.75	2019	124,217	125,026
Secured Bank Loan (5)	TL	23.5	2010	1,641	1,641
Secured Bank Loan (4)	TL	23	2010	2,207	2,411
Secured Bank Loan (4)	TL	22.8	2010	1,460	1,543
Secured Bank Loan (3)	TL	10	2016	15,995	16,248
Bank Overdraft	TL	-	-	271	271
				186,378	188,240

The breakdown of bank loans as at 31 December 2008 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loan(5)	USD	6.50-12.00	2009	7,146	7,285
Secured Bank Loan(6)	USD	14.00	2009	8,188	8,345
Secured Bank Loan(5)	USD	14.00-15.0	2009	2,465	2,469
Secured Bank Loan(4)	Euro	6.25-14	2009	4,035	4,075
Secured Bank Loan(4)	Euro	8-14	2009	10,254	10,273
Secured Bank Loan(6)	Euro	14.00	2009	2,141	2,154
Secured Bank Loan(3)	Euro	Euribor+3.70	2015	44,957	46,028
Secured Bank Loan(1)	Euro	Euribor+3.75	2018	57,802	58,362
Secured Bank Loan(5)	TL	29.0-34.0	2009	9,978	10,295
Secured Bank Loan(3)	TL	10	2011	5,141	5,401
Secured Bank Loan(3)	TL	10	2012	2,545	2,601
Secured Bank Loan(3)	TL	10	2013	8,424	8,607
Secured Bank Loan(3)	TL	10	2016	1,028	1,041
Bank Overdraft	USD	-	-	19	19
				164,123	166,955

(1) A loan agreement of Euro 100 million is signed with the cooperation of Türkiye İş Bankası AŞ and Türkiye Sınai Kalkınma Bankası AŞ ("TSKB") on 30 July 2008 for financing the hotel projects constructed based on the Memorandum of Understanding which is signed between the Company and Accor S.A. to develop hotel projects in Turkey. Based on the loan agreement, commitment commission which is calculated as annual rate of 1.25 percent on the unused portion of the loan at each quarter from the agreement date till the maturity date is paid. 0.50 percent of the related amount used in each grant from TSKB and 1.00 percent of the related amount is paid as commission. Bank borrowings obtained with this agreement is secured by the followings:

-Right of tenancy of the hotels in Gaziantep, Kayseri, Trabzon, Beylikdüzü and Zeytinburnu is pledged in favor of the creditors,
-Rental revenue of these hotels is pledged in favor of the creditors,
-Demand deposits in banks and financial institutions related with the these projects are pledged in favor of the creditors,
-Sureties of the shareholders' of Akfen GYO for the completion guarantee of the related projects.

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(2) Bank borrowings obtained from various banks for refinancing the bank borrowings obtained from various banks for financing the construction of Mercure in Northern Cyprus is secured by the followings:

-According to the Board of Directors resolution numbered 2008/16 and dated 3 July 2008, the Company pledged 279,000 of Type A shares of Akfen Ticaret amounting TL 7,000 as a surety,
-Right of tenancy of Mercure Hotel in Northern Cyprus is pledged in favor of the creditors,
-Rental revenue of the casino in Mercure Hotel in Northern Cyprus is pledged in favor of the creditors,
-Rental revenue of Mercure Hotel in Northern Cyprus is pledged in favor of the creditors,
-Sureties of the shareholders' of Akfen GYO for the total outstanding loan amount,
-Guarantees of letter from various banks for the total outstanding loan amount.

(3) Bank borrowings obtained from Türkiye Kalkınma Bankası AŞ for financing construction of Mercure Hotel in Northern Cyprus is secured by the followings:

-Letter of guarantees from various banks for the total outstanding loan amount,
-Sureties of the shareholders' of Akfen GYO for the total outstanding loan amount.

(4) Bank borrowings obtained from various banks for financing the construction of Mercure Hotel in Northern Cyprus are secured by sureties of the shareholders' of Akfen GYO for the total outstanding loan amount.

(5) Bank borrowings obtained from various banks for financing construction of ongoing hotel projects is secured by the following:

-Sureties of the shareholders' of Akfen GYO for the total outstanding loan amount.

(6) 1st, 2nd and 3rd independent divisions of the real estate owned by Akfen GYO in Levent Loft are pledged in favor of the creditor.

The breakdown of bank loans as at 31 December 2007 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loan[3]	USD	Libor+1.75	2008	271	275
Secured Bank Loan[3]	USD	7.25	2008	25,897	26,331
Secured Bank Loan[3]	Euro	6.25	2008	1,766	3,019
Secured Bank Loan[3]	Euro	6.30	2008	2,634	2,664
Secured Bank Loan[3]	Euro	6.85	2008	1,967	1,992
Secured Bank Loan[7]	Euro	6.10	2008	1,710	1,724
Secured Bank Loan[3]	Euro	5.80	2008	410	549
Secured Bank Loan[2]	Euro	Euribor+4.10	2015	1,897	3,245
Secured Bank Loan[1]	Euro	Euribor+4.25	2016	25,653	27,551
Secured Bank Loan[4]	TL	10.00	2008	17,652	17,652
Secured Bank Loan[3]	TL	19.00	2008	141	141
Secured Bank Loan[5]	TL	19.00	2008	7,985	7,985
Secured Bank Loan[6]	TL	22.00	2008	5,777	5,777
Secured Bank Loan[8]	TL	20.50	2008	793	793
Secured Bank Loan[6]	TL	20.75	2008	505	506
Secured Bank Loan[7]	TL	21.00	2008	382	382
				95,440	100,586

(1) Loans borrowed from Türkiye Vakıflar Bankası TAO for financing of the Zeytinburnu IBIS/NOVETEL project is secured by the followings:

-Pledged against rental revenue that will be generated
-Sureties of the shareholders' of Akfen GYO for the outstanding loan amount.

(2) Bank borrowings obtained from T. Garanti Bankası AŞ for financing of the Eskişehir IBIS Hotel project.

-Sureties of the shareholders' Akfen GYO for the outstanding loan amount.

(3) Bank borrowings obtained from various banks for financing of the construction of Mercure Hotel in Northern Cyprus.

-Sureties of the shareholders' of Akfen GYO for the outstanding loan amount.

(4) Bank borrowings obtained from Türkiye Kalkınma Bankası AŞ for financing of the construction of Mercure Hotel in Northern Cyprus is secured by the following:

-Letters of credit from various banks for the loan amount
-Sureties of the shareholders' of Akfen GYO for the outstanding loan amount.

(5) Loans borrowed from Tekstil Bankası AŞ

-Sureties given by Akfen İnşaat and Hamdi Akın.

(6) Loans borrowed from Türk Ekonomi Bankası AŞ

-Sureties given by Akfen Holding, Akfen İnşaat AŞ and Hamdi Akın.

(7) Loans borrowed from Denizbank AŞ

-Sureties given by Akfen Holding, Akfen İnşaat and Hamdi Akın.

(8) Loans borrowed from Finansbank AŞ

-Sureties given by Akfen Holding, Akfen İnşaat and Akınısı Makine

Akfen HES I-II-III:

The breakdown of bank loans as at 31 December 2009 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Unsecured Bank Loan	Euro	Euribor+6.5	2013-2020	112,085	115,587
				112,085	115,587

As at 31 December 2008 and 2007, the Company has not any loans and borrowings.

Akfen GYT:

The breakdown of bank loans as at 31 December 2009 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loan[1]	USD	9	2014	21,080	21,191
Secured Bank Loan[2]	USD	7	2012	26,350	26,557
				47,430	47,748

(1) Sureties given by Hamdi Akın, Akfen Holding and Akfen İnşaat
(2) Sureties given by Hamdi Akın and Akfen Holding

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The breakdown of bank loans as at 31 December 2008 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Unsecured Bank Loan	USD	6.75	2009	2,269	2,339
Unsecured Bank Loan	USD	12.75	2009	5,293	5,293
Unsecured Bank Loan	USD	10.5	2009	10,360	10,360
				17,922	17,992

As at 31 December 2007, the Company has not any loans and borrowings.

Akfen Altyapı Yatırımları Holding:

The breakdown of bank loans as at 31 December 2008 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loan(1)	USD	6.38	2009	2,193	2,259
Secured Bank Loan(1)	USD	6.42	2009	302	311
Secured Bank Loan(1)	USD	8.96	2009	7,867	8,330
Secured Bank Loan(1)	USD	Libor+1.75	2010	36,572	37,243
Secured Bank Loan(1)	USD	Libor+2.12	2018	8,015	8,497
Secured Bank Loan(1)	USD	Libor+4.00	2018	24,499	25,774
Secured Bank Loan(2)	USD	Libor+4.35	2018	20,568	21,093
Secured Bank Loan(3)	USD	Libor+3.25	2018	31,002	31,297
Secured Bank Loan(1)	Euro	10.77	2010	4,647	4,755
Secured Bank Loan(1)	TL	28	2009	267	273
Bank Overdraft	TL	-	-	32	32
				135,964	139,864

(1) Bank loans are secured by surety of Akfen İnşaat, Akfen Holding and Hamdi Akın
Revenue of sub operations and indemnity which is in the manner and conditions set out in Sub-Operation Agreements with Tüvtürk Güney shall be pledged to Garanti Bankası A.Ş.
(2) Bank loans are secured by surety of Akfen İnşaat and Akfen Holding.
Revenue of sub operations and indemnity which is in the manner and conditions set out in Sub-Operation Agreements with Tüvtürk Güney shall be pledged amounting to USD 13,600 to Türkiye Vakıflar Bankası.
(3) Bank loans are secured by surety of Akfen İnşaat, Akfen Holding, Akınısı Makine and Hamdi Akın.

Revenue of sub operations and indemnity which is in the manner and conditions set out in Sub-Operation Agreements with Tüvtürk Güney shall be pledged to Finansbank A.Ş.

AIH Muayene have received surety notes from surety of Akfen İnşaat, Akfen Holding, Akınısı Makine and Hamdi Akın.

The breakdown of bank loans as at 31 December 2007 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loan(1)	USD	6.22	2008	1,514	1,533
Secured Bank Loan(1)	USD	8.96	2009	11,647	12,326
Secured Bank Loan(1)	USD	Libor+1.75	2010	29,118	29,877
				42,279	43,736

(1) Bank loans are secured by the personal surety of Hamdi Akın and surety of other Akfen Group companies.

Task Su:

The breakdown of bank loans as at 31 December 2009 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loans[1]	Euro	Euribor+8	2011	3,889	3,993
				3,889	3,993

[1]Task Dilovası has executed a loan agreement with Bank Hapoalim amounted Euro 5,000 thousand with Euribor+8 percent in order to finance its ongoing project. Euro 500 thousand utilized in July 2009, a part of Euro 500 thousand utilized in August 2009 and a portion amounting Euro 800 thousand utilized in November 2009.

The shares of TASK Dilovası has been pledged with Bank Positive amounting to TL 6,050 as a security against the loan utilized from Bank Hapoalim.

The breakdown of bank loans as at 31 December 2008 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Unsecured Bank Loans	TL	22	2009	133	133

MIP:

The breakdown of bank loans as at 31 December 2009 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loans[1]	USD	Libor+2.5	2020	437,404	437,404
Secured Bank Loans[1]	USD	Libor+1	2020	84,235	84,235
				521,639	521,639

The breakdown of bank loans as at 31 December 2008 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loans[1]	USD	Libor+2.5	2020	440,782	440,782
Secured Bank Loans[1]	USD	Libor+1	2020	82,327	82,327
				523,109	523,109

Finansal borçların 31 Aralık 2007 tarihi itibariyle detayı aşağıda verilmiştir:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loans[1]	USD	Libor+2.5	2020	328,650	328,650
Secured Bank Loans[1]	USD	Libor+1	2020	60,649	60,649
				389,299	389,299

[1] The Company has obtained two bank borrowings namely Senior Debt Loan and Mezzanine Loan amounting to USD 300,000 thousand and USD 50,000 thousand respectively, in order to finance the payment regarding the right received from TCDD to charge users of Mersin International Port. Senior Debt Loan is stated net of transaction costs amounting to USD 6,564 thousand. Mezanine loan is a rotative loan and the principal payment can be paid at the maturity date of 2020 where till that date unpaid interest expenses are added to the principle.

According to the share pledge agreement signed on 11 May 2007 with Syndication Banks, the shares of MIP have been given as collateral for Senior Debt Loan to these banks. Mezanine loan is secured by the surety of PSA International Group.

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TAV Yatırım:

The breakdown of bank loans as at 31 December are as follows:

	2009	2008	2007
TAV Yatırım	16,550	17,541	9,930
TAV İnşaat	45,167	51,218	27,392
TAV Gulf	5,815	4,207	2,516
TAV Egypt	-	-	15,284
TAV Doha	-	-	45
	67,532	72,966	55,167

TAV Yatırım:

The breakdown of bank loans as at 31 December 2009 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loans[1]	Euro	8.0	2011	3,794	3,794
Secured Bank Loans [1]	TL	8.8	2010	12,756	12,756
				16,550	16,550

[1] Secureties given by Akfen İnşaat and Tepe İnşaat

TAV İnşaat

The breakdown of bank loans as at 31 December 2009 is below:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loans [2]	USD	6.0	2010	10,693	10,693
Secured Bank Loans [2]	USD	7.0	2010	176	176
Secured Bank Loans [2]	USD	6.9	2010	2	2
Secured Bank Loans [2]	USD	6.0	2011	6,334	6,334
Secured Bank Loans [1]	USD	9.5	2011	3,388	3,388
Secured Bank Loans [1]	USD	7.8	2011	3,264	3,264
Secured Bank Loans [3]	Euro	6.5	2010	4,650	4,650
Secured Bank Loans [2]	Euro	6.0	2010	51	51
Secured Bank Loans [1]	Euro	8.1	2011	6,639	6,639
Secured Bank Loans [1]	Euro	8.0	2011	3,725	3,725
Secured Bank Loans [2]	Euro	6.5	2011	6,245	6,245
				45,167	45,167

[1] Sureties given by Akfen İnşaat and Tepe İnşaat
[2] Sureties given by Akfen İnşaat, TAV Yatırım and Tepe İnşaat
[3] Sureties given by TAV Yatırım Holding

TAV Gulf:

The breakdown of bank loans as at 31 December 2009 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loans [1]	AED	7.5	2010	3,137	3,137
Secured Bank Loans [2]	AED	7.5	2010	2,035	2,035
Secured Bank Loans [3]	AED	4.6	2010	180	180
Bank Overdraft	AED	-	-	463	463
				5,815	5,815

[1] Sureties given TAV Yatırım İnşaat and TAV Yatırım Holding
[2] Sureties given by TAV Yatırım İnşaat
[3] Vehicle. Cars were pledged

TAV Yatırım:

The breakdown of bank loans as at 31 December 2008 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loans [1]	USD	10.60	2009	12,954	12,954
Secured Bank Loans [1]	Euro	11.89	2009	4,587	4,587
				17,541	17,541

[1] Sureties given by Akfen İnşaat and Tepe İnşaat

TAV İnşaat:

The breakdown of bank loans as at 31 December 2008 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loans [1]	USD	5.69	2009	3,285	3,285
Secured Bank Loans [1]	USD	10.6	2009	3,238	3,238
Secured Bank Loans [2]	USD	6.23	2009	5,658	5,658
Secured Bank Loans [2]	USD	4.25	2009	8,367	8,367
Secured Bank Loans [2]	USD	7.1	2009	2,455	2,455
Secured Bank Loans [2]	USD	10	2009	6,431	6,431
Secured Bank Loans [2]	USD	6.98	2010	529	529
Secured Bank Loans [2]	USD	6.91	2010	6	6
Secured Bank Loans [1]	Euro	7.75	2009	6,575	6,575
Secured Bank Loans [1]	Euro	7.76	2009	3,752	3,752
Secured Bank Loans [2]	Euro	10	2009	4,561	4,561
Secured Bank Loans [2]	Euro	9.75	2009	6,192	6,192
Secured Bank Loans [2]	Euro	6	2010	169	169
				51,218	51,218

[1] Sureties given by Akfen İnşaat, Tepe İnşaat and TAV Yatırım.
[2] Sureties given by Akfen İnşaat and Tepe İnşaat

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TAV Gulf:

The breakdown of bank loans as at 31 December 2008 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loans (2)	AED	7.41	2009	378	378
Secured Bank Loans (1)	AED	6.89	2009	2,568	2,568
Secured Bank Loans (2)	AED	7.22	2009	972	972
Secured Bank Loans (1)	AED	4.88	2009	89	89
Secured Bank Loans (1)	AED	4.25	2009	200	200
				4,207	4,207

(1) Sureties given by TAV Yatırım İnşaat and TAV Yatırım Holding
(2) Sureties given by TAV Yatırım İnşaat.

TAV Gulf draws loans from local banks in United Arap Emirates, the purpose of these loans are to fund the short-term cash requirments of the projects. TAV Gulf has variable interest rates determined by EIBOR plus applicable interest rate for AED.

TAV Yatırım:

The breakdown of bank loans as at 31 December 2007 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loans (1)	USD	6.51	2008	9,930	9,930
				9,930	9,930

(1) Sureties given by Akfen İnşaat, Tepe İnşaat and TAV Yatırım

TAV İnşaat:

The breakdown of bank loans as at 31 December 2007 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loans (1)	USD	6.73	2008	10,121	10,121
Secured Bank Loans (1)	USD	6.75	2009	1,803	1,803
Secured Bank Loans (1)	USD	6.98	2010	687	687
Secured Bank Loans (1)	Euro	6.61	2008	14,551	14,551
Secured Bank Loans (1)	Euro	6	2010	230	230
				27,392	27,392

(1) Sureties given by Akfen İnşaat and Tepe İnşaat

TAV Construction draws loans through its head office accounts in order to fund short term reqirements of the Branches.

TAV Gulf:

The breakdown of bank loans as at 31 December 2007 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loans [1]	AED	7.6	2008	2,487	2,487
Secured Bank Loans [1]	AED	4	2008	29	29
				2,516	2,516

[1] Sureties given by TAV Yatırım İnşaat and TAV Yatırım

TAV Gulf draws loans from local banks in United Arap Emirates, the purpose of these loans are to fund the short-term cash requirments of the projects. TAV Gulf has variable interest rates determined by EIBOR plus applicable interest rate for AED.

TAV Egypt:

The breakdown of bank loans as at 31 December 2007 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loans [1]	USD	6.94	2008	6,248	6,248
Secured Bank Loans [1]	Euro	6.96	2008	4,997	4,997
Secured Bank Loans [1]	EGP	11.25	2008	4,039	4,039
				15,284	15,284

[1] Sureties given by TAV Yatırım İnşaat and TAV Yatırım

TAV Egypt has executed a facility agreement with local Egypt banks and Arap Banking Co committed intermediation for the debtors.

The Group has utilised a bank loan amounting to USD 43,775 thousand with the maturity of 31 March 2008 in order to fund Cario TB3 project. As at 31 December 2007 bank loans amounting to USD 13,123 thousand and expired after the year end.

TAV Doha:

The breakdown of bank loans as at 31 December 2007 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Unsecured Bank Loan	QARI	7.25	2008	45	45
				45	45

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TAV Havalimanları:

The breakdown of bank loans as at 31 December 2009 is as follows:

	Current Liabilities	Non-current Liabilities	Total
Projects			
TAV İstanbul	18,273	233,612	251,885
TAV Tunus	8,597	202,257	210,854
TAV Holding	58,261	32,063	90,324
TAV Esenboğa	4,813	76,559	81,372
TAV İzmir	10,472	32,345	42,817
TAV Tblisi	3,052	14,732	17,784
ATÜ	2,040	11,543	13,583
HAVAS	1,196	10,406	11,602
Other	5,522	1,121	6,643
	112,226	614,638	726,864

TAV İstanbul

The breakdown of bank loans as at 31 December 2009 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loans	Euro	Euribor + 2.50	2018	234,616	229,514
Secured Bank Loans	Euro	Euribor + 2.50	2019	22,570	22,064
Bank Overdraft	TL	-	-	307	307
				257,493	251,885

TAV Tunus

The breakdown of bank loans as at 31 December 2009 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loans	Euro	Euribor + 2.00	2022	94,980	93,638
Secured Bank Loans	Euro	Euribor + 1.54	2028	62,200	61,126
Secured Bank Loans	Euro	Euribor + 2.28	2028	16,900	16,643
Secured Bank Loans	Euro	Euribor + 4.75	2028	39,498	39,447
				213,578	210,854

TAV Holding

The breakdown of bank loans as at 31 December 2009 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Unsecured Bank Loans	USD	4.50	2010	3,933	3,935
Unsecured Bank Loans	USD	Libor + 1.20	2010	3,277	3,293
Secured Bank Loans	USD	Libor + 1.85	2012	35,176	35,330
Secured Bank Loans	Euro	Euribor + 4.00	2010	5,643	5,666
Unsecured Bank Loans	Euro	Euribor + 5.00	2010	7,053	7,083
Unsecured Bank Loans	Euro	Euribor + 4.00	2010	11,285	11,316
Unsecured Bank Loans	Euro	6.25	2010	1,975	2,041
Secured Bank Loans	Euro	8.00	2011	5,642	5,670
Unsecured Bank Loans	Euro	4.1	2011	8,464	8,470
Unsecured Bank Loans	TL	16.25	2010	2,612	2,860
Unsecured Bank Loans	TL	16.50	2010	2,651	2,902
Unsecured Bank Loans	TL	8.75	2010	1,698	1,718
Bank Overdraft	TL	-	-	40	40
				89,449	90,324

TAV Esenboğa

The breakdown of bank loans as at 31 December 2009 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loan	Euro	Euribor + 2.35	2021	82,945	81,279
Bank Overdraft	TL	-	-	93	93
				83,038	81,372

TAV İzmir

The breakdown of bank loans as at 31 December 2009 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loan	Euro	Euribor + 3.00	2013	41,931	42,817
				41,931	42,817

TAV Tblisi

The breakdown of bank loans as at 31 December 2009 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loan	USD	Libor + 4.50	2015	17,749	17,784
				17,749	17,784

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ATÜ

The breakdown of bank loans as at 31 December 2009 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loan	Euro	5.00	2012	689	689
Secured Bank Loan	Euro	Euribor + 2.70	2015	7,132	7,097
Secured Bank Loan	Euro	Euribor + 2.70	2018	5,640	5,797
				13,461	13,583

HAVAŞ

The breakdown of bank loans as at 31 December 2009 is as follows:

	Para birimi	Nominal Faiz oranı	Vade	Nominal değeri	Defter değeri
Secured Bank Loan (*)	Euro	Euribor + 5.75	2017	11,285	11,157
Bank Overdraft	TL	-	-	445	445
				11,730	11,602

(*) On 9 December 2009, HAVAŞ has entered into a Loan Agreement with an amount of Euro 4,337 thousand to finance acquisition of TGS. Following securities are provided in favor of the lender:

- First ranking pledge was established on 50% of the shares in TGS.
- Time deposit amounting to Euro 2,314 thousand is provided as guarantee.
- TAV Holding is provided surety for the total outstanding loan amount.
- Dividend receivables arising from joint ventures are assigned to repayment of the outstanding loan.
- Pledge has been registered with first priority against trade register and all assets of HAVAŞ.
- A mortgage has been registered with first priority against land in Fatih/Istanbul.

The Loan Agreement includes covenants, including restrictions on the ability of HAVAŞ to incur additional indebtedness; to make certain other restricted payments, loans; to create liens; to give guarantees; to dispose of assets, and to acquire a business or an undertaking.

TAV Havalimanları:

The breakdown of bank loans as at 31 December 2008 is as follows:

Projects	Current Liabilities	Non-current Liabilities	Total
TAV İstanbul	14,222	185,286	199,508
TAV Tunus	3,841	75,211	79,052
TAV Holding	66,146	31,437	97,583
TAV Esenboğa	4,409	63,426	67,835
TAV İzmir	8,912	33,079	41,991
TAV Tiflis	1,629	8,274	9,903
ATÜ	1,686	9,974	11,660
HAVAŞ	410	-	410
Others	1,772	146	1,918
	103,027	406,833	509,860

TAV İstanbul

TAV İstanbul'un 31 Aralık 2008 tarihi itibariyle banka kredileri aşağıdaki gibidir:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loan (*)	Euro	Euribor + 2.50	2018	201,434	196,371
Secured Bank Loan (**)	Euro	Euribor + 2.50	2019	2,908	2,908
Bank Overdraft		-	-	229	229
				204,571	199,508

TAV İstanbul has bank loan amounting to TL 199,279 under facility agreement The terms of the loan require monthly principal and interest payments for the first year and semi-annual principal and interest payments on 4 July and 4 January of each year according to the loan agreements.

(*) Interest rate is Euribor+2.50% until 4 January 2013, Euribor+2.65% between the period of 4 January 2013 and 4 January 2016 and Euribor+2.75% between of 4 January 2016 and 4 July 2018.
(**) Interest rate is Euribor+2.50% until 4 January 2013, Euribor+2.65% between the period of 4 January 2013 and 4 January 2016 and Euribor+2.75% between the period of 4 January 2016 and 4 January 2019.

TAV Tunus

The breakdown of bank loans as at 31 December 2008 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loans	Euro	Euribor + 2.00	2022	52,858	51,281
Secured Bank Loans	Euro	Euribor + 2.28	2028	21,966	21,489
Secured Bank Loans	Euro	Euribor + 4.75	2028	6,429	6,282
				81,253	79,052

TAV Holding

The breakdown of bank loans as at 31 December 2008 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Unsecured Bank Loans	USD	Libor + 4.00	2009	12,923	13,478
Unsecured Bank Loans	USD	Libor + 9.00	2009	3,280	3,286
Unsecured Bank Loans	USD	Libor + 1.20	2010	5,466	5,484
Secured Bank Loans	USD	Libor + 1.85	2012	33,529	33,704
Unsecured Bank Loans	Euro	Euribor + 3.00	2009	11,607	11,877
Unsecured Bank Loans	Euro	Euribor + 2.00	2009	9,287	9,678
Secured Bank Loans	Euro	Euribor + 1.10	2009	5,572	5,717
Secured Bank Loans	Euro	Euribor + 4.00	2010	13,929	14,331
Bank Overdraft	TL	-	-	28	28
				95,621	97,583

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TAV Esenboğa

The breakdown of bank loans as at 31 December 2008 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loans	Euro	Euribor + 2.35	2021	69,262	67,764
Bank Overdraft	TL	-	-	71	71
				69,333	67,835

TAV Esenboğa has a bank loan in the amount of TL 67,764 under loan agreement. The terms of the loan require semi-annual principal and interest payments at each 30 June and 31 December according to the loan agreements starting from 31 December 2007 for interest and 30 June 2008 for principal.

TAV İzmir

The breakdown of bank loans as at 31 December 2008 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loans	Euro	Euribor + 3.00	2013	40,850	41,991
				40,850	41,991

TAV İzmir has bank loans in the amount of TL 41,991 under loan agreements. The terms of the loan require semi-annual principal and interest payments at each 23 January and 23 July according to the loan agreements

TAV Tblisi

The breakdown of bank loans as at 31 December 2008 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loans	USD	Libor +4.50	2015	9,762	9,903
				9,762	9,903

ATÜ

The breakdown of bank loans as at 31 December 2008 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loans	Euro	Euribor + 2.70	2015	3,504	3,407
Secured Bank Loans	Euro	Euribor + 2.70	2015	3,504	3,407
Secured Bank Loans	Euro	7.00	2018	4,641	4,773
Bank Overdraft	TL	-	-	73	73
				11,722	11,660

HAVAŞ

The breakdown of bank loans as at 31 December 2008 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loan	Euro	5.75	2009	138	138
Bank Overdraft	TL	-	-	272	272
				410	410

TAV Havalimanları:

The breakdown of bank loans as at 31 December 2007 is as follows:

Projects	Current Liabilities	Non-current Liabilities	Total
TAV İstanbul	19,359	158,388	177,747
TAV Tunus	25,706	-	25,706
TAV Holding	19,043	32,282	51,325
TAV Esenboğa	3,875	49,454	53,329
TAV İzmir	5,867	30,817	36,684
TAV Tblisi	10,269	2,845	13,114
ATÜ	1,148	5,048	6,196
Others	1,214	105	1,319
	86,481	278,939	365,420

TAV İstanbul

The breakdown of bank loans as at 31 December 2007 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loans	Euro	Euribor + 5.00	2013	5,531	5,442
Secured Bank Loans (*)	Euro	Euribor + 2.50	2015	131,926	132,953
Secured Bank Loans (**)	USD	Libor + 2.50	2015	40,027	39,352
				177,484	177,747

(*) Interest rate is Euribor+2.50% until 31 December 2009, Euribor+2.85% between the period of 31 December 2009 and 31 December 2015.
(**) Interest rate is libor+2.50% until 31 December 2009, libor+2.85% between the period of 31 December 2009 and 31 December 2015.

TAV Tunus

The breakdown of bank loans as at 31 December 2007 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Unsecured Bank Loans	Euro	Euribor + 1.00	2008	25,584	25,706
				25,584	25,706

TAV Holding

The breakdown of bank loans as at 31 December 2007 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Unsecured Bank Loans	USD	Libor + 1.20	2010	6,223	6,254
Secured Bank Loans	USD	Libor + 1.85	2012	28,624	28,849
Unsecured Bank Loans	Euro	5.30	2008	9,137	9,469
Unsecured Bank Loans	Euro	Euribor + 1.10	2009	6,579	6,753
				50,563	51,325

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TAV Esenboğa

The breakdown of bank loans as at 31 December 2007 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loans	Euro	Euribor + 2.35	2021	54,823	53,329
				54,823	53,329

Pledges regarding the project bank loans of TAV İstanbul, TAV İzmir and TAV Esenboğa:

a) Share pledge: In case of an event of default, the banks have the right to take control of the shares. Upon the occurrence of any event of default, the banks can demand the sale of shares by way of public auction in accordance with the applicable provisions of the Bankruptcy and Execution Law of the Republic of Turkey or by way of private auction among the nominees.

b) Pledge on receivable: In case of an event of default, the banks have the right to take control of the receivables of project companies in order to perform its obligations under the loan documents. Immediately upon the occurrence of default, and all payments relating to assigned receivables shall be made to the banks which shall be entitled to collect the assigned receivables and exercise all rights with respect to assigned receivables.

c) Pledge over bank accounts: In case of an event of default, the banks have the right to control the bank accounts of project companies in order to perform its obligations under the loan documents. Upon the occurrence of event of default project companies shall be entitled to set-off and apply the whole or any part of the cash standing to the credit of the accounts and any interests, proceeds and other income that may accrue or arise from the accounts.

With the consent of the facility agent, TAV İstanbul, TAV İzmir and TAV Esenboğa have a right to have an additional;

- subordinated debt approved in advance by the Facility Agent,
- indebtedness up to USD 0.5 million for the acquisition cost of any assets or leases of assets,
- indebtedness up to USD 3 million for the payment of tax and social security liabilities,

Pledges regarding the project bank loan of TAV Tunisia:

Similar to above, TAV Tunisia has granted share pledge, account pledge and pledge of rights from the Concession Agreement to the lenders. TAV Tunisia has a right to have additional indebtedness;

- with a maturity of less than one year for an aggregate amount not exceeding Euro 3,000 thousand (up to 1 January 2020) and not exceeding Euro 5,000 thousand (thereafter),
- under finance or capital leases of equipment if the aggregate capital value of the equipment leased does not exceed Euro 5,000 thousand,
- incurred by, or committed in favour of, TAV Tunisia under an Equity Subordinated Loan Agreement,
- disclosed in writing by TAV Tunisia to the Intercreditor Agent and in respect of which it has given its prior written consent.

TAV İzmir

The breakdown of bank loans as at 31 December 2007 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loan	Euro	Euribor + 3.00	2013	35,492	36,684
				35,492	36,684

TAV Tblisi

The breakdown of bank loans as at 31 December 2007 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loan	USD	5.30	2008	3,638	3,744
Unsecured Bank Loan	USD	13	2008	6	11
Secured Bank Loan	USD	Libor + 4.00	2009	8,879	9,359
				12,523	13,114

Pledges regarding the bank loans

a) Share pledge-to take control of 75 percent plus one share of the charter capital of TAV Tbilisi;

b) Revenue pledge-to take control of the revenues derived from Tbilisi International Airport operations as stipulated in the BOT Agreement;

c) Pledge over bank accounts – to take control of TAV Tbilisi's bank accounts in JSC Bank of Georgia, JSC Bank Republic and JSC TBC Bank and be entitled to set-off and apply the whole or any part of the cash standing to the credit of the accounts and any interests, proceeds and other income that may accrue or arise from the accounts;

The shareholders of TAV Tbilisi, TAV Holding, Akfen İnşaat, Urban İnşaat Sanayi ve Ticaret A.Ş., Sera Yapı Endüstrisi ve Ticaret A.Ş., and Aeroser International Holding (U.K) Limited concluded Guarantee, Share Retention, Support and Subordination Deed with EBRD and IFC in respect with the loans extended to TAV Tbilisi. Accordingly, all shareholders irrevocably and unconditionally guarantee, on joint and several basis:

- to pay to EBRD and IFC on demand, and in the currency in which the same falls due for payment by TAV Tbilisi, all money and liabilities which shall have been advanced to, become due, owing or incurred by TAV Tbilisi to or in favour of EBRD and IFC;
- to indemnify EBRD and IFC in full on demand against all losses, costs and expenses suffered or incurred by EBRD and IFC arising from or in connection with any one or more of the purported liabilities or obligations of TAV Tbilisi to EBRD and IFC under the loan and related agreements.

ATÜ

The breakdown of bank loans as at 31 December 2007 is as follows

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loan	Euro	Euribor + 2.70	2015	6,154	6,196
				6,154	6,196

RHI:

The breakdown of bank loans as at 31 December 2009 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loans	Euro	Euribor +7.5	2010	4,107	4,107
				4,107	4,107

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The breakdown of bank loans as at 31 December 2008 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loans	Euro	Euribor +7.5	2009	4,196	4,196
				4,196	4,196

Regarding the agreement on 19 August 2008, Company has obtained the loan from Credit Europe Bank with Euribor+7.5 on 19 August 2008 by the pledge of land in order to finance Samara City Hotel. Due to local complications the Company has not determined an expiry date for the project but also the Company and the Bank signed a supplementary agreement according to which the period was extended till the end of August 2010.

RPI:

The breakdown of bank loans as at 31 December 2009 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loan	Euro	Euribor +7.5	2010	2,930	2,930
				2,930	2,930

The breakdown of bank loans as at 31 December 2008 is as follows:

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loan	Euro	Euribor +7.5	2009	2,992	2,992
Bank Overdraft	Euro	-	-	9	9
				3,001	3,001

Regarding the agreement on 22 May 2008, Company has obtained the loan from Credit Europe Bank with Euribor+7.5 on 19 August 2008 by the pledge of land in order to finance Samara City Hotel. Due to local complications the Company has not determined an expiry date for the project but also the Company and the Bank signed a supplementary agreement according to which the period was extended till the end of August 2010.

Tüvtürk İstanbul:

The breakdown of bank loans as at 31 December 2008 is as follows

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loan	USD	Libor+2.5	2019	96,119	96,218
				96,119	96,218

The breakdown of bank loans as at 31 December 2007 is as follows

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loan	USD	Libor+2.0	2019	71,676	72,324
				71,676	72,324

According to the share pledge agreement signed on 10 August 2007 with Bayerische Hypo-und Vereisbank AG, the shares of the Company have been pledged as collateral to Bayerische Hypo-und Vereisbank AG for the bank loans obtained.

Tüvtürk Kuzey:

The breakdown of bank loans as at 31 December 2007 is as follows

	Currency	Nominal Interest Rate %	Year of Maturity	Face Value	Carrying Amount
Secured Bank Loan	USD	Libor+1.25	2008	134,345	134,345
				134,345	134,345

In 2007 the Group has obtained bank borrowings amounting USD 58,666 thousand in total from the banks. As per the loan agreement in addition to the initial 25% upfront fee, the remaining 75% of the Upfront Sub-Operation Fee Payments must be paid to the Group and to the banks by the Sub-Operator as the VIS's are opened. The Group had repaid the outstanding loan balance during 2008.

9 OTHER CURRENT FINANCIAL LIABILITIES

Other current financial liabilities of the Group as at 31 December are as below:

	2009	2008	2007
Derivative financial instruments	48,188	33,837	6,610
	48,188	33,837	6,610

As at 31 December 2009 all other current liabilities comprised derivatives of TAV Havalimanları. As at 31 December 2008 other current liabilities comprised derivatives of TAV Havalimanı amounting to TL 32,362, Tüvtürk Istanbul amounting to TL 1,475. As at 31 December 2007 it is comprised derivatives of TAV Havalimanı amounting to TL 6,266 and Tüvtürk Istanbul amounting to TL 344.

Interest rate swap

TAV Esenboğa uses interest rate derivatives to manage its exposure to interest rate fluctuations on its bank borrowings. 100% of project finance loan is hedged through Interest Rate Swap ("IRS") contract during the life of the loan with an amortising schedule depending on repayment of the loan.

TAV İstanbul uses interest rate derivatives to manage its exposure to interest rate fluctuations on its bank borrowings. 100% of project finance loan is hedged through IRS contract during the life of the loan with an amortising schedule depending on repayment of the loan.

TAV Tunisia uses interest rate derivatives to manage its exposure to interest rate fluctuations on its bank borrowings. 85% of project finance loan is hedged through IRS instrument contract during the life of the hedging contract loan with an amortising schedule depending on repayment of the loan.

TAV İzmir uses interest rate derivative to manage its exposure to interest rate fluctuations on its bank borrowings. 74% of total project finance loan is hedged through IRS contract.

Tüvtürk İstanbul uses interest rate swap to hedge its exposure to interest fluctuations in libor rates on its bank borrowings.

Other Non-current Financial Liabilities

Other non-current financial liabilities of the Group as at 31 December are as below:

	2009	2008	2007
Derivative financial instruments	37,596	83,573	13,353
	37,596	83,573	13,353

As at 31 December 2009, this account consists of derivatives of MIP. As at 31 December 2008 this account comprises of TL 73,040 derivatives of MIP and TL 10,533 derivatives of Tüvtürk Istanbul and as at 31 December 2007 it comprises of TL 11,466 derivatives of MIP and TL 1,908 derivatives of Tüvtürk Istanbul derivatives.

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Derivative agreements

MIP uses interest rate swap to manage its exposure to interest rate movements on 75% of its senior debt loan from Bayerische Hypo-und Vereisbank AG and ABN Amro Bank.

10 TRADE RECEIVABLES AND PAYABLES

Short term trade receivables

As at 31 December, short term trade receivables comprised the following:

	2009	2008	2007
Due from related parties-trade (Note 37)	23,804	17,271	22,074
Other trade receivables	258,927	230,514	156,657
	282,731	247,785	178,731

As at 31 December, other trade receivables comprised the following:

	2009	2008	2007
Trade receivables	76,233	88,721	53,439
Contract receivables	54,116	41,770	48,744
Due from customers for contract work (Note 15)	96,856	88,246	45,057
Guaranteed passenger fee receivable from DHMİ	12,329	10,736	8,946
Notes receivables	182	292	1,475
Retention receivable	21,277	2,622	1,490
Allowance for doubtful receivables (-)	(2,066)	(1,873)	(2,494)
	258,927	230,514	156,657

As at 31 December 2009, contract receivable is mainly comprised of receivable from Sağlam İnşaat AŞ ("Sağlam İnşaat") related to Loft 2 residence project, Aliağa Organize Sanayi Bölgesi İdaresi, Garanti Barter AŞ, T.C. İstanbul Büyükşehir Belediyesi İSKİ Head Office, Qatar Government, Mısır Holding in Egypt and Libya Civil Aeronautics.

Guaranteed passenger fee receivable represents the remaining discounted guaranteed passenger fee to be received from DHMİ according to the agreements made for the operations of Ankara Esenboğa Airport and İzmir Adnan Menderes Airport as a result of IFRIC 12 application.

Retentions held by the employer as guarantee are retentions held from progress payments to specified contractual rates. Such guarentees are collected following the completion of the project.

Long term trade receivables

As at 31 December, long term trade receivables comprised the following:

	2009	2008	2007
Due from related parties-trade (Note 37)	3,751	4,750	7,668
Other trade receivables	99,407	102,511	77,718
	103,158	107,261	85,386

As at 31 December, other trade receivables comprised the following:

	2009	2008	2007
Guarenteed passenger fee receivable from DHMİ	75,868	72,574	65,580
Retentions held by the Group	13,968	26,503	12,138
Receivables from OSB	9,571	3,434	-
	99,407	102,511	77,718

Short term trade payables

As at 31 December, short term trade payables comprised the following:

	2009	2008	2007
Due to related parties-trade (Note 37)	24,650	13,931	21,432
Other trade payables	154,571	124,050	70,906
	179,221	137,981	92,338

As at 31 December, other trade payables comprised the following:

	2009	2008	2007
Trade payables	145,863	116,703	65,390
Retentions held by the Group	8,708	4,900	4,843
Customers for contract work (Note 15)	-	2,447	673
	154,571	124,050	70,906

Trade payables consist of payables to the suppliers for construction in progress activities, payables to subcontractors and payables to insurance companies. Currency and liquidity risk related with trade payables is explained in Note 38.

Long term trade payables

As at 31 December, long term trade payables comprised the following:

	2009	2008	2007
Due to related parties-trade (Note 37)	5,889	2,352	1,331
Other trade payables	10,422	5,342	1,143
	16,311	7,694	2,474

As at 31 December, other trade payables comprised the following:

	2009	2008	2007
Retentions held by the Group	10,315	5,308	1,143
Other trade payables	107	34	-
	10,422	5,342	1,143

11 OTHER NON-TRADE RECEIVABLES AND PAYABLES

Other short term receivables

As at 31 December, other short term receivables comprised the following:

	2009	2008	2007
Due from related parties-non trade (Note 37)	5,295	22,769	1,192
Other non-trade receivebles	183,805	139,978	103,667
	189,100	162,747	104,859

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As at 31 December, other short term non trade receivables comprised the following:

	2009	2008	2007
Project reserve and funding accounts (*)	177,320	135,158	87,895
Cash collaterals (**)	-	-	6,226
Restricted cash balances	-	3,912	7,381
Other	6,485	908	2,165
	183,805	139,978	103,667

(*) Some of the joint ventures, namely TAV İstanbul, TAV Esenboğa, TAV İzmir, TAV Tunisia, TAV Tbilisi and ATÜ ("the Borrowers") opened Project Accounts designated mainly in order to reserve required amount of debt services, lease payment to DHMİ based on agreements with their lenders. As a result of pledges regarding the project bank loans, all cash hold by above mentioned joint ventures except for cash on hand are classified in these accounts. Based on these agreements, the Group can access and use such restricted cash but all withdrawals from the project accounts are upon the lenders' consent.

(**) As at 31 December 2007, colleteral for cash and cash equivalent is against the loans of TAV Havalimanları with 5% interest rate.

Other long term receivables

As at 31 December, other long term receivables comprised the following:

	2009	2008	2007
Due from related parties-non trade (Note 37)	1,878	14,010	5,755
Other non-trade receivebles	2,214	2,008	5,760
	4,092	16,018	11,515

As of 31 December 2009, other non trade receivables consist of deposits and guarantees given amounting to TL 2,214. (31 December 2008: TL 2,008, and 31 December 2007: TL 1,008)

Other short term payables

As at 31 December, other short term payables comprised the following:

	2009	2008	2007
Due to related parties – non trade (Note 37)	13,143	33,335	21,095
Other non-trade payables	152,801	95,999	66,686
	165,944	129,334	87,781

As at 31 December, other non trade payables comprised the following:

	2009	2008	2007
Advances received	106,903	63,417	34,221
Taxes and duties payable	16,875	12,219	9,057
Deposits and guarantees received	7,390	4,063	2,912
Payable to personel	6,887	5,273	3,107
Corporate tax payable	5,237	4,083	1,128
Concession payable of TAV Tunusia	6,461	1,946	-
Payables to ex-shareholders of the hydroelectric production companies	-	-	9,685
Other payables	3,048	4,998	6,576
	152,801	95,999	66,686

Advances received are mainly comprised of advances received from employers for construction projects.

Deposits and guarantees received are mainly comprised of guarantee deductions from subcontractors' progress payments.

According to the concession agreement, for the Monastir Airport, TAV Tunisia is obliged to pay 33.7% and 11.7% of the total revenues for 2008 and 2009 respectively, or minimum Euro 14.8 million (Group share: Euro 3.9 million) per year will be paid to Tunisian government, as the concession rent expense (31 December 2008: 33.7%).

Other long term payables

At 31 December, other long term payables comprised the following:

	2009	2008	2007
Due to related parties-non trade (Note 37)	10,833	13,345	11,964
Other non-trade payables	27,181	37,957	13,497
	38,014	51,302	25,461

As of 31 December 2009, 2008 and 2007 other non trade payables mainly consists of advances received from employers for construction projects.

12 RECEIVABLES AND PAYABLES OF FINANCIAL ACTIVITIES

The group does not have any receivables and payable from financial activities as at 31 December 2009, 2008 and 2007.

13 INVENTORIES

As at 31 December, inventories comprised the following:

	2009	2008	2007
Trading properties under development	30,967	25,072	-
Tax-free shop inventory	3,319	-	1,913
Spare parts	2,639	-	1,129
Goods in transit	-	-	2,162
Trading property	7,030	6,778	1,248
Other inventory	1,803	277	3,089
	45,758	32,127	9,541

As of 31 December 2009, trading properties under development is composed of a land; where Loft 2 Building is being constructed on, amounted to TL 28,486 (31 Aralık 2008: TL 16,346) and other land located in İncek, amounted to TL 2,481 (2008: TL 3,015). Tax-free shop inventory and spare parts belongs to TAV Havalimanları. Other inventory consists of raw materials amounting to TL 124 and currency inventory amounting to TL 553.

The movement of trading property during the years ended 31 December is as follows:

	2009	2008	2007
Opening balance as at 1 January	6,778	1,248	16,611
Additions	80	6,616	17,176
Transfer from investment property (Note17)	-	853	-
Disposals	(78)	(439)	(32,539)
Reversal of impairment	250	-	-
Impairment	-	(1,500)	-
Closing balance as at period end	7,030	6,778	1,248

The additions in 2009 are comprised of cost which Akfen İnşaat made for Loft 1 Residence in 2009.

Trading property is comprised of apartments of Akfen GYT amounted to TL 5,941 with a fair value of TL 4,691 in Beylikdüzü (since the impairment loss amounting TL 1,500 is recognized at other income in the consolidated financial statements as at 31 December 2008, then impairment cancellation amounting TL 250 is recognized at other income in the consolidated financial statements as at 31 December 2009) and apartments of Akfen Insaat amounting to TL 928 in Loft 1 Residence, and building and offices of Akfen GYO and Akfen GYT amounted to TL 1,005 and TL 416, with a fair value of TL 4,450 and TL 4,450, respectively, as of 31 December 2009.

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As at 31 December 2008, trading property is comprised of transfer from investment property, amounting TL 853, comprised of apartments in Loft 1 Residence. As at 31 December 2008, addition of trading property amounting to TL 5,941 is comprised of apartments which Akfen GYT bought 20 apartments in Beylikdüzü and TL 416 of trading property is comprised of 3 independent divisions in Loft 1 Residence. In addition, trading property amounting to TL 5,941 with the fair value of TL 4,441 (the impairment loss amounting TL 1,500 is recognized at other expense in the consolidated financial statements) is comprised of apartments and building and offices of Akfen GYO and Akfen GYT amounted to TL 1,068 and TL 416, with a fair value of TL 4,450 and TL 4,450, respectively, as of 31 December 2008.

As at 31 December 2007, trading property is comprised of apartment building of Akfen GYO amounted to TL 1,248 with a nominal value of TL 6,045

As at 31 December 2009 there is pledge on trading properties amounting TL 19,543 (2008: TL 22,882, 2007: nil).

14 BIOLOGICAL ASSETS

The Group doesn't have any biological assets as at 31 December 2009, 2008 and 2007.

15 DUE FROM/DUE TO CUSTOMERS FOR CONTRACT WORK

At 31 December the details of uncompleted contracts were as follows:

	2009	2008	2007
Total costs incurred on uncompleted contracts	1,171,596	774,853	295,461
Estimated earnings/(costs)	110,573	67,107	27,939
Total estimated revenue on uncompleted contracts	1,282,169	841,960	323,400
Less: Billings to date	(1,185,313)	(756,161)	(279,016)
Net amounts due from (due to) customers for contract work	96,856	85,799	44,384

Due from customers for contract work and due to customers for contract work were included in the accompanying consolidated balance sheets under the following captions:

	2009	2008	2007
Due from customers for contract work (Note 10)	96,856	88,246	45,057
Due to customers for contract work (Note 10)	-	(2,447)	(673)
	96,856	85,799	44,384

16 EQUITY ACCOUNTED INVESTEES

The Group's share of loss from equity accounted investees for the year ended 31 December 2007 is TL 93.

17 INVESTMENT PROPERTY

As at 31 December, investment property comprised the following:

	2009	2008	2007
Operating investment properties	496,248	425,463	285,555
Investment property under development	35,399	43,880	18,280
	531,647	469,343	303,835

Operating Investment Properties

	Not	2009	2008	2007
Balance at 1 January		425,463	285,555	5,003
Transfer from property, plant and equipment	18	-	-	120,962
Transfer from investment property under development		57,517	23,234	61,316
Transfer from intangible assets		-	-	28
Transfer to trading property	13	-	(853)	-
Additions		989	8,575	1,303
Change in fair value	31	30,382	117,345	132,987
Disposals		-	(4,200)	(3,950)
Impairment (-)	31	(18,103)	(4,193)	(32,094)
Balance at period end		496,248	425,463	285,555

Transfers

As at 31 December 2009, transfer from investment property under development is composed of Novotel/IBIS Gaziantep and Novotel/IBIS Kayseri that completed and started to its operations during 2009.

As at 31 December 2008, transfer from investment property under development is composed of IBIS Eskişehir Hotel Fitness Center and Novotel/IBIS Trabzon that completed and started to its operations during 2008.

As at 31 December 2007, transfer from property, plant and equipment is composed of IBIS Eskişehir and Novotel/IBIS Istanbul Hotels that completed and started to its operations in 2007, Accor/Mercure Girne Hotel and various land and buildings of Akfen İnşaat.

Transfer to trading properties is comprised of apartments in Loft 1 Residence of Akfen İnşaat as at 31 December 2008.

Change in fair value

As at 31 December 2009, the change in fair value of investment property is recognised based on the fair value increase of the Novotel/IBIS Kayseri, by TL 18,275, the fair value increase of the Novotel/IBIS Gaziantep, by TL 10,752, land in Polland by TL 1,121 of Akfen GYO and various lands and buildings of Akfen İnşaat, by TL 234.

As at 31 December 2008, the change in fair value of investment property is recognised based on the fair value increase of the Mercure Hotel-Girne, Novotel/IBIS Istanbul and Trabzon Hotels by TL 107,569 and various lands and buildings of Akfen İnşaat, by TL 9,776.

As at 31 December 2007, the change in fair value of investment property is mainly recognised based on the fair value increase of the Novotel/IBIS Istanbul and Novotel/IBIS Eskişehir amounting to TL 65,363, the fair value increase of the Mercure Hotel-Girne by TL 50,305 and various lands and buildings of Akfen İnşaat, by TL 8,588.

The fair value of the Company's investment property at 31 December 2009, 2008 and 2007 has been arrived at on the basis of a valuation carried out at that date by companies that included in the approved list of Capital Market Board ("CMB") for "Property Appraisal Companies". These property appraisal companies determined the fair value of land by considering investigations on land, geographical location, size, physical conditions, and at by reference to market evidence of transaction prices for similar properties.

Additions

Additions in 2009, 2008 and 2007 mainly stems of additions to Akfen İnşaat and Akfen GYO. Additions in 2008 are mainly comprised of the additional improvements in Kemerburgaz Villa amounting TL 4,015 by Akfen İnşaat.

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Disposals

Certain assets of Akfen İnşaat, including investment properties in Zeytinburnu (two apartments) and Antalya-Lara (one apartment and the land of apartment) were disposed off through sale transactions realized in 2008

Impairment

As at 31 December 2009, the impairment on investment property amounting TL 18,103 is recognized based on the decrease in fair value of Accor/Mercure Girne Hotel amounting TL 12,577, the fair value of Novotel Trabzon Hotel, amounting TL 3,494, the fair value of Eskişehir İbis Hotel and Fitness Center amounting to TL 982 and various lands and buildings of Akfen İnşaat by TL 516.

As at 31 December 2008, the impairment on investment property amounting TL 4,193 is recognized based on the decrease in fair value of Eskişehir İbis Hotel and Fitness Center amounting TL 2,647, and the fair value of building located in Kemer, amounting TL 1,545.

As at 31 December 2007, the impairment on investment property amounting TL 32,094 is mainly recognised based on the decrease in fair value of the land in Söğütözü 2270 Parcel, Beynam/Ankara amounting TL 30,633.

Pledges

As at 31 December 2009 there is pledge on investment property amounting TL 467,404 (31 December 2008: TL 466,653). As at 31 December 2009 there is mortgage on investment property amounting to TL 50,290.

Investment Property Under Development

	2009	2008	2007
Balance at 1 January	43,880	18,280	47,035
Additions	28,047	48,834	32,561
Transfer to operating investment properties	(57,517)	(23,234)	(61,316)
Transfer from property, plant and equipment (Note 18)	9,752	-	-
Change in fair value (Note 31)	11,585	-	-
Disposals	(348)	-	-
Balance at 31 December	35,399	43,880	18,280

Additions in 2007, 2008 and 2009 are composed of additions to investment property under development in related years.
Investment property under development (recurring projects) in 2009 is comprised of Novotel/Ibis Gaziantep Hotel, Novotel/Ibis Kayseri Hotel and Ibis Bursa hotel, various Kocaeli projects and hotel projects in Russia constructed by RHI BV and RPI BV that the companies 50% share owned by Akfen GYO. As at 31 December 2009 constructions of Novotel/Ibis Gaziantep Hotel amounting to TL 33,424 and Novotel/Ibis Kayseri Hotel amounting to TL 24,093 have completed and transferred to operating investment properties.

Additions in 2008 are comprised of improvements of Novotel/Ibis Gaziantep Hotel, Novotel/Ibis Kayseri Hotel, Ibis Eskişehir Hotel Fitness Center and Novotel Trabzon Hotel. As at 31 December 2008 constructions of Novotel Trabzon Hotel amounting to TL 22,679 and Ibis Eskişehir Hotel Fitness Center amounting to TL 555 have completed and transferred to operating investment properties.

For the year ended 31 December 2009, the change in fair value of investment property under development is based on the fair value increase of the IBIS Bursa Hotel and recognized as other income in statement of comprehensive income for the year ended 31 December 2009.
For the year ended 31 December 2009 disposals from investment property under development is related to costs of annulled project in Kocaeli and recognized as other expenses in statement of comprehensive income for the year ended 31 December 2009.

18 PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment and related accumulated depreciation during the year ended 31 December 2009 was as follows:

	Land and buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Other fixed assets	Construction in progress	Leasehold improvements	Total
Cost								
Balance at 1 January 2009	77,331	70,369	21,500	26,355	688	76,743	27,792	300,778
Effect of change in group structure (*)	32	454	1,148	441	8	2,241	-	4,324
Additions (**)	2,774	6,641	12,190	2,544	302	152,964	2,128	179,543
Transfer to intangibles	-	(39)	-	53	-	(2,985)	2,670	(301)
Revaluation of property transferred to investment property	(3,511)	(137)	-	-	-	-	-	(3,648)
Transfer to investment property	-	-	-	-	-	(7,764)	-	(7,764)
Transfer	4,675	7,041	-	-	-	(11,716)	-	-
Translation difference	(100)	200	16	(132)	17	(29)	105	77
Difference in ownership rate	1,369	4,861	1,575	1,529	-	1,483	2,670	13,487
Disposals	(59,447)	(19,740)	(1,185)	(5,029)	(466)	(1,819)	(14,722)	(102,408)
Balance at 31 December 2009	23,123	69,650	35,244	25,761	549	209,118	20,643	384,088
Less: Accumulated depreciation								
Balance at 1 January 2009	(4,423)	(29,936)	(7,873)	(14,213)	(372)	-	(4,572)	(61,389)
Effect of change in group structure(*)	(12)	(242)	(388)	(189)	-	-	-	(831)
Depreciation charge for the period	(1,053)	(5,830)	(2,653)	(3,467)	(195)	-	(2,389)	(15,587)
Transfer to investment property	1,523	137	-	-	-	-	-	1,660
Transfer	-	(2)	-	2	-	-	-	-
Impairment	-	-	(1,580)	-	-	-	-	(1,580)
Translation difference	(27)	(144)	(13)	(28)	(21)	-	(28)	(261)
Difference in ownership rate	(6)	(3,975)	(877)	(1,095)	-	-	(1,220)	(7,173)
Disposals	2,363	1,753	495	1,623	358	-	647	7,239
Balance at 31 December 2009	(1,635)	(38,239)	(12,889)	(17,367)	(230)	-	(7,562)	(77,922)
Net book value								
At 31 December 2008	72,908	40,433	13,627	12,142	316	76,743	23,220	239,389
At 31 December 2009	21,488	31,411	22,355	8,394	319	209,118	13,081	306,166

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Movements of property, plant and equipment and related accumulated depreciation during the year ended 31 December 2008 were as follows:

	Land and buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Other fixed assets	Construction in progress	Leasehold improvements	Total
Cost								
Balance at 1 January 2008	21,274	32,539	15,755	16,664	471	28,167	9,826	124,696
Additions (***)	54,590	27,730	2,581	7,259	318	79,089	2,364	173,931
Transfer to intangibles	-	-	-	-	-	(1,538)	1,233	(305)
Transfer to trading properties under development	-	-	-	-	-	(7,657)	-	(7,657)
Transfer	-	4,171	20	2,131	(199)	(19,649)	13,526	-
Translation difference	1,588	6,434	3,742	1,553	115	334	833	14,599
Difference in ownership rate	80	275	79	85	-	78	141	738
Disposals	(201)	(780)	(677)	(1,337)	(17)	(2,081)	(131)	(5,224)
Balance at 31 December 2008	77,331	70,369	21,500	26,355	688	76,743	27,792	300,778
Less: Accumulated depreciation								
Balance at 1 January 2008	(2,604)	(21,738)	(4,690)	(10,230)	(185)	-	(2,799)	(42,246)
Depreciation charge for the period	(1,798)	(4,627)	(2,720)	(3,806)	(162)	-	(1,889)	(15,002)
Transfer	(35)	6	-	(6)	-	-	35	-
Translation difference	(27)	(3,742)	(883)	(819)	(39)	-	95	(5,415)
Impairment	-	(143)	(5)	-	-	-	-	(148)
Difference in ownership rate	-	(200)	(25)	(42)	-	-	(40)	(307)
Disposals	41	508	450	690	14	-	26	1,729
Balance at 31 December 2008	(4,423)	(29,936)	(7,873)	(14,213)	(372)	-	(4,572)	(61,389)
Net book value								
At 31 December 2007	18,670	10,801	11,065	6,434	286	28,167	7,027	82,450
At 31 December 2008	72,908	40,433	13,627	12,142	316	76,743	23,220	239,389

Movements of property, plant and equipment and related accumulated depreciation during the year ended 31 December 2007 were as follows:

	Land and buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Other fixed assets	Construction in progress	Leasehold improvements	Total
Cost								
Balance at 1 January 2007	65,952	27,566	16,969	16,071	613	45,444	8,536	181,151
Effect of change in group structure (****)	5,108	6,583	1,267	1,008	(5)	69	1,991	16,021
Additions	23,658	5,556	2,406	3,433	260	42,732	2,052	80,097
Transfers to intangibles	(1,285)	-	-	-	19	-	-	(1,266)
Transfers to assets held for sale	(3,413)	-	-	-	-	-	-	(3,413)
Revaluation of property transferred to investment property	50,305	-	-	-	-	-	-	50,305
Offset of accumulated depreciation on property transferred to investment property	(1,135)	-	-	-	-	-	-	(1,135)
Transfer to investment property	(107,433)	(28)	-	(24)	-	(63,782)	-	(171,267)
Acquisition through business combinations	126	28	75	28	-	4,539	-	4,796
Transfer	16	(22)	17	95	-	(834)	728	-
Translation difference	(41)	(1,180)	(1,867)	(451)	(77)	-	(307)	(3,923)
Difference in ownership rate	(166)	(5,062)	(1,643)	(1,978)	-	-	(2,447)	(11,296)
Corrections (*****)	(1)	(86)	(780)	(12)	-	-	117	(762)
Disposals	(10,417)	(816)	(689)	(1,506)	(339)	(1)	(844)	(14,612)
Balance at 31 December 2007	21,274	32,539	15,755	16,664	471	28,167	9,826	124,696

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	Land and buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Other fixed assets	Construction in progress	Leasehold improvements	Total
Less: Accumulated depreciation								
Balance at 1 January 2007	(3,072)	(20,399)	(5,061)	(9,061)	(287)	-	(2,213)	(40,093)
Effect of change in group structure (****)	(3)	(5,090)	(475)	(837)	-	-	(1,133)	(7,538)
Depreciation charge for the year	(1,406)	(1,708)	(1,459)	(2,213)	(66)	-	(985)	(7,837)
Transfers to intangibles	515	-	-	-	(6)	-	-	509
Transfers to assets held for sale	154	-	-	-	-		-	154
Offset of accumulated depreciation on property transferred to investment property	1,135	-	-	-	-	-	-	1,135
Transfer	(2)	6	-	(4)	-		-	-
Impairment	-	-	402	-	-		-	402
Translation difference	3	720	340	201	33	-	106	1,403
Difference in ownership rate	8	3,691	595	893	-		609	5,796
Corrections (*****)	-	421	396	(20)	-	-	(35)	762
Disposals	64	621	572	811	141	-	852	3,061
Balance at 31 December 2007	(2,604)	(21,738)	(4,690)	(10,230)	(185)	-	(2,799)	(42,246)
Net book value								
At 31 December 2006	62,880	7,167	11,908	7,010	326	45,444	6,323	141,058
At 31 December 2007	18,670	10,801	11,065	6,434	286	28,167	7,027	82,450

(*) It consist of combination of Akfen Altyapı with Akfen Holding and acquisition of 6% of shares of TAV Tblisi by TAV Havalimanları.
(**) Additions to CIP are mainly comprised of progress payments related with Otluca HEPP project amounting TL 44,257; Saraçbendi HEPP project amounting to TL 38,584; Çamlıca 3 project amounting TL 16,259; Karasu 4-2, Karasuhes 1 Erzurum, Karasuhes 2 Erzurum, Karasu 4-3 ve Karasu 5 HEPP projects amounting TL 32,076 and Gazipaşa and Tunusia Airport projects amounting TL 23,268 as of 31 December 2009.
(***) Additions to CIP are mainly comprised progress payments related with Karasu I, Karasu II, Karasu 4-2, Karasu 4-3, Karasu 5 HEPP projects amounting TL 5,459; Çamlıca III, Saraçbendi HEPP projects amounting TL 8,463; Sirma, Otluca, and Yuvarlakçay HEPP projects amounting TL 11,997, expropriation expenses amounting TL 7,266 and AIH Muayene projects and Gazipasa and Tunus terminal projects amounting to 17,233 as of 31 December 2008.
(****) Effect of change in group structure is due to the consolidation of IBS, the consolidation of Batum Terminal and acquisition of 40% of Havaş in 2007.
(*****) Correction represents differences at fixed asset count results of Havaş.
As at 31 December 2009, a mortgage is on land and buildings amounting TL 18,601 (31 December 2008: TL 18,849, 31 December 2007: TL 12,462).

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19 INTANGIBLE ASSETS

At 31 December 2009, 2008 and 2007, intangible assets comprised the following:

	Development Costs	Licences	Other intangibles	Sub-operation right	Customer Relations	Water service operation right	Airport and Harbour Management Right	Total
Cost								
Balance at 1 January 2007	-	5,433	1,515	-	7,561	-	123,331	137,840
Effect of change in group structure (*****)	-	865	(112)	-	2,951	-	-	3,704
Additions	-	2,259	936	243,984	-	-	461,640	708,819
Acquisition through business combination (***)	17,831	53,171	28	-	-	-	-	71,030
Transfer from tangible asset	-	12	22	1,232	-	-	-	1,266
Translation difference	-	(169)	-	-	(409)	-	(7,151)	(7,729)
Revaluation	-	658	-	-	591	-	-	1,249
Difference in ownership rate	-	(1,245)	-	-	(2,204)	-	(35,940)	(39,389)
Corrections	-	(5)	-	-	-		-	(5)
Disposals	-	(432)	-	-	-	-	-	(432)
Balance at 31 December 2007	17,831	60,547	2,389	245,216	8,490	-	541,880	876,353
Balance at 1 January 2008	17,831	60,547	2,389	245,216	8,490	-	541,880	876,353
Additions (*)	-	3,961	244	175,648	-	5,460	98,134	283,447
Transfer from tangible asset	-	305	-	-	-	-	-	305
Translation difference	-	1,190	-	-	2,169	-	161,513	164,872
Difference in ownership rate	-	72	-	69	126	-	1,743	2,010
Disposals	(2,560)	(639)	-	-	-	-	-	(3,199)
Balance at 31 December 2008	15,271	65,436	2,633	420,933	10,785	5,460	803,270	1,323,788
Balance at 1 January 2009	15,271	65,436	2,633	420,933	10,785	5,460	803,270	1,323,788
Effect of change in group structure (*****)	-	1,413	-	-	5,349	-	18,206	24,968
Additions (*)	-	429	236	-	-	178	159,825	160,668
Transfers	-	301	-	-	-	-	-	301
Translation difference	-	90	-	-	118	-	(471)	(263)
Difference in ownership rate	-	1,853	-	-	2,204	-	47,561	51,618
Disposals (****)	(213)	(2,568)	(13)	(420,933)	-	-	-	(423,727)
Balance at 31 December 2009	15,058	66,954	2,856	-	18,456	5,638	1,028,391	1,137,353

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	Development Costs	Licences	Other intangibles	Sub-operation right	Customer Relations	Water service operation right	Airport and Harbour Management Right	Total
Amortisation								
Balance at 1 January 2007	-	(581)	(189)	-	(1,134)	-	(3,551)	(5,455)
Effect of change in group structure (*****)	-	(88)	106	-		-	-	18
Amortisation for the period	-	(1,052)	(763)	-	(577)	-	(15,032)	(17,424)
Transfers form tangible asset		-	(509)	-	-	-	-	(509)
Translation difference	-	28	-	-	83	-	475	586
Difference in ownership rate	-	168	-	-	330	-	1,035	1,533
Corrections	-	(56)	-	-	-	-	-	(56)
Balance at 31 December 2007	-	(1,581)	(1,355)	-	(1,298)	-	(17,073)	(21,307)
Balance at 1 January 2008	-	(1,581)	(1,355)	-	(1,298)	-	(17,073)	(21,307)
Amortisation for the period	-	(2,932)	(448)	(7,138)	(830)	(232)	(23,947)	(35,527)
Translation difference	-	(298)	-	-	(438)	-	(5,545)	(6,281)
Difference in ownership rate		(14)	-	-	(19)	-	(137)	(170)
Disposals	-	101	-	-	-	-	-	101
Balance at 31 December 2008	-	(4,724)	(1,803)	(7,138)	(2,585)	(232)	(46,702)	(63,184)
Balance at 1 January 2009	-	(4,724)	(1,803)	(7,138)	(2,585)	(232)	(46,702)	(63,184)
Effect of change in group structure (*****)	-	(34)	-	-	-	-	(3,218)	(3,252)
Amortisation for the period (**)	-	(2,492)	(148)	-	(971)	-	(25,473)	(29,084)
Translation differences	-	35	-	-	(33)	-	(66)	(64)
Difference in ownership	-	(629)	-	-	(692)	-	(5,741)	(7,062)
Corrections	-	-	(45)	-	-	-	-	(45)
Disposals (****)	-	816	3	7,138	-	-	-	7,957
Balance at 31 December 2009	-	(7,028)	(1,993)	-	(4,281)	(232)	(81,200)	(94,734)
Net book value								
Balance at 31 December 2007	17,831	58,966	1,034	245,216	7,192	-	524,807	855,046
Balance at 31 December 2008	15,271	60,712	830	413,795	8,200	5,228	756,568	1,260,604
Balance at 31 December 2009	15,058	59,926	863	-	14,175	5,406	947,191	1,042,619

(*) Additions mainly comprised the additions to sub-operation rights, terminal and port operation rights. Additions during 2009 comprise of terminal and port operation rights in Tunus-Enfidha Airport and Gazipasa Airport amounting to TL 158,804. The remaining amount TL 1,021 consists of İçel Port operation right.

Additions mainly comprised the additions to sub-operation rights during 2008. AIH Muayene paid an upfront suboperation fee under the sub-operation agreement signed between AIH Muayene and Tüvturk Kuzey-Tüvtürk Güney which expires in September 2027. Amortization of the sub-operation right commenced after the vehicle inspection stations were opened on 26 April 2008 (Adana), 4 August 2008 (Mersin), 16 August 2008 (Hatay). Airport and management right includes rights amounting to TL 84,053 belongs to Tunus-Enfidha and Gazipasa Airports.

(**) The amortization expenses amounting TL 9,256 (31 December 2008: TL 7,855) on airport and management rights have been presented as cost of sale in the consolidated statement of comprehensive income.

(***) As of 31 December 2007, license rights and developments costs stem from the acquisition of 13 hydroelectric energy production companies.

(****) Disposals in sub-operation rights amounting to TL 420,933 stem from sale of Tüvtürk Kuzey and Tüvtürk Istanbul, AIH Muayene stations in 2009.

(*****) Effect of acquisition of 6% of TAV Tbilisi shares in 2009 and consolidation of IBS, acquisition of 40% of Havaş in 2007.

20 GOODWILL

Cost	
Balance at 1 January 2007	43,915
Translation difference	19,312
Additions (*)	4,526
Impairment of goodwill (*)	(4,526)
Difference in ownership rate	(11,833)
Balance at 31 December 2007	51,394
Balance at 31 December 2007	51,394
Translation difference	12,287
Additions (**)	5,926
Difference in ownership rate	714
Balance at 31 December 2008	70,321
Balance at 31 December 2008	70,321
Translation difference	670
Additions (***)	33,307
Difference in ownership rate	12,479
Balance at 31 December 2009	116,777

As at 31 December 2008 and 2007 TL 3,309 of goodwill comprised of acquisition of 29.3% Akfen GYO shares by TL 8,233. Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the Akfen GYO. There is no impairment in goodwill. The remaining is regarding the acquisition of shares of Havaş up to 40% by TAV Holding on 9 November 2007 and increase in share rate from 60% to 100%.

(*) Current year additions as of 31 December 2007 are related to the acquisition of the shares of ATI. Since Group does not expect any expected cash flow in the future from this investment, the goodwill has been impaired.
(**) Additions for goodwill as of 31 December 2008 are related to the acquisition of 768,581 shares of TAV Havalimanları Holding from Sera Yapı.
(***) Additions for goodwill as of 31 December 2009 comprises of TGS acquisition amounting to TL 9,017, acquisition of TAV Tbilis shares of 6% amounting to TL 2,177. (See note 3). The remaining amount by TL 22,113 is regarding to acquisition of 14,162,267 shares of TAV Havalimanları from Hamdi Akın on 17 November 2009.

21 GOVERNMENT GRANTS

According to the Investment Incentive Law numbered 47/2000, the Group has a 100% of investment incentive on capital expenditures made until 31 December 2008 in Northern Cyprus.

22 PROVISIONS

As at 31 December, provisions comprised the following:

	2009	2008	2007
Provision for litigations	984	1,379	4,455
Unused vacation accrual	3,964	2,937	1,919
Others	436	26	-
	5,384	4,342	6,374

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Movement of the provision for the years ended 31 December, is as follows:

		2009		
	Litigation	Vacation	Other	Total
Balance at the beginning of the period	1,379	2,937	26	4,342
Provisions provided during the period	787	1,099	411	2,297
Provisions released during the period	(1,188)	(68)	-	(1,256)
Foreign currency differences	6	(4)	(1)	1
Balance at the end of the period	984	3,964	436	5,384

		2008		
	Litigation	Vacation	Other	Total
Balance at the beginning of the period	4,455	1,919	-	6,374
Provisions provided during the period	424	1,142	26	1,591
Foreign currency differences	574	141	-	715
Provisions released during the period	(4,074)	(265)	-	(4,338)
Balance at the end of the period	1,379	2,937	26	4,342

		2007		
	Litigation	Vacation	Other	Total
Balance at the beginning of the period	-	844	-	844
Provisions provided during the period	4,455	2,566	-	7,021
Foreign currency differences	-	(29)	-	(29)
Provisions released during the period	-	(1,462)	-	(1,462)
Balance at the end of the period	4,455	1,919	-	6,374

Litigation

As at 31 December 2007, provision for litigations is mainly related to the ongoing legal cases with tax provision which is paid amounting to TL 3,380 in 2008, the employees and customers amounting to TL 569 and TL 506, respectively.

Vacation pay liablity

For the periods ended 31 December 2009, 2008 and 2007, the Group has provided vacation pay liability accrual amounting to TL 3,964, TL 2,937 and TL 1,919, respectively. Provision is calculated by the remaining vacation days multiplied by one days' pay. Provisions provided during the year have been reflected under cost of sales and administrative expenses in the accompanying consolidated financial statements.

Contingent Assets and Liabilities

After the sale of shares of Tüvtürk Kuzey-Tüvtürk Güney, Tüvtürk Istanbul and AIH Muayene on October 27, 2009 pursuant to the terms of the contract, conditions that Akfen Holding is to require as follows:

The contract for the sale of the shares of Tüvtürk Kuzey-Tüvtürk Güney, Tüvtürk İstanbul and AIH Muayene, there are available two types of pay the share price, advance payment and conditional payment. Advance payment made during transfer of shares and conditional payment (the contingent payment) was also indicated in the sales contract. Contingent Payment is not a fixed cost and will be calculated according to the terms of the realization rates in case of the fulfillment of conditions specified in the contract. The contingent payment has upper limit, but it has not a lower limit. Thus in case of the fulfillment of conditions is not occurred, it is possible not to born of the contingent payment.

In case of cleanup conditions have occurred, the amount to be paid according to the terms of the realization rates may be paid by the reciepent ("Bridge Point") in cash or through undertaken the appropriate amount from the debt of Akfen Holding to Garanti Bank. The recipient would prefer to pay cash, but the payment is not made, according to the agreement signed with Garanti Bank, the amount of debt passes to the receiver itself.

The contingent payment amount will be calculated pursuant to terms of the contract by reference to the total targeted revenues of the mentioned companies for the period between 1 January 2012 and 31 December 2014 ("The Review Period").

When targeted revenues:

a) are more than 90% of USD 210,858 thousand, the pay to Akfen Holding is USD 120,000 thousand.
b) are between 80% and 90% of USD 210,858 thousand, the pay to Akfen Holding will be USD 12,000 thousand for each percent exceeding 80%.
c) are equal to 80% of USD 210,858 thousand or less, there will not be a payment to Akfen Holding.

23 COMMITMENT AND CONTINGENCIES

(a) Commitments, Pledges and Mortgages

As at 31 December 2009, the group's position related to letter of guarantees given, Pledges and Mortgager were as follows:

Commitments, Pledges, Mortgages ("CPM") are given by the Group	2009
A. Total amount of CPM is given on behalf of own legal personality	925.573
B. Total amount of CPM is given in favor of subsidiaries which are fully consolidated	1.438.454
C. Total amount of CPM is given for assurance of third party's debts in order to conduct of usual business activities	-
D. Total Amount of other CPM	205.751
i. Total amount of CPM is given in favor of parent company	204.319
ii. Total amount of CPM is given in favor of other group companies, which B and C doesn't include	-
iii. The amount of CPM is given in favor of third party which C doesn't include	1.432
	2.569.778

As at 31 December 2009, total amount of other CPM given by the group is 486% of the Group's equity

Commitments and contingencies related to Akfen Holding and its subsidiaries arising in the ordinary course of business for the Group comprised the following items as at 31 December 2009, 2008 and 2007:

	2009	2008	2007
Banks	65,887	90,832	-
Official/Autonomous Administrations	41,765	45,126	56,180
Tax offices	12,221	8,647	-
Ministries	7,029	9,686	-
Universities	381	1,494	-
Court of bailiff	836	1,019	-
Given for concession of vehicle inspection	-	-	26,545
Given to previous shareholders of hydroelectric			
production companies	-	-	14,559
Given to related parties and suppliers	-	-	15,139
Municipalities, Custom offices	2,372	2,335	-
	130,491	159,139	112,423

The Group has provided the guarantee amounting to USD 60,000 thousand (equivalent to TL 90,738) as at 31 December 2008 to Bayerische Hypo-Und Vereinsbank AG for the loan obligations of Tüvturk İstanbul, Tüvtürk Kuzey-Tüvtürk Güney.

The Group obtained hydroelectric energy production licenses from Energy Market Regulatory Authority and gives letter of guarantee for the construction of hydroelectric power plants to Energy Market Regulatory Authority and Ministry of Energy and Natural Resources.As at 31 December 2008, letter of guarantee given to Energy Market Regulatory Authority is TL 24,295 (31 December 2007: TL 13,465).

As at 31 December 2008 the Group has given letters of guarantee to tax institutions for the tax returns amounting to TL 8,647.

As at 31 December 2008 the Group has given letters of guarantees amounting to TL 1,019 to court of bailing and other court for opening law suits

The Group has given letters of guarantee amounting to TL 26,479 to Privatization Administration Presidency to obtain the concession right of vehicle inspection stations in Turkey on 31 December 2007.

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The Group has acquired 14 hydroelectric production companies during 2007 and has paid a part of acquisition price to previous shareholders in cash and for the remaining part; the Group has became indebted to ex-shareholders. For the remaining unpaid acquisition price, the Group has given letters of guarantee amounting to TL 14,559 to previous shareholders of hydroelectric production companies. In 2008, this letter of guarantees is returned.

Letters of guarantee given to related parties amounting to TL 15,139 comprise of guarantees given to Tüvtürk Güney to obtain the concession right of vehicle inspection stations at Adana, İçel and Hatay by AİH.

The commitments for subsidiaries to proportional consolidation as at 31 December are as below:

TAV Yatırım

Letter of guarantees given by TAV Yatırım for construction and planing of international airport projects as at 31 December are below:

	2008	Group Share	2007	Group Share
Letters of guarantee given to TAV DOHA	204,796		121,758	
Letters of guarantee given to TAV Tunisia	232,767		85,693	
Letters of guarantee given to TAV Libya	164,513		13,898	
Letters of guarantee given to TAV Muscat	-		-	
Letters of guarantee given to TAV Gulf	120,217		33,685	
Letters of guarantee given to Cairo Airport	52,351		40,649	
Letters of guarantee given to TAV Construction	-		-	
Letters of guarantee given to TAV Esenboğa	19,421		15,549	
Letters of guarantee given to TAV Tunisia	47,539		-	
Letters of guarantee given to Cairo Airport	4,641		12,388	
Other Letters of guarantee given	26,472		24,009	
	872,717	370,898	347,629	147,740

TAV Havalimanları

	2008	Group Share	2007	Group Share
Letters of guarantee given to DHMİ	243,638		187,056	
Letters of guarantee given to Tunisian Government	147,460		55,754	
Letters of guarantee given to third parties	148,115		117,800	
Letters of guarantee given to Macedonian Government	12,844		-	
	552,057	119,732	360,610	77,066

TAV Havalimanları is obliged to give 6% of the total rent amount of USD 152,580 thousand (Group's share: USD 39,854 thousand) of TAV İstanbul as a letter of guarantee according to the rent agreement made with DHMİ. The total obligation has been provided by TAV İstanbul.

TAV Havalimanları is obliged to give a letter of guarantee at an amount of TL 89,482 (Group's share: TL 23,373), to the Ministry of Transportation of Tunusia and TL 35,645 (Group's share: TL 9,310) to OACA according to the BOT agreement signed with OACA in Tunisia. The total obligation has been provided by the Group.

Majority of letters of guarantee given to third parties includes the guarantees given to customs and some customers.

(b) Letter of Guarantees Received

Akfen Holding and its subsidiaries has also received letters of guarantee, cheques and securities amounting to TL 152,585 in total as of 31 December 2009 (31 December 2008: TL 169,825; 31 December 2007: TL 72,957) from subcontractors for the construction of hydroelectric power plants and hotel constructions. Letters of guarantees comprise of securities given to hydroelectric production companies amounting to TL 30,519, securities taken from construction companies amounting to TL 32,504 TL as of 31 December 2009. The remaining letters of guarantee amounting to TL 8,453 has been received for the agreements of the other group companies. The jointly control entities has received the letters of guarantee, cheques and sureties amounting to TL 19,704 (Group's share: TL 9,582) (31 December 2008; TL 92,164 (Group's share: TL 33,878), 31 December 2007; TL 97,814 (Group's share: TL 30,635).

MIP

	2009	Group Share	2008	Group Share	2007	Group Share
Letters of bank guarantees obtained						
ZPMC	8,378		8,218		-	
MSC Gemi Acent A.Ş.	1,581		1,588		-	
Limar Liman ve Gemi İşletmeleri A.Ş.	828		1,588		1,223	
Maersk Denizcilik A.Ş.	602		1,089		839	
Botros Levante Taşımacılık ve Tic.Ltd.Şti.	602		-		-	
AKAN-SEL Nakliyat Petrol San. Ve Tic. A.Ş.	337		387		-	
Sanmar Denizcilik Mak.ve Tic.Ltd.Şti.	301		-		-	
Others	2,314		1,846		-	
	14,943	7,471	14,716	7,358	2,062	1,031

(c) Contractual obligations

TAV İstanbul

TAV İstanbul is bound by the terms of the Concession Agreement made with DHMİ:

DHMİ may terminate the Concession Agreement if the ownership of interest of TAV and founding partner in TAV İstanbul falls below 49% during the first three years of the concession period.

At the end of the contract period, TAV İstanbul will be responsible for one year for the maintenance and repair of the devices, system and equipment supplied for the contractual facilities. In case the necessary maintenance and repairs are not made, DHMİ will have this maintenance and repair made, and the cost will be charged to TAV İstanbul.

Pursuant to the provisions of this agreement, the contractual obligations of TAV İstanbul include the rental of the above mentioned facilities for a period of fifteen and a half years beginning on 3 July 2005; the operation of the facilities in compliance with international norms and standards within the rental (operation) period; the performance of periodic repair and maintenance activities on the facilities and the transfer of the facilities in question including the supporting systems, equipment, furniture and fixtures in a proper and usable condition to DHMİ upon the expiry of the rental period.

In the case where TAV İstanbul as the lessee performs a delayed and/or incomplete rent payment to DHMİ, TAV İstanbul is charged a penalty of 10% of the rent amount to be paid. TAV İstanbul is then obliged to perform the payment latest within five days. Otherwise, DHMİ shall be entitled to terminate the rent agreement. TAV İstanbul is not entitled to claim the rent payments performed to DHMİ prior to the termination of the contract.

TAV Esenboğa ve TAV İzmir

TAV Esenboğa and TAV İzmir are bound by the terms of the BOT Agreements made with DHMİ. If these companies do not follow the rules and regulations set forth in the concession agreement, this might lead to the forced cessation of these companies' operations according to the BOT Agreements. According to the BOT agreement:

• The share capital of the companies can not be less than 20% of fixed investment amount.

• The companies have a commitment to make additional investment up to 20% of the initial BOT investment upon request of DHMİ. DHMİ has requested an extension of Euro 13,900 thousand (13% of the initial investment) (Group's share: Euro 3,630 thousand) from TAV İzmir on 21 August 2006 which extended the construction period by 2 months and 20 days, and operation period by 8 months and 27 days. TAV İzmir completed the construction for such extension on 10 May 2007. After granting of temporary acceptance by DHMİ in year 2007, final acceptance was granted by DHMİ at 21 March 2008.

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Final acceptance for BOT investments of TAV Esenboğa was granted by DHMİ on 5 June 2008.

At the end of the contract period, the companies will be responsible for one year for the maintenance and repair of the devices, system and equipment supplied for the contractual facilities. In case the necessary maintenance and repairs are not made, DHMİ will have this maintenance and repair made and the cost will be charged to TAV İzmir and TAV Esenboğa.

All equipment used by TAV Esenboğa and TAV İzmir must be brand new and under warranty and need to meet the international standards and Turkish Standards as well.

If the need shall arise to replace fixed assets subject to depreciation, which become unusable within the rent period and the depreciation rates of which are not delineated in the Tax Application Law, the operator is obliged to perform the replacement.

All fixed assets covered by the implementation contract will be transferred to DHMİ free of charge. Transferred items must be in working conditions and should not be damaged. TAV Esenboğa and TAV İzmir have the responsibility of repair and maintenance of all fixed assets under the investment period.

HAVAŞ

In accordance with the general ground handling agreement (an integral part of the ground handling operation A Group license) signed with DHMİ, HAVAŞ undertakes the liability of all losses incurred by its personnel to DHMİ or to third parties. It also takes the responsibility of the training facilities given to the personnel and the quality of the service provided by its personnel together with the repair and maintenance of the ground handling vehicles and equipment. HAVAŞ is required to provide DHMİ with a letter of guarantee amounting to USD 1,000 thousand (Group's share: USD 261 thousand). Fines received from losses incurred by the ground handling personnel or fines arising from the violation of the related agreement will be charged to HAVAŞ. Fines which are overdue in accordance with the appointed agreement/period declared by DHMİ will be settled by the liquidation of the letter of guarantee. If DHMİ liquidates the collateral, HAVAŞ is obliged to complete the collateral at its original amount which is USD 1,000 thousand (Group's share: USD 261 thousand) within 15 days.

In accordance with the rental agreements signed with DHMİ regarding several parking areas, land, buildings, offices at the Atatürk, Esenboğa, Adnan Menderes, Dalaman, Adana, Trabzon, Milas, Nevşehir, Antalya, Gaziantep, Kayseri, Urfa, Batman, Adıyaman, Elazığ, Muş, Sivas and Konya airports; when the rent period ends, DHMİ will have the right to retain the immovables in the area free of charge.

TAV Tiflis

TAV Tbilisi is bound by the terms of the BOT Agreement. In case TAV Tbilisi fails to comply with the rules and regulations set forth in the agreement, it may be forced to cease its operations.

With regards to the BOT Agreement, TAV Tbilisi is required to;

- comply with all applicable safety standards and ensure that the airport and all other ancillary equipment are operated in a manner safe to passengers, workers and general public, as well as to comply with the technical and operational requirements of Tbilisi International Airport and environmental standards of Georgia;
- maintain and operate the new terminal and infrastructure at Tbilisi International Airport in accordance with the applicable requirements of the BOT Agreement and International Air Transport Association ("IATA"), International Civil Aviation Organization ("ICOA") or European Civil Aviation Conference ("ECAC");
- ensure that its subcontractors and TAV Tbilisi itself obtain and maintain relevant insurance policies from financially strong and internationally reputable insurance companies;
- remedy accidents that might occur upon mechanical damage inflicted by TAV Tbilisi to existing communication networks or inappropriate use or operation thereof.

The commercial operation of the New Terminal is carried out based on the Provisional Acceptance Protocol concluded according to the BOT Agreement for Tbilisi International Airport terminal building and related infrastructure. The Final Acceptance Protocol was not concluded as of the date of approval for issue of these consolidated financial statements, as the legal form of transfer of the New Terminal was still under discussion among the parties to the BOT Agreement in order to be in compliance with the Georgian legislation. The legal form of the final acceptance of the New Terminal may have various effects on the TAV Tbilisi's financial and/or tax positions.

Tax legislation and contingencies

Georgian commercial legislation and tax legislation in particular may give rise to varying interpretations and amendments. In addition, as management's interpretation of tax legislation may differ from that of the tax authorities, transactions may be challenged by the tax authorities, and as a result TAV Tbilisi may be assessed additional taxes, penalties and interest. Tax periods are remaining open to review by the tax authorities for three years. Management believes that their interpretation of the relevant legislation is appropriate and TAV Tbilisi's profit, currency and customs positions will be sustained.

On 4 June 2009, TAV Tbilisi received a Tax Request from Large Taxpayers Inspection of the Ministry of Finance of Georgia notifying accrual of tax charges of GEL 5,479 thousand (Euro 2,353 thousand) (Group's share: Euro 615 thousand) consisting of cancellation of recoverable VAT of GEL 5,091 thousand (Euro 2,186 thousand) (Group's share: Euro 571 thousand) and related fines of GEL 388 thousand (Euro 167 thousand) (Group's share: Euro 44 thousand) reported in the interim report prepared by the Auditing Department of Ministry of Finance of Georgia based on the tax audit of TAV Tbilisi.

Management submitted legal objection to contest the tax charges accrued as at 30 June 2009. For subsequent events refer to note 40.

TAV Batum

TAV Batumi is obliged to perform the terms agreed under the Agreement for Management of 100 percent of Shares in "Batumi Airport Ltd" (the "Agreement") together with its Schedules annexed to the Agreement.

In the event that TAV Batumi fails to fulfill its material obligations under the Agreement and its Schedules, it may be forced to cease the management of the Batumi International Airport and all operation rights generated at the Airport.

With regards to the Agreement, TAV Batumi is required to;

• comply with all requirements of the relevant statutes and the Applicable Laws of Georgia;
• prevent repatriation and transfer of the dividends distributable by Batumi Airport Ltd from Georgia;
• comply with the terms of Permits that materially adversely affect the performance of TAV Batumi's obligations under the Agreement or achievement of the Revenues by Batumi Airport Ltd and/or achievement of dividends by the TAV Batumi from Batumi Airport Ltd;
• protect, promote, develop and extend the business interests and reputation of Batumi Airport in connection with the Services (reasonable effort basis);
• maintain and operate Batumi Airport in accordance with the international standards applicable to similar international airports, and any other local standards that will be applicable to the operations of an international airport;
• recruit and train sufficient number of staff for the operation of Batumi Airport in accordance with standard, accepted operational standards;
• perform regular, periodic and emergency maintenance and repair works of all the fixed assets, as well as the annexations and accessories related thereto located on the territory of Batumi Airport; and procure and maintain insurance policies listed under the Agreement during the term of the operation.

TAV Tunisia

TAV Tunisia is bound by the terms of the Concession Agreements related to the building and operation of Enfidha Airport and to the operation of Monastir Airport. In case TAV Tunisia fails to comply with the provisions of these Concession Agreements as well as the Terms and Specifications annexed thereto, it may be forced to cease the operation of the said airports.

According to Enfidha Concession Agreement, TAV Tunisia is required to:

• design, construct, maintain, repair, renew, operate and improve at its own costs and risks and under its liabilities, the land made available to it, infrastructures, buildings, facilities, equipments, networks and services necessary for the operation of Enfidha Airport;
• complete the construction of the Airport and start operating it at the latest on 1 October 2009 which is then extended to 1 December 2009 through a notice from the Authority, unless the requirements by the Terms and Specifications of the Agreement fails;
• finance up to 30% of the Project by Equity;
• improve at its own costs and risks and under its liabilities, the land made available to it, infrastructures, buildings, facilities, equipments, networks and services necessary for the operation of Monastir Airport.
Pursuant to both Concession Agreements, TAV Tunisia is required to:
• market and promote the activities operated in the Airports and perform the public service related with these activities
• provide with and maintain the bank guarantees in accordance with the Agreements;
• pay the Domainial and Operational Royalties to the Conceding Authorities (Tunisian State and OACA);
• comply particularly with provisions of Appendix 2 to the Terms and Specifications annexed to the Agreements related to the ownership of the shares by TAV Tunisia's shareholders;
• require the approval of the Conceding Authority prior to the transfer of its rights under the Concession Agreements to any third party or to the conclusion of any sub-contract during the operation phase of the Airports;
• comply with its obligations under the Agreements and with all applicable Tunisian Laws and International rules related particularly but not limited to safety, security, technical, operational and environmental requirements;
• to comply with its obligations related to insurance as provided for by the Agreements.

TAV Tunisia may also be obliged to cease the operation of the said airports if (i) it is declared insolvent or is subject to judicial liquidation proceedings or (ii) it is forced to cease the operation of one of the Airports.

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TAV Gazipaşa

TAV Gazipaşa is bound by the terms of the Concession Agreement made with DHMİ for Antalya Gazipaşa Airport.

If TAV Gazipaşa violates the agreement and does not remedy the violation within the period granted by DHMİ, DHMİ may terminate the Agreement.

The share transfers of the shareholders of TAV Gazipaşa are subject to the approval of DHMİ.

The Agreement is made for a period of twenty-five years effective from the date TAV Gazipaşa obtains the operation authorisation from the Ministry of Transportation. The contractual obligations of TAV Gazipaşa include the operation of the facilities in compliance with the international norms and standards subject to the supervison of the Ministry of Transportation. Civil Aviation General Directorate and DHMİ; obtaining maintenance and periodic maintenance and repairs of all systems and equipment requisite for the operation and the transfer of the facilities together with the systems, equipment, furniture and fixtures in a proper and usable condition to DHMİ, without any debt or liabilities, upon the expiry of the Agreement (if the economic lives of the systems, equipment, furniture and fixtures have come to an end, they should be renewed before the transfer to DHMİ). Upon the expiry of the Agreement, TAV Gazipaşa will be responsible for one year for the maintenance and repair of the systems and equipment in the facilities. In case the necessary maintenance and repairs are not made, DHMİ will have this maintenance and repairs made and the cost will be charged to TAV Gazipaşa.

If expropriation of land is required for construction of additional facilities or systems during the term of the Agreement, TAV Gazipaşa will be responsible for the compensation for expropriation and will not demand any compensation and/or additional rent period from DHMİ and the owner of the subject land will be DHMİ.

In the case where TAV Gazipaşa as the lessee performs a delayed and/or incomplete rent payment to DHMİ, TAV Gazipaşa is charged a penalty of 10% of the rent amount to be paid.

By the beginning of the rental period, except the amount of rent, TAV Gazipaşa will pay annually a fixed facility usage amounting to USD 50 thousand (Group's share: USD 13 thousand) to DHMİ for using the facilities of the airport (lower-upper structure) in last 1 month of each rental year.

Management believes that as at 31 December 2009, the Group has complied with the terms of the contingencies mentioned above.

(d) Contingent Asset

TAV İstanbul is able to expense VAT on concession rent payments upon the issuance of the related invoice and DHMI issues the invoice monthly. Cumulative VAT expense related with DHMI invoices as at 31 December 2009 is TL 118,340 (Group's share: TL 30,910) (31 December 2008: TL 59,249).

TAV İstanbul has opened a tax court case in February 2006 against the Ministry of Finance for the concession rent, which has been paid partially and the remaining will be paid to DHMİ, for not being subject to VAT. According to temporary VAT code number 12, TAV İstanbul stated that airport privatisations are exempt from VAT. The resolution of the İstanbul First Tax Court has been declared to TAV İstanbul on 9 April 2007. The resolution sets forth that the administrative transaction is not a tax error in the manner prescribed in the Tax Procedures Law, and that no legal inappropriateness had been observed in the transaction that had been formed via the rejection of the application made upon complaint. The decision does not assess whether there is an exemption from the VAT or not; and it is judged that the application does involve a legal shortcoming; TAV İstanbul had submitted the case to the Court of Appeals. With regard to the mentioned case, the Company had submitted a letter to the 4th Department of the Court of Appeals on 28 May 2007 and required a motion for stay. TAV İstanbul has brought a tax case against Ministry of Finance and Maltepe Tax Administration, with the claim that the rent amounts paid to the State Airports Authority General Directorate are exempt from value added tax; and the Tax Court dismissed the case on the grounds of incompetence. TAV İstanbul had applied against the dismissal decision of the Tax Court. The award of the 4th Chamber of the Council of State ("Danistay") had been declared to TAV İstanbul on 25 July 2007. Accordingly, the Council of State approved the application of TAV İstanbul and decided to reverse the judgement of the Tax Court. The case reverted to the Tax Court according to the Code of Administrative Procedures and the Tax Court rejected the case with the decision notified to TAV İstanbul on 29 November 2007. An application for appeal has been made, and the process is continuing as of the date of this report. Group management believes that this court will be finalised in Group's favour, paid VAT will be reimbursed to the Group, and the Group will not pay VAT on concession rent anymore.

(e) Contingent Liability

BTA and the Ministry of Finance were not able to reach an agreement upon a reconciliation requested for the corporate and value added tax notified in the penalty report regarding the accounts of October 2007-December 2007. Ministry of Finance had determined a value added tax, a corporate tax and a tax loss penalty of the total tax in the penalty report. On 20 January 2010, BTA has decided to file a lawsuit disputing the abovementioned tax and penalty. The management, lawyers and tax auditors of BTA are in the opinion that the lawsuit will result in BTA's favor, so no provision is provided in the accompanying consolidated financial statements.

Memorandum of understanding signed between Akfen Holding and ACCOR S.A.

Akfen Holding signed a Memorandum of Understanding ("MoU") with a 100% owned subsidiary of ACCOR S.A., one of the world's leading hotel groups. Based on the MoU, the entities will join their efforts to establish a partnership to develop hotel projects in Turkey.
The Company will build and lease number of hotels. According to the "investment program" of MoU, in every five years starting from 1 January 2005, a minimum 12 hotels will be leased to ACCOR S.A. by the Company. All of the operating lease arrangements that the Company is lessor are based on MoU. According to MoU:

• Any sale of a controlling shareholding of the Company by Akfen Holding to a third party, not a member of its shareholder's and/or family group shall be submitted to a first refusal right agreement of ACCOR S.A. under the same terms and conditions proposed by the third party offeror, except in case that the Company becomes a publicly listed entity..
• For securitisation of further investments, Akfen Holding and ACCOR S.A. agree that the share capital of the Company be increased by the entry of new shareholders but at all times while ACCOR S.A. and Akfen Holding are partners, Akfen Holding should directly or indirectly keep control of the shareholding and the outside investor permitted by the above mention terms will not be another national or international hotel operator.
• Respected, and not wish to continue under same terms and conditions with the new acquirer of the controlling shareholding, the present agreement be terminated by ACCOR S.A. In case of termination of the agreement by ACCOR S.A., on going lease contracts shall continue until eachof their own expiry term.

If the above stated investment program for the first five year period until 31 December 2009 or for any subsequent period is not realised, either party will be free to terminate their partnership.

Real estate investment trust investment portfolio constraints

According to the Part b of the Article 27 of the CMB Communiqué Serial VI, No 11 governing the real estate investment trusts, the Company has a limitation to invest a maximum of 10% of its portfolio value in demand and time deposits denominated on domestic and foreign currencies. The Article 35 of the same communiqué restricts the Company's use of bank loans with 3 times of its net asset value declared in the latest 3 month consolidated portfolio report.

As at 31 December 2009 and 2008, the Company is within the defined limits.

In accordance with Part a of the Article 27 of the same Communiqué, the participation into Akfen Ticaret does not exceed 10% of the portfolio value of the Company as at 31 December 2009 and 2008.

As amended by the Part c of the Article 27 of the same Communiqué, investment of Akfen Ticaret to Mercure Hotel Kyrenia does not exceed 49% of the portfolio value of the Company as at 31 December 2008.

The Group is joint guarantor of the Company's all loans and commitments obtained in order to fund Russian Hotel Samara Project. Total loan amount is Euro 15,000 and as at 31 December 2009 Euro 3,750 has utilized.

The Group is joint guarantor of the Company's all loans and commitments obtained in order to fund Russian Office Project. Total loan amount is Euro 6,800 thousand and as at 31 December 2009 Euro 2,675 thousand has utilized.

Other sureties given by the shareholders and the transfer of rental revenue which will be generated from the hotels are presented at 8.

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The Group as Lessee

Leasing Agreements

As at 31 December 2009, the Group has undergone 8 operating lease arrangements as lessee;

- The Group signed a rent agreement on 15 July 2003 with Finance Ministry of Turkish Republic of Northern Cyprus to lease a land to construct a hotel in Kyrenia. The lease term is 49 years. The lease payments started in 2003, the Group makes payments yearly.
- The Group obtained a servitude right of a land in Zeytinburnu Istanbul from the Ministry of Treasury and Finance in return for a construction of a hotel building on the land on 4 December 2003. The term of the servitude right is 49 years. The lease payment composed of yearly fixed lease payments determined by Ministry of Treasury and Finance and 1% of the total yearly revenue generated by the hotel constructed on the land.
- The Group has entered into a rent agreement with Municipality of Eskişehir on 8 August 2005 to lease an incomplete hotel construction site located at Eskişehir for the lease term of 22 years. The construction has been completed and the hotel started its operations in 2007.
- The Group signed a rent agreement with Trabzon Dünya Ticaret Merkezi AŞ on 30 October 2006 to lease a land to construct a hotel in Trabzon. The lease term is 49 years. The lease payments will start after the acquiring operational permissions from the Ministry of Culture and Tourism. The lease agreement has a five year rent free period. The Group has privileged right within the companies submitting equivalent proposals to increase the lease term.

The Group as Lessor

Leasing Agreements

- The Group signed a rent agreement with Kayseri Chamber of Industry on 4 November 2006, to lease a land to construct and operate a hotel for 49 years. Lease payments will start after a 5 year rent free period, which will initiate after acquiring necessary permits from the Ministry of Culture and Tourism. The Group has privileged right within the companies submitting equivalent proposals to increase the lease term.
- The Group has entered into a rent agreement with Municipality of Gaziantep on 31 May 2007 to lease an incomplete hotel construction site located at Gaziantep. The lease term is 30 years. The lease payment for the first 5 years is paid in advance after obtaining construction permit. The yearly lease payments will start when the hotel starts its operations.
- The Group signed a rent agreement with BUTTİM (Bursa International Textile Trading Centre Business Cooperative) on 9 May 2008 to lease a land to construct Ibis Hotel and operate it for 30 years. Lease payments will start in the fifth year of the agreement.
- The Group signed a rent agreement with Municipality of Georgia Batumi on 30 July 2009 to lease a land to construct a hotel and operate it for 49 years. The lease payments will be made as two instalments in June and December for each year; the yearly payments are Georgian Lari 15 thousand.

All operating lease contracts contain market review clauses in the event that the Group exercises its option to renew. The Group does not have an option to purchase the leased assets at the expiry of the lease period.

Payments recognised as an expense

	2009	2008	2007
Minimum rent payments	1,908	1,843	623
	1,908	1,843	623

Non cancellable operating lease commitments

	2009	2008	2007
Less than one year	603	531	375
Between one and five years	2,636	3,037	1,774
More than five years	57,890	60,076	51,185
	61,129	63,644	53,334

In respect of non-cancellable operating leases the following liabilities have been recognised:

	2009	2008	2007
Accrued rent expense			
Current	269	283	293
Non-current	794	364	176
	1.063	647	469

As of 31 December 2009, the Group has undergone 5 operating lease arrangements as lessor;

• The Company has signed a rent agreement with Accor S.A. on 18 November 2005 to lease a hotel which is completed in 2007 and started operations in Eskişehir.
• The Company has signed a rent agreement with Accor S.A. on 12 December 2005 to lease two hotels which are completed in 2007 and started operations in Istanbul.
• The Company has signed a rent agreement with Accor S.A. on 26 July 2006 to lease a hotel which is completed in 2008 and started operations in Trabzon.
• The Group has signed a rent agreement with ACCOR S.A. on 24 March 2008 to lease a hotel which is completed in 2009 and starting operations in 2010 in Kayseri.
• The Group has signed a rent agreement with ACCOR S.A. on 24 March 2008 to lease a hotel which is completed in 2009 and starting operations in 2010 in Gaziantep.

All of the five agreements have similar clauses described below;

The initial lease term is sum of the period between the opening date and the end of that calendar year plus, twenty full calendar years for Trabzon, İstanbul and Eskişehir; and 25 calendar years for Kayseri and Gaziantep from the 1st of January following the opening date of the hotel with an optional extension of 5 years. ACCOR S.A. has the right to terminate the agreement, if the Company fails to meet the completion date (after 6 months additional period over the completion date). In this case, the parties shall be freed of all mutual obligations, and ACCOR S.A. will receive immediate payment of any due amounts upon the date of termination and liquidated damages up to Euro 750 thousand. An annual rent of 22% of the annual gross revenue of each hotel is to be paid by the lessee to the lessor. For every agreement, a minimum guarantee annual rent is determined, which can not be less than the minimum guaranteed annual rent for each of the years. The table below summarises the minimum guaranteed annual rent for each agreement and its remaining period as at 31 December 2009:

Agreement	Duration	Minimum guaranteed annual rent (in Euros)	Minimum guaranteed total rent (in Euros)
NOVOTEL/İBİS Kayseri	For the following 12 years from the opening date	915	10,979
NOVOTEL/İBİS Gaziantep	For the following 12 years from the opening date	941	11,288
NOVOTEL Trabzon	For the following 11 years from the opening date	1,100	12,100
İBİS Eskişehir	For the remaining 9 years	278	2,502
NOVOTEL/İBİS İstanbul	2010	1,400	1,400
NOVOTEL/İBİS İstanbul	For 2011 and 2012	1,600	3,200
NOVOTEL/İBİS İstanbul	For 2013 and 2014	1,800	3,600
NOVOTEL/İBİS İstanbul	For 2015 and 2016	2,000	4,000
			49,069

All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

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The Group has undergone three other operating lease arrangements as lessor:

• The Group has signed a rent agreement with Voyager Kıbrıs Limited on 15 March 2007 to lease a casino. Lease period has started on 1 July 2007 with the opening of casino. An annual rent is Euro 3,210 thousand as of 1 July 2008 which will be paid quarterly (at the end of March, June, September and December). The rent increases at the beginning of the period depending on annual Euribor rate.
• The Group has signed rent agreement with Sportif Makine AŞ for Eskişehir İbis Hotel Fitness Center at 1 September 2006. The rent payments begin after two months from 1 January 2007 which the fitness center is delivered. The monthly rent is Euro 7 thousand without VAT and the length of rent the agreement is 7 years. The rent increases at the beginning of the period depending on euribor rate. The Group has signed an additional agreement with Sportif for the rent payments of 2009 on 26 March 2009. Based on the agreement, the monthly rent amount is decreased to Euro 6 thousand by the discount rate of 25 percent.
• The Group has leased Accor/Mercure Hotel to Serenas Turizm Kongre ve Organizasyon Hizmetleri Limited Şirketi ("Serenas Turizm") with the option of extending rent duration for five years as at 1 January 2008. Serenas Turizm has given Euro 3,000 thousand amount of bank collateral to the Group. The annual rent amount will be paid quarterly (February, May, August and November).

The details of minimum guaranteed annual rent is as indicated below:

Agreement	Duration	Minimum guaranteed annual rent (in Euros)	Minimum guaranteed total rent (in Euros)
ACCOR/MERCURE Girne	For 2010	1,200	1,200
ACCOR/MERCURE Girne	For 2011	1,500	1,500
ACCOR/MERCURE Girne	For 2012	2,000	2,000
			4,70

Non-cancellable operating lease receivables

	31 December 2009	31 December 2008	31 December 2007
Less than one year	19,603	19,426	7,487
Between one and five years	60,946	58,103	37,303
More than five years	49,353	70,037	28,335
	129,902	147,566	73,125

24 EMPLOYEE BENEFITS

For the years ended 31 December, the movements in the reserve for severance payments were as follows:

	2009	2008	2007
Balance at the beginning of the period	3,387	2,575	1,852
Interest cost	1,678	859	1,039
Service cost	3,132	1,057	347
Paid during the year, reversal (*)	(2,769)	(680)	(530)
Effects of change in foreign exchange rate	47	(43)	24
Effect of change in ownership	308	80	-
Actuarial difference	666	(461)	(570)
Effect of change in group structure	-	-	413
Balance at the end of the period	6,449	3,387	2,575

(*) 1,161 of total personnel transferred from TGS to HAVAŞ has obtained termination benefits amounting to TL 1,682.

Such payments are calculated on the basis of 30 days' pay maximum full TL 2.365 as at 31 December 2009 (31 December 2008: TL 2.173, 31 December 2007: TL 2.030) per year of employment at the rate of pay applicable at the date of retirement or termination. Reserve for retirement pay is computed and reflected in the financial statements on a current basis. The reserve has been calculated by estimating the present value of future probable obligation of the Company arising from the retirement of the employees. The calculation was based upon the retirement pay ceiling announced by the government.

The provision has been calculated by estimating the present value of the future probable obligation of the Company and its subsidiaries and joint venture registered in Turkey arising from the retirement of employees. International Accounting Standard No. 19 ("IAS 19") "Employee Benefits" requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions are used in the calculation of the total liability.

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying consolidated financial statements as at 31 December, the provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The provisions at 31 December 2009 have been calculated by 5.92% discount rate assuming an annual inflation rate of 4.80% and interest rate of 11% (31 December 2008: annual inflation rate of 5.40%, a interest rate of 12.00% and 6.26% discount rate, 31 December 2007: annual inflation rate of 5.00%,an interest rate of 11.00% and 5.71% discount rate). It is planned for some of the jointly controlled entities that rights related to employee benefits to be paid at the end of the concession agreement. Accordingly, the net present value of the total retirement pay obligation is calculated with considering the duration of concession agreements.

25 RETIREMENT PLANS

The Group does not have any retirement plans as of 31 December 2009, 31 December 2008 ve 31 December 2007.

26 OTHER ASSETS AND LIABILITIES

Other Current Assets

At 31 December, other current assets comprised the following:

	2009	2008	2007
Prepaid concession expenses	66,173	59,750	51,460
VAT carried forward	42,952	55,217	19,436
Advances given to subcontractors	29,294	77,768	21,119
Advances given to suppliers	15,570	17,670	20,801
Accrued income	15,153	15,099	-
Prepaid expenses	12,078	9,725	9,980
Prepaid taxes	2,884	6,769	6,359
Taxes and funds to be refunded	863	991	1,236
Job advances	401	1,783	1,015
VAT share for prepaid rent paid to DHMİ	-	-	7,349
Other	5,498	6,943	3,271
	190,866	251,715	142,026

VAT portion of prepaid rent related with DHMI is closed in the year 2008. According to the 4th clause of the rent agreement related with renting of operation rights of İstanbul Atatürk Airport Domestic and International Terminal Building, Parking Building and General Airport Terminal, advance payment made to DHMI is amounting to USD 690,170. (Group share: USD 180,267) VAT amount in this payment is USD 105,280. (Group share: USD 27,498)

As at 31 December 2009, VAT receivable of MIP for storage and terminal services is amounting to TL 18,134 since MIP cannot offset its VAT payable resulted from given services with its VAT receivable resulted from received services (31 December 2008: TL 11,132; 31 December 2007: TL 3,563). VAT receivables amounting to TL 7,759 is resulted from VAT related with TAV Tblisi and TAV Tunusia due to local laws.

As at 31 December 2009, advances given to subcontractors are comprised of projects in Doha, Dubai and Oman and Karasu HEPP, Otlucahes HEPP and Loft 2 and Bursa Otel projects. At 31 December 2008, advances given to subcontractors are mainly comprised of advances given to subcontractors for the Otlucahes Dam Hydroelectric Power Plant project, Saraçbendi Dam Hydroelectric Power Plant project and Çamlıca III Dam Hydroelectric Power Plant project in Turkey.

As at 31 December 2009 and 2008, accrued income is mainly comprised of accruals for progress billings of Aliağa Organized Industrial District primary and secondary jobs project and natural gas project.

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Other Non-current Assets

At 31 December, other non-current assets comprised the following:

	2009	2008	2007
Prepaid concession expense	60,609	55,849	56,342
VAT carried forward	59,738	30,521	22,120
VAT share of prepaid rent expense to DHMI	-	-	6,761
Advance given	24,450	13,971	4,134
Withholding taxes over progress billings	5,210	2,819	7,877
Advances given to subcontractors	4,968	3,933	-
Prepaid expense	2,049	2,122	4,211
Income accrual	1,422	1,322	-
Deferred commission expense	-	2,882	-
Advances given for the share acquisition	-	1,371	-
Other	3,599	1,256	392
Other Non-Current Asset	162,045	116,046	101,837

As of 31 December 2009, prepaid concession expense amounting to TL 60,609 is related with TAV Havalimanları (31 December 2008: TL 55.849. 31 December 2007: TL 56.342).

As at 31 December 2009, VAT carried forward is mainly related to the VAT incurred from capital expenditures amounted to TL 27,289 especially made for the hydroelectric plant projects. Since these plants are under construction for hydroelectric plant projects, the Group does not have adequate VAT payable in order to net-off these VAT receivables. As at 31 December 2009 income accruals amounting to TL 1,422 (31 December 2008: TL 1,322) includes income accruals related to Levent Loft Project. As at 31 December 2009 VAT carried forward belongs to Akfen GYO is TL 25,953 (31 December 2008: TL 22,374, 31 December 2008: TL 18,595)

The income of real estate investment trusts is exempt from Corporate Income Tax according to New Corporate Tax Law. However, Akfen GYO is subject to pay 18% VAT for the purchase of construction materials.

Advances given amounting to TL 24,016 is related with fixed asset advance of Akfen Hes project construction.

Other current liabilities

As of 31 December 2009, other current liabilities mainly include expense accruals of TAV Yatırım, TAV Insaat Libya, TAV Insaat Gulf, TAV Insaat Tunusia, TAV Insaat Egypt, TAV Insaat Turkey, TAV Insaat Doha, TAV Insaat Umman amounting to TL 14,152, provisions related to subcontractors of HES projects of Akfen Insaat, Loft 2 and Bursa Hotel projects amounting to TL 5,734, bonus provision and provision for unreceived invoices of MIP amounting to TL 3,290.

As at 31 December 2008 other current liabilities mainly consists of Hes Projects of Akfen İnşaat amounting to TL14,500 and provisions related to subcontructors of Loft 2 and Antep hotel projects.

Other non-current liabilities

As at 31 December 2009 other non-current liabilities are mainly comprised of deferred income related with the unearned concession rent income from ATÜ amounting to TL 8,092.

As at 31 December 2008 other non-current liabilities are mainly comprised of upfront sub-operation fees collected from sub-operators of Tüvtürk Kuzey amounting to TL 342,258.

27 EQUITY

At 31 December, the shareholding structure of the Company based on the number of shares is presented below:

	2009		2008		2007	
	Share Amount	% of ownership	Share Amount	% of ownership	Share Amount	% of ownership
Hamdi Akın	94.363	94,68	59.005	94,07	59,005	94,07
Akfen İnşaat	4.125	4,14	3.595	5,72	3,595	5,72
Şafak Akın	41	0,04	41	0,07	41	0,07
Meral Köken	41	0,04	41	0,07	41	0,07
Nihal Karadayı	41	0,04	41	0,07	41	0,07
Akınıs Makine	529	0,53	-	-	-	-
Akfen Turizm	529	0,53	-	-	-	-
Paid in capital (nominal)	99.669	100	62.723	100	62,723	100

As at 31 December 2009, 2008 and 2007 there is no pledge on Akfen Holding's share.

As at 31 December 2009, the number of shares is 104,513,890 with a par value of TL 1 each. As at 31 December 2009, TL 4,845 is unpaid portion of the share capital amounting to TL 104,514. As mentioned in the explanatory note 2.1 (f) (i) above, after the merger of Akfen Altyapı with Akfen Holding on 29 July 2009, the Group's paid in capital increased by TL 36,946. The part of balance amounting to TL 1,587 is presented in treasury shares.

Translation reserve

The translation reserve amounting TL 25,004 (31 December 2008: TL 25,931, 31 December 2007: TL 29,950) comprise of foreign exchange difference arising from the translation of the financial statements of MIP, TAV Yatırım, RHI, RPI, Hyper Foreign and TAV Havalimanları from their functional currency of USD and Euro to the presentation currency TL which is recognized in other comprehensive income under equity.

Hedging Reserve

The hedging reserve comprise the effective portion of the cumulative net change in the fair value of cash flow hedging instrument related to hedged transaction that have not yet occurred. As at 31 December 2009, the hedging reserve amounting TL 60,677 is recognized in equity which is related to the interest rate swap contracts made in 2009 by MIP and TAV Havalimanları (31 December 2008: TL 82,571 from MIP and

TAV Havalimanları; 31 December 2007: TL 10,959 from MIP and Tüvtürk İstanbul "swap" agreements).

Revaluation Surplus

The customer relationship and DHMİ licence were remeasured to their fair values by TAV Havalimanları in 2007. The change in fair value is reflected as revaluation surplus in the consolidated financial statements of TAV Havalimanları.

The accompanying consolidated financial statements include the Group's share of therevaluation surplus as at 31 December 2009, 2008 and 2007.

Treasury shares

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, is net off any tax effects, and is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and resulting surplus or deficit on the transaction is transferred to/from retained earnings.

Business combination of entities under common control

Business combination of entities that are under common control are accounted for at book values. The net amount of consideration paid over the book value of the net assets acquired is recognized directly in equity.

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Restricted Reserves

Retained earnings as per statuory financial statements, other than legal reserve requirements, are available for distribution subject to legal reserve requirement referred to below:

The legal reserveconsist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of statuory profits at the rate 5% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

28 REVENUE AND COST OF SALES

28.1 Sales

For the years ended 31 December, revenue comprised the following:

	2009	2008	2007
Contract revenue	551,093	438,497	356,019
Revenue from ship side operations	117,468	98,006	56,522
Revenue from aviation services	63,013	53,116	37,568
Revenue from sales of tax free goods	62,494	61,170	51,479
Ground handling income	54,295	43,773	24,129
Revenue from sales of foreign currency	49,195	42,909	37,824
Commission from sales of duty free goods	38,322	30,080	23,104
Revenue from catering services	18,254	14,989	12,058
Rent income from investment property	17,699	14,970	5,842
Insurance brokerage commission income	13,975	11,365	8,497
Revenue from trading property sold	-	-	37,396
Others	43,459	40,591	47,740
	1,029,267	849,466	698,178

28.2 Cost of sales

For the years ended 31 December, cost of sales comprised the following:

	2009	2008	2007
Contract cost	291,352	201,809	225,695
Personnel expense	140,390	105,359	55,061
Cost of trading goods sold	131,407	123,103	89,324
Rent expense	84,007	75,846	57,065
Cost of sale of foreign currency	47,505	41,374	34,858
Amortization and depreciation	39,770	36,804	21,239
Cost of ship side operations	23,818	26,153	12,297
Cost of services sold	16,462	15,592	8,576
Property operating expense and cost of investment property sold	1,687	3,632	35,752
Others	66,949	45,105	29,962
	843,347	674,777	569,829

29 SALES, MARKETING AND DISTRIBUTION EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES

29.1 General Administrative Expenses

For the years ended 31 December, general administrative expenses comprised the following:

	2009	2008	2007
Compensation expense (*)	32,750	-	-
Personnel expenses	29,084	25,467	27,208
General office expenses	12,896	12,206	13,362
Non-deductible VAT	10,660	7,067	7,967
Consultancy expenses	8,575	7,235	11,728
Insurance expense	5,494	3,156	3,368
Depreciation expenses (***)	4,901	3,855	3,813
Rent expense	2,876	5,553	4,143
Other project costs (**)	3,666	4,198	4,152
Representation expenses	3,558	5,349	5,357
Travel expenses	2,753	3,615	3,517
Taxes and duties	1,918	2,259	5,700
Office equipment expenses	1,408	1,004	2,609
Outsourced expenses	343	501	3,982
Others	11,539	11,127	9,884
	132,421	92,592	106,790

(*) On 3 November 2009, Akfen Holding paid an additional fee amounting 32,750 TL to release the pledge on the shares of TAV Havalimanları.
(**) Other project costs comprised of expenses related with the construction projects. Since these costs are not directly associated with projects, they are not allocated to the project costs.
(***) For the years ended 31 December 2008 and 2007, depreciation and amortization expenses amounting to TL 9,870 and TL 209 are shown under discontinued operations. (See note 34).

30 EXPENSES BY NATURE

As at 31 December 2009, 2008 and 2007, The Group's expenses are presented on functional basis (see note 29).

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31 OTHER INCOME/EXPENSE

For the years ended 31 December, other income comprised the following:

	2009	2008	2007
Gain on sale of investments (*)	5,336	-	158,625
Change in fair value of investment property (Not 17)	41,967	117,345	132,987
Gain on sale of trading properties	8,108	-	-
Advertising income	6,836	3,655	4,643
Rent income	5,255	1,498	5,478
Compensation income	1,684	-	-
Gain on sale of tangible assets	569	1,342	209
Gain on sale of marketable securities	291	822	419
Provisions released during the period	135	2,764	1,623
Others	8,237	7,894	333
	78,418	135,320	304,317

For the year ended 31 December 2009, compensation income is mainly due to the collection of delay progress receivables from ISKI amounting to TL 866 and the letter of guarantees which was turned into cash amounting to TL 745.

(*) As of 31 December 2009, gain on sale of investment includes the gain of sale TAV Tunusia shares to International Finance Corporation ("IFC") amounting to TL 4,326. The agreement regarding the sale of 15% of shares of TAV Tunisie SA, amounting to Euro 27,999 (equivalent to TL 60,488) to International Finance Corporation (IFC), a World Bank entity, is signed by the parties in 30 June 2009. The sale has completed in August 2009 and the transfer of the shares has been completed by IFC. As at 31 December 2009 ownership stake in TAV Tunisie SA decreased to 85% from 100% (31 December 2008: 100%).

As of 31 December 2007, gain on sale of investments is comprised from the gain of the sale of TAV Havalimanları and Akfen GYO shares to public and THO, amounting TL 138,655 and TL 19,970, respectively.

For the years ended 31 December, other expenses comprised the following:

	2009	2008	2007
Impairment loss on investment property (Not 17)	18,103	4,193	32,094
Loss on liquidation of subsidaries	1,656	-	-
Loss on sale on tangible assets	1,030	27	124
Loss from sale on subsidiary	-	1,889	2,797
Loss on sale on investment property	-	1,554	-
Impairment of trading property	-	1,500	-
Impairment of subsidiary	-	-	1,510
Goodwill impairment (Not 20)	-	-	4,526
Indemnity expenses	-	-	2,585
Guarentee expenses of temporary accepted projects	-	-	3,680
Other	4,202	1,431	3,777
	24,991	10,594	51,093

Impairment of subsidiary is attributable to the impairment of Batı Karadeniz and Tekaş Elektrik during 2007.

Loss on liquidation of subsidiaries is attributable to the management decision about liquidation of ATI as at 31 December 2009.

For the year ended 31 December 2008, loss from sale of subsidiary is attributable to the difference in the buying and selling prices of 979 shares of BGT sold by Akfen HES to MNG Esmaş Elektro Sistemleri Mühendislik Sanayi ve Ticaret A.Ş. which were bought at TL 2,059 and sold at TL 170 on 8 August 2008.

For the year ended 31 December 2009, TL 12,577, TL 3,494 and remaining TL 982 part of impairment loss on investment property are comprised of impairment of Girne Mercure Hotel, IBIS Eskişehir Hotel Fitness Center and IBIS Eskişehir Hotel respectively. For the year ended 31 December 2008, TL 1,545 and remaining TL 2,648 part of impairment loss on investment property are comprised of impairment of a property in İstanbul and of revaluation of IBIS Eskişehir Hotel Fitness Center, respectively. For the year ended 31 December 2007, the impairment on investment property amounted to TL 32,094 is mainly recognised based on the fair value of the land in Ankara amounting TL 30,633. Impairment related with trading property is expalined in Note 17.

Indemnity expense is attributable to the cancellation of a rental contract of a casino in Northern Cyprus during 2007.

32 FINANCE INCOME

For the years ended 31 December, finance income comprised the following:

	2009	2008	2007
Finance income			
Foreign exchange gain	54,203	178	27,323
Interest income	14,974	10,167	10,086
Discount income related to IFRIC 12(*)	3,746	2,072	916
Unearned interest income, net	2,959	-	-
Others	192	157	2,475
	76,074	12,574	40,800

(*) Discount income includes unwinding of discount on guaranteed passenger fee receivables from DHMI (concession receivables).
For the years ended 31 December, financial income/(expenses) accounted in other comprehensive income are as follows:

	2009	2008	2007
Foreign currency translation differences	(3,018)	57,649	(19,914)
Hedging reserve	21,894	(71,562)	(9,548)
	18,876	(13,913)	(29,462)

As at 31 December 2009, the hedging reserve amounting TL 21,894 (31 December 2008: TL 71,562; 31 December 2007: TL 9,548) is recognized in equity which is related to the interest rate swap contracts made in 2009 by MIP and TAV Havalimanları.

The translation reserve amounting TL 3,018 comprises of foreign exchange difference arising from the translation of the financial statements of MIP, TAV Yatırım, RPI, RHI and TAV Havalimanları, from their functional currency of USD and Euro to the presentation currency TL which is recognized in equity for the year ended 31 December 2009 (31 December 2008: TL 57,649 from TAV Yatırım, RPI, RHI and TAV Havalimanları; 31 December 2007: TL 19,914 from MIP, TAV Yatırım, TAV Havalimanları and Hyper Foreign).

33 FINANCE EXPENSES

For the years ended 31 December, finance expense comprised the following:

	2009	2008	2007
Interest expenses	(170,750)	(112,648)	(64,876)
Foreign exchange loss	(46,440)	(128,356)	(14,985)
Unearned interest expense, net	-	(3,195)	-
Others	(5,946)	(1,407)	(6,565)
	(223,136)	(245,606)	(86,426)

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34 ASSET CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

The Group, as explained in Note 2 and Note 4, has sold its shares in 33.33% owned Tüvtürk Kuzey-Tüvtürk Güney and Tüvtürk İstanbul and 100% owned AIH Muayene to TEST AŞ on 27 October 2009. As explained in Note 2.1 (f) (i), profit for the year is classified as "profit from discontinued operations, net of tax" for the consolidated financial statements for the year ended 31 December 2009, 2008 and 2007.
The period income of Tüvtürk Kuzey-Tüvtürk Güney and Tüvtürk Istanbul for the year ended 31 December 2009, 2008 and 2007 has been presented under "profit from discontinued operation, net of tax" balances in the accompanying consolidated financial statements.
Assets classified as held for sale as at 31 December 2007 comprised of land owned by Akfen İnşaat and sold within the year 2008, amounting to TL 3,260.

Profit from discontinued operations, net of tax

	2009	2008	2007
Revenue	171,726	39,359	-
Cost of sales	(137,572)	(34,086)	-
Other income	154	28,682	-
Other expense	-	(27,622)	-
General administrative expenses	(18,601)	(12,326)	(5,942)
Marketing expense	(262)	(886)	(52)
Finance income	10,696	1,775	25,493
Finance expense	(13,297)	(34,953)	(4,212)
Tax income/(expense)	(1,878)	8,814	(3,097)
Gain sale of subsidiaries (AIH Muayene, Tüvtürk Kuzey-Tüvtürk Güney, İstanbul)	183,869	-	-
	194,835	(31,243)	12,190

35 TAXATION

Corporate tax:

In Turkey, corporate income tax is levied at the rate of 20% on the statutory corporate income tax base, which is determined by modifying accounting income for certain exclusions and allowances for tax purposes.

There is also a withholding tax on the dividends paid and is accrued only at the time of such payments. The withholding tax rate on the dividend payments other than the ones paid to the non-resident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 15 percent. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

According to the Corporate Tax Law, 75% of the capital gains arising from the sale of tangible assets and investments in equity shares owned for at least two years are exempted from corporate tax on the condition that such gains are reflected in the equity with the intention to be utilised in a share capital increase within five years from the date of the sale. The remaining 25% of such capital gains are subject to corporate tax.

The transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communique on disguised profit distribution via transfer pricing dated 18 November 2007 sets details about implementation. If a tax payer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length basis, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as a tax deductible for corporate income tax purposes.

In Turkey, 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 financial statements reflects the total amount of taxes calculated on each entity that are included in the consolidation.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for up to five years. Tax losses cannot be carried back.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within four months following the close of the accounting year to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

According to Article 5/1(d) (4) of the New Corporate Tax Law 5220, the income of Real Estate Investment Trusts ("REIT") is exempt from Corporate Income Tax in Turkey. This exemption is also applicable to Quarterly Advance Corporate Tax. However, the Tax Inspectors' Board challenges this exemption for the Real Estate Investment Trusts ("REIT") which are not publicly traded and imposes tax penalties to these REITs. On the other hand, the Capital Markets Board is of the opinion that REIT status is obtained by companies instantaneously founded or transformed to the REIT after the Board's approval of the amendments in the Articles of Association in case of transformation, and approval of establishment in case of immediate establishment. Therefore, the management and the legal advisors of the Group do not expect to be exposed to any tax exposure related with this penalty and expects the Tax Authorities to settle the tax assessments in due course.

In Northern Cyprus, corporate income tax is levied at the rate of 23.5%, which is determined by modifying accounting income for certain exclusions and allowances for tax purposes for the related year. Thus, the operations of the branch of Akfen Ticaret, Akfen Turizm and Akfen İnşaat are subject to this tax rate.

As at 1 January 2008 corporate income tax is decreased from 20% to 15% according to Georgia laws. Deferred tax is calculated for relevant assets and liabilities with 15% rate as at 31 December 2009.

Tunisian corporate income tax is levied at a rate of 30% on income less deductible expenses. According to concession agreement, TAV Tunisia is exempt from corporate tax for a period of 5 years starting from the concession agreement date.

Investment allowance:

The Temporary Article 69 added to the Income Tax Law no.193 with the Law no.5479, which became effective starting from 1 January 2006, upon being promulgated in the Official Gazette no.26133 dated 8 April 2006, stating that taxpayers can deduct the amount of the investment allowance exemption which they are entitled to according to legislative provisions effective at 31 December 2005 (including rulings on the tax rate) only from the taxable income of 2006, 2007 and 2008. Accordingly, the investment incentive allowance practice was ended as of 1 January 2006. At this perspective, an investment allowance which cannot be deducted partially or fully in three years time was not allowed to be carried forward to the following years and became unavailable as of 31 December 2008. On the other side, the Article 19 of the Income Tax Law was annulled and the investment allowance practice was ended as of 1 January 2006 with effectiveness of the Article 2 and the Article 15 of the Law no.5479 and the investment allowance rights on the investment expenditures incurred during the period of 1 January 2006 and 8 April 2006 became unavailable.

However, at 15 October 2009, the Turkish Constitutional Court decided to cancel the clause no.2 of the Article 15 of the Law no.5479 and the expressions of "2006, 2007, 2008" in the Temporary Article 69 related to investment allowance mentioned above that enables effectiveness of the Law as of 1 January 2006 rather than 8 April 2006, since it is against the Constitution. Accordingly, the time limitations for the carried forward investment allowances that were entitled to in the previous period of mentioned date and the limitations related with the investments expenditures incurred between the issuance date of the Law promulgated and 1 January 2006 were eliminated. According to the decision of Turkish Constitutional Court, cancellation related with the investment allowance became effective with promulgation of the decision on the Official Gazette and the decision of the Turkish Constitutional Court was promulgated in the Official Gazette no.27456 dated 8 January 2010.

According to the decision mentioned above, the investment allowances carried forward to the year 2006 due to the lack of taxable income and the investment allowances earned through the investments started before 1 January 2006 and continued after that date constituting economic and technical integrity will be used not only in 2006, 2007 and 2008, but also in the following years. In addition, 40% of investment expenditures that are realized between 1 January 2006 and 8 April 2006, within the context of the Article 19 of the Income Tax Law will have the right for investment allowance exemption.

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35.1 Taxation income/(expense)

The taxation charge for the years ended 31 December comprised the following items:

	2009	2008	2007
Corporation tax expense	(17,358)	(10,583)	(10,520)
Deferred tax benefits	14,239	573	10,004
Total tax expense	(3,119)	(10,010)	(516)

	2009	2008	2007
-Income tax benefit/(expense) from continued operations	(1,241)	(18,824)	2,581
Income tax benefit/(expense) from discontinued operations-(Note 34)	(1,878)	8,814	(3,097)
Total tax expense	(3,119)	(10,010)	(516)

Reconciliation of effective tax rate

The reported taxation charge for the years ended 31 December 2009, 2008 and 2007 are different than the amounts computed by applying statutory tax rate to profit before tax as shown in the following reconciliation:

	2009		2008		2007	
	Amount	%	Amount	%	Amount	%
Profit/(loss) for the period	153,458		(76,469)		242,612	
Tax expense	(3,119)		(10,010)		(516)	
Profit/(loss) excluding income tax)	156,577		(66,459)		243,128	
Income tax using the Company's domestic tax rate	(31,315)	(20.0)	13,292	(20.0)	(48,626)	(20.0)
Permanent differences:						
Disallowable expenses	(8,671)	(5.5)	(4,777)	7.2	(5,512)	(2.3)
Translation differences of non-monetary equity items	112	0.1	(1,217)	1.8	1,725	0.7
Tax exempt income	6,986	4.5	11,405	(17.2)	28,247	11.6
Consolidation adjustments	(214)	(0.1)	174	(0.3)	10,035	4.1
Investment incentive	13,165	8.4	266	(0.4)	16,529	6.8
Non taxable portion of gain on sale of subsidiary and jointly control entities	18,599	11.9	-	-	-	-
Recognition of previously unrecognized tax losses	12,357	7.9	3,173	(4.8)	3,362	1.4
Current year losses which no deferred tax asset was recognized	(1,325)	(0.8)	(25,915)	39.0	(6,928)	(2.8)
Recognition of previously unrecognised temporary differences	(1,125)	(0.7)	-	-	-	-
Change in prior years' losses	(6,316)	(4.0)	1,127	(1.7)	-	-
Translation effect on tax losses	74	-	(1,615)	2.4	619	0.3
Effect of tax rates in foreign juristictions	(4,689)	(3.0)	(3,532)	5.3	880	0.4
Other	(757)	(0.5)	(2,391)	3.6	(847)	(0.3)
Taxation charge	(3,119)	(2.0)	(10,010)	15.1	(516)	(0.2)

Deferred tax is provided, using the balance sheet method, on all taxable temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except for the differences relating to goodwill not deductible for tax purposes and the initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

35.2 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and deferred tax liabilities as at 31 December were attributable to the items detailed in the table below:

	Assets			Liabilities			Net		
	2009	2008	2007	2009	2008	2007	2009	2008	2007
Trade and other receivables	1,452	2,324	1,193	(379)	(136)	(75)	1,073	2,188	1,118
Airport operation right	1,580	426	207	(6,044)	(2,352)	-	(4,464)	(1,926)	207
İntangible assets	2,818	1,507	1,935	(17,938)	(22,715)	(19,830)	(15,120)	(21,208)	(17,895)
Tangible assets	20,357	5,851	5,761	(5,950)	(4,067)	(3,309)	14,407	1,784	2,452
Effect of IAS 11 application	9,322	4,065	11,171	-	(4,596)	(10,109)	9,322	(531)	1,062
Effect of IFRIC 12 application	-	-	-	(452)	(93)	-	(452)	(93)	-
Derivatives	14,521	19,677	4,015	-	(765)	(58)	14,521	18,912	3,957
Concession fee	-	-	-	(4,384)	(4,045)	(5,883)	(4,384)	(4,045)	(5,883)
Other investments	-	-	-	(1,727)	(1,577)	-	(1,727)	(1,577)	-
Sub-operators license costs	-	-	-	-	(3,380)	-	0	(3,380)	-
Investment incentive	29,117	16,841	16,529	-	-	-	29,117	16,841	16,529
Non-current assets	-	3,670	-	-	-	-	-	3,670	-
Investment property	4,719	4,996	4,543	(33,953)	(21,535)	(11,745)	(29,234)	(16,539)	(7,202)
Tax loss carry-forward	21,318	33,862	13,839	-	-	-	21,318	33,862	13,839
Trade and other liabilities	1,063	120	988	(1,272)	-	(74)	(209)	120	914
Financial liabilities	1,994	1,079	114	(377)	(837)	(963)	1,617	242	(849)
Other temporary differences	982	1,125	1,642	(825)	(544)	23	157	581	1,665
Subtotal	109,243	95,543	61,937	(73,301)	(66,642)	(52,023)	35,942	28,901	9,914
Net-off tax	(54,267)	(41,916)	(32,154)	54,267	41,916	32,154	-	-	-
Total deferred tax assets/(liabilities	54,976	53,627	29,783	(19,034)	(24,726)	(19,869)	35,942	28,901	9,914

According to the Tax Procedural Law, statutory losses can be carried forward maximum for five years. Consequently, 2014 is the latest year for recovering the deferred tax assets arising from carried forward tax losses. The Group management forecasted to generate taxable income during 2009 and the years thereafter and based on this forecast, it has been assessed as probable that the deferred tax assets resulting from carried forward tax losses in the amount of TL 21,346 (31 December 2008: TL 33,862; 31 December 2007: TL 13,839) will be realisable; hence, such realisable deferred tax assets are recognised in the consolidated financial statements.

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Unrecognized deferred tax assets and liabilities

At the balance sheet date, the Group has statutory tax losses of TL 125,460 (2008: TL 161,177; 2007: TL 60,010) available for offset against future profits. Deferred tax asset amounting TL 25,092 (2008: TL 32,235; 2007: TL 12,002) has not been recognized in respect of the statutory tax losses carried forward. Such losses carried forward expire until 2014. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits there from. Tax losses will expire as follows:

	2009	2008	2007
Expire in 2008	-	-	2,004
Expire in 2009	-	5,935	2,063
Expire in 2010	13,292	12,340	16,404
Expire in 2011	16,997	42,343	51,662
Expire in 2012	11,443	45,023	57,072
Expire in 2013	168,878	224,846	-
Expire in 2014	21,580	-	-
	232,190	330,487	129,205
Used amount	(106,730)	(169,310)	(69,195)
Unused tax losses	125,460	161,177	60,010

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

36 EARNING PER SHARE

For the years ended 31 December 2009, 2008 and 2007, the amounts of earning per share as TL 149,880, TL (120,258) and TL 199,163 respectively is calculated by dividing the consolidated statement of comprehensive income/(expense) on attributable to main shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

	2009	2008	2007
Income/(expense) on attributable to main shareholders of the Company	149,880	(120,258)	199,163
The weighted average number of shares outstanding during the period	83.616.890	62.719.890	62.719.890
Profit/(loss) per share from operations (full TL)	1.792	(1.917)	3.175

37 RELATED PARTY DISCLOSURES

For the purpose of the consolidated financial statements, the shareholders, key management personnel and the Board members, and in each case, together with their families and companies controlled by/affiliated with them; and associates, investments and joint ventures are considered and referred to as the related parties. A number of transactions are entered into with the related parties in the normal course of business. Most of the related party activity is eliminated at consolidation and the remaining activity is not material to the Group. These transactions were carried out on an arm's-length basis during the normal course of business.

37.1 Related party balances

At 31 December, the Group had the following short term receivables and payables balances from its related parties:

	2009	2008	2007
Trade receivables	23,804	17,271	22,074
Non-trade receivables	5,295	22,769	1,192
	29,099	40,040	23,266
Trade payables	24,650	13,931	21,432
Non-trade payables	13,143	33,335	21,095
	37,793	47,266	42,527

At 31 December, the Group had the following long term receivables and payables balances from its related parties:

	2009	2008	2007
Trade receivables	3,751	4,750	7,668
Non-trade receivables	1,878	14,010	5,755
	5,629	18,760	13,423
Trade payables	5,889	2,352	1,331
Non-trade payables	10,833	13,345	11,964
	16,722	15,697	13,295

All transactions between Company, subsidiries and jointly ventures not explained in related party disclosures are eliminated during consolidation. Related party balances between the Group and other related parties are explained in the following pages.

At 31 December, the Group had the following short term trade receivables from its related parties:

Due from related parties (short term-trade)	2009	2008	2007
Task Water B.V.	7,145	7,081	-
TAV Tepe Akfen Yatırım İnş. İşl. A.Ş.	2,210	174	1,139
TAV Tunus	1,897	77	6,807
ATÜ	1,860	1,307	557
Sky Oryx Joint Venture	1,699	943	22
Bugato Insaat (*)	1,375	-	-
LCC Sabha Uluslararası Havalimanı Projesi	1,164	369	-
Odebrecht TAV LCCC JV (“ODTC JV”)	1,046	-	-
İbrahim Süha Güçsav	1,024	-	-
Mustafa Keten	919	-	-
İrfan Erciyas	513	-	-
Selim Akın	491	-	-
Arbiogaz Çevre Teknolojileri A.Ş.	472	220	-
Cennetkaya Sportif ve Turistik Tes. San. Ve Tic. A.Ş.	74	-	-
TAV Insaat	57	-	-
Sera Yapı End. ve Tic. A.Ş. (Sera Yapı) (*)	23	3,053	11,242
Task Su	22	12	655
TAV İstanbul Terminal İşl. A.Ş.	6	643	271
MIP	5	72	397
Tüvtürk Kuzey – Tüvtürk Güney	-	799	-
Other	1,920	2,979	1,906
Unearned interest (-)	(118)	(458)	(922)
	23,804	17,271	22,074

(*) Bugato Insaat and Sera Yapi are the subcontractors of the Group. Receivable from Bugato Insaat comprises advances given by the Group for construction works.

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At 31 December, the Group had the following short term non trade receivables from its related parties:

Due from related parties (short term-non trade)	2009	2008	2007
Tepe İnşaat Sanayi A.Ş. ("Tepe İnşaat")	3,245	222	-
Sera Yapı	695	131	-
TAV Tunus	292	1,603	-
TAV Gözen	244	193	-
CAS	240	187	-
Hamdi Akın	-	18,780	-
Odebrecht-Tripoli Project	-	2,718	-
TAV G Otopark Yat. Yap. ve İşl. A.Ş.	-	810	-
TAV Havalimanları	-	315	-
TAV Esenboğa Yatırım Yapım ve İşl. A.Ş.	-	-	484
TAV Bilişim Hizm. A.Ş.	-	-	452
Other	579	687	256
Unearned interest (-)		(2,877)	-
	5,295	22,769	1,192

At 31 December, the Group had the following long term trade receivables from its related parties:

Due from related parties (long term-trade)	2009	2008	2007
Kirazlı Konutları Joint Venture	2,618	2,298	2,064
Alarko-Akfen İnş. Joint Venture	1,158	862	1,032
Sky Oryx Joint Venture	299	-	-
Riva	-	1,347	630
Tüvtürk İstanbul	-	-	77
Other	56	640	4,203
Unearned interest (-)	(380)	(397)	(338)
	3,751	4,750	7,668

At 31 December, the Group had the following long term non trade receivables from its related parties:

Due from related parties (long term-non trade)	2009	2008	2007
Hyper Foreign	2,152	549	207
Tepe İnşaat	-	9,524	5,606
TAV Tiflis	-	3,781	-
Tüvtürk İstanbul	-	315	-
Unearned interest (-)	(274)	(159)	(58)
	1,878	14,010	5,755

At 31 December, the Group had the following short term trade payables to its related parties:

Due to related parties (short term-trade)	2009	2008	2007
Sky Oryx Joint Venture(*)	5,386	2,474	-
Bugato Insaat(**)	3,376	-	-
Tepe İnşaat Sanayi A.Ş.	2,479	1,803	-
Kirazlı Konutları Adi Ortaklığı	1,654	-	-
Muscat CCC & TAV Cons.	1,591	-	-
Mustafa Keten	1,267	-	-
İrfan Erciyas	900	-	-
TAV İstanbul Terminal İşl. A.Ş.	891	117	84
Süha Güçsav	875	-	-
Selim Akın	625	-	-
ODTC JV	530	2,505	-
TAV Bilişim Hizm. A.Ş.	388	16	93
TAV Tepe Akfen Yatırım İnş. İşl. A.Ş.	83	89	1,188
Hamdi Akın	75	-	-
BTA Yiyecek İçecek Hizm. A.Ş.	74	44	49
TAV Havalimanları	48	141	-
TAV Havacılık AŞ	47	17	304
TAV İşl. Hizm. A.Ş.	36	143	219
Tüvtürk Kuzey – Tüvtürk Güney	26	1,854	555
Sera Yapi End. ve Tic. Ltd. Sti.	22	1,290	2,905
TAV İnşaat (***)	9	358	51
Cihan Kamer	-	-	6,696
Tüvtürk İstanbul	-	-	3,480
Akınısı Ekin Joint Venture	-	-	1,304
Other	4,336	3,404	6,132
Unearned interest (-)	(68)	(324)	(1,628)
	24,650	13,931	21,432

(*) Payable to Sky Oryx Joint Venture mainly comprised of advances received by the Group for the construction works.
(**) Payable amount to Bugato Insaat is related with guarantees taken for billings.
(***) Payable to TAV İnşaat represents the trade payables related with the construction and renovation of Enfidha, Monastir and Gazipaşa Airports.

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Due to related parties (short term-non trade)	2009	2008	2007
LCC Sabha Uluslararası Havalimanı Projesi	3,259	-	31
TAV İstanbul Terminal İşl. A.Ş.	3,032	410	817
TGS	2,889	-	-
Hamdi Akın	2,007	433	5,247
Tepe İnşaat Sanayi A.Ş.	750	14,814	275
Sky Oryx Joint Venture	595	1,955	722
ATÜ	391	1,541	-
Süha Güçsav	169	-	-
TAV Havalimanları	7	275	-
TAV Tunus (*)	-	12,380	12,042
Doğuş Otomotiv Servis ve Ticaret A.Ş.	-	405	-
TAV İnşaat	-	371	-
TÜVSÜD AG	-	303	-
TAV Bilişim Hizmetleri A.Ş.	-	129	-
BTA Yiyecek İçecek Hizm. A.Ş.	-	111	29
TAV İşl. Hizm. A.Ş.	-	73	900
Other	44	183	1,619
Unearned interest (-)	-	(48)	(587)
	13,143	33,335	21,095

(*) Payable amount of TAV Tunusia SA mainly comprises advances received by the Group for the construction works.

As at 31 December 2009, due to related parties long term-trade mainly consists of Task Su B.V. amounting TL 1,296 and TAV Yatırım amounting to TL 3,684.

As at 31 December 2009, due to related parties long term non trade mainly consists of TGS amounting to TL 5,354 and ATÜ amounting to TL 5,413. The total payable amount of Havaş to TGS is related with the unpaid portion of capital injection as of 31 December 2009.

37.2 Related party transactions

For the year period ended 31 December, the transactions with related parties comprised the following:

Services rendered to related parties	2009		2008		2007	
Company	Amount	Service	Amount	Service	Amount	Service
TAV Tunus	58,317	Construction service	67,761	Construction service	16,417	Construction service
Atü	36,368	Sales	27,549	Sales	23,434	Sales
TAV İstanbul Terminal İşl. A.Ş.	10,819	Construction service	1,755	Construction service	360	Construction service
Sky Oryx Joint Venture	5,886	Construction service	6,730	Construction service	2,199	Construction service
TAV Gazipaşa Yat. Ve İşl. A.Ş.	1,085	Construction service	989	Construction service	-	-
TAV Insaat	419	Sales	236	Sales	-	-
TAV Havalimaları	461	Interest income	-	-	569	Interest income
Ati Service	1,300	Foreign currency gain	-	-	-	-
Artı Döviz	619	Other income	-	-	-	-
Task Water B.V.	529	Foreign currency gain	-	-	-	-
Hyper Foreign	368	Foreign currency gain	496	Foreign currency gain	-	-
Riva	215	Other income	-	-	-	-
TAV Tepe Akfen Yatırım İnş. İşl. A.Ş.	189	Foreign currency gain	72	Foreign currency gain	1,074	Foreign currency gain
Tüvtürk Kuzey – Tüvtürk Güney	18,238	Sales	5,131	Sales	-	-
TAV İzmir Term. İşlt. A.Ş.	-	-	-	-	3,014	Construction service
TAV Tepe Akfen Yatırım İnş. İşl. A.Ş.	-	-	269	Sales	2,011	Sales
Sera Yapı End. ve Tic. A.Ş.	-	-	448	Interest income	2,020	Interest income
MIP	-	-	-	-	1,086	Other income
Alsim Alarko Akfen İnş. Ortak Girişimi	-	-	-	-	1,051	Interest income
TAV Urban Georgia LLC	-	-	-	-	1,499	Sales
Diğer	2,703		7,186		4,685	

Services charged by related parties	31 December 2009		31 December 2008		31 December 2007	
Company	Amount	Service	Amount	Service	Amount	Service
Tüvtürk Kuzey – Tüvtürk Güney	38,230	Purchases	16,088	Purchases	-	-
TAV İnşaat	12,620	Construction services	8,204	Construction services	-	-
Tepe İnşaat Sanayi A.Ş.	3,571	Purchases	4,926	Purchases	1,583	Purchases
TAV Bilişim Hizmetleri A.Ş.	2,803	Purchases	358	Purchases	211	Purchases
Sera Yapi End. ve Tic. Ltd. Sti.	624	Purchases	26,609	Purchases	28,140	Purchases
TAV Havalimanları	-	-	-	-	10,986	Public offering expenses
Sera Yapi End. ve Tic. Ltd. Sti.	-	-	3	Interest expense	4,245	Interest expense
Ati Service	1,494	Foreign Exchange Loss	-	-	-	-
BTA Yiyecek İçecek Hizm. A.Ş.	1,067	Purchases	1,268	Purchases	-	-
Diğer	5,455		8,239		5,372	

37.3 Key management personnel compensation

Total salaries provided to key management personnel for the Group and subsidiaries amounted to TL 6,683 for the year ended 31 December 2009 (31 December 2008: TL 5,725; 31 December 2007: TL 3,661). Total salaries provided to key management personnel for the joint ventures amounted to TL 16,974 (Group's share: TL 5,199) for the year ended 31 December 2009 (31 December 2008: TL 18,357 (Group's share: TL 5,208) and 31 December 2007: TL 11,833 (Group's share: TL 2,907)).

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38 NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS

Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at 31 December is as follows:

	Receivables						
	Trade Receivables		Other Receivables				
31 December 2009	Related Party	Other Party	Related Party	Other Party	Deposits on Banks (*)	Derivative Instruments	Other
Exposure to maximum credit risk as at reporting date (A+B+C+D+E)	27,555	358,334	7,173	8,699	458,301	3,706	-
-Portion of maximum risk covered any guarantee	-	90,844	-	-	-	-	-
A. Net carrying value of financial assets which are not impaired or overdue (2)	17,831	341,534	6,586	5,367	458,301	3,706	-
B.. Net carrying value of financial assets that are restructured, otherwise which will be regarded as overdue or impaired (3)	-	-	-	-	-	-	-
C. Net carrying value of financial assets which are overdue but not impaired (6)	9,724	16,800	587	3,332	-	-	-
-The portion covered by any guarantee	-	2,647	-	-	-	-	-
D. Net carrying value of impaired assets (4)	-	-	-	-	-	-	-
-Past due (gross book value)	-	2,066	-	-	-	-	-
-Impairment (-)	-	(2,066)	-	-	-	-	-
-Not past due (gross book value)	-	-	-	-	-	-	-
-Impairment (-)	-	-	-	-	-	-	-
E. Off balance sheet items with credit risks	-	-	-	-	-	-	-

	Receivables				
31 December 2009	Trade Receivables	Other Receivables	Deposits on Banks	Derivative Instruments	Other
Past due 1-30 days	2,773	-	-	-	-
Past due 1-3 months	14,077	2,930	-	-	-
Past due 3-12 months	9,055	989	-	-	-
Past due 1-5 years	2,601	-	-	-	-
More than 5 years	84	-	-	-	-

(*) Deposits on banks include restricted bank balance amounting to TL 177,320.

	Receivables						
	Trade Receivables		Other Receivables				
31 December 2008	Related Party	Other Party	Related Party	Other Party	Deposits on Banks (*)	Derivative Instruments	Other
Exposure to maximum credit risk as at reporting date (A+B+C+D+E)	22,021	333,026	36,779	6,828	240,827	14,977	-
-Portion of maximum risk covered any guarantee	-	2,660	-	-	-	-	-
A. Net carrying value of financial assets which are not impaired or overdue (2)	22,021	322,223	36,779	6,828	240,827	14,977	-
B.. Net carrying value of financial assets that are restructured, otherwise which will be regarded as overdue or impaired (3)	-	-	-	-	-	-	-
C. Net carrying value of financial assets which are overdue but not impaired (6)	-	10,803	-	-	-	-	-
-The portion covered by any guarantee	-	-	-	-	-	-	-
D. Net carrying value of impaired assets (4)	-	-	-	-	-	-	-
-Past due (gross book value)	-	1,851	-	-	-	-	-
-Impairment (-)	-	(1,851)	-	-	-	-	-
-Not past due (gross book value)	-	22	-	-	-	-	-
-Impairment (-)	-	(22)	-	-	-	-	-
E. Off balance sheet items with credit risks	-		-	-	-	-	-

	Receivables				
31 December 2008	Trade Receivables	Other Receivables	Deposits on Banks	Derivative Instruments	Other
Past due 1-30 days	7,359	-	-	-	-
Past due 1-3 months	660	-	-	-	-
Past due 3-12 months	2,410	-	-	-	-
Past due 1-5 years	2,139	-	-	-	-
More than 5 years	86	-	-	-	-

(*) Deposits on banks include restricted bank balance amounting to TL 135,158.

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	Alacaklar						
	Trade Receivables		Other Receivables				
31 December 2007	Related Party	Other Party	Related Party	Other Party	Deposits on Banks (*)	Derivative Instruments	Other
Exposure to maximum credit risk as at reporting date (A+B+C+D+E)	29,742	234,375	6,947	15,772	165,539	91	-
-Portion of maximum risk covered any guarantee	-	-	-	-	-	-	-
A. Net carrying value of financial assets which are not impaired or overdue (2)	29,742	223,112	6,947	15,772	165,539	91	-
B.. Net carrying value of financial assets that are restructured, otherwise which will be regarded as overdue or impaired (3)	-	940	-	-	-	-	-
C. Net carrying value of financial assets which are overdue but not impaired (6)	-	10,323	-	-	-	-	-
-The portion covered by any guarantee	-	-	-	-	-	-	-
D. Net carrying value of impaired assets (4)	-	-	-	-	-	-	-
-Past due (gross book value)	-	1,554	-	-	-	-	-
-Impairment (-)	-	(1,554)	-	-	-	-	-
-Not past due (gross book value)	-	940	-	-	-	-	-
-Impairment (-)	-	(940)	-	-	-	-	-
E. Off balance sheet items with credit risks	-	-	-	-	-	-	-

	Receivables				
31 December 2007	Trade Receivables	Other Receivables	Deposits on Banks	Derivative Instruments	Other
Past due 1-30 days	4,261	-	-	-	-
Past due 1-3 months	333	-	-	-	-
Past due 3-12 months	1,009	-	-	-	-
Past due 1-5 years	6,274	-	-	-	-
More than 5 years	-	-	-	-	-

(*) Deposits on banks include restricted bank balance amounting to TL 87,895.

Impairment

Movements in the allowance for doubtful receivables for the years ended 31 December was as follows:

	2009	2008	2007
Balance at the beginning of the period	(1,873)	(2,494)	(3,044)
Amount recovered during the period	50	1,220	85
Written-off	105	226	1,334
Allowance for the period	(172)	(412)	(663)
Effect of foreign exchange rates	(1)	(405)	(11)
Effect of change in group structure	-	-	(195)
Effect of change in ownership	(175)	(8)	-
Balance at the end of the period	(2,066)	(1,873)	(2,494)

Liquidity risk

The following tables provide an analysis of monetary liabilities of the Group into relevant maturity groupings based on the remaining periods to repayment as of 31 December 2009:

		31 December 2009					
	Note	Carrying Amount	Expected Cash flows	3 months or less	3-12 months	1-5 years	More than 5 years
Financial liabilities							
Loans and borrowings	8	2,234,771	(2,868,074)	(143,888)	(184,761)	(1,261,101)	(1,278,325)
Trade payables	10	164,993	(165,168)	(140,937)	(13,738)	(10,493)	-
Due to related parties	10-11-37	54,515	(55,360)	(21,902)	(26,762)	(6,696)	-
Other payables (*)	11	55,434	(55,432)	(54,350)	(288)	(794)	-
Other short term liabilities(*)	26	30,600	(30,600)	(30,600)	-	-	-
Interest rate swaps used for hedging		85,784	(104,126)	(9,491)	(20,549)	(59,698)	(14,387)
Cross currency swaps							
Outflow		-	(179,136)	(11,423)	(9,245)	(81,300)	(77,168)
Inflow		(3,606)	183,498	11,524	9,588	84,003	78,383
Total		2,622,491	(3,274,398)	(401,067)	(245,755)	(1,336,079)	(1,291,497)

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The following tables provide an analysis of monetary liabilities of the Group into relevant maturity groupings based on the remaining periods to repayment as of 31 December 2008:

		31 December 2008					
	Note	Carrying Amount	Expected Cash Flows	3 months or less	3-12 months	1-5 yearsl	More than 5 years
Financial liabilities							
Loans and borrowings	8	1,955,805	(2,442,922)	(467,549)	(231,112)	(169,580)	(1,574,681)
Trade payables	10	129,392	(130,213)	(97,435)	(32,740)	(38)	-
Due to related parties	10-11-37	62,962	(63,659)	(21,829)	(9,653)	(30,396)	(1,780)
Other payables (*)	11	22,881	(22,881)	(22,314)	-	(567)	-
Other short term liabilities (*)	26	30,130	(30,130)	(30,130)	-	-	-
Interest rate swaps used for hedging		117,410	(134,580)	(9,251)	(13,326)	(72,123)	(39,879)
Cross currency swaps							
Outflow		-	(162,482)	(7,008)	(8,069)	(66,990)	(80,415)
Inflow		(14,977)	189,164	8,056	9,135	78,070	93,902
Total		2,303,603	(2,797,703)	(647,460)	(285,765)	(261,624)	(1,602,853)

The following tables provide an analysis of monetary liabilities of the Group into relevant maturity groupings based on the remaining periods to repayment as of 31 December 2007:

		31 December 2007					
	Note	Carrying Amount	Expected Cash Flows	3 months or less	3-12 months	1-5 yearsl	More than 5 years
Financial liabilities							
Loans and borrowings	8	1,333,773	(1,786,568)	(289,463)	(119,144)	(216,150)	(1,161,811)
Trade payables	10	72,049	(72,173)	(62,477)	(8,553)	(1,143)	-
Due to related parties	10-11-37	55,822	(58,036)	(7,460)	(30,975)	(19,601)	-
Other payables (*)	11	22,650	(22,650)	(21,660)	-	(990)	-
Other short term liabilities (*)	26	6,889	(6,889)	(6,889)	-	-	-
Interest rate swaps used for hedging							
Outflow		15,170	(29,773)	(904)	(3,530)	(19,949)	(5,390)
Inflow		(851)	3,432	1,410	483	684	854
Cross currency swaps							
Outflow		5,645	(52,427)	-	(10,576)	(9,666)	(32,185)
Inflow		-	45,559	-	9,190	8,400	27,969
Total		1,511,147	(1,979,525)	(387,443)	(163,105)	(258,415)	(1,170,563)

(*) Non-financial instruments such as deposits on guarantees, advances received and deferred income are excluded from other payables and other short term liabilities.

Currency risk

Exposure to currency risk

As at 31 December 2009, the Group's exposure to foreign currency risk resulted from foreign currency assets and liabilities listed below:

	31 December 2009			
	TL Equivalent	USD	Euro	Other (*)
1. Trade receivables	84,325	3,555	10,249	56,832
2a. Monetary Financial Assets (including Cash and Cash at Banks)	245,445	121,434	19,148	21,236
2b. Non-monetary Financial Assets	10,322	21	3,571	2,574
3. Other	22,768	226	2,431	17,176
4. Current Assets (1+2+3)	362,860	125,236	35,399	97,818
5. Trade receivables	2,856	1,897	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-monetary Financial Assets	9,509	7	4,225	370
7. Other	82	-	-	82
8. Non-current Assets (5+6+7)	12,447	1,904	4,225	452
9. Total Assets (4+8)	375,307	127,140	39,624	98,270
10. Trade Payables	94,908	3,773	17,987	50,370
11. Financial Liabilities	161,418	73,798	23,284	-
12a. Other Monetary Liabilities	13,354	1,805	2,471	5,298
12b. Other Non-monetary Liabilities	1,354	88	94	1,017
13. Short Term Liabilities (10+11+12)	271,034	79,464	43,836	56,685
14. Trade Payables	4,510	44	2,057	-
15.Financial Liabilities	749,995	309,151	131,697	-
16a. Other Monetary Liabilities	1,099	409	83	305
16b. Other Non-monetary Liabilities	6,076	-	2,781	69
17. Long Term Liabilities (14+15+16)	761,680	309,604	136,618	374
18. Total Liabilities (13+17)	1,032,714	389,068	180,454	57,059
19. Net Asset/(Liabilities) Position of Off Balance sheet Derivatives (19a-19b)	-	-	-	-
19a. Total Assets Hedged	-	-	-	-
19b. Total Liabilities Hedged	-	-	-	-
20. Net Foreign Currency Assets/(Liabilities) Position (9-18+19)	(657,407)	(261,928)	(140,830)	41,211
21. Net Foreign Currency Asset/(Liability) Position Of Monetary Items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(692,658)	(262,094)	(148,182)	22,095
22.Total fair Value of Financial Instruments Used For Currency Hedge	-	-	-	-
23. Export	-	-	-	-
24. Import	-	-	-	-

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As at 31 December 2008, the Group's exposure to foreign currency risk resulted from foreign currency assets and liabilities listed below:

	31 December 2008			
	TL Equivalents	USD	Euro	Other (*)
1. Trade receivables	49,881	16,307	10,094	3,611
2a. Monetary Financial Assets (including Cash and Cash at Banks)	112,692	57,560	8,156	8,182
2b. Non-monetary Financial Assets	13,083	25	-	13,045
3. Other	11,664	-	-	11,664
4. Current Assets (1+2+3)	187,320	73,892	18,250	36,502
5. Trade receivables	6,216	3,646	328	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-monetary Financial Assets	1,534	912	-	155
7. Other	4,270	-	1,994	-
8. Non-current Assets (5+6+7)	12,020	4,558	2,322	155
9. Total Assets (4+8)	199,340	78,450	20,572	36,657
10. Trade Payables	26,329	1,664	4,209	14,802
11. Financial Liabilities	444,073	243,906	35,134	-
12a. Other Monetary Liabilities	26,934	11,601	1,826	5,483
12b. Other Non-monetary Liabilities	(1,070)	71	-	(1,178)
13. Short Term Liabilities (10+11+12)	496,266	257,242	41,169	19,107
14. Trade Payables	7,401	3,897	407	637
15. Financial Liabilities	347,142	165,322	45,369	-
16a. Other Monetary Liabilities	33,350	7,940	9,969	-
16b. Other Non-monetary Liabilities	5	-	-	5
17. Long Term Liabilities (14+15+16)	387,898	177,159	55,745	642
18. Total Liabilities (13+17)	884,164	434,401	96,914	19,749
19. Net Asset/(Liabilities) Position of Off Balance sheet Derivatives (19a-19b)	-	-	-	-
19a. Total Assets Hedged	-	-	-	-
19b. Total Liabilities Hedged	-	-	-	-
20. Net Foreign Currency Assets/(Liabilities) Position (9-18+19)	(684,824)	(355,951)	(76,342)	16,908
21. Net Foreign Currency Asset/(Liability) Position Of Monetary Items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(716,440)	(356,817)	(78,336)	(9,129)
22. Total fair Value of Financial Instruments Used For Currency Hedge	-	-	-	-
23. Export	-	-	-	-
24. İmport	292	193	-	-

As at 31 December 2007, the Group's exposure to foreign currency risk resulted from foreign currency assets and liabilities listed below:

	31 December 2007			
	TL Equivalents	USD	Euro	Other (*)
1. Trade receivables	35,139	15,075	9,897	654
2a.. Monetary Financial Assets (including Cash and Cash at Banks)	108,051	77,977	2,330	13,245
2b. Non-monetary Financial Assets	-	-	-	-
3. Other	25	-	-	25
4. Current Assets (1+2+3)	143,215	93,052	12,227	13,924
5. Trade receivables	66,801	57,102	172	-
6a. Monetary Financial Assets	2	2	-	-
6b. Non-monetary Financial Assets	6,799	5,837	-	-
7. Other	27,859	-	14,131	3,693
8. Non-current Assets (5+6+7)	101,461	62,941	14,303	3,693
9. Total Assets (4+8)	244,676	155,993	26,530	17,617
10. Trade Payables	120,943	84,698	7,341	9,741
11. Financial Liabilities	326,074	231,205	31,736	2,516
12a. Other Monetary Liabilities	7,986	6,471	3	445
12b. Other Non-monetary Liabilities	5,954	39	-	5,908
13. Short Term Liabilities (10+11+12)	460,957	322,413	39,080	18,610
14. Trade Payables	826	91	163	440
15. Financial Liabilities	278,179	216,782	15,024	-
16a. Other Monetary Liabilities	2,341	1,934	-	89
16b. Other Non-monetary Liabilities	-	-	-	-
17. Long Term Liabilities (14+15+16)	281,346	218,807	15,187	529
18. Total Liabilities (13+17)	742,303	541,220	54,267	19,139
19. Net Asset/(Liabilities) Position of Off Balance sheet Derivatives (19a-19b)	-	-	-	-
19a. Total Assets Hedged	-	-	-	-
19b. Total Liabilities Hedged	-	-	-	-
20. Net Foreign Currency Assets/(Liabilities) Position (9-18+19)	(497,627)	(385,227)	(27,737)	(1,522)
21. Net Foreign Currency Asset/(Liability) Position Of Monetary Items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(526,356)	(391,025)	(41,868)	668
22. Total fair Value of Financial Instruments Used For Currency Hedge	-	-	-	-
23. Export	-	-	-	-
24. Import	3,041	2,611	-	-

(*) Other foreign currency assets and liabilities are expressed in their TL equivalents.

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Sensitivity analysis

The Group's principal currency rate risk relates to changes in the value of the TL relative to the Euro and the USD.

The basis for the sensitivity analysis to measure foreign exchange risk is an aggregate corporate-level currency exposure. The aggregate foreign exchange exposure is composed of all assets and liabilities denominated in foreign currencies, both short-term and long-term purchase contracts. The analysis excludes net foreign currency investments.

Group has realized medium and long term borrowings with the same currency of project revenues. Short term borrowings are realized as balanced portfolio with TL, Euro and USD.

Currency Sensitivity Analysis

31 December 2009

	Profit/Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Assumption of devaluation/appreciation by 10% of USD against TL				
1-Net USD asset/liability	(39,463)	39,463	14,684	(17,935)
2-USD risk averse portion (-)	-	-	-	-
3-Net USD Effect (1+2)	(39,463)	39,463	14,684	(17,935)
Assumption of devaluation/appreciation by 10% of Euro against TL				
4-Net Euro asset/liability	(32,012)	32,012	-	-
5-Euro risk averse portion (-)	-	-	-	-
6-Net Euro Effect (4+5)	(32,012)	32,012	-	-
Assumption of devaluation/appreciation by 10% of other currencies against TL				
7-Other currency net asset/liability	2,210	(2,210)	-	-
8-Other currency risk averse portion (-)	-	-	-	-
9-Net other currency effect (7+8)	2,210	(2,210)	-	-
TOTAL (3+6+9)	(69,265)	69,265	14,684	(17,935)

Currency Sensitivity Analysis				
31 December 2008				
	Profit/Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Assumption of devaluation/appreciation by 10% of USD against TL				
1-Net USD asset/liability	(53,961)	53,961	15,467	(15,467)
2-USD risk averse portion (-)	-	-	-	-
3-Net USD Effect (1+2)	(53,961)	53,961	15,467	(15,467)
Assumption of devaluation/appreciation by 10% of Euro against TL				
4-Net Euro asset/liability	(16,770)	16,770	-	-
5-Euro risk averse portion (-)	-	-	-	-
6-Net Euro Effect (4+5)	(16,770)	16,770	-	-
Assumption of devaluation/appreciation by 10% of other currencies against TL				
7-Other currency net asset/liability	(913)	913	-	-
8-Other currency risk averse portion (-)	-	-	-	-
9-Net other currency effect (7+8)	(913)	913	-	-
TOTAL (3+6+9)	(71,644)	71,644	15,467	(15,467)

Currency Sensitivity Analysis				
31 December 2007				
	Profit/Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Assumption of devaluation/appreciation by 10% of USD against TL				
1-Net USD asset/liability	(45,543)	45,543	-	-
2-USD risk averse portion (-)	-	-	-	-
3-Net USD Effect (1+2)	(45,543)	45,543	-	-
Assumption of devaluation/appreciation by 10% of Euro against TL				
4-Net Euro asset/liability	(7,160)	7,160	-	-
5-Euro risk averse portion (-)	-	-	-	-
6-Net Euro Effect (4+5)	(7,160)	7,160	-	-
Assumption of devaluation/appreciation by 10% of other currencies against TL				
7-Other currency net asset/liability	67	(67)	-	-
8-Other currency risk averse portion (-)	-	-	-	-
9-Net other currency effect (7+8)	67	(67)	-	-
TOTAL (3+6+9)	(52,636)	52,636	-	-

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Interest rate risk

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	2009	2008	2007
Fixed rate instruments			
Financial assets	320,320	220,238	135,972
Financial liabilities	886,201	995,424	529,831
Variable rate instruments			
Financial assets	7,508	5,543	851
Financial liabilities	1,432,121	1,076,765	823,185

Fair value sensitivity analysis for fixed rate instruments:

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect equity.

Cash flow sensitivity analysis for variable rate instruments:

As of 31 December 2009, 2008 and 2007, a one basis point increase in interest rates consolidated comprehensive income will be affected in the following. All variables are assumed constant including foreign exchange rates during analysis. A one basis points increase in Euribor or Libor would have resulted an increase in hedging reserve in equity approximately by TL 12,119 (31 December 2008: TL 9,782) and a one basis points decrease in Euribor or Libor would have resulted an decrease in hedging reserve in equity approximately by TL 10,657 (31 December 2008: TL 9,782).

Interest rate profile

		31 December 2009	31 December 2008	31 December 2007
Fixed Rate Financial Instruments				
Financial Assets	Assets recognized at fair value through profit or loss	-	-	-
	Financial asset held for sale	-	-	-
Financial Liabilities	-	-	-	
Variable Rate Financial Instruments		-	-	-
Financial Assets		-	-	-
Financial Liabilities		(7,776)	(4,940)	(3,091)

Fair values

Fair value and carrying amounts of assets and liabilities are shown in the table below;

		2009		2008		2007	
	Note	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets							
Cash and cash equivalents	6	285,866	285,866	107,958	107,958	80,114	80,114
Financial investments	7	3,706	3,706	14,977	14,977	91	91
Trade receivables (short term)	10	258,927	260,645	230,514	230,514	156,657	156,657
Due from related parties (trade)	10-37	27,555	27,555	22,021	22,021	29,742	29,742
Due from related parties (non-trade)	11-37	7,173	7,173	36,779	36,779	6,947	6,947
Other receivables (*)	11	183,805	183,805	139,978	139,978	103,667	103,667
Other current assets (*)	26	190,866	190,866	251,715	251,715	142,026	142,026
Trade receivables (long term)	10	99,407	126,049	102,511	102,511	77,718	77,718
Financial liabilities							
Loans and borrowings	8	(2,234,771)	(2,234,771)	(1,955,804)	(1,955,804)	(1,333,773)	(1,333,773)
Other financial liabilities (**)	9	(85,784)	(85,784)	(117,410)	(117,410)	(19,963)	(19,963)
Due to related parties (trade)	37	(30,539)	(30,539)	(16,283)	(16,283)	(22,763)	(22,763)
Due to related parties (non-trade)	37	(23,976)	(23,976)	(46,680)	(46,680)	(33,059)	(33,059)
Trade payables	9	(164,993)	(164,993)	(129,392)	(129,392)	(72,049)	(72,049)
Other short term payables (**)	11	(152,801)	(152,801)	(95,999)	(95,999)	(66,686)	(66,686)
Other short term liabilities (**)	26	(33,820)	(33,820)	(33,225)	(33,225)	(10,312)	(10,312)
Net		(1,669,379)	(1,641,019)	(1,488,340)	(1,488,340)	(961,643)	(961,643)
Unrealized gain			(28,360)		-		-

(*) Non-financial instruments such as advances given, prepaid expenses are excluded from other receivables and current assets.
(**) Non-financial instruments such as deferred revenue and advances received are excluded from short term payables and other short term liabilities.

Financial Instruments

Fair value disclosures:

The company has determined the estimated fair values of the financial instruments by using current market information and appropriate valuation methods.

Since the book values of the foreign exchange denominated monetary items of TAV Havalimanları are approximate to their fair values, these monetary items are translated to EUR by using the foreign exchange rates as at year end. Since the financial assets and liabilities are short term in nature, it is accepted that their fair values approximate to their carrying amounts.

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Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: inputs other than quoted prices included within Level 1 that is observable for the asset or liability, either directly (i.e, as prices) or indirectly (i.e, derived from prices)
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 December 2009	Level 1	Level 2	Level 3
Derivatives	-	82,178	-
	-	82,178	-

31 December 2008	Level 1	Level 2	Level 3
Derivatives	-	102,433	-
	-	102,433	-

31 December 2007	Level 1	Level 2	Level 3
Derivatives	-	19,963	-
	-	19,963	-

39 SUBSEQUENT EVENTS

Akfen Holding and Its Subsidiaries:

According to ISE Board of Directors' meeting held on 18 February 2010, in accordance with 27. Article of ISE Listing Regulation and related regulations, after results of the Company's initial public offering reached to ISE, the Company's issued bonds is accepted for trading on the level off market of ISE Bond and Bill Market and in accordance with 4 th Article of Capital Market's Law nominal value of bonds amounting to TL 100,000 has been recorded by Capital Market's Board with 2/T 134 number in 19 February 2010. In 9 March 2010 TL 100.000 is transferred to the Company's account.

As at 31 December 2009, Akfen holding's unpaid portion of capital amounting to TL 4.845 was paid in cash by the shareholders at 10 March 2010.

According to the Board of Directors dated 10 March 2010, Akfen Holding has decided the followings:

- to sell its shares of Akfen Altyapı Danışmanlık to Hamdi Akın amounting to TL 22 and one share of Akfen Altyapı Danışmanlık which belong to Akfen İnşaat to Selim Akın amounting to TL 0.25 and one share of Akfen Altyapı Danışmanlık which belongs to Akfen Enerji to Pelin Akın amounting to TL 0.25.
- to sell its shares of Akınısı to Akfen Altyapı Danışmanlık amounting to TL 12.800.
- to sell its shares of Akfen Turizm to Akfen Altyapı Danışmanlık amounting to TL 2.350 and the shares of Akfen Turizm which belong to Akfen İnşaat to Akfen Altyapı Danışmanlık amounting to TL 15,350 and one share of Akınısı to Selim Akın.
- to sell its shares of Akfen GYT to Akfen Altyapı Danışmanlık amounting to TL 4.484 and shares of Akfen İnşaat in Akfen GYT which have nominal value amounting to TL 0.25 to Selim Akın.

According to the Board of Directors decision dated 10 March 2010, Akfen Holding has decided to increase the company's paid-in capital from TL 104.514 to TL 133.000 with cash injection amounting to TL 28.486 corresponding 28.486.110 shares through the public offering with premium by restricting the current shareholders' rights to purchase new shares under the related notification and rules of the Capital Market Board.

The Group sold its 9.973.215 shares of Akfen Turizm to Akfen Altyapı Danışmanlık A.Ş total amounting to 15.350 TL at 18 March 2010. Akfen İnşaat sold its 3.900 shares of TAR to Akfen Altyapı Danışmanlık amounting to TL 1,912 within the decision taken at the meeting of board of directors held on 11 March 2010.

The Group sold its 60.749 B group shares of Artı Döviz to Akfen Altyapı Danışmanlık A.Ş amounting to 2.969 TL at 5 April 2010.

The Group sold its 3.000 B group shares of Artı Döviz to Akfen Altyapı Danışmanlık A.Ş. total amounting to 147 TL at 5 April 2010.

It has been resolved that A Group 76.596 shares of IBS that operating in Akfen Holding to be divided in accordance with the "Communiqué Related to Procedures and Principles of Partial Division of the Joint-stock and Limited Corporations" which was issued by the release of article no: 224 of Turkish Commercial Code No: 6762 and article no:33 of Law No:3143 and article no: 19 of Corporate Tax Law No: 5520 and sued in Ankara Commercial Court Of First Instance at 11 March 2010 and registered at 6 April 2010.

The Group purchased 20% shares, belonging to Hamdi Akın, of Akfen Enerji Yatırımları Holding A.Ş. amounting to 36 million Euro at 6 April 2010.

According to extraordinary Board of director minute at 22 March 2010, The Group decided to increase the capital of Akfen GYO which is the subsidiaries of The Group from TL 72,147 to TL 100,000. The Board of director minutes was registered at 31 March 2010 and published in trade registry gazette with decision number 7537 at 6 April 2010. The issue stocks as a result of capital increases are registered to Board in accordance with Board of director minutes at 6 April 2010. THO B.V., the partner of Akfen GYO, didn't participate in capital increases and use preferential right. As a result of the capital increases, the partnership rate of The Group in Akfen GYO increase from 29,87% to 42,4%.

Akfen Hidroelektrik Santrali Yatırımları A.Ş.and Pak Enerji Üretimi Sanayi Ve Ticaret Anonim Şirketi which are the subisidiaries of The Group signed loan agreement amounting to 28,4 million Euro which is consortium between Denizbank A.Ş., Türkiye Sınai Kalkınma Bankası A.Ş., Yapı ve Kredi Bankası A.Ş., T. İş Bankası A.Ş. at 19 April 2010. The sponsor of the Loan is Akfen Holding and the guarantor of the Loan is Akfen İnşaat Turizm ve Ticaret A.Ş. which is subsidiaries of The Akfen Holding.

On 19 April 2010 Akfen Holding signed a memorandum of understanding ("Agreement") with Eczacıbaşı Holding A.Ş and under this agreement, contractors would like to prepare proposal jointly and submitted to the the new tender opened by the Prime Ministry Privatization Administration Directorates-PA and/or its affiliate; TDI, related to project " Istanbul Salıpazarı-The Construction and Operation of Karaköy Cruise Port Tourism Trade Complex " also known as Galataport. In case of acceptance of such proposal, the contractors would like to conclude a contract with the administration and perform activities.

Akfen Insaat has sold its real estates amounting to TL 13,751. Net book value of these assets is amounting to TL 29,550.

Akfen Holding and Akfen İnşaat are planning to sell its real estate to Hamdi Akın, Selim Akın, Pelin Akın and Akfen GYT amounting to TL 20,432. Net book value and market value of these real estates is TL 21,128.

As at reporting date, negotiations on selling shares of Akfen HES I and HES II was continuing.

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Jointly Controlled Entities

TAV Havalimanları

The concession contract signed between TAV Macedonia DOOEL Skopje (renamed as "TAV Macedonia DOOEL, Petrovec") and the Macedonian Ministry of Transportation on 24 September 2008 for the Alexander the Great Airport in Skopje and the St. Apostle Paul Airport in Ohrid, as well as the construction of the new cargo airport in Shtip, and the operation thereof for 20 years, was effective on 1 March 2010.

TAV Holding has received preliminary qualification to place a bid for the Male Airport tender in the capital town of Male by the Maldives Republican Government on 25 January 2010.

TAV Airports Food and Beverage Inc. (BTA) is notified of the tax review reports and the tax/penalty notices issued pursuant to the assessment of the Auditors of the Ministry of Finance for the accounts of October 2007-December 2007 of the BTA. Since reconciliation shall be demanded by BTA, the Company and the Ministry of Finance were not able to reach an agreement upon a reconciliation requested for the corporate and value added tax notified in the penalty report. BTA has decided to file a lawsuit disputing the abovementioned tax and penalty.

In order to establish a New Company ("the New Company") as per the laws of the Republic of Turkey that TAV Holding has received approval of T.C. Ministry of Transport and Communication Directorate General of Civil Aviation on 25 January 2010. TAV Airports Holding Co. possesses a 65% share, HSBC Investment Bank Holdings Plc a 28.3333% share and İş Private Equity Investment Trust Inc. has a 6.6667% share in Havaş Airports Ground Handling Investment Trust Co., which has been established with TL 228,000 in principal capital and is registered at the Istanbul Trade Registry.

The agreement regarding the sale of 85% of shares of TAV Tunisie SA, a company wholly owned by TAV Holding, to Pan African Infrastructure Development Fund, the total sales price by Euro 39,690 thousand is signed by the parties on 4 March 2010.

Havaş Havalimanları Yer Hizmetleri Yatırım Holding AŞ has taken the decision for borrowing loan with the consortium of Is Bankası and other financial institutions amounting to Euro 60,000,000 with the guarantor of TAV Havalimanları in 15 March 2010.

TAV Havalimanları has decided to sell and transfer its 29.249.996 A group shares and 15.744.670 B group shares of Havalimanları Yer Hizmetleri AŞ to Havaş Havalimanları Yer Hizmetleri Yatırım Holding AŞ in 17 March 2010.

TAV Macedonia Dooel, Petrovec has taken the decision for borrowing bridge loan from Standard Bank Plc and Türkiye Halk Bankası amounting to Euro 20,000,000 with the guarantor of TAV Havalimanları in 19 March 2010.

The agreement which Havaş, 65% of Havaş belongs to TAV Holding, buys 50% of North Hub Services providing ground handling services in Letonya Riga International Airport and aiming to grow in North European countries amounting to 3,250,000 Euro is signed at 12 April 2010. Constitutional court has decided cancellation of time limitation for utilization of deferred investment allowance exception in 15 October 2009 dated meeting and this decision published in official gazette numbered 24756 in 8 January 2010.

TAV Yatırım

TAV Tepe Akfen Yatırım İnşaat ve İşletme A.Ş. established a branch in Abu Dhabi as TAV Tepe Akfen Yatırım İnşaat ve İşletme A.Ş.-Abu Dhabi at 14 march 2010 and in Makedonia as TAV Tepe Akfen Yatırım İnşaat ve İşletme A.Ş.-Makedonia at 25 March 2010.

The engineering, supply, construction contract related to tirejeneration of EL ZinevEl Ağabeydine Ben Ali Airport between TAV G Otopark Yapım ve İşletme A.Ş. and TAV Tunus SA is signed 21 April 2010.

40 OTHER MATTERS THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR MAKE THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE

None.

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WWW.FINARKURUMSAL.COM • TEL +90 212 269 37 20

AKFEN HOLDİNG A.Ş.

Headquarters
Koza Sok., No: 22,
Gaziosmanpaşa 06700 Ankara
Phone: + 90 (312) 441 42 11
Fax: + 90 (312) 441 07 82

Istanbul Office
Levent Loft, Büyükdere Cad., No: 201, Kat: 11,
Levent 34394 Istanbul
Phone: + 90 (212) 319 87 00
Fax: + 90 (212) 227 23 91

akfen.com.tr
akfen@akfen.com.tr